



APPRAISAL OF REAL PROPERTY

LOCATED AT:

155 Wadsworth Street
27 29-17 37
Middletown, CT 06457

FOR:

State of CT, DCF
505 Hudson Street
Hartford, CT 06106

AS OF:

2/23/09

BY:

James J. Kyle

Client File #: PO#36297

Appraisal File #: 0902012

| | | |
|---|---|--|
|  Appraisal Institute® AI Reports™ Form AI-100.02* | <h1>Summary Appraisal Report • Residential</h1> | |
| | Appraisal Company: Jim Kyle | |
| | Address: 49 Neck Road, Clinton CT 06902 | |
| Phone: (203) 927-3125 | | Web: j1mkyle@yahoo.com |
| Fax: (860) 669-9977 | | |
| Appraiser: James J. Kyle | | Co-Appraiser: N/A |
| AI Membership: <input type="checkbox"/> SRA <input type="checkbox"/> MAI <input type="checkbox"/> SRPA <input type="checkbox"/> Associate Member <input checked="" type="checkbox"/> None | | AI Membership: <input type="checkbox"/> SRA <input type="checkbox"/> MAI <input type="checkbox"/> SRPA <input type="checkbox"/> Associate Member <input type="checkbox"/> None |
| Other Professional Affiliation: N/A | | Other Professional Affiliation: |
| E-mail: j1kyle@yahoo.com | | E-mail: |
| Client: State of CT, DCF | | Contact: Scott Adams |
| Address: 505 Hudson Street, Hartford, CT 06106 | | |
| Phone: (860) 550-6673 | | Fax: (860) 560-5019 |
| | | E-mail: scott.adams@CT.gov |
| REAL ESTATE IDENTIFICATION | | |
| Address: 155 Wadsworth Street | | |
| City: Middletown | County: Middlesex | State: CT Zip: 06457 |
| Legal Description: 27 29-17 37 | | |
| Tax Parcel #: E30987 | | RE Taxes: exempt Tax Year: 08/09 |
| SUBJECT PROPERTY HISTORY | | |
| Owner of Record: State of CT | | |
| Description and analysis of sales within 3 years (minimum) prior to effective date of value: No prior sale in the last 3 years. | | |
| Description and analysis of agreements of sale (contracts), listings, and options: No agreement of sale (contract), listing or options known to the appraiser. | | |
| RECONCILIATIONS AND CONCLUSIONS | | |
| Indication of Value by Sales Comparison Approach | | \$ 58,000 |
| Indication of Value by Cost Approach | | \$ N/A |
| Indication of Value by Income Approach | | \$ N/A |
| Final Reconciliation of the Methods and Approaches to Value: All three approaches to value were considered in this appraisal. The Income Approach is not applicable due to a lack of rental data and the fact that single family residences are not purchased on the basis of the income that they could produce. In addition, the subject property does not appear to be habitable in its present condition. The Cost Approach is not applicable since the age and condition of the subject improvements make an estimation of accrued depreciation unreliable and the lack of land sales make an estimate of the site value difficult. The Sales Comparison Approach, as is typical in this type of assignment, was given primary consideration, and was relied upon for the final opinion of value. | | |
| Opinion of Value as of: February 23, 2009 | | \$ 58,000 |
| <i>Subject to any hypothetical conditions or extraordinary assumptions stated in the Assignment Parameters section.</i> | | |

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| Client: | State of CT, DCF | Client File #: | PO#36297 |
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MARKET AREA ANALYSIS

| | | | | | |
|---|--|--|---|--|--|
| Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural | Built Up <input type="checkbox"/> Under 25% <input type="checkbox"/> 25-75% <input checked="" type="checkbox"/> Over 75% | Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow | Supply & Demand <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply | Value Trend <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Decreasing | Typical Marketing Time <input type="checkbox"/> Under 3 Months <input type="checkbox"/> 3-6 Months <input checked="" type="checkbox"/> Over 6 Months |
| Neighborhood Single Family Profile | | Neighborhood Land Use | | Neighborhood Name: <u>N/A</u> | |
| Price 100's 400's 200's | Age Low High Predominant | new 100+ | 1 Family Condo Multifamily | 75% Commercial % Vacant 5% Other | % % 20% |
| PUD <input type="checkbox"/> Condo <input type="checkbox"/> HOA: \$ <u>N/A/</u> yr | | Amenities: <u>N/A</u> | | | |

Market area description and characteristics: The subject market area is a medium density residential area, improved with single family residences of various compatible styles and ages. Area properties are in overall average condition. The subject has average access to most urban and suburban amenities including employment, schools, shopping, houses of worship and recreational facilities. Most of the city block in which the subject is located is owned by the City of Middletown or the Housing Authority. Wesleyan University is in the area and is a large local landowner. The Long Hill Estate (a large city park), the Middletown Nature Gardens and Wadsworth Falls State Park are all nearby.

