

REAL ESTATE APPRAISAL
Complete Appraisal; Summary Report

61 Durant Terrace, AKA ST. Sebastian Catholic School
Middletown, Middlesex County, CT

As Of

November 23, 2010

Owner of Record:

ST. Sebastian Church Corporation
Volume 803, Page 348

Prepared For:

City of Middletown
Attn: William Warner
Planning and Zoning Dept.
245 DeKoven Drive
Middletown, Connecticut 06457

Appraised By:

JOHN LO MONTE REAL ESTATE APPRAISERS & CONSULTANTS
P.O. Box 290-0563, Wethersfield, Connecticut 06129-0563 ♦ (860) 635-7500; Fax (860) 635-3339

John Lo Monte

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November 26, 2010

Mr. William Warner
City of Middletown
Planning and Zoning Dept.
245 DeKoven Drive
Middletown, Connecticut 06457

RE: 61 Durant Terrace, AKA ST. Sebastian Catholic School, Middletown, CT

Dear Mr. Warner:

At your request we examined the premises on Tuesday November 23, 2010, with the purpose to determine the market value (as is) of the subject commercial-school site located on the westerly side of Durant Terrace in the south-central quadrant of the city of Middletown, Connecticut.

The purpose of this report is to evaluate the subject property based on the "as is" value found at the time of inspection of November 23, 2010. This report is to give you a written evaluation of the subject property to assist you and the City of Middletown in asset valuation for portfolio management purposes.

This is a complete appraisal, summary report intended to comply with the reporting requirements set forth in Standards Rule 2.2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). As such it presents only summary discussion of the data, reasoning and analyses used in the appraisal process to develop the appraiser's opinion of value. To develop the opinion of value contained herein, the appraiser executed a complete appraisal process, as defined by USPAP. This means that no departures from Standard 1 were involved.

Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and to the intended use stated above. The appraiser is not responsible for unauthorized use of this report.

It should be noted that we have conducted an exterior as well as interior inspection of the property; however, no information as to operating expenses, if any, for the subject property have been provided to our office by the current property owner/operator. Finally, this office has appraised the subject property also on May 27, 2009.



RE: 61 Durant Terrace, AKA ST. Sebastian Catholic School, Middletown, CT

Introduction:

The property that is the subject of this report consist of a single parcel identified with the street address of 61 Durant Terrace, FKA ST. Sebastian (Catholic) School, comprised in the quadrant between Durant Street, Lake Street, Birdsey Avenue and Durant Terrace. The property is improved with an older (1875 circa) 2-story masonry brick exterior building formerly utilized as a (catholic) school commonly known as ST. Sebastian School. Currently the property is 100 percent vacant since the school closed down after the 2009 school year was completed.

The property consists of a parcel of approximately 44,518 square feet, or 1.02± acre with a street frontage of approximately 404 feet along the westerly side of Durant Terrace, improved with a masonry 2-story school brick exterior building comprising gross usable building area of approximately 12,996 square feet, in total, including approximately 6,435 square feet of finished lower level space.

In addition, there is a one-story (newer) detached frame class room structure with vinyl siding exterior comprising 1,960 sq ft (35' x 56').

As noted, as of the appraisal date the property was 100 vacant and in average overall condition with no apparent major items of deferred (exterior/interior) maintenance. It should be noted that the property is identified in the Middletown Assessor's Office as Map 26, Block 29-6A, Lot 1. Finally, the subject property is marketed for sale by the Trevor Davis Commercial Real Estate on behalf of the ownership, or St. Sebastian Church Corporation.

ST. Sebastian School Gross Building Breakdown
Lower Level: 6,435 sq ft (117' x 55')
Upper Floor Level: 6,561 sq ft
Detached 1-story Annex modular building Classroom: 1,960 sq ft
Total: 14,956 sq ft gross
Building Area Subdivided into various classrooms, office, kitchenette/lounge area, nurseroom, common area(s), and mechanical room

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RE: 61 Durant Terrace, AKA ST. Sebastian Catholic School, Middletown, CT

Introduction, continued

61 DURANT TERRACE, MIDDLETOWN AKA ST. SEBASTIAN SCHOOL
GENERAL DATA
Assessor;s Reference: Map 26, Block 29-6A; Lot 1
Assessment Value: \$1,371,610; Assessed Value: \$960,130
Mill Rate (10-1-09): 29.89 mills; Taxes: N/A; tax exempt entity
Site Size: 1.02± acres (44,518± sq ft)
Parking Spots: Twenty (20) along the south side
Condition: Average, overall based on an exterior and interior inspection
Highest and Best (Future) Use: Any private and/or public outlet and/or flex-use which is market supported and economic feasible. To this extent, it's our understanding that the City of Middletown is proposing converting the building into a combination of Senior Center for the lower level and Municipal Offices for the Upper Floor. However, for our purpose and as requested, the subject property is appraised "As Is"

ENVIRONMENTAL DISCLAIMER

Unless otherwise stated in this report the existence of hazardous material which may or may not be present on the property was not observed by the appraiser. The appraiser has no knowledge of any such contaminants on the property. However, it should be noted here the site is improved with a newer (2007, reported), 1,000 gallon fuel oil underground storage tank replaced on June 28, 2007, in lieu of an older 2,000 gallon underground fuel oil storage tank that was removed. In any event, the appraiser is not qualified to detect such substances as they may or may not exist presently.

A side of the underground fuel oil tank, there are probably not substances such as asbestos, lead paint, urea formaldehyde, and/or foam insulation which would effect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause such a loss in value.

There is no responsibility assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. If there is such concern a phase 1 property evaluation should be done.

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RE: 61 Durant Terrace, AKA ST. Sebastian Catholic School, Middletown, CT

It is our opinion that the Cost Approach tempered with the Market Sales Approach are the best determining factors in weighing an opinion of value of the subject property. This type of commercial special use property, comprised in a one and two-story frame and masonry with vinyl siding and brick exterior, respectively, commercial special-use structure, would typically appeal to a buyer who would be investing for his/her own use and not on the rental income that the property is capable to generate, or perceived to be capable generating based on current market conditions.

Of all three approaches the Income Approach has least relevance since the subject building is suitable "as is" for use only as a school and there is, at best, very limited data as to comparable rental income properties. In addition, the property is 100 percent vacant, however, the Cost Approach and the Market Sales Approach Aka Direct Sales Comparison approach, have relevance due to the adequate comparable sales as well as commercial land sales available and the evaluation of the depreciated value of the older but rehabbed and adequately maintained commercial special-use, i.e. former school building facility.

The following is a description and narrative analysis using sales in Middletown, and/or in the region and/or in the state within similar neighborhoods and/or similar use sales, the methodology used in our opinion of value of the subject property as of the inspection based on the 100% interest given to the fee simple estate.

The subject is located in an older and in the same time fairly newer mix-use neighborhood, in the central-south quadrant of Middletown, and in average overall condition. As of the date of appraisal, the premises were vacant, formerly, or until June 2009 occupied and utilized as (catholic) school facility, commonly known as ST. Sebastian School.

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Therefore, as a result of my inspection and based on my knowledge and experience as to real property value, it is my opinion that the most probable market value, (as is) of the subject property, in total, as of November 23, 2010 was:

\$1,000,000
(ONE MILLION DOLLARS)

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John Lo Monte', written in a cursive style.

John Lo Monte, CCRA, GAA, CCIM
Certified Commercial Appraiser
CT Certificate No RCG377
Expiration Date: 4/30/2011

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Appraised	61 Durant Terrace, FKA ST. Sebastian School, Middletown, Middlesex County, CT
Property Type	<p>One and two-story newer and older but rehabbed as well as adequately maintained commercial special-use structure formerly utilized as catholic school facility with a total of approximately 14,956 square feet usable gross building area, in total, including 6,435 sq ft of finished lower level (basement) space. Currently the building is 100 percent vacant and is offered for sale.</p> <p>The structures is built on a full and 100 percent finished basement. The corner parcel, in total, consists of 44,518± square feet, or 1.02± acre with a contiguous street frontage of 404 feet, more or less, along the westerly side of Durant Terrace, approximately 145 feet street frontage along the northerly side of Durant Street and roughly 75 feet along the southerly side of Lake Street. Details as to units mix, size, layout and finish-condition are included in the improvements description section of the report.</p>
Ownership	ST. Sebastian Church Corporation Volume 803, Page 348
Assessor's Reference:	Map 26, Block 29-6A, Lot 1
Interest Appraised	100% of the entire fee simple
Aggregate Land Site	44,518 sq ft (1.02± acres)
Land to Building Ratio	5.3 to 1
Assessment Value	\$1,371,610 (100% FMV)
Assessed Value	\$960,130 (70% FMV)
Taxes	None; tax exempt

SUMMARY OF SALIENT FACTS AND CONCLUSIONS, continued

Zoning	RPZ; Residential Pre-Zoning District
Date Of Inspections	November 23, 2010
Date Of Valuation	November 23, 2010
Highest & Best "Interim Use"	As improved; special use commercial facility highly suitable for use as a school.
Highest & Best "Future Use"	Conversion of the existing structure for use as rental senior multi-family property and/or as office and/or as per market demand and as per current zoning regulations and neighborhood composition.
Property Description	<p>One and two-story commercial, older (1875 circa) and newer (1999), but adequately rehabbed and maintained, frame and masonry with vinyl siding and brick exterior, respectively outlet formerly utilized as (catholic) school facility commonly known as St. Sebastian School. The property is currently 100 percent vacant, but has been updated and adequately maintained and rehabbed in various stages, and to varying degrees.</p> <p>According to the Middletown Assessor's Office Records the property, in total, comprises approximately 14,956 sq ft usable gross building area, in total, including full and finished basement area of 6,435 sq ft. Description of the property and physical characteristics are included in the building description section of this report.</p>

SUMMARY OF SALIENT FACTS AND CONCLUSIONS, continued

Improvements:

Although the subject building was fully inspected the condition, quality, and degree of the improvements at the property must be reconstructed not only from a visual inspection (exterior-interior), but also from files, photographs, re-collections and records from various agencies including the Middletown Assessor's office, the Middletown Building and Zoning office and information provided by our client, or the city of Middletown Planning and Zoning Department, c/o Mr. William Warner.

ST. Sebastian School Gross Building Breakdown
Lower Level: 6,435 sq ft (117' x 55')
Upper Floor Level: 6,561 sq ft
Detached 1-story Classroom: 1,960 sq ft
Total: 14,956 sq ft gross
Building Area Subdivided into various classrooms, office, kitchenette/lounge area, nurseroom, common area(s), and mechanical room

SUMMARY OF SALIENT FACTS AND CONCLUSIONS, continued

61 DURANT TERRACE, MIDDLETOWN AKA ST. SEBASTIAN SCHOOL
GENERAL DATA
Assessor;s Reference: Map 26, Block 29-6A; Lot 1
Assessment Value: \$1,371,610; Assessed Value: \$960,130
Mill Rate (10-1-09): 29.89 mills; Taxes: N/A; tax exempt entity
Site Size: 1.02± acres (44,518± sq ft)
Parking Spots: Twenty (20) along the south side
Condition: Average, overall based on an exterior and interior inspection
Highest and Best (Future) Use: Any private and/or public outlet and/or flex-use which is market supported and economic feasible. To this extent, it's our understanding that the City of Middletown is proposing converting the building into a combination of Senior Center for the lower level and Municipal offices for the Upper Floor. However, for our purpose and as requested, the subject property is appraised "As Is"

Condition: Based on an our inspection of the property, based on information contained in the assessor's office field card, and based on adequate information provided by our client/employer, it is your appraiser opinion that the overall condition of the subject improvements as of November 23, 2010, the appraisal date, were average overall. However, depending on it's (proposed) use, i.e. combination of Senior Center and Municipal Offices outlet, the facility will need substantially rehab/remodeling accordingly.

Income Approach	Considered but not utilized
Direct Sales Comparison Approach to Value	\$955,000
Cost Approach to Value	\$1,115,000
Final Estimate of Market Value (As Is):	\$1,000,000

ASSUMPTIONS AND LIMITING CONDITIONS

This Appraisal Report has been made with the following general assumptions:

- 1) No responsibility is assumed for the legal description or for matters including legal or title considerations. The title to the property is assumed to be good and marketable unless otherwise stated.
- 2) The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- 3) Responsible ownership and competent property management are assumed.
- 4) The information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.
- 5) All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- 6) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging engineering studies that may be required to discover them.
- 7) It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
- 8) In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde, foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. The user of this report is urged to obtain an environmental site assessment report certifying that the site is not environmentally contaminated.
- 9) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.

ASSUMPTIONS AND LIMITING CONDITIONS, continued

- 10) It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- 11) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- 12) Included in this report are sales from various sources. A concerted effort has been made to personally verify the market data contained herein with reliable sources. Occasionally, some new information is found on these sales or errors may be found and corrected. If any errors or omissions are discovered, they will be brought to the Client's attention. The appraiser must reserve the right to change the conclusion, if required, due to a subsequent discovery.
- 13) The value is estimated under the assumption that there will be no international or domestic, political, economic, or military actions that will seriously affect real estate values throughout the country.
- 14) This appraisal was prepared for **The City of Middletown; c/o Mr. William Warner**. It may be used for legal proceedings or for determination of market value which may be used for asset valuation, and/or portfolio management.
- 15) The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

ASSUMPTIONS AND LIMITING CONDITIONS, continued

- 16) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

- 17) The value of a lawsuit that can be brought against the appraisal firm and the appraisers is limited to their compensation; any conclusions, determinations, and opinions of value are so limited to such enumeration in court action.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the fee simple interest to the subject property, 61 Durant Terrace, FKA ST. Sebastian School, junctions of Lake Street, Birdsey Avenue, Durant Street and Durant Terrace as of November 23, 2010.

Fee simple interest is composed of the land, improvements, and all of the rights normally acquired by ownership; the subject property fee simple interest is also subject to any existing lease(s). The fee simple value of the property will be estimated on a cash basis or its equivalent. This appraisal report will be used for asset evaluation by the client.

FUNCTION OF THE APPRAISAL

The function of the appraisal is to serve as an indication of property value for the client so that the subject property may be used for asset evaluation and/or portfolio management purposes.

SCOPE OF THE APPRAISAL

The scope of the appraisal includes an inspection of the subject property; an evaluation of the subject property in terms of its conformity to local requirements and the suitability of the property for its locale and intended use, and the collection of data to formulate and support an estimate of value for the subject property, as of November 23, 2010.

Data is collected in the general market area which may include surrounding cities and/or towns. When possible, the information is confirmed by authoritative sources and/or the parties involved in the transactions. All pertinent data will be reported, to the best of the appraiser's knowledge and ability.

SCOPE OF THE APPRAISAL, continued

The appraiser has written the appraisal in accordance with the request of the client, and with the client in mind. In most cases, the language and degree of reporting is intended to be consistent with the known or perceived wishes, sophistication and comprehension of the client. All efforts have been made to satisfy the needs of the client and to provide a clear, factual and reliable report of value.

The appraiser cannot be held responsible for the perceptions and conclusions inferred by the reader of this report. While the appraiser is ready and willing to discuss, amplify, and clarify any item of reporting contained herein, the degree to which the appraisers are obligated to accommodate the client, beyond the contractual bounds and the reporting standards of USPAP, is entirely at the discretion of the appraiser. To provide service beyond these bounds is not within the scope of this report.

PROPERTY IDENTIFIED

The property has a street address of 61 Durant Terrace, FKA ST. Sebastian School, and according to the Middletown Land Records it is known as Lot 1, Block 29-6A on Map 26 in the Middletown Assessor's Office.

LEGAL DESCRIPTION/PROPERTY HISTORY/ENCUMBRANCES

Grantor: City of Middletown
Grantee: ST. Sebastian Church Corporation
Recorded: Middletown Land Records, Volume 803, Page 348
Instrument: Quit-Claim Deed
Date: March 16, 1987
Sale Price: One Dollar (\$1.00)

For metes and bounds please refer to the quit-claim in the Addenda Section of this report. No other transfers of the subject property have occurred in the last five years other than the referenced transaction.

Finally, a building permit (No. 24970) was issued by the city of Middletown Building Department on September 1, 1999, for the relocation and modification of a modular classroom structure of 1,960 sq ft (35' x 56'). This component is situated to the north of the 2-story (school) structure.

ASSESSMENT AND TAX DATA

For reporting purposes only, the current assessment and taxes on the subject property is as follows:

61 Durant Terrace, Middletown, CT

Assessment:	\$1,371,610 (full market value)
Assessed Value:	70.00% of FMV = \$960,130 (rounded)
Tax Rate:	For the Grand List of 2009, 26.40 mills per each \$1,000 of the assessed value.
South Fire District (City):	3.486 mills
Total Tax Rate:	29.89 mills
Assessed Taxes:	28,698.29 for Fiscal Year 10-11; however, the subject property is a tax exempt entity.
Date of Assessment:	October 1, 2009

The above assessment is based on 70 per cent of market value with the last revaluation having taken place in the City of Middletown in 2007. Revaluation methods in Middletown usually are based on the cost method of valuation.

Typically, the Marshall Valuation Service is utilized to estimate reproduction cost new, and buildings are depreciated accordingly. Site valuation is typically based on value per site, with adjustments for frontage, depth, and corner influence. The mill rate has been set at 26.40 mills, plus 3.486 mills for the south fire district, or \$29.89 for each \$1,000 assessed value.

Finally, the city of Middletown recently completed the revaluation for the October 1, 2007 Grand List, as mandated by state statute every five years. The new assessment value is \$1,371,610, or \$123.16/sq ft of GBA to include the land.

MARKET VALUE DEFINITION

As defined in the Federal Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA) the following is the definition of Market Value included in this report:

The most probable price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale with the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are both typically motivated.
- b. both parties are well informed or well advised and each acting in what he considers to be his own self interest.
- c. a reasonable time is allowed for exposure on the open market.
- d. payment is made in cash or its equivalent.
- e. financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.

The price represents the normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs or credits incurred in the transaction.

The Most Probable Sales (Selling) Price is defined as:

"That price at which a property would most probably sell if exposed to the market for a reasonable time, under conditions prevailing as of the date of appraisal." (The Dictionary of Real Estate Appraisal, 4th Edition, Appraisal Institute, 2002).

Leased Fee Estate is defined as:

"An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The right of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease."

MARKET VALUE DEFINITION, continued

Fee Simple

"The most complete form of ownership is title in fee. Such ownership establishes an interest in real property known as fee simple interest; i.e., absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat."

The Appraisal of Real Estate Twelfth Edition, published by the Appraisal Institute, 875 North Michigan Avenue, Chicago, Illinois, 2001, Page 68.

Gross Building Area

"The total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls."

The Appraisal of Real Estate Fourth Edition, published by the Appraisal Institute, 550 West Van Buren Street, Suite 1000, Chicago, Illinois, 2002, Page 131.

Gross Living Area

"The total area of finished, above-grade residential space excluding unheated areas such as porches and balconies; the standard measure for determining the amount of space in residential properties."

The Dictionary of Real Estate Appraisal Fourth Edition, published by the Appraisal Institute, 550 West Van Buren Street, Suite 1000, Chicago, Illinois, 2002, Page 132.

Prospective Value Estimate

"A forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written."

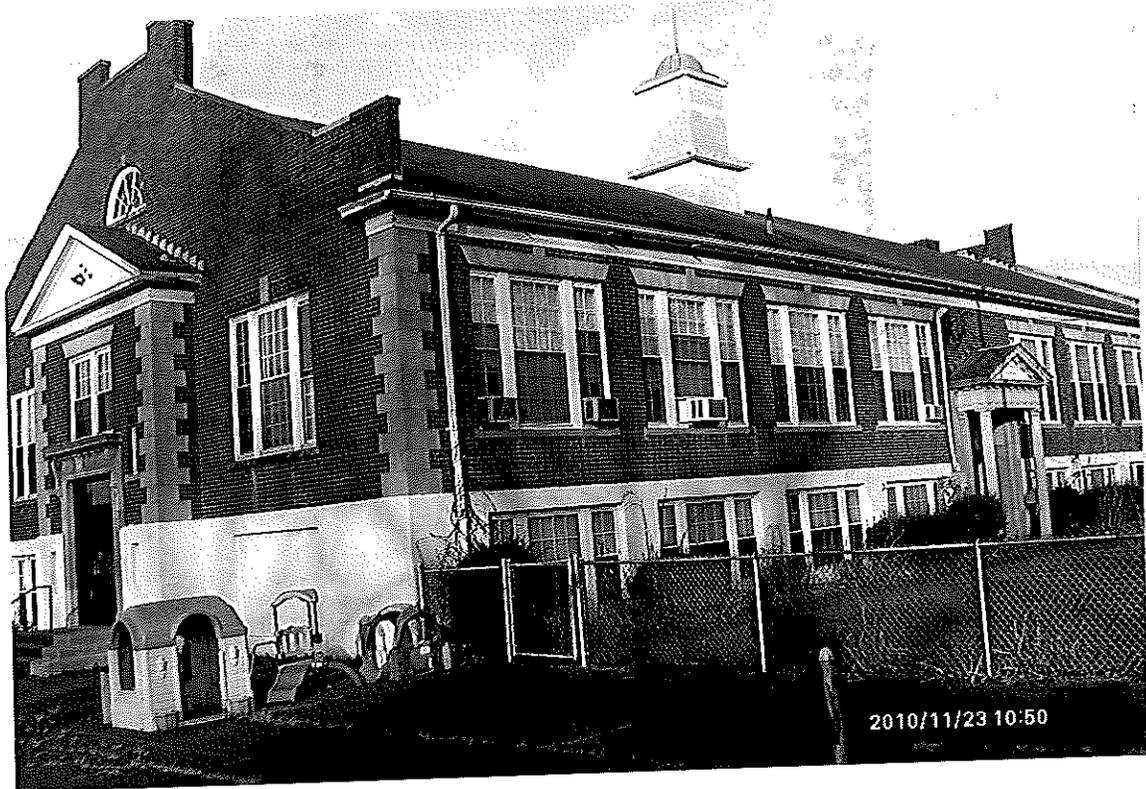
The Dictionary of Real Estate Appraisal Third Edition, published by the Appraisal Institute, 875 North Michigan Avenue, Chicago, Illinois, 1993, Page 283.