There was substantial price appreciation until mid 2007. Since then prices have been declining and it is considered a "buyers market". Supply now exceeds demand and houses are remaining on the market longer. Buyers are anticipating further declines and sellers are at a disadvantage. Mortgage rates have been declining gradually for several years and are now at or near all time lows. Sales and/or financing concessions may be necessary, especially for properties that are not in top condition or where sellers are anxious. *This may be the case for the subject property, as the owner may have to perform various environmental tests and cleanup, or indemnify a purchaser in some way.*

SITE ANALYSIS

| | |
|--|---|
| Dimensions: <u>approximately 90 x 254+/-</u> | Area: <u>0.52 acres</u> |
| View: <u>wooded/residential</u> | Shape: <u>approximately rectangular</u> |
| Drainage: <u>appears adequate</u> | Utility: <u>average</u> |
| Site Similarity/Conformity To Neighborhood | Zoning/Deed Restriction |
| Size: <input type="checkbox"/> Smaller than Typical <input checked="" type="checkbox"/> Typical <input type="checkbox"/> Larger than Typical | View: <input type="checkbox"/> Favorable <input checked="" type="checkbox"/> Typical <input type="checkbox"/> Less than Favorable |
| Utilities | Off Site Improvements |
| Electric <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other _____ | Street <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private _____ |
| Gas <input type="checkbox"/> Public <input type="checkbox"/> Other <u>none known</u> | Alley <input type="checkbox"/> Public <input type="checkbox"/> Private <u>N/A</u> |
| Water <input type="checkbox"/> Public <input checked="" type="checkbox"/> Other <u>well</u> | Sidewalk <input type="checkbox"/> Public <input type="checkbox"/> Private <u>N/A</u> |
| Sewer <input type="checkbox"/> Public <input checked="" type="checkbox"/> Other <u>septic</u> | Street Lights <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private _____ |
| Zoning: RPZ | |
| 100' frontage required | |
| <input type="checkbox"/> Legal <input type="checkbox"/> No zoning | |
| <input checked="" type="checkbox"/> Legal, non-conforming | |
| <input type="checkbox"/> Illegal | |
| Covenants, Condition & Restrictions <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown | |
| Documents Reviewed <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| Ground Rent \$ <u>N/A</u> / _____ | |

Site description and characteristics: The site is partially wooded and has deep back yard. The site was previously inspected in May of 2007. At that time various "automotive" type debris was observed, and contamination appeared to be likely. The site debris has been removed but no testing or cleanup has apparently been done.

There is an oil tank in the basement. No known in-ground oil tank, but this was not verified by the appraiser. The Appraiser is not an expert in the field of environmental contamination. Due to previously observed conditions, an environmental inspection would be prudent and a qualified professional should be consulted.

THIS APPRAISAL IS CONTINGENT UPON SUCH A TEST, AND ANY CONTAMINATION BEING REMEDIATED.

HIGHEST AND BEST USE ANALYSIS

Present Use Proposed Use Other see below

Summary of highest and best use analysis: Due to the age, small size and deteriorated condition of the subject, the subject improvements would most likely be torn down by a prospective purchaser. A new residential use, at some future date would most likely be the highest and best use of the site, but demand for new construction and vacant land is low due to market conditions.

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ASSIGNMENT PARAMETERS

Intended User(s): Based upon communication with the client at the time of the assignment, the Client is the only intended user.

Intended Use: Based upon the above client communication the intended use is to Estimate Market Value for a potential sale.
This report is not intended by the appraiser for any other use or by any other user.

Type of Value: Market Value Effective Date of Value: February 23, 2009

Interest Appraised: Fee Simple Leasehold Other

Hypothetical Conditions: (A hypothetical condition is that which is contrary to what exists, but is asserted by the appraiser for the purpose of analysis. Any hypothetical condition may affect the assignment results.) **None in this Assignment.**

Extraordinary Assumptions: (An extraordinary assumption is directly related to a specific assignment and presumes uncertain information to be factual. If found to be false this assumption could alter the appraiser's opinions or conclusions. Any extraordinary assumption may affect the assignment results.)

The appraiser assumes that the property is free of environmental contamination. **THERE WAS EVIDENCE TO THE CONTRARY. An inspection in May 2007 revealed 55 gallon drums, automotive parts, etc in the yard, which appears to have been cleaned up. THIS PROPERTY IS LIKELY TO BE UNMARKETABLE WITHOUT A PHASE I ASSESSMENT. IF ANY CONTAMINATION IS FOUND, IT SHOULD BE REMEDIATED. THIS APPRAISAL IS BASED ON THIS ASSUMPTION, IF THIS IS NOT THE CASE, THIS WOULD HAVE AN EFFECT ON VALUE AND MARKETABILITY. See attached, for other assumptions applicable to this assignment.**

In accordance with Standard Rule 2-2(b) of the Uniform Standard of Professional Appraisal Practice (USPAP), this is a summary appraisal report.

SCOPE OF WORK

Definition: The scope of work is the type and extent of research and analysis in an assignment. Scope of work includes: the extent to which the property is identified; the extent to which tangible property is inspected; the type and extent of data research; and the type and extent of analysis applied to arrive at opinions or conclusions. The specific scope of work for this assignment is identified below and throughout this report.

Inspection of Subject:

Appraiser:

None Interior Exterior
 Date of Inspection 2/23/09

Co-Appraiser:

None Interior Exterior
 Date of Inspection _____

Living Area Measured:

Yes No
 Other: GLA per Assessor

Data Sources Used:

MLS
 Public Records
 Office Files
 Owner
 Plans & Specifications
 Purchase Agreement
 Other: William Warner, AICP,
Director of Planning,
Conervation & Development,
City of Middletown

Approaches to Value Developed:

Cost Approach:

Is necessary and developed in this analysis
 Is applicable but not necessary and omitted in this analysis
 Is not applicable or necessary and omitted in this analysis

Sales Comparison Approach:

Is necessary and developed in this analysis
 Is applicable but not necessary and omitted in this analysis
 Is not applicable or necessary and omitted in this analysis

Income Approach:

Is necessary and developed in this analysis
 Is applicable but not necessary and omitted in this analysis
 Is not applicable or necessary and omitted in this analysis

Additional Scope of Work Comments: See Statement of Assumptions and Limiting Conditions for comments on inspection of the property. A building and/or environmental assessment would be prudent. If it is desired, a qualified professional should be consulted, as the appraiser does not have expertise in these fields.

Significant Real Property Appraisal Assistance: None Disclose Name(s) and contribution:

The Appraiser did not receive any significant real property appraisal assistance from any other individual in this assignment.

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IMPROVEMENTS ANALYSIS

| | | | | | |
|--|---|---|--|--|---|
| General | Design: old style | No. of Units: 1 | No. of Stories: 2 | Actual Age: 100+ yrs | Effective Age: 50 years |
| <input checked="" type="checkbox"/> Existing | <input type="checkbox"/> Under Construction | <input type="checkbox"/> Proposed | <input type="checkbox"/> Attached | <input checked="" type="checkbox"/> Detached | <input type="checkbox"/> Manufactured <input type="checkbox"/> Modular |
| Other: Subject is an "old style" colonial | | | | | |
| Exterior Elements | Roofing: asphalt shingle | Siding: aluminum | Windows: various | | |
| <input type="checkbox"/> Patio | <input checked="" type="checkbox"/> Deck rear | <input checked="" type="checkbox"/> Porch front covered | <input type="checkbox"/> Pool | <input type="checkbox"/> Fence | |
| Other: none of any value | | | | | |
| Interior Elements | Flooring: carpet, vinyl | Walls: plaster & panel or DW | | <input type="checkbox"/> FP# | |
| Kitchen: | <input type="checkbox"/> Refrigerator | <input type="checkbox"/> Range | <input type="checkbox"/> Oven | <input checked="" type="checkbox"/> Fan/Hood | <input type="checkbox"/> Microwave <input checked="" type="checkbox"/> Dishwasher |
| Countertops: minimal/damaged | | | | | |
| Other: N/A | | | | | |
| Foundation | <input checked="" type="checkbox"/> Crawl Space part | <input type="checkbox"/> Slab | <input checked="" type="checkbox"/> Basement N/A, mold | | |
| Other: Basement is wet, with evidence of flooding, has mold and is in poor condition | | | | | |
| Attic | <input type="checkbox"/> None | <input type="checkbox"/> Scuttle | <input type="checkbox"/> Drop Stair | <input checked="" type="checkbox"/> Stairway | <input type="checkbox"/> Finished |
| Mechanicals | HVAC: central heat | | Fuel: an oil tank is in basemen | | Air Conditioning: no AC |
| Car Storage | <input checked="" type="checkbox"/> Driveway | <input type="checkbox"/> Garage | <input type="checkbox"/> Carport | <input type="checkbox"/> Finished | |
| Other Elements | Heat, water and electric were turned off at the time of the appraisal. Subject is in poor condition and not habitable. Condition and functioning of heat, plumbing, electric, water and waste disposal is unknown but is likely to be not operational. No functional kitchen or bathroom. The basement contains mold which may be a hazard. The appraiser is not aware of an inground oil tank. ANY PURCHASER SHOULD HAVE AN ENGINEERING AND STRUCTURAL INSPECTION. | | | | |