OVERALL FRONT VIEW LOOKING SOUTHWESTERLY



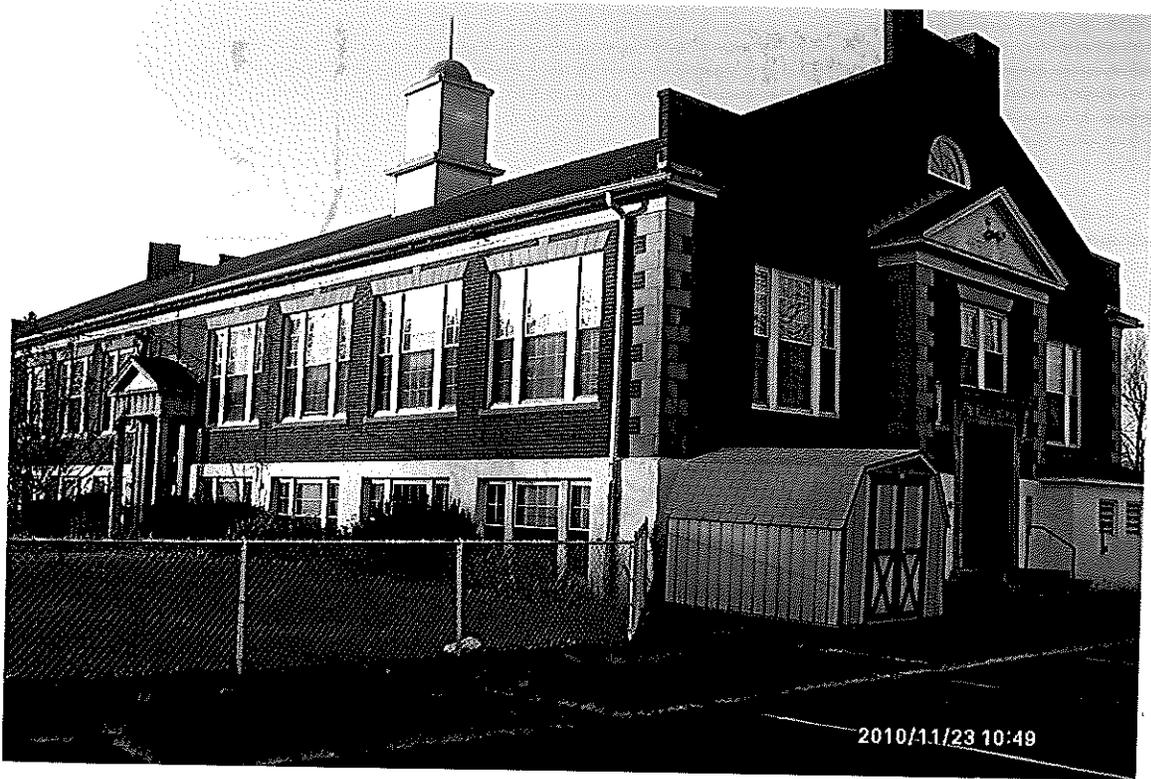
CLOSE-UP SOUTH AND REAR VIEW LOOKING NORTHEASTERLY



CLOSE-UP FRONT VIEW LOOKING NORTHWESTERLY



OVERALL VIEW OF SOUTH AND REAR SIDE LOOKING NORTHEASTERLY



CLOSE-UP FRONT AND NORTH SIDE OF SUBJECT



CLOSE-UP FRONT VIEW OF SUBJECT



CLOSE-UP SOUTH AND FRONT SIDE VIEW AND CONSTRUCTION DETAILS



VIEW OF (PAVED) PARKING AREA TO THE SOUTH LOOKING NORTHERLY



OVERALL FRONT VIEW AND FINISH-CONDITION FOR ANNSX BUILDING



VIEW OF HANDICAP RAMP ALONG THE REAR SIDE AND CONSTRUCTION DETAILS



VIEW OF PAVED BASKETBALL COURT
LOOKING TOWARD ADDITIONAL STAND ALONG CLASSROOM OUTLET



VIEW OF LOCATION FOR THE 1,000 GALLON UNDERGROUND FUEL OIL STORAGE TANK
ALONG THE REAR SIDE



CLOSE-UP VIEW OF ONE-STORY MODULAR CLASSROOM SPACE OF 35' X 56'



OVERALL VIEW OF REAR SIDE AND FINISH-CONDITION LOOKING NORTHERLY



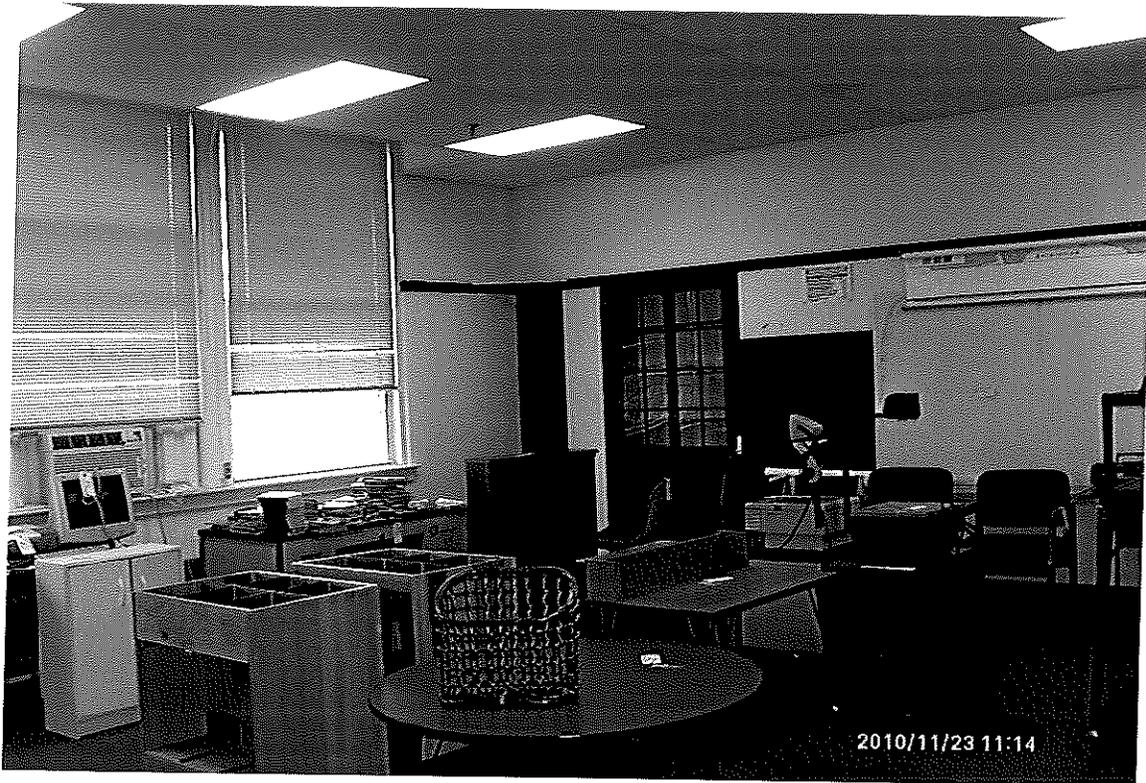
ALTERNATE VIEW OF MODULAR CLASSROOM STRUCTURE AND FINISH-CONDITION



STREET SCENE LOOKING SOUTHERLY ON DURANT TERRACE
(SUBJECT IS PARTIALLY VISIBLE TO THE RIGHT)



VIEW OF TYPICAL CLASS ROOM FINISH-CONDITION



ALTERNATE VIEW OF TYPICAL CLASS ROOM FINISH-CONDITION



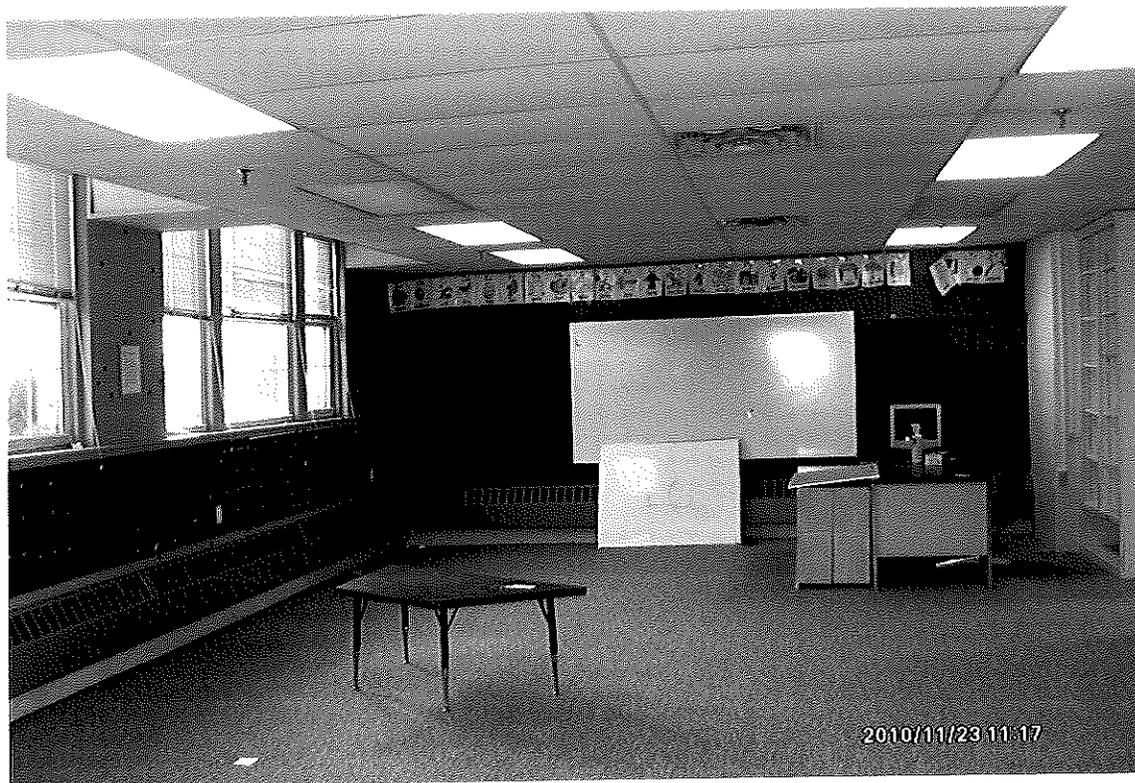
VIEW OF FINISHED LOWER (BASEMENT) LEVEL FINISH-CONDITION



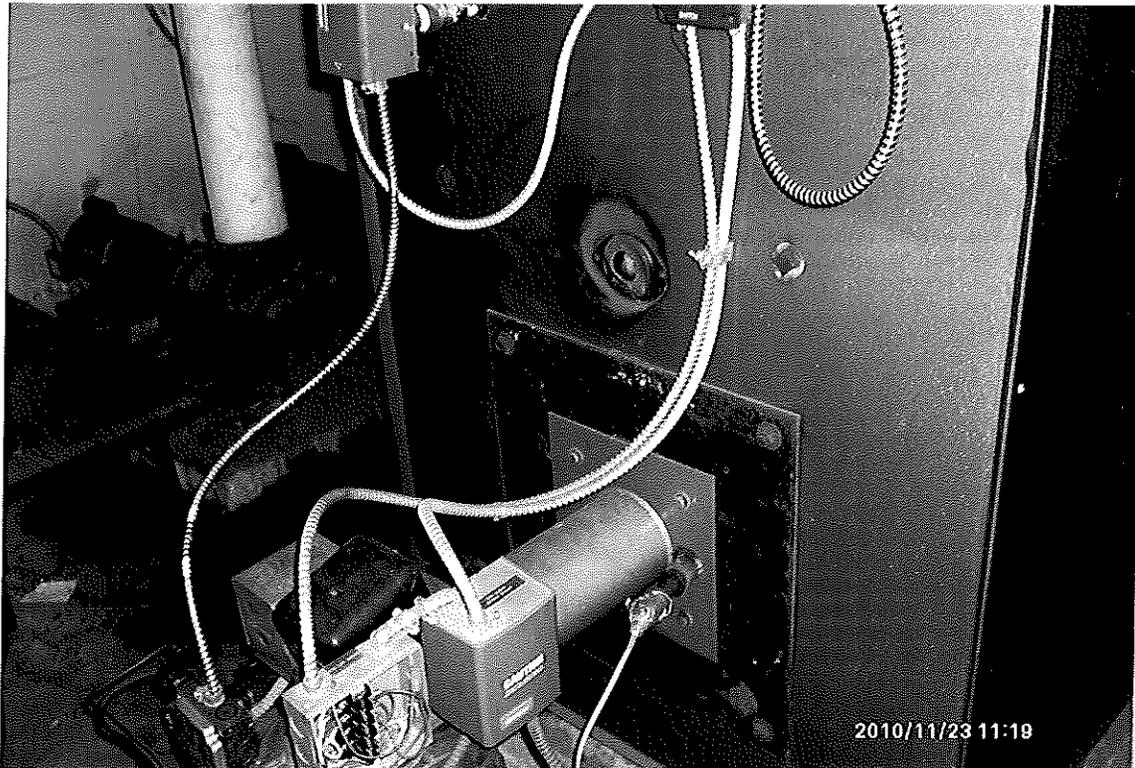
VIEW OF BOY'S BATHROOM



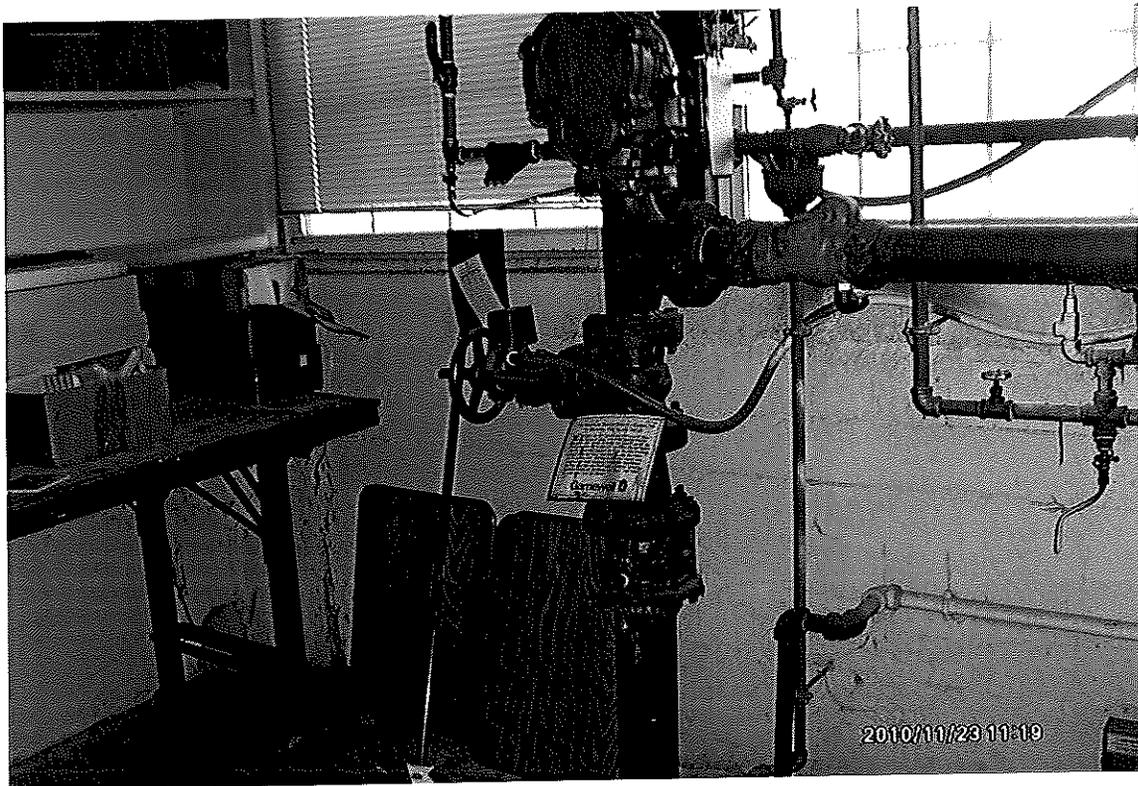
VIEW OF TYPICAL COMMON AREA FINISH-CONDITION



ADDITIONAL VIEW OF LOWER LEVEL AREA AND FINISH-CONDITION



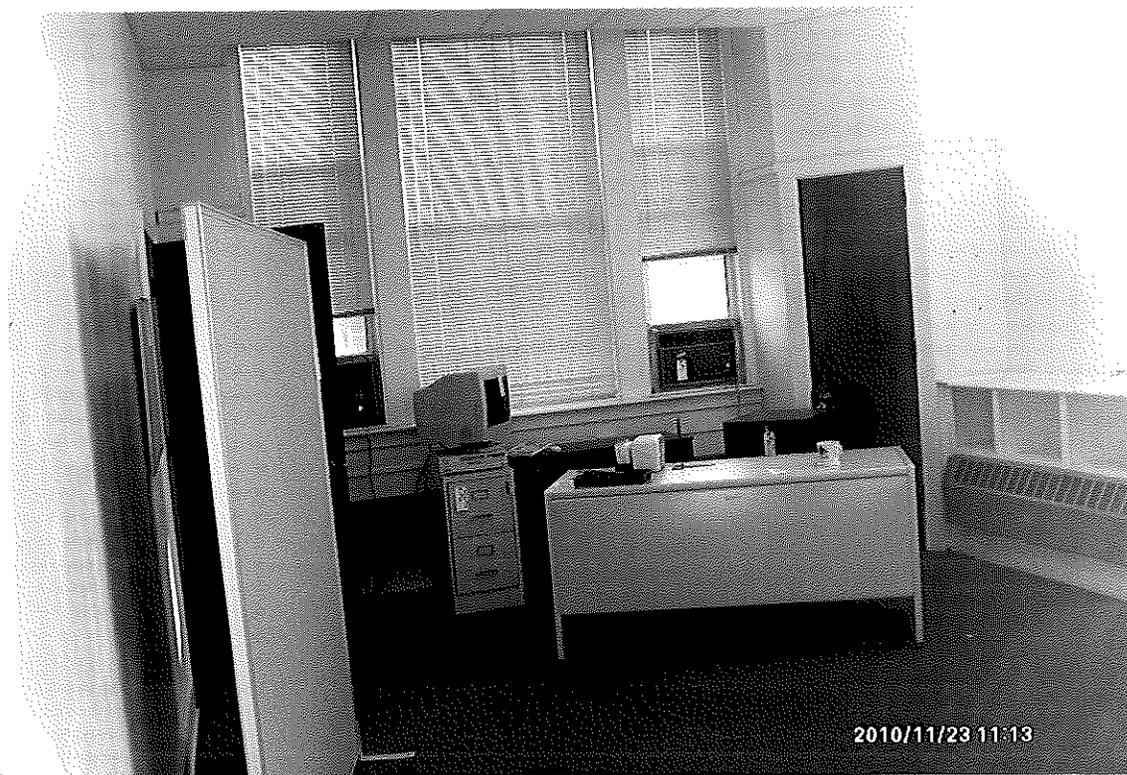
VIEW OF CENTRAL OIL FIRED BOILER



VIEW OF WET SPRINKLER SYSTEM



VIEW OF FIRE ALARM PANEL



VIEW OF SCHOOL OFFICE AND FINISH-CONDITION



STREET SCENE LOOKING WESTERLY ALONG LAKE STREET



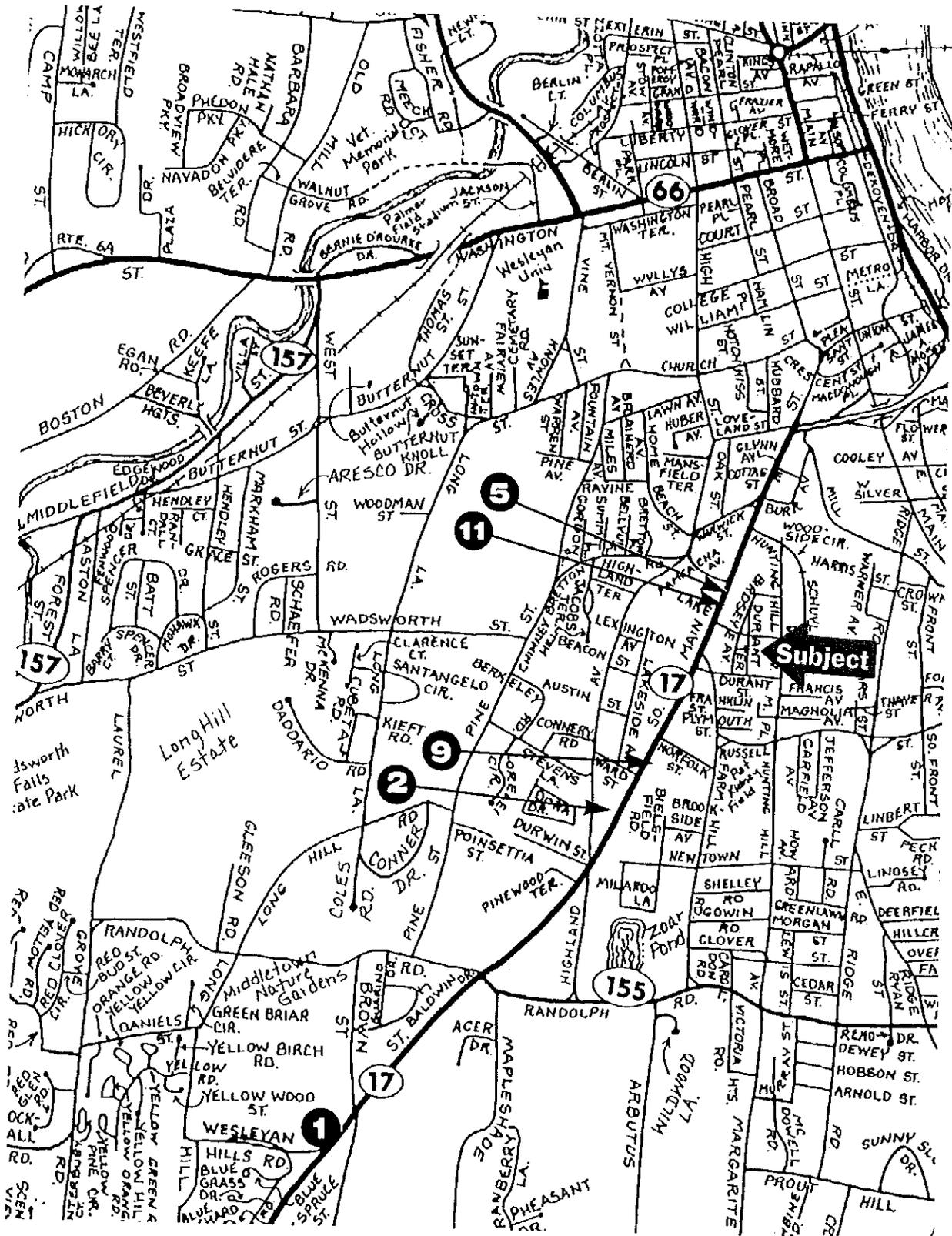
STREET SCENE LOOKING NORTHERLY ALONG DURANT TERRACE
(SUBJECT PROPERTY IS PARTIALLY VISIBLE TO THE LEFT)

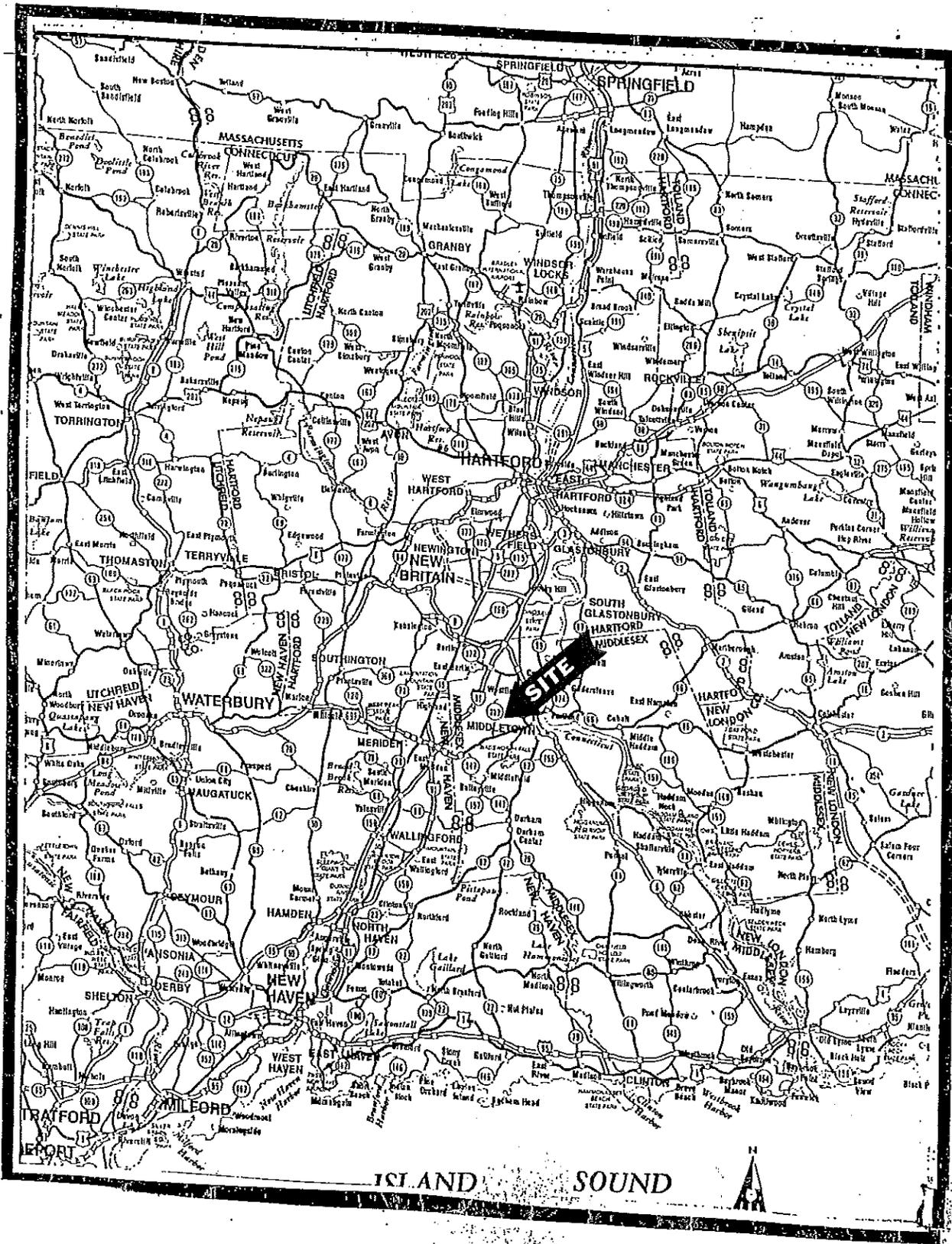


STREET SCENE LOOKING WESTERLY ON DURANT STREET



STREET SCENE LOOKING NORTHERLY ON BIRDSEY AVENUE





COMMUNITY DATA

The purpose of this section is to identify trends in the region and city that affect the use and value of the subject property.

Regional Data

The region is densely populated, generally, and is well served by highway, rail and air transport routes. State income levels per capita have generally been ranked in the top three states during the past decades. 2000 census data have shown Connecticut to rank first in the country in median household income, third in increased median household income, and fifty-first in percentage of poverty level population.

Southern Connecticut has been especially favored by the emphasis on tourism in the area from East Haddam south along the Connecticut River to the Long Island Shore, and easterly to the Rhode Island line. Of course, this area has been influenced considerably by the success of the area's two casinos (Foxwoods and Mohegan Sun).

Located in the heart of the lower Connecticut River Valley, Middlesex County is home to 162,400 people according to the 2008 census figures (out of a total of eight state counties, Middlesex ranks sixth in the state).

Located near New Haven, Hartford and New London, it is midway between New York and Boston. Highway access includes Interstate 91, 691, 95 and Route 9, which provides direct linkage between Interstates 95, 91 and 84. The area is also served by numerous rail lines, including commuter service between the shore line towns and New Haven.

Economic diversity is a hallmark of Middlesex County. The historic base of manufacturing characterized by the 1,400 employee Pratt & Whitney commercial engine facility has been complemented in recent years with many smaller high-tech manufacturers focusing on foreign markets. The presence of Middle Oak Insurance Company and Weekly Readers Publications in Middletown anchor the service sector. The region also has a strong hospitality, medical, educational and tourism sectors.

The commitment to ongoing infrastructure development in areas of consistent and improved utility in transportation service, together with integrated digital and fiber-optic telecommunications systems, will assume the capacity of business in the region to continue on the trend of increased diversity and response to a global marketplace.