Above Grade Gross Living Area (GLA)

| | Living | Dining | Kitchen | Den | Family Rm. | Rec. Rm. | Bdrms | # Baths | Utility | Other | Area Sq. Ft. |
|--|--------|--------|---------|-----|------------|----------|-------|---------|---------|-------|--------------|
| Level 1 | | | | | | | | | | | |
| Level 2 | 1 | 1 | 1 | | | | | | | | 513 |
| Upper Level | | | | | | | 2 | 1 | | | 408 |
| Finished area above grade contains: <input type="text" value="2"/> Bedroom(s) <input type="text" value="1"/> Bath(s) <input type="text" value="921"/> Sq. Ft. of GLA | | | | | | | | | | | |
| Summarize Above Grade Improvements: See above. | | | | | | | | | | | |

Below Grade Area or Other Living Area

| | Living | Dining | Kitchen | Den | Family Rm. | Rec. Rm. | Bdrms | # Baths | Utility | % Finished | Area Sq. Ft. |
|-------------------|--------|--------|---------|-----|------------|----------|-------|---------|---------|------------|--------------|
| Below Grade | | | | | | | | | | | |
| Other Living Area | | | | | | | | | | | |

Summarize below grade and/or other living area improvements: N/A

Discuss physical depreciation and functional or external obsolescence: Severe physical depreciation due to lack of maintenance and prolonged vacancy. The improvements are outdated and are not habitable. Environmental issues with the site and improvements as well as structural and mechanical problems are likely. The appraiser did not observe any locational obsolescence.

Discuss style, quality, condition, size, and value of improvements including conformity to market area: See above. The subject is not habitable, and may be contaminated. Value, if any appears to be in the land. The appraiser notes that if contamination is found on the site or in the building, this would have a negative effect on value. IT IS POSSIBLE THAT THE SUBJECT COULD HAVE A NEGATIVE VALUE. That could occur if the cost to clean up the site or the improvements exceed the value of the land.

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SITE VALUATION

Site Valuation Methodology

- Sales Comparison Approach:** A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales are available.
- Market Extraction Approach:** A method of estimating land value in which the depreciated cost of the improvements on the improved property is estimated and deducted from the total sale price to arrive at an estimated sale price for the land; most effective when the improvements contribute little to the total sale price of the property.
- Alternative Method:** (Describe methodology and rationale)

Site Valuation

| ITEM | SUBJECT | COMPARISON 1 | | COMPARISON 2 | | COMPARISON 3 | |
|------------------------------|--|---|----|---|----|---|----|
| Address | 155 Wadsworth Street Middletown, CT 06457 | | | | | | |
| Proximity to Subject | | | | | | | |
| Data Source/ Verification | | | | | | | |
| Sales Price | \$ | | \$ | | \$ | | \$ |
| Price / | \$ | | \$ | | \$ | | \$ |
| Sale Date | N/A | | | | | | |
| Location | | | | | | | |
| Site Size | 0.52 acres | | | | | | |
| Site View | wooded/resident | | | | | | |
| Site Improvements | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Net Adjustment | | <input type="checkbox"/> + <input type="checkbox"/> - | \$ | <input type="checkbox"/> + <input type="checkbox"/> - | \$ | <input type="checkbox"/> + <input type="checkbox"/> - | \$ |
| | | Net Adj. | % | Net Adj. | % | Net Adj. | % |
| Indicated Value | | Gross Adj. | %% | Gross Adj. | %% | Gross Adj. | %% |