AREA ANALYSIS, continued

Regional Data, continued

With the contraction of the economy, as a result of the current economic recession, the engine that will provide growth into the next century will change from that in the past. This is the consensus of a recent round table discussion with the Connecticut Department of Public Utility Control. No longer will one major employer supply the jobs as in the past, but the 2-10 person operations will be responsible for the bulk of job creation.

Education in Middlesex County focuses on the future with a strong partnership between one business community and educational systems throughout the county. Wesleyan University and Middlesex Community College are widely known as quality resources for higher education.

Perhaps the most overlooked aspect of Middlesex County is the blend of historic communities, natural beauty and recreational facilities. Each year Middlesex County serves as host to the tens of thousands at major events throughout the county. The Great American Jazz Festival, the Travelers Championship Tournament Players Club at Cromwell are among these events.

Middlesex Hospital recently completed a major renovation project; also construction of a new courthouse was completed in Middletown in the recent past, as well as renovation of the Arrigoni Bridge linking Middletown and Portland.

The economic diversity of Middlesex County is a major advantage. The presence of small and mid-sized businesses provide the flexibility for elections to be made quickly in response to quick changing economic conditions. The United Technologies Pratt & Whitney commercial assembly operation in Middletown provides a valuable measure of stability. Summarizing the economic vitality of Middlesex County, it can be described as a partnership of the employees consisting of owners and public officials who have worked to build a cooperative relationship that seeks to enhance the lives of the residents and businesses in the region.

AREA ANALYSIS, continued

Town Data

The city of Middletown is located in south-central Connecticut. Several highways and major arterial access the city. Route 91 traverses the western portion of the city and provides access to New Haven - ½-hour south, Meriden - 10 minutes south, and Hartford - 15 minutes north. Route 9 intersects with Routes 66 and 372, providing access to Meriden, New Britain, Cromwell and Old Saybrook on the Long Island Sound. Route 66 is the main east-west corridor and turns into Interstate 691. Route 66 crosses the Connecticut River, connecting to Portland and residential areas to the east.

Middletown is bordered on the north by the towns of Berlin and Cromwell, on the east by the Connecticut River (with the town of Portland beyond), on the south by the town's of Durham and Haddam and on the west by the town of Middlefield and the city of Meriden. It is approximately fifteen miles south of Hartford, the state capital, and the location of major employment centers.

Middletown is home to some industries of which the principal are: agriculture, castings, bearings, aircraft and electronics. The City of Middletown is located in a very good area in central Connecticut within a short distance of Hartford, New Haven, New Britain, Berlin, Cromwell, Meriden, Rocky Hill and Wethersfield.

Middletown is the central city in Middlesex County and is home to many government offices and retail stores serving surrounding rural areas. Wesleyan University, a nationally-known private four-year college lends recognition to the city outside the immediate region.

The easy access to Highway 91, as well as State Routes 9, 5/15, 372 and 72 has attracted multi-national companies such as United Technologies Corporation. Because of its proximity to employment centers and major highways, it is very appealing to families of all age groups. The city has a considerable number of condominiums.

As is true of much of the Greater Hartford area, housing costs have increased dramatically in the last decade, particularly from the late 1990s to mid 2000s and many singles and small families find condominiums the only affordable form of home ownership.

COMMUNITY/AREA ANALYSIS, continued

Connecticut Route 9 runs north to south through the city. There are several moderate sized shopping centers, many restaurants including the usual assortment of fast food facilities and several hotels along the Route 9 corridor. There are several newer office buildings and light industrial parks.

The form of government is a Mayor with a 12-member Common Council.

Population The 2009 population was 45,947, according to the State of Connecticut Town Profiles (January, 2010). This was an increase of 6.4% from 2000. This increase is slightly higher than for Middlesex county. Moreover, the increase is a positive sign, particularly if one considers that every medium to large sized city in the state lost population according to the US Census 2000 count.

According to the Connecticut Office of Policy Management (OPM), the largest percentage of persons is the 15-34 age cohort. This is most likely due to the university presence.

OPM projections for 2010 show a slight shift, with an increase in the 35-59 age cohort, and a slight decrease in the 20-29 age cohort. This shift more likely has to do with the ring of the resident, non-student population than any shift in the size of the student population.

The median age for the city, 32, is also lower than surrounding communities, 37. These are estimates for 2008 from the OPM. The high percentage of multi-family units, 56.1% of the housing units in 2007, lends support to the younger population. Older residents, more established in their occupations, tend to buy homes in the suburbs. Much of the multi-family housing stock is apartments, not condominiums.

Development Patterns Middletown will continue to function as the commercial and retail center for surrounding communities. The potential for increased residential development and several road improvements will facilitate increased retail traffic. Approximately twenty percent of the commercial land in Middletown has not been developed. In addition to undeveloped parcels, adaptive re-use of existing buildings no longer at their highest and best use is highly probable in the three primary commercial districts in the city: the Central Business (CBD); Route 66 (Washington Street); and Route 17 (South Main Street).

COMMUNITY/AREA ANALYSIS, continued

Employment

Middletown's economic base differs from the traditional manufacturing dominance in many Connecticut cities. While the city has experienced a decline in the number of manufacturing jobs, it has not been a major industrial center since the mid-19th century. Industry had developed around the river, and with the advent of railroad transport, the city's commercial emphasis shifted to business and personal services, and retail.

Middletown has several major employers; Pratt & Whitney, a division of United Technologies, manufacturers commercial jet engines and employs about 1,400 persons.

Middle Oak Insurance Company employs several hundred people in its 12-story office in the CBD. One bank is headquartered in Middletown, Liberty Bank.

It should be noted here that the city largest employer, or Pratt & Whitney has indicated a major restructuring of the labor force and amount of space occupied. As a result, more downsizing in the employment rolls of these important company in Middletown and in the region is expected in the foreseeable future. Middletown is part of the Hartford Labor Market Area.

There has been little variation in the number of persons employed in retail trade in the LMA. The percent of the non-agricultural employment in retail trade has remained stable at 14%. Declines in retail employment in the city are apparent from the 2007 figures.

The maintenance of non-agricultural employment figures in retail trade during an economic recession indicate that the underlying consumer demand for non-durable goods is stable. There are no upscale department stores in Middletown, where a decline in effective buying income would have been most evident in sales volume. The majority of stores in Middletown are utilitarian in the items sold. There are few specialty retail shops.

Middletown has a good public and private school system. It is a medium sized city with relatively large tracts of remaining land to be developed. The city suffers the problem of heavy traffic and high taxes due to the ratio of residential properties to commercial and industrial facilities. Overall Middletown is a desirable residential community in which to live and work and should remain so into the foreseeable future in your appraiser's opinion.

COMMUNITY/AREA ANALYSIS, continued

Housing			
2008	Town	County	State
Housing Stock	21,259	72,662	1,449,440
Existing Units (total) % Single Unit Detached	48.4	74.3	64.8
New Permits Authorized (total) 2008	172	355	5,220
Demolitions (2008)	11	44	1,462
As % of Existing Units	0.81	0.49	0.36
Residential Sales (2007)			
Number	414	1,848	32,395
Median Price	\$245,000	\$303,000	\$295,000
Sales Price Distribution (2007)			
Number of Sales	Town	County	State
Less than \$100,000	11	32	495
\$100,001- \$200,000	91	219	5,866
\$200,001- \$300,000	203	637	10,094
\$300,001- \$400,000	70	506	5,655
400,001 or more	39	454	10,285

COMMUNITY/AREA ANALYSIS, continued

Income

According to the State Department of Economic and Community development, the 2009 median household income for Middletown was \$61,090. This is much lower than all surrounding towns. The state's median household income was \$68,055 for 2009 and the county median household income was \$74,860 for the same period.

2009 MEDIAN HOUSEHOLD INCOME

Berlin	\$86,613
Cromwell	\$75,773
Portland	\$79,757
East Hampton	\$83,971
Middlefield	\$74,932
Durham	\$99,199
Middletown	\$61,090

COMMUNITY/AREA ANALYSIS, continued

Employment

Middletown is in the Hartford Labor market Area (LMA) and the Hartford Service Delivery Area (SDA). The LMA includes the towns immediately surrounding Hartford. A large percentage of the jobs in the LMA are non-manufacturing. The SDA is larger in geographical scope and includes towns with significant manufacturing bases.

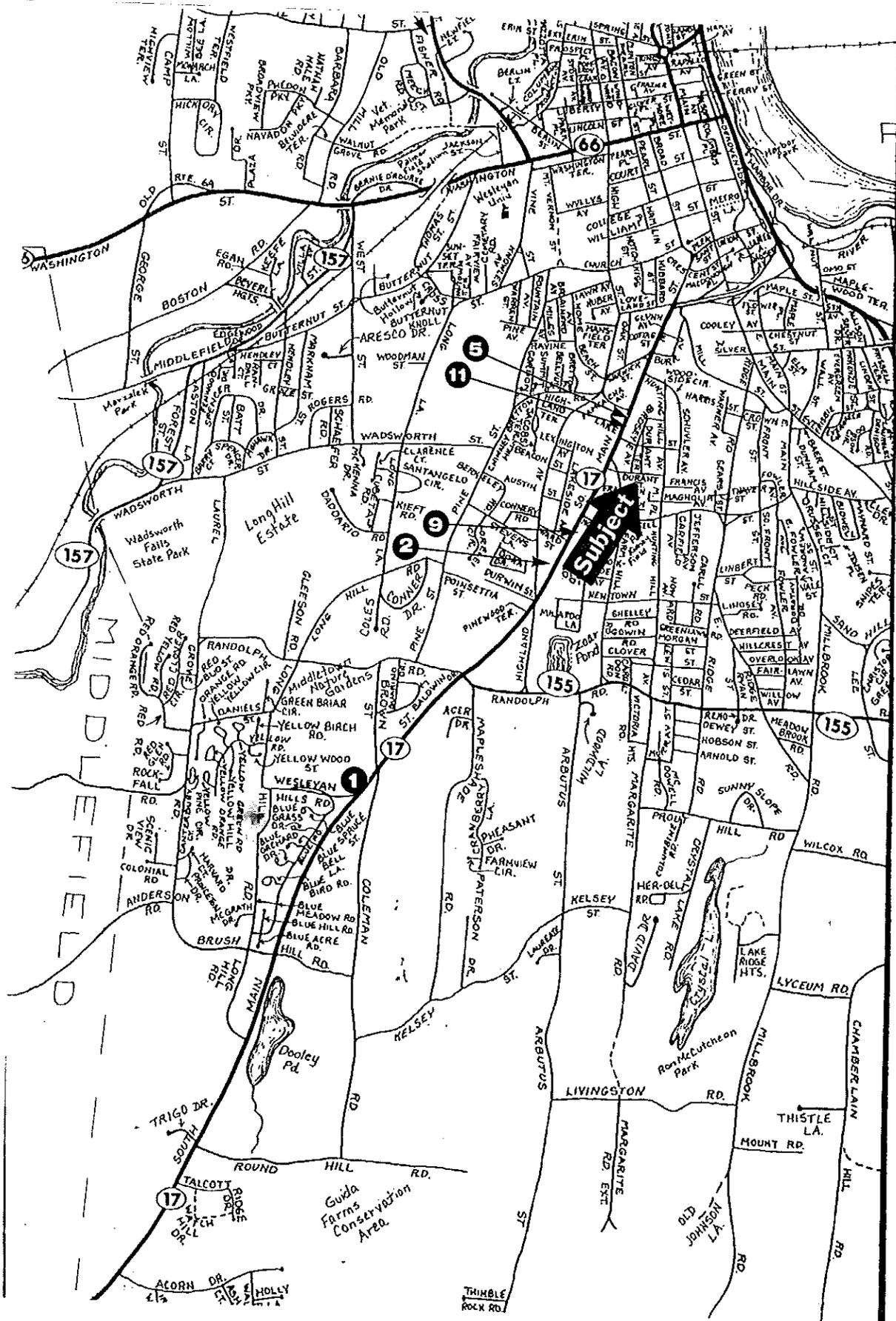
Total non-agricultural employment in the LMA in September 2010 was 599,736 with 547,476 employed and an unemployment rate of 8.7%. These numbers are close to the state's rates of 8.8% and the national rate of 9.6% as of September 2010.

Economic Trends

The total labor force in Middletown as of September 2010 was 27,371 with an unemployment rate of 7.9% which is lower than the state average (seasonally adjusted) of 9.1% and lower than the Hartford LMA of 8.7% for the same period.

The annual 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, and 2008 average unemployment rates for Middletown were 2.3%, 3.2%, 4.1%, 6.1%, 4.6%, 4.7%, 4.0%, 4.5% and 5.4%, respectively.

Source: Connecticut Department of Labor Office of Research



61 Durant Terrace, Middletown, Middlesex County, CT
John Lo Monte Real Estate Appraisers & Consultants

NEIGHBORHOOD DATA

The purpose of the Neighborhood Data section is to analyze the influence of the surrounding neighborhood on the highest and best use of the subject property. A neighborhood is a group of complimentary land uses, as defined in the 12th Edition of The Appraisal of Real Estate, (Appraisal Institute, 2001). A neighborhood exhibits a greater degree of uniformity than a larger area. Neighborhood boundaries often coincide with changes in land use, occupant characteristics, and physical characteristics such as street patterns, terrain, lot sizes, and transportation arteries.

The property being appraised is known as 61 Durant Terrace, Middletown, Connecticut. The subject property is located on the northerly side of Durant Street, on the easterly side of Birdsey Avenue, on the southerly side of Lake Street and on the westerly side of Durant Terrace, between South Main Street AKA Route 17 to the west and Hunting Hill Avenue to the east.

As a result, the subject property location is considered to benefit greatly as to accessibility via South Main Street AKA Route 17, via Hunting Hill Avenue, via Route 9 and Randolph Road AKA Route 155; the subject has direct accessibility from Route 17.

The area in which the subject property is located is the southwesterly quadrant of Middletown. The subject property is approximately 3/4 mile north of Route 155 and approximately 1.5 miles southeast of the Middletown central business district. South Main Street AKA Route 17 is a two lane arterial route (north to south) with heavy traffic; the site offers easy access to Interstates 91 and 691, and State Routes 155, 15, 217, 3 and 372 via Route 9.

This stretch of South Main Street is on the southerly fringe of the central business district, and is a well established business and residential neighborhood with very good visibility and excellent accessibility. Middlesex Memorial Hospital, and Wesleyan University are all within the subject's general neighborhood.

Most of the area around the subject property has been developed for commercial uses; primarily converted or single family dwellings and small to medium office and mix-use buildings. The subject property neighborhood is bounded to the east by Hunting Hill Avenue and Randolph Road to the south, by the Route 9 Connector to the north, by Route 17 and Highland Avenue to the west.

The subject neighborhood appears to be stable with little land available for development; as noted it offers good accessibility to highways, a relative short distance to downtown Middletown, and a relative short distance to the State Capital and the Hartford business district to the north and the city of New Haven to the south.

NEIGHBORHOOD DATA, continued

The quality of the neighborhood is average to good in terms of residential and commercial use, respectively; testimony to this has been the robust growth in real estate values experienced throughout the neighborhood and in particular during the last 6-7 years. However, such growth is not occurring as a result of the current economic recession and unstability in the market place.

The immediate subject neighborhood is characterized primarily by single family dwellings and two family homes, and a mixture of retail/service businesses to the west, north, and south as well.

It is a well known fact in Middletown that the neighborhood where South Main is located, is considered one of the most desirable neighborhood in Middletown; particularly in terms of commercial, since transportation, shopping and most important employment, are easily accessible from the neighborhood.

The subject appears to be in average (typical) condition, i.e. interior, with respect to the neighborhood. The neighborhood is established and land uses are not expected to change in the foreseeable future.

The neighborhood is a mixture of commercial, and residential uses. It once had some farming use, but most farm properties have since been developed, though a few remain.

Neighborhood topography is rolling; it is typical of a city neighborhood in that all streets are paved, and sidewalks, street lighting, curbing, storm sewers and full municipal services are available within the area.

While the area around the subject property is a mixture of uses, it has been so for many years, and this mixture of uses, in itself, results in a fairly harmonious situation for all the neighborhood's occupants.

The life of a neighborhood has four stages: 1) Growth, 2) Stability, 3) Decline and 4) Revitalization. The subject general neighborhood would best be described as Number 2, in a state of stability and as Number 4 or in a state of revitalization, albeit slightly.

Business properties in the area are generally in the small to medium to large range, as is typical of mix-use commercial and industrial oriented neighborhoods. Zoning is a mixture of planned and spot zoning, and no problems are apparent as a result of this combination of zoning and property uses.

These uses provide a good neighborhood mix, and the diversity of uses enhances rather than detracts from the overall quality of living and working in this area.

NEIGHBORHOOD DATA, continued

Conclusion

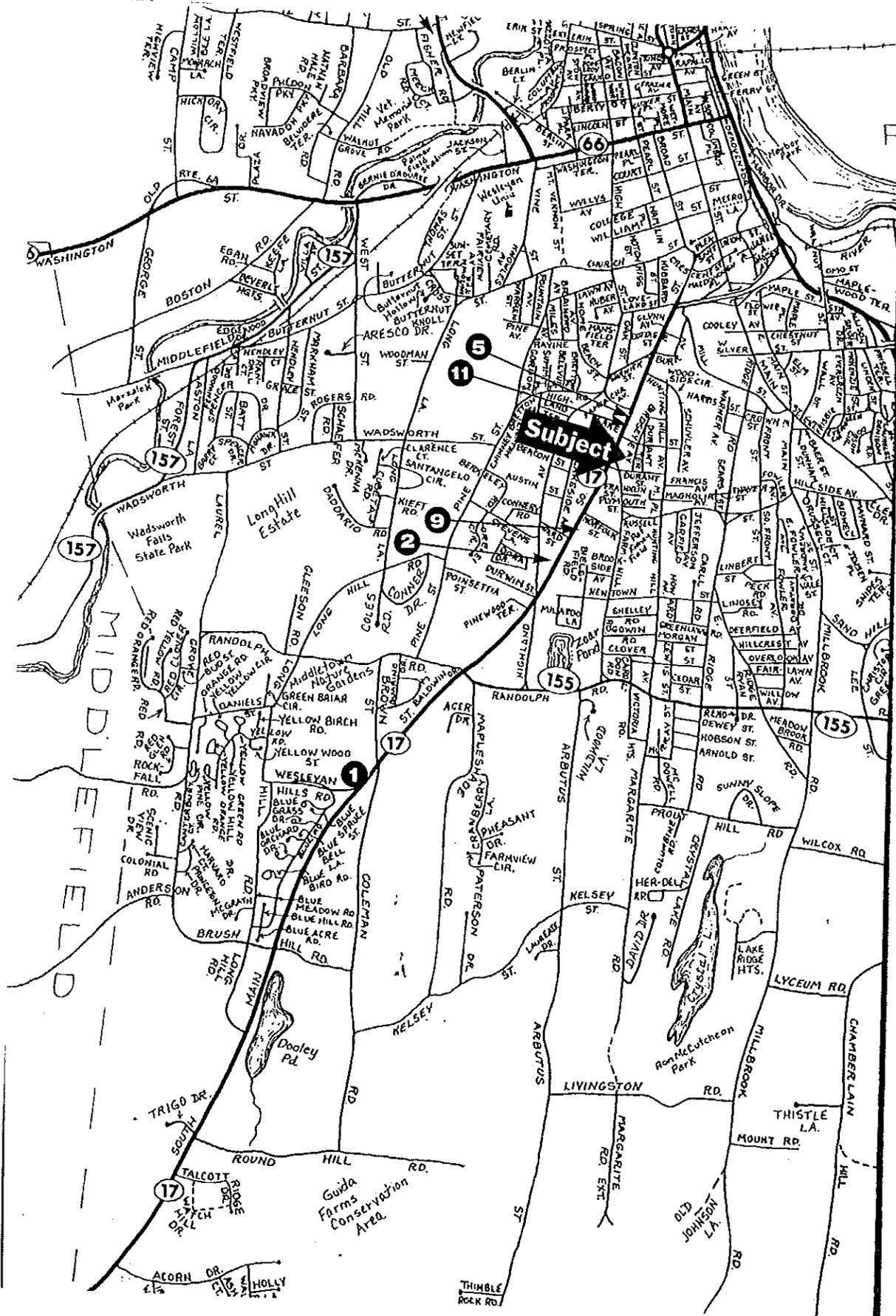
In summary, the immediate subject neighborhood has a predominantly residential character and includes a minor portion of commercial uses. However, on the western portion the neighborhood has a predominantly commercial character. Neighborhood properties generally appear to have been somewhat maintained and are considered to be in average to good overall condition, with many buildings having been renovated and/or expanded, including the subject itself.

It is your appraiser's opinion that there are no adverse uses within the neighborhood or the City of Middletown which would have a detrimental effect on the use of the subject property as developed for commercial, special mix-use. In fact, the neighborhood has everything necessary for the support of such a use.

Land use within the immediate neighborhood is not expected to change; the predominant uses being residential oriented, as per zoning.

LOCATION MAP

November, 2010
Not to Scale



61 Durant Terrace, Middletown, Middlesex County, CT
John Lo Monte Real Estate Appraisers & Consultants

ZONING

61 Durant Terrace, Middletown, Middlesex County, CT

The subject property is currently zoned RPZ - Residential Pre-Zone.

The following uses are typical of uses permitted by right in the RPZ zone.

Single-family (detached) residences
Two-Family Dwelling
Agricultural uses

Other uses are permitted subject to conditions as set forth in the city of Middletown Zoning regulations. A partial listing of these uses includes:

Child Care Facilities
Home Occupation with Restrictions

Dimensional requirements of the RPZ zone with water and sewer available are:

Minimum Site Area: 15,000 sq ft

Minimum Lot Front Age: 100 feet

Minimum Front Yard: 25 feet

Minimum Side Yards: 10 feet restrictions; total of 30 feet

Minimum Rear Yard: 30 feet

Minimum Dwelling Floor Area: No Standard

Maximum Dwelling Height: 3.5 stories

Maximum Permitted Density: No Standard

Maximum Lot Occupancy: No Standard

ZONING, continued

This zone allows primarily single family residential use. For a full description of the permitted uses of this zone, including accessory and incidental uses, please refer to the Middletown Zoning regulations.

The subject use, as presently improved, is a legally permitted and non-conforming use of the subject property since it pre-dates the current zoning regulations for the City of Middletown.

Field Card Specifications -City of Middletown

Parcel Number: Map 26, Block 29-6A, Lot 1

Class: Residential District; RPZ

Lot Size: 1.02 ± acres

DESCRIPTION OF THE SITE

Introduction:

The property that is the subject of this report consist of a single parcel identified with the street address of 61 Durant Terrace, FKA ST. Sebastian (Catholic) School, comprised in the quadrant between Durant Street, Lake Street, Birdsey Avenue and Durant Terrace. The property is improved with an older (1875 circa) 2-story masonry brick exterior building utilized as a (catholic) school commonly known as ST. Sebastian School.

The property consists of a parcel of approximately 44,518 square feet, or 1.02± acre with a street frontage of approximately 404 feet along the westerly side of Durant Terrace, improved with a masonry 2-story school brick exterior building comprising gross usable building area of approximately 12,996 square feet, in total, including approximately 6,435 square feet of finished lower level space.

In addition, there is a one-story detached frame Annex outlet utilized as class room structure with vinyl siding exterior comprising 1,960 sq ft (35' x 56').

As of the appraisal date the property was 100 percent vacant and in average overall condition with no apparent major items of deferred (exterior/interior) maintenance. It should be noted that the property is identified in the Middletown Assessor's Office as Map 26, Block 29-6A, Lot 1.

The site is an approximate rectangularly, generally, shaped parcel of land on the southerly side of Lake Street, and the westerly side of Durant Terrace, and is identified as Lot 1, Block 29-6A, on the Middletown Assessor's Map Number 26. As already reported, the property site consists of a single tax parcel.

The lot contains 44,518 square feet of land area, or 1.02 acres according to a class A-2 Survey Map prepared for the city of Middltown. It should be noted here that the New Haven Assessor's records list the property site as 43,996 square feet. However, for our purpose, and to maintain consistency throughout the report, based on the above captioned A-2 Survey Map, the site is considered to be 44,518 square feet, or 1.02 acres, more or less.

The parcel has a street frontage of 411 feet on Birdsey Avenue, a street front of 404 feet on the westerly side of Durant Terrace, a street front of 146 on Durant Street and a street front of 75 feet on Lake Street. The site is accessible by a paved curb cut situated on the south side of the improvements. To help the reader visualize the site, a copy of the A-2 Survey Map, will be included in the following pages of this section.

DESCRIPTION OF THE SITE, continued

The site is level and at street grade throughout. Please see the photographs, and the A-2 Survey Map provided for a visual representation of the site. The site is located in the central-south quadrant of Middletown along Durant Terrace; access to Route 17 and Route 9 is good; in this respect the location is good.

The site is improved with all city services and amenities, including all utilities, and paved streets. In addition to the subject building, the site is improved with approximately 25,000 square feet of paved parking area and open space to the rear sides suitable for roughly 20 parking spaces in total. However, the paved area is showing signs of distressed condition; as a result replacement or re-paving of the same is anticipated for the foreseeable future.

It should be noted here that if the site is improved with a newer (6-2007), 1,000 gallon underground fuel oil storage tank as of the appraisal date. The client may consider to retain expert and professional opinion, if desired.

Other than the paved/open area, further site improvements consist of landscaped area along the front of the site, a small playground to the rear-east corner, as well as chain link fence and security gates along each side, the front and the rear boundary line(s) as well.

DESCRIPTION OF THE SITE, continued

Site Identification

Tax Assessor

Reference: Map 26, Block 29-6A, Lot 1

Source of

Site Data: A-2 Survey Map and physical inspection of the site.

Physical Characteristics

Aggregate

Land Area

44,518 square feet of land, in total, or 1.02± acres

Frontage

440 feet of frontage along the west side of Durant Terrace and maximum depth of 145.66 feet along the south side.

Topography Level

Configuration Rectangular, generally

Access

Access is via a single curb cut along the west side of Durant Terrace

Site Improvements

Parking:

Approximately 25,000 square feet paved area suitable for vehicle-truck access situated to the south side of the improvements on the site, and roughly 20 car parking; including one suitable for handicap parking. Further site improvements consist of combination chain link fence along each side, front and rear side as well. Further site improvements worth mentioning is landscaped area to the front and a fairly small playground along the rear west side corner of the property.

Other:

The site benefits from storm sewers, curbing, concrete walkways and exterior lighting.

DESCRIPTION OF THE SITE, continued

Easements/Restrictions

Other than typical utility easements of record, no atypical easements have been noted in the land records. However, this office is not a title searching firm, and a more detailed review should be made if the client desires.

Nuisances and Hazards

Inland Wetlands/ Watercourses

A review of the official wetlands and watercourses map indicates that the subject property is not impacted by wetlands.

Flood Zone

Federal Emergency Management Agency Flood Hazards map
Community panel: 090068 0011C
Effective Date: March 7, 2001, Panel 11 of 16
Zone X, areas of minimal flooding

Utilities

Sanitary Sewers Connected

Municipal Water Connected

Natural Gas Connected

Electricity Connected

Telephone Connected

Excess Land None

DESCRIPTION OF THE SITE, continued

Site Utility

The parcel is accessed via a single curb cut along Durant Terrace and is provided adequate frontage, accessibility and visibility. The physical and functional characteristics of the site appear to be in conformance with the standards of typical purchasers in the marketplace.

Conclusion

The subject is situated in a neighborhood of mixed-use residential and commercial properties and is in conformance with respect to its appearance and condition.

Your appraiser has knowledge of a 1,000 gallon underground fuel oil storage tank situated to the rear side of the improvements; however, we could not verify the condition of this tank as of the appraisal date. According to the Didato Oil Co., this tank was replaced on June 28, 2007.

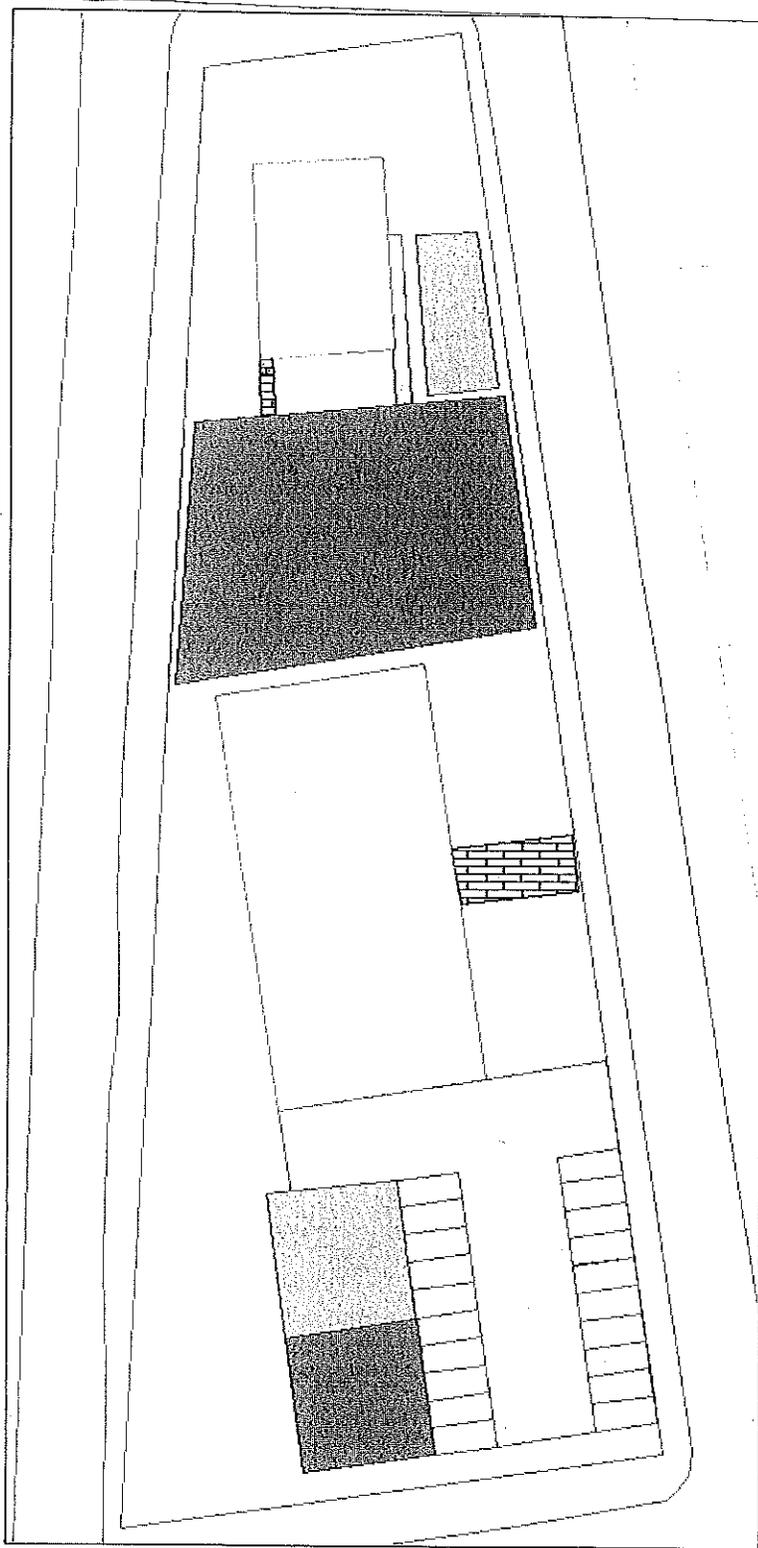
In any event, the appraiser has no knowledge of any other hazardous materials used in the construction and the maintenance of the property, including asbestos, but this does not mean that none are present in the structure or in the ground. A thorough environmental assessment is recommended to anyone with an interest in the subject property.

In the absence of any known or suspected detrimental environmental conditions, this appraisal is predicated on none being present that could affect the value of the property. Should such conditions become known, then this appraisal is subject to revision.

If more information is needed, the client should consult an expert in this field.

The subject site is in flood zone X, an area of minimal flooding according to the Flood Insurance Rate Map Community Panel Number 090068 0011C, dated March 7, 2001, Panel 11 of 16.

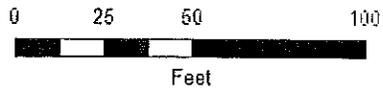
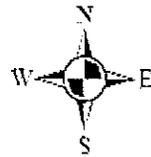
In general, the site is adequate for its present use, which also is its highest and best use. It is a commercial site with satisfactory physical and locational characteristics. The subject site has sufficient to good visibility and very good accessibility and it's part of the city's central-south quadrant, easily accessible from Route 17 and Route 9.

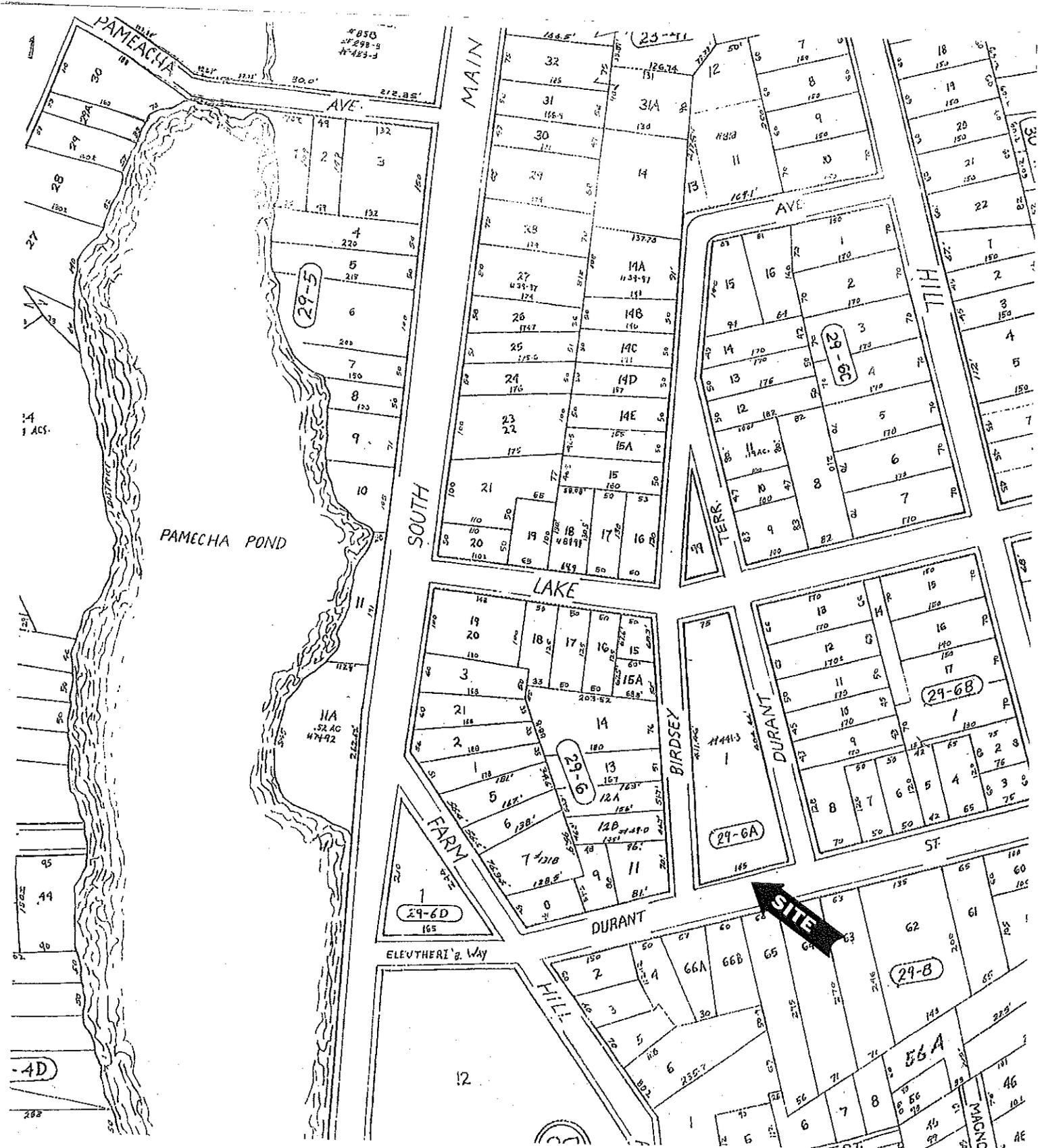


-  St Sebastian Buildings
-  Aisle
-  Play Ground
-  Stairs
-  Parking Spaces
-  Ramp
-  Side Walk
-  Roads
-  Parcel Boundary
-  Black Top

Current Layout

Spaces: 20





61 Durant Terrace, Middletown, Middlesex County, CT
John Lo Monte Real Estate Appraisers & Consultants

BUILDING DESCRIPTION

61 Durant Terrace, Middletown, CT

Located on the subject site is a one hundred thirty five year old, more or less, two-story rectangularly shaped brick commercial building that is utilized as (catholic) school facility. It contains approximately 12,996 square feet usable gross building area including roughly 6,425 square feet comprised in the full and finished basement. This space is divided into various sizes and layout accessory office suites, class rooms, a kitchenette/lounge room and common area, i.e. nurse room, etc. The total net useable area is also approximately 12,996 sq ft.

In addition, there is a one-story detached newer (1999) Annex frame class room structure with vinyl siding exterior comprising 1,960 sq ft (35' x 56'). Thus, net useable Gross Building Area (GBA) consist of 14, 956 Sq Ft, in total.

As of the appraisal date the property was 100 percent vacant; formerly 100 percent owner occupied and operated and in average overall condition with no apparent major items of deferred (exterior/interior) maintenance. It should be noted that the property is identified in the Middletown Assessor's Office as Map 26, Block 29-6A, Lot 1.

ST. Sebastian School Gross Building Breakdown
Lower Level: 6,435 sq ft (117' x 55')
Upper Floor Level: 6,561 sq ft
Detached 1-story Classroom: 1,960 sq ft (35' x 56')
Total: 14,956 sq ft gross building area (GBA)
Building Area Subdivided into various classrooms, office, kitchenette/lounge area, nurseroom, common area(s), mechanical room and flex-use area(s)

BUILDING DESCRIPTION, continued

61 DURANT TERRACE, MIDDLETOWN AKA ST. SEBASTIAN SCHOOL
GENERAL DATA
Assessor;s Reference: Map 26, Block 29-6A; Lot 1
Assessment Value: \$1,371,610; Assessed Value: \$960,130
Mill Rate (10-1-09): 29.89 mills; Taxes: N/A; tax exempt entity
Site Size: 1.02± acres (44,518± sq ft)
Parking Spots: Twenty (20) along the south side
Condition: Average, overall based on an exterior and interior inspection
Highest and Best (Future) Use: Any private and/or public outlet and/or flex-use which is market supported and economic feasible. To this extent, it's our understanding that the City of Middletown is proposing converting the building into a combination of Senior Center for the lower level and Municipal offices for the Upper Floor. However, for our purpose and as requested, the subject property is appraised "As Is"

Building Interiors/Layout

The gross building area of 14,956± sq ft is not equally located between the lower (basement) level area, the upper floor area and the Annex classroom and accessory space of 1,960 sq ft. For the purposes of our analysis the building is treated as an average Class "C" commercial-elementary school and/or Class "C" office facility. As of the effective date of the report (November 23, 2010) the premises are 100 percent vacant; formerly owner occupied, i.e. ST. Sebastian (Catholic) School and operated.

The general condition of the building is average overall. Ceiling height is roughly 12 feet for each floor and 9 feet ceiling height in the lower level section of 6,435 square feet. Heating for the entire building is provided through an HB-Smith oil fired hot water (steam) boiler. There is central air conditioning. For the lower level component domestic hot water. Finally, the building is 100 percent served by a wet sprinkler system.

All classrooms and office areas have combination of vinyl tiles and carpeted floors, dropped ceiling, and painted drywall. No asbestos insulation or asbestos-containing materials were observed. Other than some of the heating pipes connected to the boiler.

On the north-west corner of the front section there is a frame modular one-story annex building with vinyl siding exterior of 1,960 square feet (35' x 56').

BUILDING DESCRIPTION, continued

To help the reader visualize the subject building a sketch of the same will be included on the page following the building description. The reader also should refer to the photographs of the subject property section earlier in the report.

The significant elements of the subject building are as follows:

Foundation: Reinforced concrete and brick

Frame: Masonry and load bearing walls.

Basement: Full and 100 percent finished

Floor structure: Concrete slab 4 inches thick.

Floor cover: Vinyl tiles, and carpeting. Ceramic tiles for lavatories.

Ceiling: Acoustical tile dropped ceilings of various size.

Interior construction: Combination of 5/8" fire rated drywall, painted brick and/or concrete block.

Fenestration: Double pane replacement windows throughout including the finished lower level area.

Exterior walls: Load bearing brick walls throughout.

Exterior walls height: Approximately 13 and 9 feet for the above grade section and the lower level area, respectively.

BUILDING DESCRIPTION, continued

Lavatories: Two (Girls-Boys) common lavatories for each level with two, or three fixtures in each and several urinals for the boy's lavatories. There are also various utility sinks and teacher lunch room with 2 fixtures lavatory and nurseroom with 2 fixture lavatory.

Plumbing: Copper, cast iron, and PCV.

Electrical: 400 Amperes main service single phase; Romex and BX cable with 100 and/or 200 amps distribution to each unit.

Heating and Hot Water: Central HB-Smith oil fired hot water (steam) boiler with three zones, in total. Domestic hot water.

Fire protection: Fire extinguishers throughout. Also there are exit signs and emergency lights throughout. The premises are equipped with a central burglar/fire alarm system and wet sprinkler system throughout.

Doors: The front main entrance is a double metal framed door with tempered glass pedestrian entry. The interior entrances for the offices and class rooms are solid wood with narrow vertical tempered glass tops, and double and/or single metal doors in storage/common areas at fire stop.

Roof: Gable on wood deck; and trusses; slate tiles cover, except a small corner along the south side which as been repaired with asphalt shingles cover; condition unknown. We have noted minor water stains on the upper floor, and particularly in the soffit area. The client should consider have the roof checked for possible leaks and/or remaining economic life.

BUILDING DESCRIPTION, continued

Lighting: Exposed and recessed fluorescent lights hung from the ceilings. Iodized lights are mounted to the north (front) side, to the west and rear sides.

Layout: The upper floor layout consists of main (common) corridor, principal's office, main office, a so-called teacher's room, two lavatories (boys-girls), six (6) classrooms of various size and layout and common area; this level comprises 6,561 square feet of usable space.

The lower level usable space consists of 6,435 square feet utilized as kitchenette/lounge room, as classrooms and common area (s).

Finally, the modular (annex) one-story classroom building to the north side comprises 1,960 sq ft (35' x 56') and is subdivided into two (2) classrooms area(s) and a science/lab room.

Office and Classrooms Finish:

Carpet and/or vinyl tile, floor-cover, painted drywall and/or masonry partition walls, acoustical tile ceiling with recessed fluorescent light fixtures.

Other Features: There are two various storage rooms and boiler room located in the basement; in addition, there is a pantry room in the lower level area.

Site Improvements:

There is landscaping along the front side only; paved driveway and parking areas comprise approximately 25,000 square feet based on our inspection; according to assessor's office records, the paved area consists of roughly 25,000 square feet. This paved area is showing signs of distress and replacement of the same, or re-paving is anticipated to occur within the foreseeable future.

Quality and Condition: Overall the building is an average Class "C", flex-use commercial structure in average overall condition.

BUILDING DESCRIPTION, continued

Overall Condition Of The Subject Property

No evidence of contamination of hazardous material used in the construction or maintenance of any improvements was observed on the date of our inspection. The appraiser, however, is not qualified to detect potentially hazardous material that may have an affect on the value of the property. The client may retain an expert in this field if desired.

However, as previously reported on the day of inspection we have noted that there is an underground fuel oil storage tank reported to be 1,000 gallon capacity; the client should retain professional opinion to verify condition/age.

There appears to be wheelchair accessibility to the building; from the rear side and to access the lower level area. However, your appraiser is not aware of the specific suitability of the property with regard to the Americans with Disabilities Act (ADA). Currently, definitive positions with regard to compliance are not available, and though non-compliance could well have an impact on the value of the property, no specific information or guidelines are available with which to evaluate the property with regard to ADA requirements.

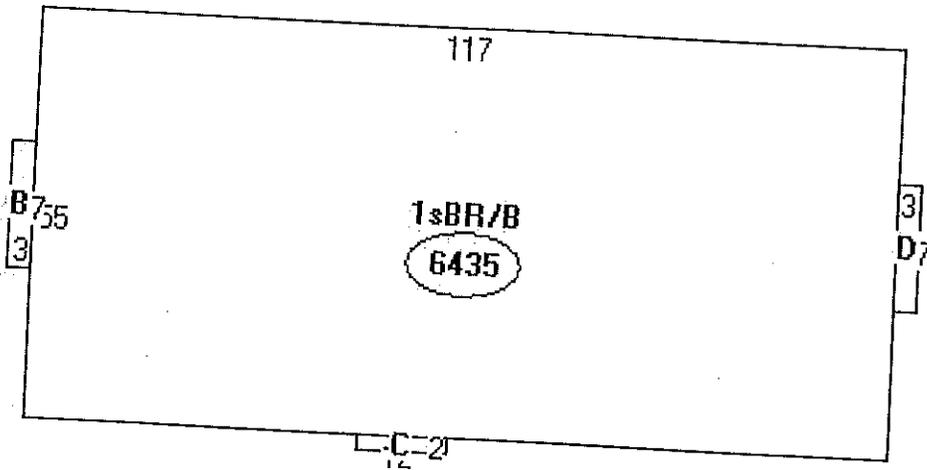
Because no information or guidelines are available, it is assumed for the purposes of this report that the ADA has no impact on the value of the property as it presently exists. Should such information become available, or should definitive guidelines and/or recommendations be forthcoming, and should they affect the value of the property as it currently exists then this report is subject to revision.

For a visual inspection, please refer to the photos of the subject property earlier in the report.

IMPROVEMENTS SKETCH (ASSESSOR'S Field Card)

November, 2010
Not to Scale

Out Building Information										
StructureCode	+/-	Width	Lgth/ SqFt	Ident. Units	Gr	Physical Condition	Functional Utility	Year	Percent Good	RCNLD
School Elem.		0	6561	1		Renovated	Normal	1928	0%	739,120
School Elem.fin		0	6435	1		Normal	Normal	1928	0%	488,950
Asphalt Parking		0	25000	1		Normal	Normal	1970	50%	23,440
		0	0	0			None	0	0%	0
		0	0	0			None	0	0%	0
		0	0	0			None	0	0%	0



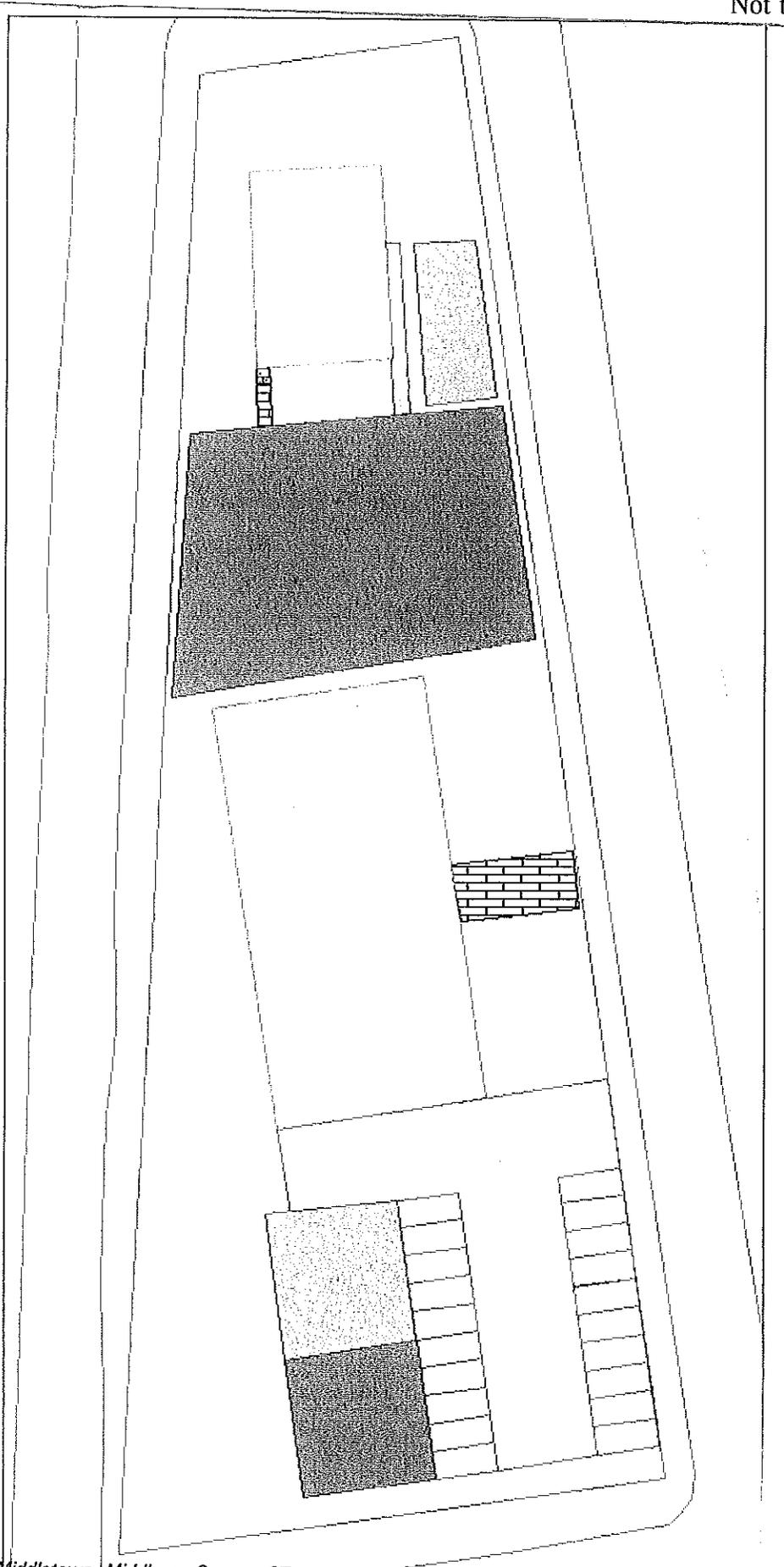
Descriptor/Area

A: 1sBR/B
6435 sqft

B: 1sBR
51 sqft

C: 1sBR
24 sqft

D: 1sBR
51 sqft



HIGHEST AND BEST USE

Highest and best use is defined as:

"That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.

"The definition immediately above applies specifically to the highest and best use of the land. It is to be recognized that in cases where the site has existing improvements on it, the highest and best use may very well be determined to be different from existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

"Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser's judgement and analytical skill, i. e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value an alternative term would be most profitable use."