Site Valuation Comments:

Site Valuation Reconciliation:

Opinion of Site Value \$

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COST APPROACH

Cost Approach Definitions

- Reproduction Cost** is the estimated cost to construct, at current prices as of the effective appraisal date, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship, and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building.
- Replacement Cost** is the estimated cost to construct, at current prices as of the effective appraisal date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design and layout.

Cost Approach Analysis

| | | | |
|--|-----------------|--|------|
| Estimated Cost New | | | |
| Above Grade Living Area | 921 Sq. Ft @ \$ | | = \$ |
| Finished Below Grade Area | Sq. Ft @ \$ | | = \$ |
| Unfinished Below Grade Area | Sq. Ft @ \$ | | = \$ |
| Other Living Area | Sq. Ft @ \$ | | = \$ |
| Car Storage | Sq. Ft @ \$ | | = \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| Total Estimated Cost New | | | \$ |
| Less Depreciation | | | |
| Physical | 83.33 % = \$ | | |
| Functional | % = \$ | | |
| External | % = \$ | | |
| Total Depreciation | \$ | | |
| Depreciated Value of Improvements | | | \$ |
| Contributory Value of Site Improvements | | | \$ |
| | | | \$ |
| | | | \$ |
| Opinion of Site Value | | | \$ |
| Indicated Value | | | \$ |

Cost Approach Comments (Data Sources, Depreciation Basis, Site Value, Etc.):

Cost Approach Reconciliation:

Indication of Value by Cost Approach \$ N/A

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INCOME APPROACH

Market Rent Analysis

| ITEM | SUBJECT | RENTAL 1 | RENTAL 2 | RENTAL 3 |
|------------------------------|--|--|--|--|
| Address | 155 Wadsworth Street Middletown, CT 06457 | | | |
| Proximity to Subject | | | | |
| Data Source/ Verification | | | | |
| Lease Term | N/A | | | |
| Date of Lease | | | | |
| Rent / | \$ | \$ | \$ | \$ |
| Rent Concession | | | | |
| Less Utilities | | | | |
| Less | | | | |
| Adjusted Market Rent | | \$ | \$ | \$ |
| Location | | | | |
| Site/View | | | | |
| Quality of Construction | | | | |
| Age | 100+ yrs | | | |
| Condition | | | | |
| Above Grade Bedrooms | Bedrooms 2 | Bedrooms | Bedrooms | Bedrooms |
| Above Grade Baths | Baths 1 | Baths | Baths | Baths |
| Gross Living Area | 921 Sq.Ft. | Sq.Ft. | Sq.Ft. | Sq.Ft. |
| Below Grade Area | 504 Sq.Ft. | Sq.Ft. | Sq.Ft. | Sq.Ft. |
| Other Living Area | Sq.Ft. | Sq.Ft. | Sq.Ft. | Sq.Ft. |
| Heating/Cooling | central/no CAC | | | |
| Car Storage | 1 car garage | | | |
| Net Adjustment | | <input type="checkbox"/> + <input type="checkbox"/> - \$ | <input type="checkbox"/> + <input type="checkbox"/> - \$ | <input type="checkbox"/> + <input type="checkbox"/> - \$ |
| Indicated Market Rent | | Net Adj. % Gross Adj. %\$ | Net Adj. % Gross Adj. %\$ | Net Adj. % Gross Adj. %\$ |

Rent comparable analysis and reconciliation of market rent of subject property:

Opinion of Market Rent \$

Gross Rent Multiplier Analysis

| ADDRESS | DATE | SALE PRICE | GROSS RENT | GRM | COMMENTS |
|---------|------|------------|------------|-----|----------|
| | | | | | |
| | | | | | |
| | | | | | |

Comment and reconciliation of the gross rent multiplier (GRM):