Real Estate Appraisal Terminology

Compiled and Edited by Byrl N. Boyce, Ph. D.

American Institute of Real Estate Appraisers

Society of Real Estate Appraisers

In considering the highest and best use for the subject property your appraiser consideration has been given to the following: the most profitable economic use, assuming that the zoning and resulting legal use are appropriate for the subject. The property is located along Durant Terrace, one of the city's secondary thoroughfares. The site is already improved with a commercial (school) building facility that makes substantial contribution to the property value.

Considering the average quality and average overall condition of the improvements, considering the former use of the subject as a (catholic) school commercial property, considering its location in a mix-use residential and business zoned district in the central south quadrant of Middletown near the Route 17 corridor, hence, being easily accessible, and considering the purpose of this report, it's your appraisers' opinion that the highest and best "interim use" for the subject property will be for its continued use as a commercial, i.e. school facility, or day care and school outlet combination.

HIGHEST AND BEST USE, continued

Furthermore, considering the location and neighborhood, the zone, and shape of the site, the only financial feasible use is as improved.

By definition the highest and best use of the site would be the best utilization of the land configuration in conjunction with zoning, location and all the amenities described above. To make such an analysis of the site is beyond the scope of this appraisal but for purposes of this appraisal the "interim use" is considered to be its best and highest.

The highest and best "future use" will be dictated by market conditions, i.e. demand, economic conditions and existing zoning regulations. A possible conversion for use as rental multi-family property, targeted for senior citizens, is a very strong option, i.e. possibility, in your appraiser's opinion, on the assumption that the building is not razed.

Highest And Best Use As Improved

The subject is improved with a one and two-story 14,956± square foot, including finished basement space of roughly 6,435 square feet, commercial frame and masonry facility utilized as public school facility, which layout of the improvements meet somewhat with the character of the neighborhood; however, the premises are not in keeping with the density required, based on current zoning regulations, thus such use is considered to be legal and non conforming since it pre-dates existing zoning ordinances regulations for the city of Middletown.

The site for purposes of this appraisal will be considered adequate for the consideration of the best and highest "interim use" with remodeling and rehab of the subject building having occurred in various stages and to varying degrees.

The value of the land as vacant is available to be improved to its "**Highest and Best Future Use**" should be considered equal to the value of the site as improved now. The highest and best use for the subject property as proposed, or Senior Center and Municipal Office mix-use commercial facility.

Thus, for purposes of this appraisal the use will be considered as defining and supporting its **Best and Highest "Interim Use."**

VALUATION PREMISE

There are three classical approaches to value used in appraising real estate. They are defined as follows:

COST APPROACH: "That approach in appraisal analysis which is based on the proposition that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist no comparable properties on the market."

DIRECT SALES COMPARISON APPROACH: "That approach in appraisal analysis which is based on the proposition that an informed purchaser would pay no more for a property than the cost to him of acquiring an existing property with the same utility. This approach is applicable when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources. The direct sales comparison approach is relatively unreliable in an inactive market or in estimating the value of properties for which no real comparable sales data are available. It is also questionable when sales data cannot be verified with principals to the transaction."

INCOME APPROACH: "That procedure in appraisal analysis which converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate. The income approach is widely applied in appraising income-producing properties. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process."

Real Estate Appraisal Terminology

Compiled and Edited by Byrl N. Boyce, Ph. D.
American Institute of Real Estate Appraisers
Society of Real Estate Appraisers

Consequently these are the different approaches to the Valuation Process that your appraiser feels are appropriate to consider implementing:

VALUATION PREMISE, continued

The Income Approach to Value will not be developed for our analysis since this type of property is very seldom used to produce income. The facility is operated as a public school facility, and as such no reliable rental data for similar type of properties does exist and/or is available regarding the 2001 marketplace. This procedure converts anticipated benefits (income) to be derived from the subject premises into a value estimate. Therefore, since no rental income of any kind is anticipated for the subject property the Income Approach to value method is not utilized.

The Direct Sales Comparison Approach to Value will be developed because it is indicative of the value per sq ft of gross floor area to a user or investor. This approach also shows the overall price per sq ft based on market conditions. The Direct Sales Comparison Approach evaluates the property using market sales of properties with some similarity to the subject property. The approach uses actual market transactions to show buyer behavior and current price levels for real estate with some similarity to the subject.

The Cost Approach to Value will be implemented considering the somewhat special use; i.e., school facility, and the average overall condition of the building on the property. The structure was constructed in 1875 circa according to city records, and subsequently expanded, rehabbed and remodeled in various stages and to varying degrees. Estimates of overall accrued depreciation on buildings of these conditions and type are not difficult to assign. Moreover, this method of evaluation is highly appropriate in the case of unique and/or special use structure such as the subject building.

Furthermore, there have been adequate sales of truly comparable vacant commercial land with which reliably estimate the value of the site "as if vacant", one of the components in the Development of the Cost Approach. Therefore, for these reasons, the Cost Approach is judged by your appraiser to be appropriate to use here.

The subject property will be evaluated using the Direct Sales Comparison Approach to value and the Cost Approach to value. These approaches to value can be found on the following pages.

MARKET AND TREND ANALYSIS

Hartford's manufacturing behemoth United Technologies Corp., parent of Pratt & Whitney Co., Otis Elevator, Hamilton Sundstrand and Carrier, among others, made money despite lower sales by tightening its grip on expenses.

Among small- to mid-size manufacturers, Bristol automotive-aerospace parts maker Barnes Group, Lydall Inc., a Manchester producer of thermal and acoustic insulation, and Edac Technologies, a Farmington aerospace parts maker, posted improved sales in the first quarter. Of those, Edac rang up a strong gain in profits, mostly from an aerospace-parts acquisition a year earlier.

Collectively, they point to Connecticut's economy moving in tandem with the strengthening U.S. economy, which rose an estimated 3.2 percent in the first three months of this year. The better-than-expected addition of 290,000 U.S. jobs in April was yet more evidence a national recovery is taking root.

Yet for all the positive signs in Connecticut, there remain some cautionary flags, observers say. In spite of their improved earnings, banks still haven't loosened the reins on credit necessary to fund corporate and small business expansion, inhibiting the recovery, analysts say. Home sales across the state rose for the sixth straight month in March, up by 28 percent to 2,025 units. Permits for new home construction also grew. Median prices for single-family dwellings also continued to firm, climbing 7.7 percent from March 2009 to \$237,000 this year, according to The Warren Group. Statewide permits for new home construction rose 12 percent to 558 in the first quarter from a year earlier. Some commercial landlords also report improved first-quarter leasing activity.

Even as home foreclosures run at record pace across the state and country, some communities are experiencing strong tax-collection rates. In West Hartford, tax receipts are running at 99 percent, much better than the 96 percent collection rate during the previous slump in the early 1990s, Van Winkle said.

Lenders in West Hartford's 54 single-family houses in foreclosure are keeping current on the property taxes because they are counting on recovering their money once the houses sell, Van Winkle said. West Hartford has 18,000 single-family dwellings.

Connecticut tax receipts, including payroll and sales taxes, rose in March to \$1.2 billion from \$1.05 billion a year earlier, according to the state Department of Revenue Services. Still, for the first three months, receipts were off \$206 million from a year ago, to \$7.7 billion.

Source: Connecticut Economy; Summer 2010

MARKET AND TREND ANALYSIS, continued

GREATER HARTFORD VACANCY RATES HARTFORD OVERALL INDUSTRIAL 3Q 2009						
	Hartford CBD	Western Hartford County	Southern Hartford County	Eastern Hartford County	Northern Hartford County	Hartford County Total
Total Inventory (s.f.)	729,487	2,290,390	2,242,799	1,686,317	2,147,202	9,096,195
No of Buildings	10	64	75	45	33	227
Direct Availabilities (s.f.)	59,721	222,531	307,152	276,816	426,662	1,292,882
3Q 09 Direct Vacancy	8.2%	9.7%	13.7%	16.4%	19.9%	14.2%
Overall Availabilities (s.f.)	59,721	230,422	307,152	276,816	509,688	1,383,799
3Q 09 Overall Vacancy	8.2%	10.1%	13.7%	16.4%	23.7%	15.2%
YTD Absorption (s.f.)	(19,601)	(92,349)	(22,071)	(61,119)	(18,782)	(169,780)
Direct Avg. Rental Rate	\$7.27	\$8.73	\$8.76	\$4.99	\$5.92	\$7.18
Western: Avon, Farmington, Simsbury, Southington, West Hartford Southern: New Britain, Newington, Rocky Hill, Wethersfield Eastern: East Hartford, Glastonbury, Manchester, South Windsor Northern: Bloomfield, East Granby, East Windsor, Enfield, Windsor, Windsor Locks						
Source: Cushman and Wakefield & Hartford Business Journal; 12-7-09						

MARKET AND TREND ANALYSIS, continued

GREATER HARTFORD VACANCY RATES HARTFORD WAREHOUSE DISTRIBUTION VACANCIES 4Q 2009						
	Hartford CBD	Western Hartford County	Southern Hartford County	Eastern Hartford County	Northern Hartford County	Hartford County Total
Total Inventory (s.f.)	2,754,311	6,056,426	5,827,395	12,158,430	17,090,410	43,886,972
No of Buildings	58	113	119	181	209	680
Direct Availabilities (s.f.)	254,794	873,666	753,982	1,522,885	3,058,060	6,461,387
4Q 09 Direct Vacancy	9.3%	14.4%	12.9%	12.5%	17.9%	14.7%
Overall Availabilities (s.f.)	254,794	887,212	753,982	1,653,545	3,145,134	6,694,667
4Q 09 Overall Vacancy	9.3%	14.6%	12.9%	13.6%	18.4%	15.3%
YTD Absorption (s.f.)	(37,751)	(32,697)	(343,719)	(385,696)	(181,274)	(981,137)
Direct Avg. Rental Rate	\$5.14	\$4.80	\$5.10	\$3.91	\$5.12	\$4.75
Western: Avon, Farmington, Simsbury, Southington, West Hartford Southern: New Britain, Newington, Rocky Hill, Wethersfield Eastern: East Hartford, Glastonbury, Manchester, South Windsor Northern: Bloomfield, East Granby, East Windsor, Enfield, Windsor, Windsor Locks						
Source: Cushman and Wakefield & Hartford Business Journal; 06-14-10						

MARKET CONDITIONS, continued

GREATER HARTFORD VACANCY RATES Hartford Overall Office Vacancies 3Q 2009							
	Hartford CBD	Downtown Periphery	Western Hartford County	Southern Hartford County	Eastern Hartford County	Northern Hartford County	Hartford County Total
Total inventory (sf)	7,976,110	2,097,814	6,354,161	2,847,919	3,100,297	3,259,954	25,636,255
No. of buildings	45	41	119	65	61	56	385
Direct availabilities (s.f.)	1,733,597	366,257	657,794	551,726	243,091	861,933	4,414,398
1Q 09 direct vacancy	21.7%	17.5%	10.4%	19.4%	7.8%	26.4%	17.2%
Overall availabilities (s.f.)	1,778,663	366,257	695,957	600,157	282,239	918,933	4,642,206
1Q 09 overall vacancy	22.3%	17.5%	11.0%	21.1%	9.1%	28.2%	18.1%
YTD Absorption (s.f.)	(100,340)	(33,978)	(93,520)	(48,649)	(80,947)	102,022	(255,412)
Direct avg. rental rate	\$21.77	\$18.58	\$20.30	\$18.82	\$22.22	\$17.16	\$20.04

Western: Avon, Farmington, Simsbury, Southington, West Hartford
 Southern: New Britain, Newington, Rocky Hill, Wethersfield
 Eastern: East Hartford, Glastonbury, Manchester, South Windsor
 Northern: Bloomfield, East Granby, East Windsor, Enfield, Windsor, Windsor Locks

Source: Cushman and Wakefield; Hartford Business Journal; September, 2009

MARKET CONDITIONS, continued

GREATER HARTFORD VACANCY RATES Hartford Office Market - City of Hartford Market - Class C 4Q 09							
	Hartford CBD	Downtown Periphery	Western Hartford County	Southern Hartford County	Eastern Hartford County	Northern Hartford County	Hartford County Total
Total inventory (sf)	241,788	827,370	103,000	143,603	209,616	361,084	1,886,461
No. of buildings	7	13	3	6	7	11	47
Direct availabilities (s.f.)	48,075	162,035	-	-	1,457	121,472	333,039
4Q 09 direct vacancy	19.9%	19.6%	0.0%	0.0%	0.7%	33.6%	17.7%
Overall availabilities (s.f.)	48,075	162,035	-	-	1,457	121,472	333,039
4Q 09 overall vacancy	19.9%	19.5%	0.0%	0.0%	0.7%	33.6%	17.7%
YTD Absorption (s.f.)	-	(6,000)	-	-	6,535	(535)	0
Direct avg. rental rate	\$14.91	\$18.58	N/A	N/A	\$17.60	\$15.27	\$16.84

Western: Avon, Farmington, Simsbury, Southington, West Hartford

Southern: New Britain, Newington, Rocky Hill, Wethersfield

Eastern: East Hartford, Glastonbury, Manchester, South Windsor

Northern: Bloomfield, East Granby, East Windsor, Enfield, Windsor, Windsor Locks

Source: Cushman and Wakefield

MARKET CONDITIONS, continued

OFFICE MARKET IN METRO HARTFORD (4th Quarter 2009)									
Third Quarter 2009	Buildings	Total s.f.	YTD Absorption	Direct Availability 2009	Direct % Vacancy 2009	Overall Availability 2009	Overall Vacancy %	Average Rental Rate 2009	
Hartford Central Business District	41	7,976,110	100,340	1,733,597	21.70%	1,778,663	22.30%	\$21.77	
Class A	15	6,178,792	-84,673	1,150,414	18.60%	1,195,480	19.30%	\$23.54	
Class B	21	1,555,530	-15,667	535,108	34.40%	535,108	34.40%	\$18.59	
Class C	7	241,788	-	48,075	19.90%	48,075	19.90%	\$14.91	
Hartford Overall Total	385	25,636,255	-255,412	4,414,398	17.20%	4,642,206	18.10%	\$20.04	
Class A	117	14,149,558	-190,666	2,340,376	16.50%	2,485,784	17.60%	\$22.16	
Class B	221	9,600,236	-60,448	1,736,685	18.10%	1,819,085	18.90%	\$17.74	
Class C	47	1,886,461	-4,298	337,337	17.90%	337,337	17.90%	\$16.86	

Western: Avon, Farmington, Simsbury, Southington, West Hartford
 Southern: New Britain, Newington, Rocky Hill, Weathersfield
 Eastern: East Hartford, Glastonbury, Manchester, South Windsor
 Northern: Bloomfield, East Granby, East Windsor, Enfield, Windsor, Windsor Locks

Source: Cushman and Wakefield (As of December 2009) & Hartford Business Journal

MARKET CONDITIONS, continued

GREATER HARTFORD VACANCY RATES Hartford Overall Class A Office Vacancies 4Q 2009							
	Hartford CBD	Downtown Periphery	Western Hartford County	Southern Hartford County	Eastern Hartford County	Northern Hartford County	Hartford County Total
Total inventory (sf)	7,976,010	2,097,814	6,354,161	2,842,184	3,100,297	3,259,954	25,630,420
No. of buildings	43	41	119	65	61	56	385
Direct availabilities (s.f.)	1,766,243	373,282	638,460	534,626	250,295	858,739	4,421,645
4Q 09 direct vacancy	22.1%	17.8%	10.0%	18.8%	8.1%	26.3%	17.3%
Overall availabilities (s.f.)	1,836,454	373,282	697,782	582,657	290,982	915,739	4,696,896
4Q 09 overall vacancy	23.0%	17.8%	11.0%	20.5%	9.4%	28.1%	18.3%
YTD Absorption (s.f.)	(168,771)	(41,003)	(98,845)	(37,084)	(89,690)	102,715	(332,678)
Direct avg. rental rate	\$21.63	\$18.46	\$20.01	\$18.56	\$22.24	\$17.09	\$19.91

Western: Avon, Farmington, Simsbury, Southington, West Hartford
 Southern: New Britain, Newington, Rocky Hill, Wethersfield
 Eastern: East Hartford, Glastonbury, Manchester, South Windsor
 Northern: Bloomfield, East Granby, East Windsor, Enfield, Windsor, Windsor Locks

Source: Cushman and Wakefield & Hartford Business Journal

MARKET CONDITIONS, continued

2010 Real Estate Investment Outlook, continued

The National Outlook

After five months of job gains this year, as large as 432,000 in May, total nonfarm employment declined for a second month by 131,000 jobs in July following a downward revised 221,000 jobs lost (from - 125,000) in June. The July unemployment rate at 9.5% was unchanged. Private sector employment for the seventh consecutive month edged up 71,000 jobs this year, though the broader measure of unemployment (U6) remained at 16.5% with 14.6 million American out of work (44% for six months or longer). Still, manufacturing added 183,000 jobs this year, the most robust seven months of manufacturing growth in over a decade. U.S. Real Gross Domestic Product (RGDP) grew 2.4% in Q2-2010 compared with - 2.6% for CY 2009, and 3.7% for Q1-2010.

Connecticut

Total employment (from the household survey) declined year-to-year (YOY) in June by 13,457 persons (-0.8%). Nonfarm employment (from the employer survey) declined by 1,600 jobs (-0.098%) YOY. The YOY total employment rate rose to 8.8% from 8.4%. The insured unemployment rate improved, declining 0.79 percentage point YOY to 4.33% in June.

Manufacturing average weekly hours increased from 38.8 to 39.6 YOY and construction average weekly hour increased from 36.5 to 37.2 YOY. Other positive contributors were short duration unemployment that decreased from 2.92% to 2.25% YOY, Moody's Baa bond rate that improved from 7.50% a year ago to 6.23%, and initial claims that decreased by 19.5% to 23,898 in June. Housing permits that fell 41.6% YOY from 327 units to 191 units. The Hartford Help-Wanted Index was unchanged from a year ago at 2 in June 2010.

On a month-over-month basis, Connecticut's leading employment index declined from 115.6 in May 2010 to 115.0 in June. Housing permits that decreased from 222 units to 191 units (-14.0%). Moody's Baa bond rate that increased by 0.18 percentage point from 6.05% to 6.23%, initial claims that increased from 22,711 to 23,899 (5.2%) and average weekly hours in manufacturing that decreased from 39.8 to 39.6 contributed negatively to the MOM change in this index. Average weekly hours in construction that increased from 36.8 to 37.2 MOM had a positive influence.

MARKET CONDITIONS, continued

2010 Real Estate Investment Outlook, continued

The national and state economic recoveries have slowed. In addition, to Connecticut's insignificant job growth, the decline in the state's housing permits, a 22% residential foreclosure rate in Connecticut (ranking it 20th highest in filings per household) and near-record bank repossessions (up nationally YOY for the eighth consecutive month) create drag on the state's recovery.

The state's budget challenges ahead requiring adjustment may further slow the Connecticut recovery next year. Uncertainty about health care and financial reform as well as personal finances contributes to the lack of movement out of the rough.

Amid signs that the U.S. economy has entered an unwelcome lull (or worse), Connecticut was showered with employment gains in 2010-Q2. Connecticut nonfarm jobs surged by almost 8,000 during 2010-Q2, or at an annual growth rate of 2%. And despite a big drop in Census government jobs, June showed the strongest private-sector job growth of the quarter.

The State's two largest labor markets, Bridgeport-Stamford and Hartford, added jobs in 2010-Q2. Bridgeport-Stamford gained 1,200 while Hartford grew by 1,600. Unfortunately, the other two major areas, New Haven and New London, lost 1,400 and 300 jobs respectively. Professional and business services logged its first increase since the onset of the recession, adding nearly 8,000 posts in the quarter for a stunning 18.7% gain at an annual rate. Manufacturing grew for the first time since mid-2006, thanks to a whooping 2,000 jobs upswing in durable goods.

The recession's severity and flagging support from federal stimulus funds are forcing budget cuts in schools and hospitals statewide. The education and health care sector jettisoned 1,100 jobs in 2010-Q2, cuts of a magnitude not seen since 2000-Q4, at the start of the previous recessions.

Source: Connecticut Economic Digest; September 2010

MARKET CONDITIONS, continued

2010 Real Estate Investment Outlook, continued

Retailers expanded payrolls by 2,000 in the quarter. So did the state's hotels, restaurants and bars, as consumers kept their wallets open. That spending has bankrolled not only by more jobs but also by higher earnings. Compared with 2009-Q2, average weekly earning for private sector employees climbed 3.5%. In most sectors, however, the gains owed more to longer hours than to higher pay. The regional forecast foresees continued job growth in three of the four major labor markets in coming quarters, with Bridgeport-Stamford leading the way. Statewide forecast anticipates a total addition of 20,000 jobs for the four quarters ending 2010-Q4.

But as the federal stimulus winds down and the inventory rebuilding cycle plays out, jobs could struggle to grow even half as quickly next year. Normally, the recovery's reins would pass to businesses and consumers, but thus far they have proven either reluctant or unable to seize them.

There is yet another twist to the narrative. Total employment in the state consists of those who work for others wage and salary employees plus those who are self-employed sole proprietors or business partners.

Consider an additional wrinkle. Like many states in the Northeast, Connecticut has also struggled against a strong population headwind, a long secular trend of Americans moving south and west. Under these conditions the state's job performance almost looks impressive. Connecticut's growth in total employment relative to population between 1994 and 2008 landed the state near the top of the heap, 10th among the 50.

As the distinction between wage and salary and sole-proprietor jobs makes clear, Connecticut's recent growth in total jobs is due almost entirely to a swelling in the ranks of the self-employed. In the mid-to late 1990s, self-employment kept pace and wage and salary positions in the state, by the fairly steady ratio of self-employed to wage and salary jobs. Then self-employment really shot up, climbing 4.7% annually, versus 3.8% for the U.S., between 1999 and 2008.

In 2002, Connecticut surpassed the U.S. in the relative importance of self-employment to its economy. And in 2008, the state ranked 10th in the share of self-employment jobs, making Connecticut practically a hotbed of entrepreneurial activity.

Source: Fall 2010 The Connecticut Economy

DIRECT SALES COMPARISON APPROACH

Under the Direct Sales Comparison Approach, market values are derived from a study of similar properties. Hypothetically, the adjustments made using the Direct Sales Comparison Approach reflect a buyer's preference for a building. A building comparable to the subject property would represent an acceptable alternative for a buyer in the current market. Adjustments are made in order to establish comparability based upon the appraiser's knowledge of the market, observation of price, locational trends, amenities, and discussions with principals and brokers in the market place.

This approach is related to the principle of substitution. No one will pay more for a property if he can acquire one of similar utility for a lower price. The value of the subject is presumed to be directly related to the price of the comparable sale. Similarity of use, for example, a commercial building used as a comparable for valuing another commercial building is an analogy which is easily accepted by everyone involved with real estate. Both appraisers and laymen accept and understand this method of valuing real estate.

The similarity of use is the easiest of characteristic to find in a comparable sale. Unless the appraiser is dealing with a special-purpose property, there are usually a number of buildings used for similar purposes. Due to zoning regulations, buildings used for similar purposes frequently are located in the same general area.

Identical buildings, that is buildings which are physically identical, are rare in commercial structures. Even if an identical building was found and was located on a site identical in size and topography and was served by the same utilities, the appraiser would have to deal with location. Each location on earth is unique and requires adjustments in order to deal with the difference between the property being valued and the sale used as a comparable.

Adjustments must be made for locational and physical differences. Adjustments are always made from the sale to the subject. If a sale has a superior characteristic, the adjustment is negative. If the characteristic is inferior to the subject, the adjustment is positive. The object is always the property being appraised and all the adjustments are an attempt to make the sale price of the comparable equal to the value for the subject.

DIRECT SALES COMPARISON APPROACH, continued

Physical characteristics are not the limit of what should be examined by the appraiser. The circumstances which surround a particular sale are in many cases as important as the physical similarity to the subject. General market conditions, at the time the comparable was sold, may differ markedly from current conditions. An adjustment for time may be used to deal with this adjustment.

The conditions of sale are also important. Was the sale an arms-length transaction? Did the seller receive something of value for the property besides cash? If the seller provided financing, was what he or she received equal to or less than "all cash"? Many of these questions are raised by our definition of value and the appraiser in making comparisons must be able to identify and deal with the circumstance which surround a particular transaction.

In order to discover these circumstances, the appraiser has checked the land records. Brokers and principals to transactions have been contacted and the information obtained has been used to adjust the various sales.

Selection of Comparables

In researching comparable commercial building sales, several criteria were established. First, that the property be a free standing commercial (school) building of fairly similar size, and/or free standing office building facility this is not only necessary, but it's expected since there are no truly comparable and recent sales of school buildings and since the subject property could be easily converted for use as office building and/or mix-use of office and residential.

Second, that it be located in a relatively similar location, exhibiting neighborhood characteristics of that of the subject. Finally, sales were chosen that occurred within the time frame of January 2009 to the present.

Since sales of commercial (school and/or office) buildings in Middletown truly similar to the subject property are virtually impossible to find, we have expanded the locations of the sales to neighboring towns, and throughout the region and the state as well. In other words, school buildings are fairly few and regardless of location, are utilized for similar purpose(s).

DIRECT SALES COMPARISON APPROACH, continued

METHODOLOGY

There are many elements to consider when comparing similar or somewhat similar properties; however, there are six main common elements of comparison that cause prices to differ between properties; when appropriate, other elements of comparison such as financial characteristics are considered. These elements are listed below:

Real Property Rights Conveyed:

This adjustment relates to the type of ownership transferred and how the conveyed interest relates to the interest being appraised.

Financing Terms:

Adjustments for financing terms are based on the extent that favorable financing influenced the comparable sale price and can be measured.

Conditions of Sale:

This adjustment usually reflects the special motivations of the buyer and/or seller.

Market Conditions (Time of Sale):

An adjustment for market conditions reflects changes that may be caused by a variety of factors such as inflation, deflation, recession, fluctuations in supply and demand.

Location:

An adjustment for location is required when the locational characteristics of a comparable property are different from those of the subject property.

Concessions:

This adjustment usually reflects not an arm's length transaction, and/or a transaction affected by undue stimulus on the part of either party to the transaction.

DIRECT SALES COMPARISON APPROACH, continued

Physical Characteristics:

Adjustments for Physical characteristics are made for such factors as land and/or building size, road frontage, availability of utilities, topographical characteristics, functional utility of the land or building, land-to-building area ratio approved or allowed, building age or condition, construction materials and quality, and numerous other characteristics.

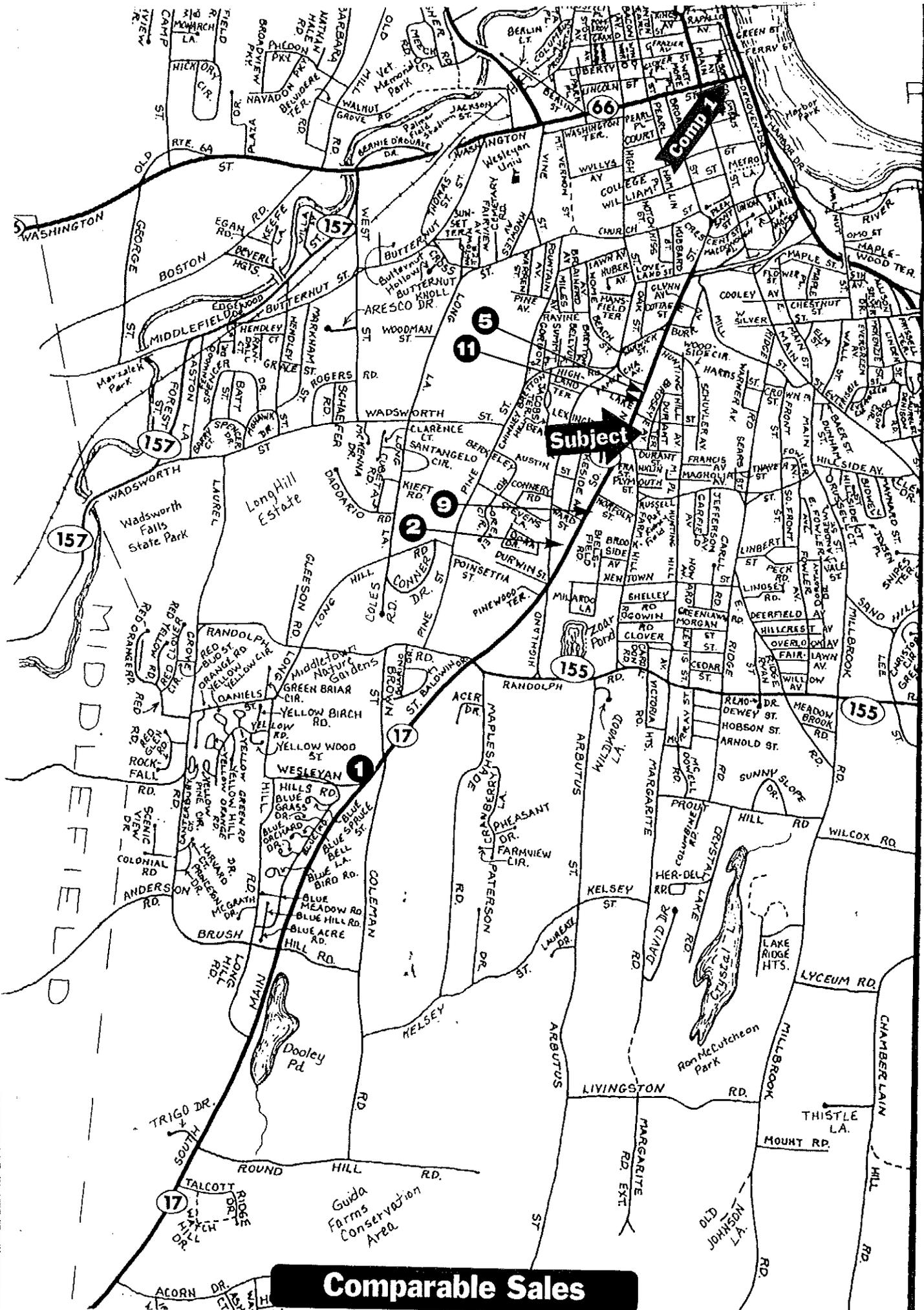
The methodology used is the percentage adjustment. This methodology is based on the premise that each factor influencing value has an independent and interdependent effect on value. By adding and/or subtracting the adjustments together, we derive a final adjustment factor.

This factor is then multiplied by the sales price adjusted where appropriate for financing, market conditions (time of sale), conditions of sale, site size, concessions, building size, building condition-type, zoning and location to arrive at a final adjusted sales price.

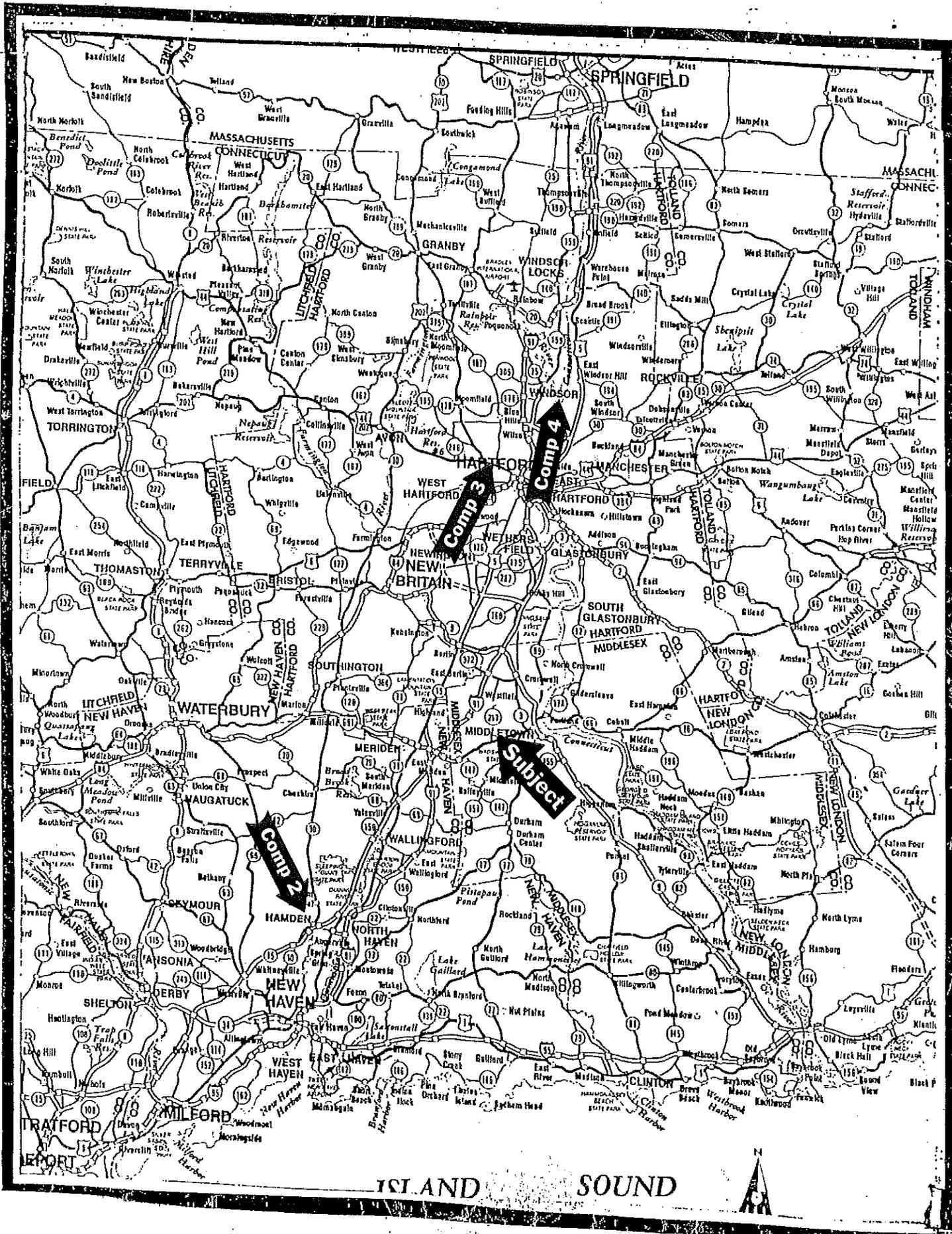
Historically **smaller buildings** tend to sell for more on a per unit basis all other things being equal. If necessary a downward adjustment will be applied to the comparable land sales utilized in the Market Approach/Direct Sales sections.

Historically **larger buildings** tend to sell for less on a per unit basis all other things being equal. If necessary an upward adjustment will be applied to the comparable sales utilized in the Market Approach/Direct Sales sections.

All statements contained herein, unless otherwise attributed, represent the **opinion** of your appraiser.



Comparable Sales



ISLAND SOUND



DIRECT SALES COMPARISON APPROACH

SALE #1

44 Washington Street
Middletown, Middlesex County, CT



Sold on 5-7-2010; Sale Price: \$400,000 (\$52.71/sq ft GBA)

DIRECT SALES COMPARISON APPROACH, continued

SALE #1; 44 Washington Street, Middletown, Middlesex County, CT

Diane Tine to Green Grass Real Estate, LLC
Volume 1696, Page 565
Warranty Deed dated May 7, 2010

Type of Property: Two (detached) front and back buildings utilized as office residential and retail buildings

Sale price: \$400,000

Building size: 7,588 square feet; one and two-story commercial (mix-use) building; wood shingles and steel siding exterior; built in 1784 circa and 1974.

Site size: 0.54 acres \pm

Land to building ratio: 3.1 to 1

Sale price per SF: \$52.71 to include the land

Zone: B-1; Business (One) District

Improvements: One and 2.5-story frame and pre-engineered steel siding exterior commercial (mix) buildings. Locationally this sale shares fairly similar characteristics to the subject location. Inferior overall condition-type to the subject. Superior location as to accessibility and visibility/exposure. This property was largely vacant at time of sale.

DIRECT SALES COMPARISON APPROACH, continued

SALE #1; 44 Washington Street, Middletown, Middlesex County, CT

Comments

This sale is part of the central quadrant of Middletown; hence, location is superior as to accessibility and visibility exposure; inferior building condition-type to the subject.

This is a good comparable in terms of configuration it is a very recent sale as well and is situated in Middletown. However, adjustments will be applied for site size-LBR (smaller; inferior) for location, (superior) for building condition-age (inferior) and for building size (smaller).

For the smaller (inferior) site size of this sale an upward adjustment will be applied. For the superior location, as to accessibility and visibility exposure, a downward adjustment will be applied.

For building condition-type, i.e. functional utility, an upward adjustment will be applied. The subject is utilized-finished for use as (catholic) school facility. On the other hand, this sale mix-use as office, residential and retail facility is considered to be slightly inferior, overall, to the subject.

Finally, for building size (smaller) a downward adjustment is needed and will be applied

Financing: At Market

DIRECT SALES COMPARISON APPROACH, continued

Sale #2

2428 Whitney Avenue
Hamden, New Haven County, CT



Sold on 6-1-2010; Sale Price: \$2,250,000 (%87.06/sq ft GBA)

DIRECT SALES COMPARISON APPROACH, continued

Sale No. 2; 2428 Whitney Avenue, Hamden, New Haven County, CT

Elm City 2, Inc., to WTE 2428 Whitney, LLC
Volume 3716, Page 30
Warrantee Deed dated June 1, 2010

Type of Property: Office Building

Sale price: \$2,250,000

Building size: 25,843 square feet

Site size: 76,230± square feet (1.75 acres±)

Land to building ratio: 3.0 to 1

Price per Sq Ft: \$87.06 (to include the land)

Zone: CDD4; Commercial (4) Designated District

Age: 1985

This is the very recent sale of a two-story, (newer) 1985 brick Class B-office building in the central-quadrant of Hamden, or along Route 10. Average overall condition. Adequate on site parking. Superior location as to visibility and neighborhood composition; superior condition-age and type to the subject.

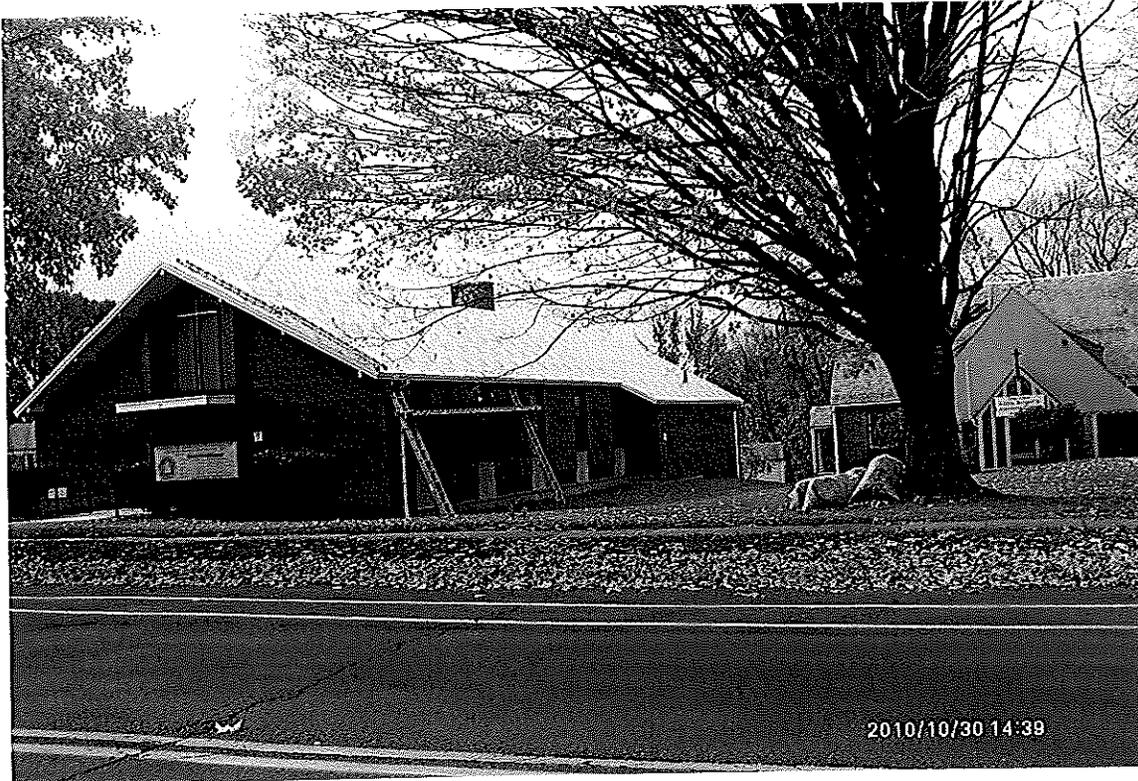
Financing: At Market

Remarks: This is a very good comparable as to use, and functional utility as well. However, adjustments will be applied for building condition-age and type (superior), for location (superior), for building size (larger) and for site size/LBR (smaller; inferior).

DIRECT SALES COMPARISON APPROACH, continued

Sale #3

71 Zion Street, Hartford, Hartford County, CT



Sold on 6-21-2010; Sale Price: \$800,000 (\$51.88/sq ft of GBA)

DIRECT SALES COMPARISON APPROACH, continued

Sale No. 3; 71 Zion Street, Hartford, Hartford County, CT

The Parish of ST. James to Church of God Pentecost, Inc.
Volume 6341, Page 193
Warranty Deed dated June 2, 2010

Type of Property: Church and daycar flex-use building at time of sale

Sale price: \$800,000

Building size: 15,420 square feet

Site size: 53,143 \pm square feet (1.22 acres \pm)
Land to building ratio: 3.4 to 1

Price per SF: \$51.88

Age: 1926-1958

Condition: Average to good at time of sale

Zone: R-4; Residential District
Assessor's Reference: Map 186, Block 621, Lot 113

DIRECT SALES COMPARISON APPROACH, continued

Sale No. 3; 71 Zion Street, Hartford, Hartford County, CT

This is the sale of a comparable large sized mix-use property within a fairly similar subject's market area. The property consist of two, front and back, 1-story each brick converted buildings. Average to good overall condition at time of sale. There is adequate on-site parking. Inferior location as to curb appeal and neighborhood composition to the subject; slightly superior condition-type to the subject, as to overall finish-condition (as is).

Financing: At market

Remarks: This is a very good comparable and it's a very recent sale as well. However, adjustments will be applied for building condition-type (slightly superior), for site size/LBR (smaller; inferior) and for location (inferior).

DIRECT SALES COMPARISON APPROACH, continued

Sale #4 860 Prospect Hill Road, Windsor, Hartford County, CT



Sold on 9-11-2009; Sale Price: \$870,000 (\$79.73/sq ft GBA)

DIRECT SALES COMPARISON APPROACH, continued

Sale No. 4; 860 Prospect Hill Road, Windsor, Hartford County, CT

Prospect Hill Realty, LLC to Vinfen Corporation of CT, Inc.
Volume 1670, Page 737
Warranty Deed dated September 11, 2009

Sale price: \$870,000

Building size: 10,912 square feet

Site size: 46,609± square feet (1.07 acres±)

Land to building ratio: 4.3 to 1

Sale price per SF: \$79.73 (to include the land)

Age: 1987

Zone: I1; Industrial (One) District

Improvements: Two-story frame and masonry with brick and vinyl siding exterior commercial condominium/office building comprising 10,912± sq ft, in total. Adequate on site parking. Similar location as to curb appeal and visibility-exposure; superior condition-age to the subject (as is).

Financing: At Market; \$783,000 Purchase Money Mortgage in favor of Grantor.

Remarks: This sale is a very good comparable to the subject since it has a commercial (office) use, it is located within a similar subject's market area; it's a recent sale and it's of similar functional utility.

However, it is your appraiser's opinion that adjustments should be applied for site size/LBR (smaller; inferior), for building condition-type and age, considered to be superior to the subject property (overall) and for building size (smaller). This is the sale of an office condominium complex; however, this sale comprises the entire building and land.

DIRECT SALES COMPARISON APPROACH, continued

The salient characteristics of the sales are presented in tabular form below. These characteristics, along with other features of the subject and sale properties, will be used as a basis for the adjustments to the sales in the development of a value estimate by the direct sales comparison approach.

Sales Summary					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Date of Sale	-	5/10	6/10	6/10	9/09
Building Size (SF)	14,956	7,588	25,843	15,420	10,912
Sale Price (\$)	-	400,000	2,250,000	800,000	870,000
Land Area (Acres)	1.02 ±	0.54	1.75	1.22	1.07
Land to Building Ratio	5.3	3.1	3.0	3.4	4.3
Building Age	1875-1999	1784-1974	1985	1926-1958	1987
Financing	-	At Market	At Market	At Market	PMM
Sale Price/SF* (\$)	-	52.71	87.06	51.88	79.73
* Of Building, to include the land					

DIRECT SALES COMPARISON APPROACH, continued

Tables of Adjustments

In comparing these sales with the subject properties, a grid showing adjustments for such factors as location of property, financing terms, site amenity, building condition and the like will result in indicated values for the subject property based on each of the sales. From these indicated values, a single estimate of value will result for the subject property by the direct sales comparison approach to value.

The unit of comparison utilized in this analysis is the sale price per square foot of gross building area to include the land. By considering this adjustment procedure, a reliable indication of value can be derived for the subject property. Seven common elements of comparison that causes prices to differ between properties are listed below. When appropriate other elements of comparison such as financial characteristics are considered.

Real Property Rights Conveyed

Financing Terms

Conditions of Sale

Market Conditions (Time of Sale)

Location

Physical Characteristics

Use

A table of adjustments, seen on the following page, will attempt to reconcile these selling prices into an estimate of value for the subject commercial property.

DIRECT SALES COMPARISON APPROACH, continued

Adjustment Grid				
	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4
Address	44 Washington Street, Middletown	2428 Whitney Avenue, Hamden	71 Zion Street, Hartford	860 Prospect Hill Road, Windsor
Sale Price Per Sq Ft (\$)	52.71	87.06	51.88	79.73
<i>Property Interest</i> Fee Simple	1.00	1.00	1.00	1.00
<i>Financing</i> Conventional or Cash	1.00	1.00	1.00	1.00
<i>Conditions of Sale</i> Arm's Length	1.00	1.00	1.00	1.00
<i>Market Conditions</i> Typical	1.00 May 10	1.00 June 10	1.00 June 10	Sept 09
Multiplier Adjusted Sale Price (\$)	1.0000 52.71	1.0000 87.06	1.0000 51.88	1.0000 79.73
Other Adjustments				
Location	-10%	-15%	+15%	+0%
Physical Characteristics*	+25%	-5%	+0%	-20%
<i>Building Size</i>	-10%	+15%	+0%	-5%
<i>Building Condition/Type</i>	+25%	-25%	-5%	-20%
<i>Basement</i>	+0%	+0%	+0%	+0%
<i>Availability of Parking/Site Size/EBR</i>	+10%	+5%	+5%	+5%
Economic Characteristics	0%	0%	0%	0%
Use	0%	0%	0%	0%
Non-Realty Components	0%	0%	0%	0%
Sum of Other Adjustments (\$)	+15% \$7.91	-20% (\$17.41)	+15% \$7.78	-20% (\$15.95)
Indicated Value of Subject (\$)/sq ft	60.62	69.65	59.66	63.78
* Physical Characteristics is Sum of the Items (Building Size, Building Condition, Basement, and Availability of Parking) Below.				

DIRECT SALES COMPARISON APPROACH, continued

The indicated values per square foot of GBA range from \$59.66 to \$69.65 with intermediate values of \$60.62 and \$63.78. This is a fairly narrow value range and one from which a reasonable value estimate can be extracted. The value range represents the value of the subject "as is" which takes into account the average overall condition of the property.

Conclusion of Value by the Sales Comparison Approach

Sale Number	Sale Price Per SQ FT	Adjusted Sale Price per SQ FT (Rounded)
Sale 1	\$52.71	\$60.62
Sale 2	\$87.06	\$69.65
Sale 3	\$51.88	\$59.66
Sale 4	\$79.73	\$63.78
Average Adjusted Sales Price Per SQ FT = \$64.00 (rounded)		

Analysis

The appraiser has analyzed four commercial, school and/or flex-use (office) building sales, and/or former school building sales.

The sales have been adjusted, as already outlined under the comments, to compensate for differences between the subject property and the sale properties. Such items as market conditions (time of sale), building condition-age, site size/LBR, building size, location, economic characteristics and concessions have been considered, and adjustments were rendered to account for these differences.

The adjustments process should, in theory, bring selling prices into line with a value range that indicates the worth of the subject property, on the basis of current market behavior, as shown by the sales cited. The adjustments themselves are straightforward and for the most part are reasonable.

DIRECT SALES COMPARISON APPROACH, continued

Three of the four comparable sales utilized needed to be adjusted downward and/or upward for building size since these sales are either smaller, or larger in overall size, or GBA. Typically a smaller building tends to sell for less on a per unit basis all other factors being equal. The reverse of course is true for larger buildings.

Three of the sales needed to be adjusted upward for location since the subject location is considered either inferior, or superior in terms of visibility/exposure and mostly as to neighborhood composition and curb appeal.

The sales used here are good ones, especially considering the nature of the subject property, its age, use and size. The four sales have been selected from several sales of somewhat similar properties throughout the region and the state as well, and the sales presented here are in our opinion the four most comparable sales. Moreover, these are very recent sale expressing typical sellers/buyers behavior for these type properties based on current market conditions.

They have been examined with respect to the subject property, and adjustments have been rendered to compensate for items of difference between the subject and sale properties. Please see the preceding page for the sales adjustments table.

As previously reported, items considered in the adjustments process include date of sale (market conditions), financing terms, locational amenity (including visibility, stability, accessibility and exposure), land-to-building area ratio, concessions, building size, type and condition.

The effect of environmental considerations is impossible to establish, since individual circumstances are unknown, and will not be made available to your appraiser. The valuation process does not consider any detrimental environmental circumstances, nor are any known to your appraiser, or reputed to be present at any of the (comparable) properties.

After making various adjustments, the indicated price per square foot (rounded) ranged from \$60.00 to \$70.00. This is a fairly narrow range of values, and one from which a reasonable value estimate can be extracted.

Sales 1, 2 and 3 are the most recent sales. We believe that all four sales utilized are good comparable sales, and indeed the only available sales of somewhat similar functional utility to the subject. Hence, its our opinion that the market value for the subject is adequately expressed by the (average) adjusted sale price on a per square foot basis of the four sales utilized.

DIRECT SALES COMPARISON APPROACH, continued

Analysis, continued

Recapitulating:	Sale No. 1	\$60.62 per sq ft
	Sale No. 2	\$69.65 per sq ft
	Sale No. 3	\$59.66 per sq ft
	Sale No. 4	\$63.78 per sq ft

The average of the four sales is \$64.00 per square foot (rounded). These values are consistent in relation to the selling price after adjustments and characteristics that the properties have to offer.