Opinion of Market Rent: _____ X _____ GRM = \$

Indication of Value by Income Approach \$ N/A

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SALES COMPARISON APPROACH

| ITEM | SUBJECT | COMPARISON 1 | | COMPARISON 2 | | COMPARISON 3 | |
|------------------------------|--|--|---------------------|--|---------------------|--|---------------------|
| Address | 155 Wadsworth Street Middletown, CT 06457 | 33 Bidwell Terrace Middletown | | 1 Hillside Court Middletown | | 12 Maple Place Middletown | |
| Proximity to Subject | | 1.67 miles | | 1.43 miles | | 0.64 miles | |
| Data Source/ Verification | | MLS & public record | | MLS & public record | | MLS & public record | |
| Final List Price | \$ N/A | | \$ 145,000 | | \$ 82,500 | | \$ 79,900 |
| Sale Price | \$ N/A | | \$ 76,100 | | \$ 75,000 | | \$ 67,000 |
| Sale-To-List Price Ratio | N/A % | | 52.5 % | | 90.9 % | | 83.9 % |
| Closing Date | N/A | 12/11/08 | | 10/30/08 | | 9/30/08 | |
| Days On Market | N/A | unknown | | unknown | | unknown | |
| Price/Gross Living Area | \$ | \$ 62.48 | | \$ 88.24 | | \$ 43.34 | |
| | DESCRIPTION | DESCRIPTION | + (-) \$ Adjustment | DESCRIPTION | + (-) \$ Adjustment | DESCRIPTION | + (-) \$ Adjustment |
| Financing Type | N/A | not known | | not known | | not known | |
| Concessions | N/A | none known | | none known | | none known | |
| Contract Date | N/A | unknown | | 8/18/08 | | 9/3/08 | |
| Location | average | average | | average | | average | |
| Site Size | 0.52 acres | 0.16 acres | +6,000 | 0.08 acres | +9,000 | 0.16 acres | +6,000 |
| Site Views/Appeal | average | average | | average | | average | |
| Design and Appeal | old style | old style | | old style | | old style | |
| Quality of Construction | average | average | | average | | average | |
| Age | 100+ yrs | 100+ years | | 90 years | | 100+ years | |
| Condition | poor | fair | | fair | | fair | |
| | | | -7,500 | | -7,500 | | |
| Above Grade Bedrooms | Bedrooms 2 | Bedrooms 3 | -5,000 | Bedrooms 3 | -5,000 | Bedrooms 3 | -5,000 |
| Above Grade Baths | Baths 1 | Baths 1 | | Baths 1.1 | -3,000 | Baths 1 | |
| Gross Living Area | 921 Sq.Ft. | 1,218 Sq.Ft. | -4,455 | 850 Sq.Ft. | +1,065 | 1,546 Sq.Ft. | -9,375 |
| Below Grade Area | full | full | | full | | full | |
| Below Grade Finish | N/A | N/A | | N/A | | N/A | |
| Other Living Area | none | none | | none | | none | |
| Functional Utility | poor | fair | | fair | | poor | |
| Heating/Cooling | central/no AC | centrl/no CAC | | centrl/no CAC | | centrl/no CAC | |
| Car Storage | none | 1 car | -2,000 | 1 car | -2,000 | 1 carport | -1,000 |
| Fireplace | none | none | | none | | none | |
| Other | porch deck | similar | | similar | | similar | |
| Net Adjustment (total) | | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ 20,455 | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ 14,935 | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ 9,375 |
| Adjusted Sale Price | | Net Adj. % | | Net Adj. % | | Net Adj. % | |
| | | Gross Adj. % | \$ 55,645 | Gross Adj. % | \$ 60,065 | Gross Adj. % | \$ 57,625 |

Comments and reconciliation of the sales comparison approach: Due to subject age and condition, there is a shortage of recent comparable sales in the area. Comps were chosen for location and improvements in fair or poor condition. Comp #1 has been renovated since the sale.

Sales are recent and were adjusted downward to reflect declining market conditions.

Comp were chosen on the basis of overall similarity to the subject and adjusted for market reaction to differences. They are considered reliable and are the best available.