Considering all of this, and taking into account all the above sales, it is the opinion of your appraiser that the value of the subject property is \$64.00 per square foot.

Calculating:

\$64.00 per sq ft x 14,956 sq ft = \$957,184 to include the land

The marketing period for the subject property is projected at 12 months or more, based on the days on the market for comparable properties in Middletown and/or in the region.

**AS IS Estimate of value by the Direct Sales
Comparison Approach, say: \$955,000**

(NINE HUNDRED FIFTY-FIVE THOUSAND DOLLARS)

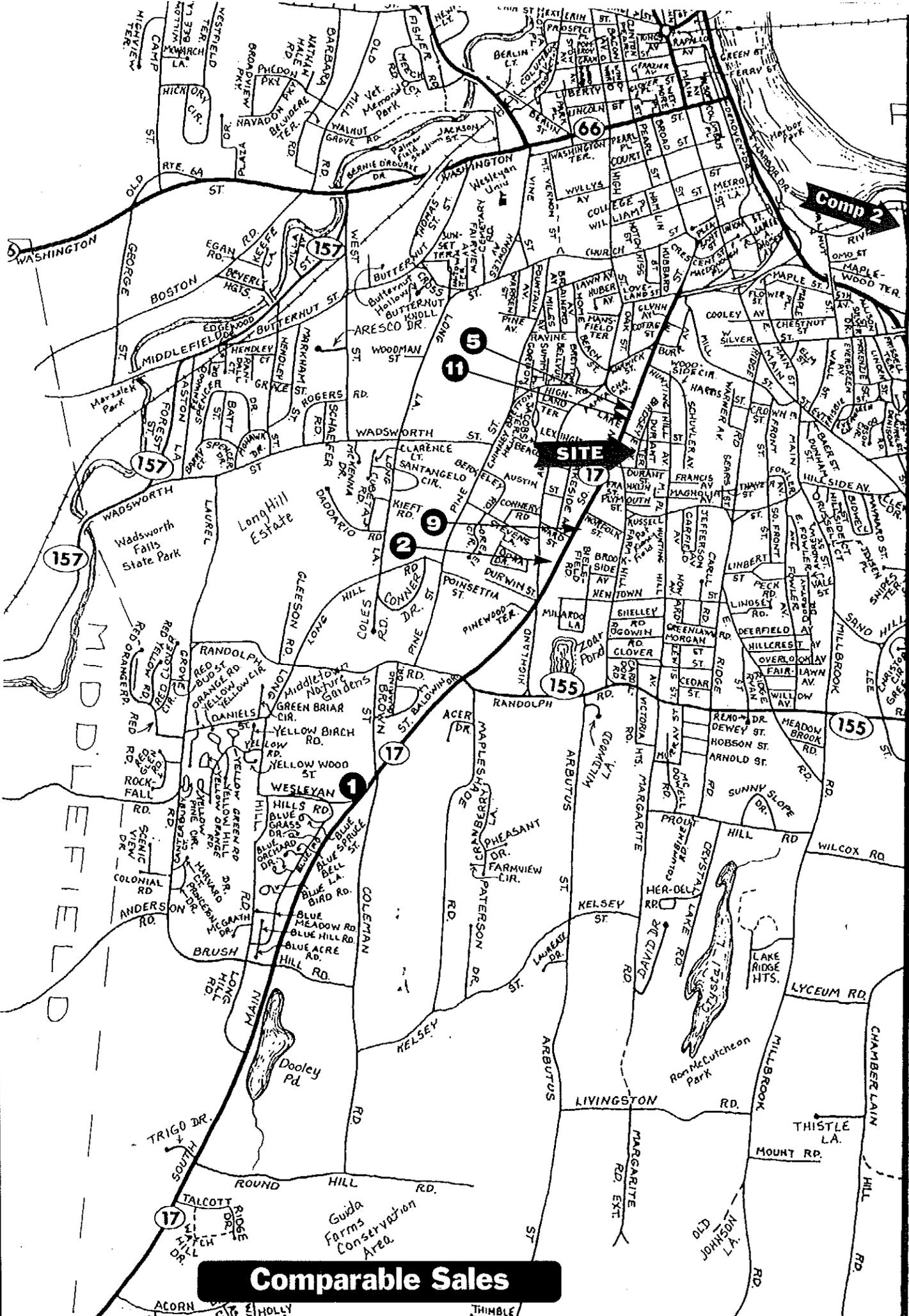
COST APPROACH

The cost approach to value is based on the principle of substitution, under which “no prudent buyer would pay more for a property than the cost to acquire a similar site and construct improvements of equal desirability and utility without undue delay.” (*The Appraisal of Real Estate, 12th Edition, 2001*).

In processing the cost approach to value, your appraiser has estimated the value of a similar site, estimated the cost of reproducing the existing building with a building of like utility, estimated the accrued depreciation, and combined these estimates into an overall value estimate by this approach. The components of the approach and the processing of these components are developed below.

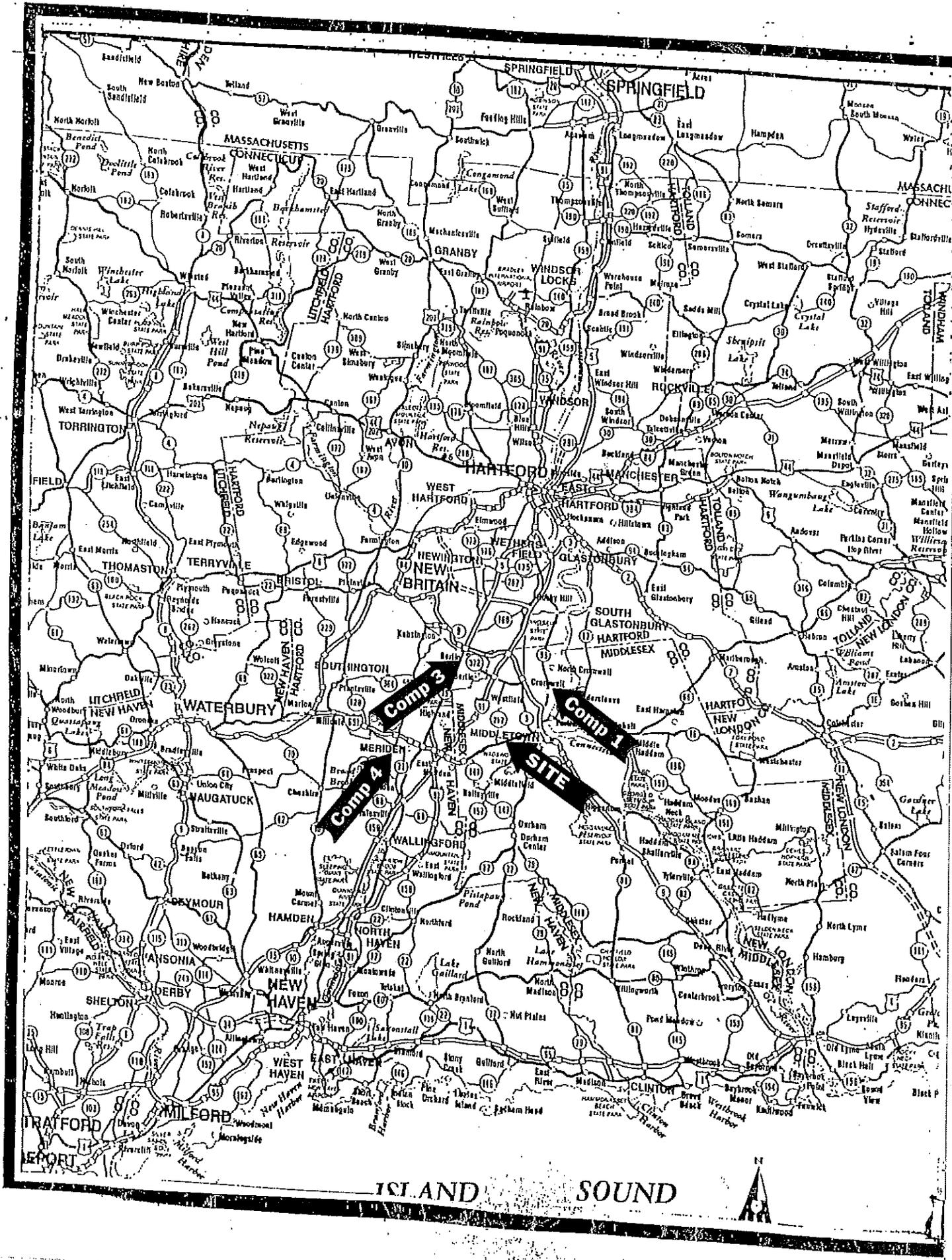
Land Valuation

The following sales of potential commercial sites have been analyzed, inspected and compared to the subject property site in order to estimate the value of the subject land.



Comparable Sales

ACORN RD HOLLY THIMBLE



ISLAND SOUND



COST APPROACH, continued

Land Sale No. 1



Type of Property:	Commercial Site
Address:	30 Country Square Drive, Cromwell, CT
Grantor:	Premier Building & Development, Inc.
Grantee:	Poundel Holding, LLC
Date of sale:	January 7, 2009
Legal Reference:	Volume 1279, Page 54; Warrantee Deed

COST APPROACH, continued

Land Sale No. 1, continued

Sale Price:	\$565,000
Sale Price Per SF:	\$12.59
Zoning:	BUS; Business District
Site Area:	1.03 ± acres; 44,867 ± sq ft
Shape:	Irregular
Topography:	Level at street grade with a pronounced upward slope
Frontage:	220 ± feet on the north side of Country Square Drive
Utilities:	All
Financing:	At Market
Verification:	Cromwell Land Records; Conn-Comp
Conditions of Sale:	None known to affect value

Comments and Adjustments:

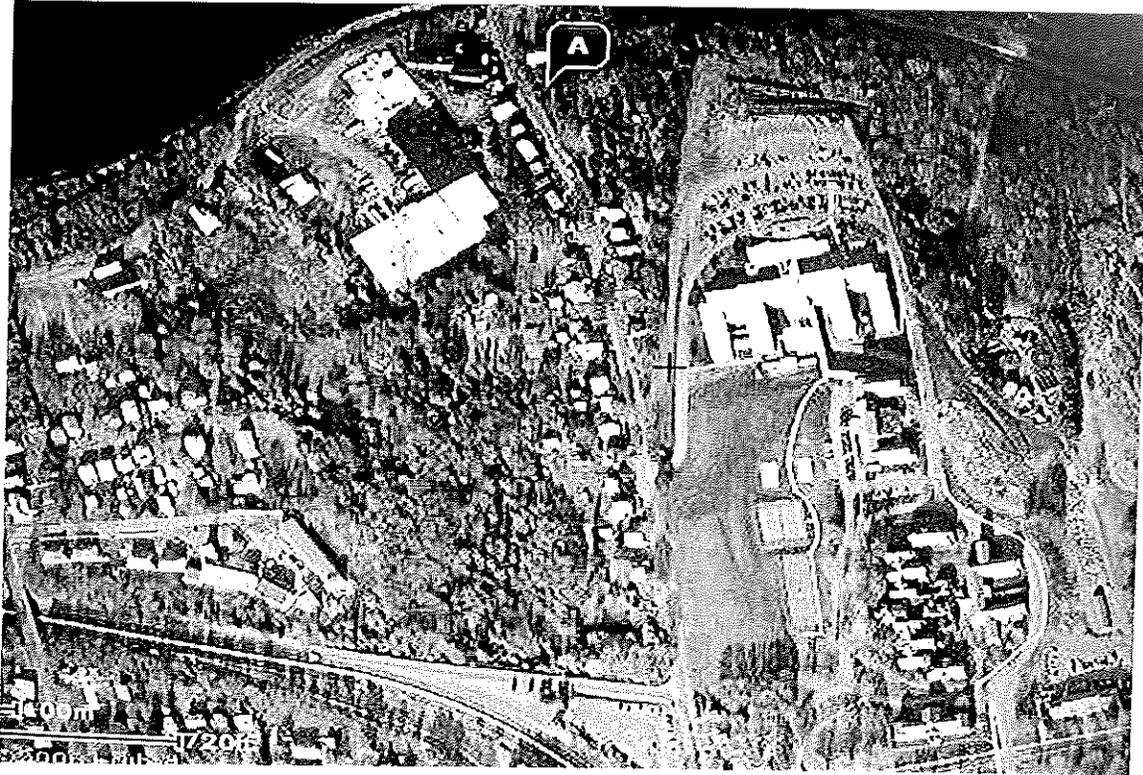
This site is located in the nearby town of Cromwell and immediately off of busy Route 372 corridor; hence, within a similar market area to the subject, it is a very recent sale as well and of similar utility and zone. Superior location as to accessibility and neighborhood composition.

The site is level with a steep upward slope, with site amenities equal to those of the subject property. At time of sale, this property was approved to be improved with a 5,895 sq ft office building; as a result, a downward adjustment categorized as economic characteristics will be applied. In other words, the buyer/investor is deemed to willingly pay more on a per unit basis, everything else being equal, since approvals for development are already in place.

Finally, an additional adjustment needed is an adjustment for location (superior).

COST APPROACH, continued

Land Sale No. 2



Type of Property:	Commercial Site
Address:	22 Eastern Drive, Middletown, CT
Grantor:	Ronald Dupre
Grantee:	Buddhu, S & T
Date of sale:	October 9, 2009
Legal Reference:	Volume 1679, Page 101; Warrantee Deed

COST APPROACH, continued

Land Sale No. 2, continued

Sale Price: \$210,000
Sale Price Per SF: \$5.30
Zoning: MX; Business District
Site Area: 0.91± acres; 39,640± sq ft
Shape: Rectangular
Topography: Level and at street grade
Frontage: 35± feet
Utilities: All
Financing: None noted; a cash sale is assumed
Verification: Middletown Land Records; Conn-Comp
Assessor's Reference: Map 33, Block 24-34, Lot 8
Conditions of Sale: None known to affect value

Comments and Adjustments:

This site is located off busy Route 9 corridor; however, its location is considered to be inferior to the subject as to neighborhood composition and curb appeal.

Adjustments are needed for site size (smaller) and for location (inferior).

For the smaller site size of this sale a slight downward adjustment is considered appropriate and will be utilized. Typically, smaller parcels tend to sell for more on a per unit basis all other things being equal. The reverse of course is true for larger parcels.

COST APPROACH, continued

Land Sale No. 3



Type of Property:	Commercial Site
Address:	1940 Berlin Tpke. (Route 5/15), Berlin, CT
Grantor:	Thomas Concorde
Grantee:	Hunter Management, LLC
Date of sale:	March 26, 2009
Legal Reference:	Volume 615, Page 81; Warrantee Deed

COST APPROACH, continued

Land Sale No. 3, continued

Sale Price:	\$250,000
Sale Price Per SF:	\$8.20
Zoning:	GC; General Commercial District
Site Area:	0.70± acres; 30,492± sq ft
Shape:	Rectangular
Topography:	Level at street grade with a gently upward slope
Frontage:	118± feet on the west side of Route 5/15
Utilities:	All
Financing:	None of record; a cash sale is assumed
Verification:	Berlin Land Records; Conn-Comp
Conditions of Sale:	None known to affect value

Comments and Adjustments:

This site is located along Route 5/15 in Berlin; moreover, it's a very recent sale as well. Superior location to the subject as to accessibility.

The site is level, to sloping with site amenities equal to those of the subject property.

Adjustments needed are for location (inferior) as to accessibility and visibility-exposure and for site size (smaller).

Finally, upward adjustment will be applied for economic characteristics; this sale was improved with a dilapidated 1,571 sq ft home that needed to be demolished; thus, the cost associated with such demolition will increase the sale price for the buyer/investor.

COST APPROACH, continued

Land Sale No. 4



Type of Property: Commercial Site
Address: 117 and 145 Evansville Avenue, Meriden, CT
Grantor: Village Investments, LLC
Grantee: Meriden Christadelphia Ecclesia
Date of sale: June 7, 2010
Legal Reference: Volume 4492, Page 249; Warrantee Deed

COST APPROACH, continued

Land Sale No. 4, continued

Sale Price: \$150,000
Sale Price Per SF: \$3.38
Zoning: R-2 & M-3; Residential and Industrial District
Site Area: 1.02± acres/44,431± sq ft
Shape: Irregular
Topography: Level
Frontage: 175± feet
Utilities: All
Financing: None noted; a cash sale is assumed
Verification: Meriden Land Records; Conn-Comp
Conditions of Sale: None known to affect value

Comments and Adjustments:

This sale is located in South Meriden within a somewhat similar subject's market area, and it's a very recent sale as well. Inferior location to the subject as to neighborhood composition and curb appeal.

The site is level with site amenities equal to those of the subject property. Therefore, this is a very good comparable; however, adjustments are needed and will be applied for location and for concessions.

For concessions, a downward adjustment will be applied to account for this sale comprising two parcels; thus, it's assumed some form of concessions occurred between the parties.

COST APPROACH, continued

The salient characteristics of the sales are presented in tabular form below. These characteristics, along with other features of the subject and sale sites, will be used as a basis for the adjustments to the sales in the development of a value estimate for the subject site.

LAND SALES SUMMARY					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Date of Sale	-	1/09	10/09	3/09	6/10
Site Area (Acres)	1.02	1.03	0.91	0.70	1.02
Zone	RPZ	BUS	MX	GC	R2 & M3
Utilities	All	All	All	All	All
Topography	Level	Level/Sloping	Level	Level/Sloping	Level
Site Restrictions	Easement	Easement	Easement	Easement	Easement
Financing	-	At Market	At Market	Cash Sale	Cash Sale
Sale Price/SF	-	\$12.59	\$5.30	\$8.20	\$3.38

With the exception of Sale 1, the selling prices per square foot of site area are reasonably consistent. Perhaps the grantee for Sale 1 needed to buy (selected, i.e. targeted market share), and therefore was willing to pay a higher per unit price. If this is taken into account, the site selling price is closer to \$5.60 (average) per square foot.

One of the four sales is located in Middletown and the other three sales are situated within a similar subject's market area; as a result, these comparables are good sales with many similar characteristics to those of the subject property itself including functional utility and market conditions as well. Sale 4 is a very recent sales and is located in Meriden. They are very comparable to the subject property in many respects, and are considered good sales for use here.

COST APPROACH, continued

Each sale will be adjusted for differences between it and the subject site. Adjustments are based on perceived appeal, either positive or negative, regarding site characteristics such as: location; topography; site restrictions such as wetlands areas, severe slopes or deed restrictions; zoning; and available utilities.

The table of adjustments is located on the following page.

COST APPROACH, continued

TABLE OF ADJUSTMENTS TO COMPARABLE SALES

Attribute	Sale #1	Sale #2	Sale #3	Sale # 4
Time of Sale (Market Conditions)	-0-	-0-	-0-	-0-
Financing	-0-	-0-	-0-	-0-
Location	-20%	+5%	-35%	+10%
Site Size	-0-	-5%	-10%	-0-
Topography	-0-	-0-	-0-	-0-
Zoning	-0-	-0-	-0-	-0-
Economic Characteristics	-25%	-0-	+10%	-0-
Available Utilities	-0-	-0-	-0-	-0-
Concessions	-0-	-0-	-0-	-10%
Cumulative Adjustments	-45%	+0%	-35%	+0%
Sales Price Per Sq Ft (\$)	12.59	5.30	8.20	3.38
Adjusted Selling Price Per SF (\$)	6.92	5.30	5.33	3.38

The unit adjusted selling prices all hover in the range of \$3.38 to \$6.92 per square foot figure. Sale 1 departs from this figure. All four sales are considered good comparable sales, being recent, or very recent and of generally similar functional utility.

The average of the four sales utilized is \$5.00/sq ft; (rounded) if we eliminate the highest sale (No. 1), the average sale price is \$4.67/sq ft.

Consequently, it is the opinion of your appraiser that the value of the subject property site, based on these sales and the applied analysis, is \$4.50 per square foot of land area.

Calculating -

$$\$4.50/\text{SF} \times 44,518 \pm \text{square feet} = \$200,331, \text{ say,}$$

Value of subject site: \$200,000

COST APPROACH, continued

Replacement Costs of Building

The reproduction cost of the subject building and yard improvements has been estimated using the Marshall Valuation Service Manual, a nationally recognized cost service that has proven reliable in the central Connecticut area. The following costs have been taken from the manual.

From Marshall Valuation Service, Section 18 --Pg 11

Class C Average Quality and Class C Average Elementary Schools (Calculator Method)

Total Building Area: 12,996 square feet (excluding 1,960 sq ft modular (detached) 1 story structure

Building Perimeter: 344 linear feet

Story Height: 18 feet weighted average

Building Components: 1,960 sq ft offices/classrooms - Modular building

(Approximately) 6,561 sq ft classrooms/nurse's room upper and office

6,435 sq ft lower-level playroom/lounge area and classrooms

14,956 sq ft gross building area, in total

Class C Average Quality Elementary Schools: \$113.27 per sq ft base cost for the above grade GBA of 12,996 sq ft (brick or concrete block exterior, ornamental plaster, some trim, carpeting, vinyl composition flooring, adequate lighting, and plumbing, and a package heat/air-conditioning system).

Class D Pole Low Cost Modular Structure: Classrooms school finishes. Adequate utility; adequate lighting and plumbing, forced air: \$81.19 per sq ft base cost

Adjustments:

Section 18 Marshall Swift Service Page 36

Story height multiplier: 1.00 (10 ft average per floor; base)

Floor Area/Perimeter Multiplier: 0.922 (interpolated)

Base cost: \$113.27 per sq ft

Calculating:

$\$113.27 \times 1.000 \times 0.922 = \104.43 per sq ft refined base cost

Marshall-Swift Service, Section 99 Pages 3 and 7

Current Cost Multiplier 1.02 (11-2010)

Current Local Multiplier 1.12 (7-2010)

COST APPROACH, continued

Replacement Costs, continued

Calculating:

$\$104.43 \times 1.02 \times 1.12 = \119.30 per sq ft refined base cost for the average quality Class C elementary school building.

$\$81.19 \times 1.02 \times 1.12 = \92.75 per sq ft refined cost for the 1,960 sq ft finished modular 1-story classrooms outlet.

12,996 sq ft GBA x \$119.30 = \$1,550,423 cost new for the elementary school building

1,960 sq ft finished modular space x \$92.75 = \$181,790 cost new

Total cost new: \$1,550,423 + \$181,790 = \$1,732,213

The physical depreciation typically is divided into two categories - short lived (compared to the remaining economic life of the building) items, and long lived items. However, we did not consider any of the subject property's components to be a short lived item. Therefore, only the building and yard improvements are depreciated. The remaining economic life of the building is estimated to be thirty years.

The building is 135 years old, and is in average overall condition. The life expectancy of such a building (again, using the Marshall Valuation Service manual, section 97, page 11) is 45 years. Depreciation is based on an effective age of twenty-three and a remaining total economic life of 22-years. Using the straight line age/life method of calculation, depreciation can be estimated at

$$23/45 = 0.5111, \text{ or } 51.11\%$$

The reproduction cost new (\$1,732,213) less depreciation ($\$1,732,213 \times 0.5111$, or \$885,334) results in a depreciated building value, based on the cost approach, of \$846,879.

The yard improvements and the various components of the landscaping and parking areas is estimated from the Marshall & Swift manual, section 66, pages 2-8.

COST APPROACH, continued

Yard Improvements

Paving - 25,000± SF @ \$2.25/SF	\$56,250
Landscape - 6,000± SF @ \$4.00/SF	\$24,000
Concrete sidewalk - 5' wide x 140 LF x \$7.50/SF	\$5,250
Playground - 13' wide x 136 LF x \$6.50/SF	\$11,492
Chain Link Fence 900 LF x \$10.50/LF	\$9,450
Miscellaneous	\$8,000
Total of all yard improvements, new:	\$114,442

Depreciation is estimated at 55% on all yard improvements except the landscape and concrete walk

Calculating = $\$85,192 \times 0.55 = \$46,856$

Total depreciation on site improvements: \$46,856

Depreciated value of site improvements: \$67,586

Recapitulation of Cost Approach:

Depreciated value of site improvements:	\$67,586
Depreciated value of building(s):	846,879
Land value:	<u>200,000</u>
Total:	\$1,114,465

Value estimate by Cost Approach: **Say: \$1,115,000**

RECONCILIATION AND FINAL VALUE ESTIMATE

Value Estimate By Cost Approach:	\$1,115,000
Value Estimate by Direct Sales Comparison Approach:	\$955,000

My reconciliation and final value estimate consists of a review of the two approaches to value developed in this report and a discussion of the strengths and weakness of each approach. From this discussion and review, a final value estimate for the subject property will be presented.

The Direct Sales Comparison Approach to value has been used here to evaluate the property using recent market sales of properties with some similarity to the subject property. The approach uses actual market transactions to show investor/purchaser behavior and current price levels for buildings with some similarity to the subject property.

The comparable sales utilized in the direct sales comparison approach, in our opinion truly reflect existing market conditions, particularly so for special-use commercial (school) properties owner occupied and operated such as the subject. They are therefore considered good comparable to the subject property and truly reflect the current market condition after adjustments. Some of the comparable sales are quite similar to the subject property and are fairly recent sales as well.

The direct sales comparison approach to value has been developed with four sales of commercial (school) buildings, which are somewhat recent and fairly comparable. The results of the approach are consistent (i. e., the indicated values), and the estimate of value resulting from this approach is somewhat fairly consistent with the findings of the cost approach.

This approach to value is considered the most reliable one here, as it takes its data directly from the current market, i.e. sales of schools and/or former school buildings, and reflects the actual behavior of buyers and sellers. The sales data have been verified, and have been adjusted when deemed necessary, so that the resulting value estimate most closely reflects current market behavior and pricing.

RECONCILIATION AND FINAL VALUE ESTIMATE, continued

The Cost Approach is based on the value of land when it is being put to its highest and best use, and the replacement value of the improvements. The value of the land was determined by analyzing open market sales of comparable lots and making appropriate adjustments. Land sales, while not abundant, are sufficient in quality and in consistency to lead to a good estimate of the subject property site.

The replacement cost of the building, as though it were new, was estimated using the Marshall & Swift Valuation Service. The cost new was adjusted for the physical depreciation based on the effective age of the structure. These values of the land and the building were added to arrive at the value of the subject property using the Cost Approach.

Depreciation is relatively high, owing to the older (chronological) age (135 years) despite the overall average condition of the subject improvements. However, in general, the cost approach, though seldom considered one of the more relevant or reliable approaches to value, has been well developed, and the results of the approach are very good, in the opinion of your appraiser.

Again, the replacement cost of the building, as thought it were new, was estimated using the Marshall & Swift Valuation Service, a cost estimator service respected and utilized throughout the country.

As a result, the value concluded by the Direct Sales Comparison Approach, aka Market Sales Approach, is given a 70% weight, and the value concluded by the Cost Approach is given a 30% weight. The value conclusion is \$1,003,000, rounded say, to \$1,000,000, or \$66.86/sq ft of GBA to include the land and all of the site improvements.

RECONCILIATION AND FINAL VALUE ESTIMATE, continued

As for marketing times, the sales varied considerably in exposure to the market, with some sales being facilitated within four to six months, and others taking up to two years.

Exposure times on the market are difficult to predict, but considering the location and amenity offered by the subject property, as well as the competition for purchasers in the Greater New Haven commercial market, it is the opinion of your appraiser that the property is capable of being marketed in twelve months or more at the appraised value.

Therefore, after having considered all of the factors that influence the value of real property, and based on the information gathered by your appraiser and an estimated marketing time of twelve months, it is our opinion that the market value (as is) of the fee simple interest of the subject property, as of November 23, 2010, is:

\$1,000,000
(ONE MILLION DOLLARS)

Respectfully submitted,



John Lo Monte, CRRA, GAA, CCIM
Certified Commercial
Real Estate Appraiser
CT Certificate No. RCG 377
Expiration Date: 4/30/2011

APPRAISER'S CERTIFICATION

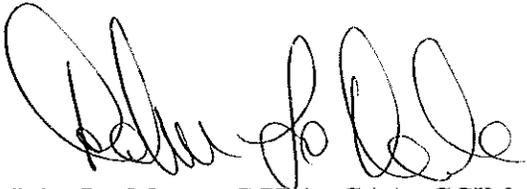
Property Appraised: 61 Durant Terrace, Middletown, Connecticut
Final Value of Estimate: \$1,000,000 (AS IS)
Date of Appraisal: November 23, 2010

I hereby certify that the appraisal has been made in accordance with the standards of ethics and practices of the Appraisal Institute of which Mr. Lo Monte is an associate member. Amongst the most pertinent of these, the following should be highlighted:

1. The statements of fact contained in this report are true and correct.
2. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. The opinions and conclusions herein expressed are mine and in no way reflect those of another without due acknowledgement.
5. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased professional analysis, opinions and conclusions.
6. My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of the Appraisal Institute.

APPRAISER'S CERTIFICATION, continued

7. No one provided significant professional assistance to the persons signing this report.
8. The appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
9. I have made a personal inspection of the property that is the subject of this report.

A handwritten signature in black ink, appearing to read 'John Lo Monte', written in a cursive style.

John Lo Monte, CCRA, GAA, CCIM
Certified Commercial Real Estate Appraiser
CT Certificate No. RCG 377
Expiration date 4/30/2011

RESTRICTIONS ON DISCLOSURE AND USE

Disclosure of the contents of this appraisal report is governed by the Regulations and Standards of Ethics of The Appraisal Institute.

Neither all nor any part of the contents of this report, (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the appraiser.

This appraisal report has been prepared for the exclusive benefit of **our client**. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk.

QUALIFICATIONS OF THE APPRAISER

JOHN LO MONTE, CCRA, GRI, CCIM, GAA

Certified Commercial Real Estate Appraiser
Graduate Realtor Institute
Certified Commercial Investment Member
General Accredited Appraiser

State Of Connecticut General Certified Real Estate Appraiser.
Certificate No. RCG 377

Associate Member, The Appraisal Institute - (No. 17680)

REAL ESTATE EDUCATION

1976	Real Estate Principals & Practices - University of Hartford
1980	Graduate of the Realtor Institute (G.R.I.) I, II, III
August, 1990	SPP Course from the American Institute for Real Estate Appraisers.
September, 1990	Appraisal Course I for Real Estate Broker
April, 1991	Appraisal Course II for Real Estate Appraiser, Manchester Community College
March, 1991	Exam 1A-1 Real Estate Appraisal Principles and Exam 1A-2 Basic Valuation Procedures, of the Appraisal Institute
May, 1991	Capitalization Theory and Techniques - Part A, of the Appraisal Institute
October, 1991	Capitalization Theory Techniques - Part B, of the Appraisal Institute
May, 1992	Case Studies in Real Estate Valuation, Course 2-1 of the Appraisal Institute
October, 1992	Report Writing, Course 2-2 of the Appraisal Institute
October, 1995	Standards of Professional Practice (Part A & B); USPAP From the Appraisal Institute; Chicago, Illinois
August, 1996	Subdivisions analysis/evaluation from the Appraisal Institute, Chicago, Illinois

MEMBERSHIP

Broker's License, 1978, License No. 410896
C.C.I.M., Certified Commercial Investment Member, November, 1987, Certificate No. 2998
G.A.A., General Accredited Appraiser, November, 1994, Certificate No. 301

QUALIFICATIONS OF THE APPRAISER, continued

JOHN LO MONTE, CCRA, GRI, CCIM, GAA, continued

MEMBERSHIP, continued

State of Connecticut Licensed Real Estate Appraiser, Certificate No. RCG 377

Associate Member, The Appraisal Institute, (No. 17680)

National Association of Realtors, member since 1976

Connecticut Association of Realtors, member since 1976

Greater Hartford Board of Realtors, member since 1976

Realtors CID Member

Member of the Commercial Real Estate Council Greater Hartford Board of Realtors

Member of the Wethersfield Housing Partnership Committee since 1989

Chairman of the Realtor Political Action Committee, Greater Hartford Board of Realtors for 1988 and 1989

Board of Directors: Connecticut Association of Realtors

1989 and 1990 Conventions Chairman for the CCIM, Connecticut Chapter

Certified Real Estate Appraiser, C.R.E.A., of the National Association of Real Estate Appraisers.

Certified Commercial Real Estate Appraiser, CCRA of the National Association of Real Estate

EXPERIENCE

16 years at Carsan Realty of Hartford, Inc.

General Manager, from 1986 to 1989, of Carsan Realty of Hartford, Inc.

In the past 16 years, over 65 million dollars of residential and commercial real estate transacted.

Qualified Expert Witness, State Superior Court, Federal Court

ADDENDA

A-2 Survey Map
Appraiser's Certification Copy
Assessor's Field Cards
Area/Location Maps
Miscellaneous

QUIT-CLAIM DEED

TO ALL PEOPLE TO WHOM THESE PRESENTS SHALL COME, GREETING:

KNOW YE, THAT the CITY OF MIDDLETOWN, a municipal corporation having its territorial limits within the County of Middlesex and State of Connecticut, hereinafter referred to as the Releasor, for divers good causes and considerations thereunto moving, especially for One Dollar (\$1.00) and other valuable considerations, received to its full satisfaction of THE CHURCH OF SAINT SEBASTIAN, a/k/a CHURCH OF SAINT SEBASTIAN, MIDDLETOWN, a/k/a SAINT SEBASTIAN CHURCH CORPORATION, an ecclesiastical corporation organized and existing under the laws of the State of Connecticut and located in the City of Middletown, County of Middlesex and State of Connecticut, hereinafter referred to as the Releasee, has remised, released and forever quit-claimed and does by these presents, for itself and its successors and assigns, justly and absolutely remise, release and forever QUIT-CLAIM unto the said Releasee, its successors and assigns forever, all such right and title as it, the said Releasor, has or ought to have in or to:

A certain piece or parcel of land, together with all buildings and improvements thereon, situated on "Hunting Hill" on the westerly side of Durant Terrace, in the City of Middletown, County of Middlesex and State of Connecticut, and shown on that certain map entitled: "PROPERTY OF THE CITY OF MIDDLETOWN ECKERSLEY HALL SCHOOL MIDDLETOWN, CT. SCALE 1"=30' MAR. 4, 1987", which map was prepared by T. F. Jackowiak, Land Surveyor, and which map is incorporated herein by reference. Said premises are more particularly bounded and described as follow, all as shown on said map:

- NORTHERLY: by the south line of Lake Street, a distance of 75.00 feet;
- EASTERLY : by the west line of Durant Terrace, a distance of 404.44 feet;
- SOUTHERLY: by the north line of Durant Street, a distance of 145.66 feet; and
- WESTERLY : by the east line of Birdsey Avenue, a distance of 411.46 feet.

For Releasor's title to the herein-described premises, reference is made to Quit-Claim Deed from Julius Hotchkiss to the Durant School District dated February 10, 1873 and recorded in Volume 103, Page 386 of the Middletown Land Records. By this Deed, the Releasor intends to convey to Releasee all of its right, title and interest in and to the real property formerly or presently known as "Eckersley Hall School" located on Durant Terrace in Middletown, Connecticut.

This conveyance is made subject to the following conditions and restrictions:

That said property herein-described shall be used primarily for educational purposes with the right to use any portion of it for other church-related activities that will comply with the present zoning code and other pertinent codes of the City of Middletown; and it is expressly agreed that if The Church of Saint Sebastian shall not use the property for such purposes as aforesaid, or if The Church of Saint Sebastian shall attempt to convey or sell the property to any third party, then in any such event, the City of Middletown, its successors and assigns, shall have the right at its or their own option, and upon reasonable written notice to The Church of Saint Sebastian, to repurchase the property at its then existing fair market value, as same may be agreed upon by the parties; if the parties are unable to agree upon the then existing fair market value of the property, then each party shall name one qualified real estate appraiser of its choice (at its own expense) and the decision of the two of them as to the fair market value shall be binding upon the parties; if the two appraisers are unable to agree upon the then existing fair market value of the property, then they shall choose a third qualified real estate appraiser (the cost of whom shall be shared equally between the parties) and the decision of the majority of the three of them shall be binding upon the parties as to the then existing fair market value of the property.

The herein-conveyed premises are further subject to the following:

1. Any and all governmental laws, ordinances or regulations, whether Federal, State or Local, pertaining to the land and buildings and improvements thereon.
2. Any state of facts which an accurate survey or inspection of said premises would reveal.

TO HAVE AND TO HOLD the premises unto it, the said Releasee, and to its successors and assigns, to the only use and behoof of the said Releasee, its successors and assigns forever, so that neither it, the said Releasor, nor any person or persons or entity or entities in its name and behalf, shall or will hereafter claim or demand any right or title to the premises or any part thereof, but they and everyone of them shall by these presents be excluded and forever barred.

IN WITNESS WHEREOF, the Releasor has hereunto caused to be set its hand and seal this 16th day of March, 1987.

Signed, sealed and delivered in the presence of:

CITY OF MIDDLETOWN

Salvatore Benivenga
Salvatore Benivenga

By Sebastian J. Garafalo L.S.
Sebastian J. Garafalo
Its Mayor

Sr. Nancy Stavelo, M.P.F.
Sr. Nancy Stavelo

STATE OF CONNECTICUT:

COUNTY OF MIDDLESEX : ss. Middletown

March 16, 1987

Personally appeared SEBASTIAN J. GARAFALO, who acknowledged himself to be Mayor of the CITY OF MIDDLETOWN, and he as such Mayor, being authorized so to do, executed the foregoing Instrument as and for his free act and deed and the free act and deed of said CITY OF MIDDLETOWN, before me.

Ralph E. Wilson
Ralph E. Wilson
Commissioner of the Superior Court
~~Notary Public~~

ADDRESS OF RELEASEE:
155 Washington Street
Middletown, Connecticut 06457

Rec'd for Record March 16, 1987 at 3 H 41 m P.M.
Recorded by Anthony Stavelo
Town Clerk

Commercial Property Record Card - Middletown, CT

Trope, catic
61 Durant Terr

Account: E30012 Map Block No: 28-0253 State Class: 906 Class: E Card 1 of 1

Miscellaneous

Deed Info: 803/348-03/16/1987
 Zoning: RPZ
 Routing No: 26 29-6A 1
 Neighborhood: 105
 Living Units: 0
 Census Trct: 5420
 District: 2

Assessment Information

Appraised Value: *
 Inc: 120,100
 Land: 1,251,510
 Bldg: 1,371,610
 Total: 1,371,610
 Assessed Information: Prio: 1,371,610
 Code: 200 Value: 960.1

Effective DOV: 10/1/2007
 Value Flag: COST
 Manual Override Reason: NO OVERRIDE

Previous Owner History		Deed		Date	
Name	Deed	Deed	Date		
Entrance Information					
Date	Time	ID	Act	Entrance Code	Sourc
					Other

Current Owner	
St Sebastian Church Corp	
61 Durant Terr	
Middletown Ct 06457	

Notes	
00	Ss2 Throughout Building
00	Ac1-1st Fl, Ac2 2nd Fl

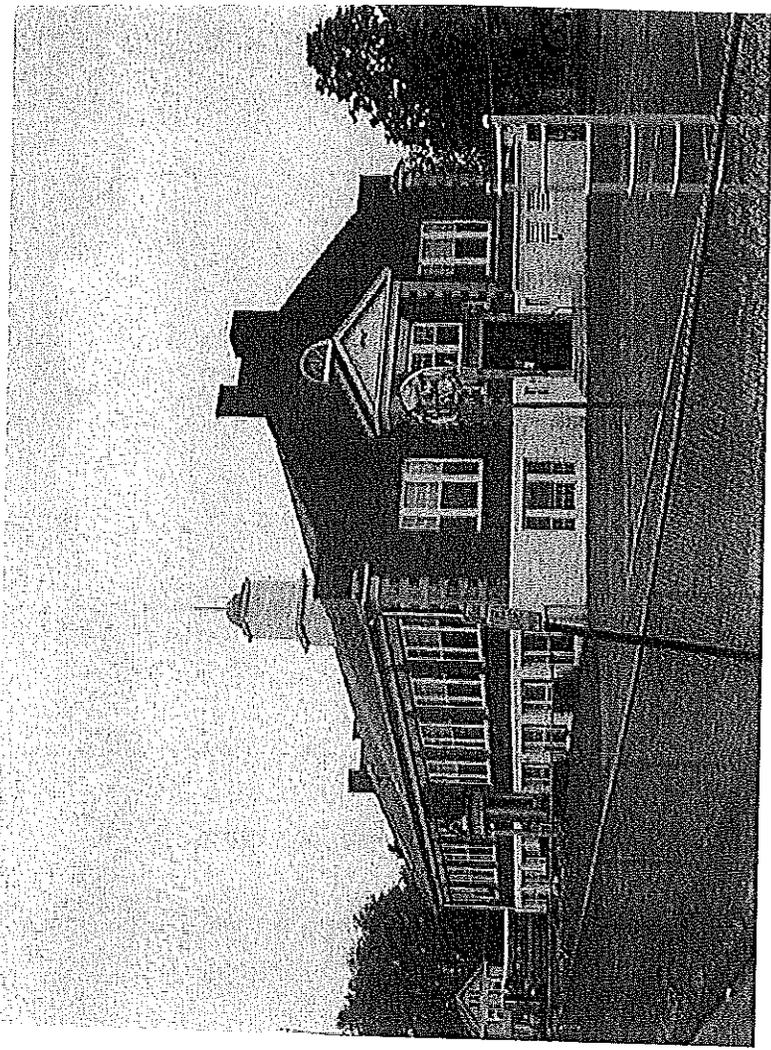
Book/Page	Date	Price	Type	Validity

Permit Information			
Date	Permit #	Price	Purpose
08/18/1999	24927	3,000	Erect Sign
09/01/1999	24970	1,000	Temp Classm
			% Comp.
			0
			0

Land Information			
Type	Size	Grade	Influence Factor 1, 2 and %
Primary	A	1.01	0
			0
			120,120

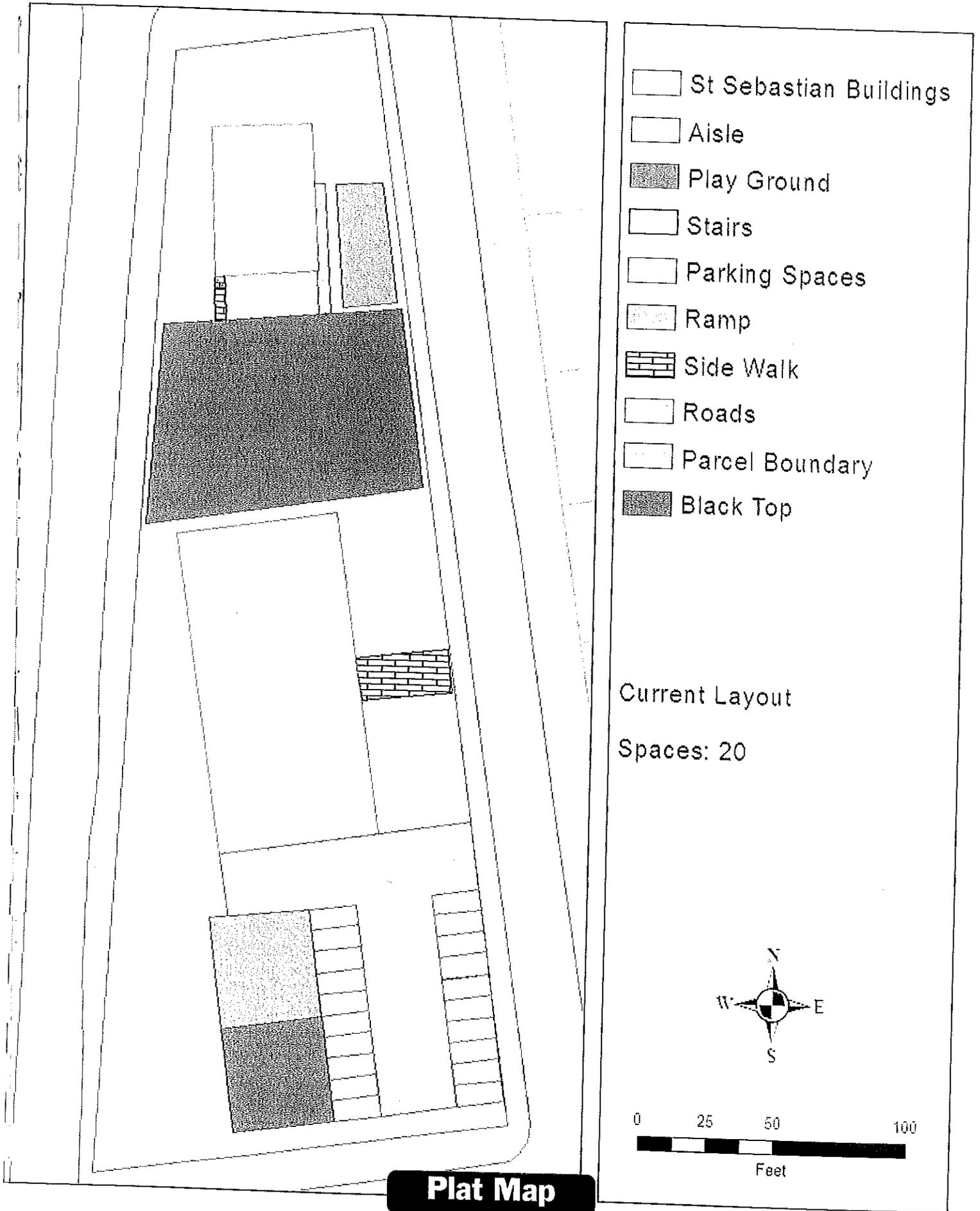
Total Acres for this Parcel		Total Land Value	
Current	Cost	Market	Prior
120,100	120,100	0	120,100
1,251,510	1,251,510	0	1,251,510
1,371,610	1,371,610	0	1,371,610

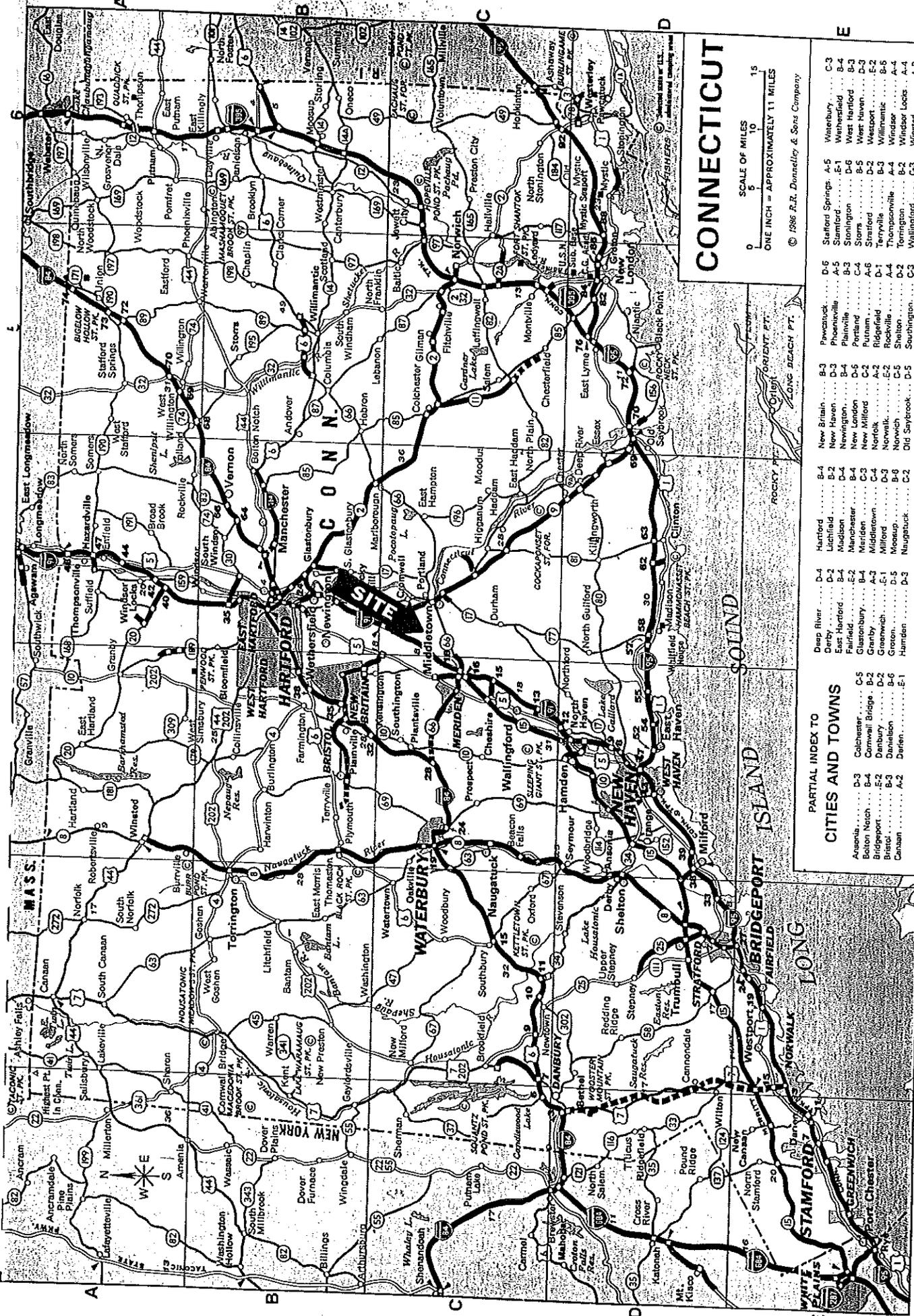
Owner/Values: Includes all Land/Buildings/OBYS for this Parcel			
Current	Cost	Market	Prior
Land:	120,100	0	120,100
Building:	1,251,510	0	1,251,510
Total:	1,371,610	0	1,371,610



Inspection witness by:

Former St. Sebastian School Parking: Current





CONNECTICUT

SCALE OF MILES
 0 5 10 15
 ONE INCH = APPROXIMATELY 11 MILES

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Stamford	A-5	Stonington	D-6
Stonington	D-6	Storrs	B-5
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Stratford	D-2	Terryville	B-3
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Torrington	B-2	Unionville	A-4
Unionville	A-4	Waterbury	C-3
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Windsor Locks	A-4	Winsted	C-3
Winsted	C-3	Winsted	C-3

6

5

4

3

2

1

STATE OF CONNECTICUT ♦ DEPARTMENT OF CONSUMER PROTECTION

Be it known that

GIOVANNI LOMONTE

PO BOX 290563

WETHERSFIELD, CT 06129



has been certified by the Department of Consumer Protection as a licensed

CERTIFIED GENERAL REAL ESTATE APPRAISER

License #RCG-0000377

Effective: 05/01/2010

Expiration: 04/30/2011

Jerry Farrell, Jr.

Jerry Farrell, Jr., Commissioner