Indication of Value by Sales Comparison Approach**\$ 58,000**

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

| | | | |
|-------------------|--|-------------------|----------|
| Client: | State of CT, DCF | Client File #: | PO#36297 |
| Subject Property: | 155 Wadsworth Street, Middletown, CT 06457 | Appraisal File #: | 0902012 |

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, we have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- A true and complete copy of this report contains ___ pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

VALUE DEFINITION

Market Value Definition (below)

Alternate Value Definition (attached)

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, 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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: *Appraisal Institute Dictionary of Real Estate Appraisal*

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| Client: | State of CT, DCF | Client File #: | PO#36297 |
| Subject Property: | 155 Wadsworth Street, Middletown, CT 06457 | Appraisal File #: | 0902012 |

APPRAISER CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

None Name(s) _____

As previously identified in the scope of work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as:

Appraiser None Interior Exterior
 Co-Appraiser None Interior Exterior

ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS

Appraisal Institute Member Certify:

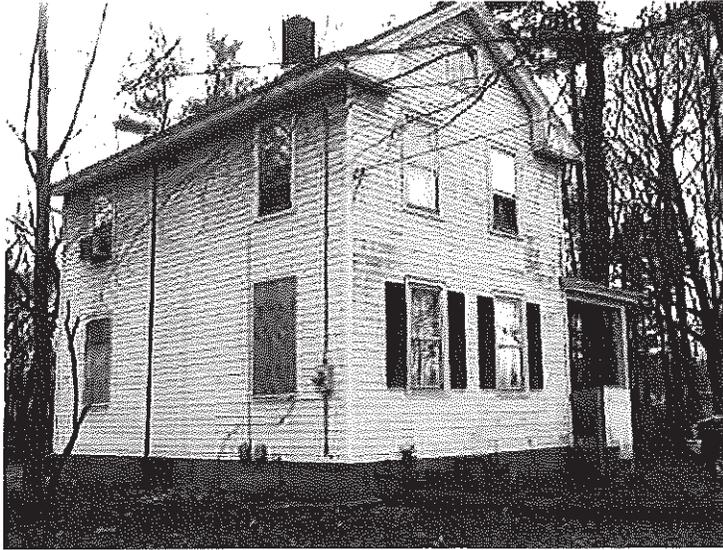
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

| | |
|--|--|
| <p>Designated Appraisal Institute Member Certify:</p> <ul style="list-style-type: none"> • As of the date of this report, I <input type="checkbox"/> have / <input type="checkbox"/> have not completed the continuing education program of the Appraisal Institute. | <p>Designated Appraisal Institute Member Certify:</p> <ul style="list-style-type: none"> • As of the date of this report, I <input type="checkbox"/> have / <input type="checkbox"/> have not completed the continuing education program of the Appraisal Institute. |
|--|--|

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| <p>APPRAISER: Signature _____ Name <u>James J. Kyle</u> Report Date <u>3/11/09</u> State Certification # <u>RCG.351</u> ST <u>CT</u> License # _____ ST _____ Expiration Date <u>4/30/2009</u></p> | <p>CO-APPRAISER: Signature _____ Name <u>N/A</u> Report Date _____ State Certification # _____ ST _____ License # _____ ST _____ Expiration Date _____</p> |
|--|--|

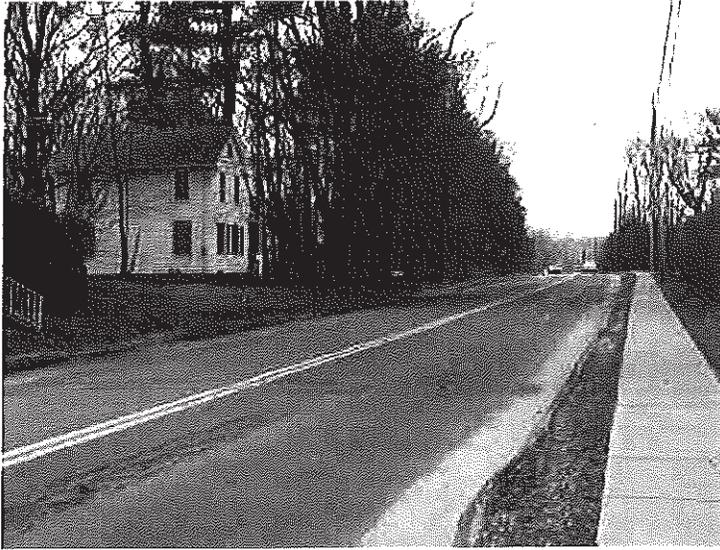
PHOTOGRAPH ADDENDUM

| | | | | | |
|------------------|----------------------|--------|-----------|----------|-------|
| Borrower/Client | N/A | | | | |
| Property Address | 155 Wadsworth Street | | | | |
| City | Middletown | County | Middlesex | State | CT |
| | | | | Zip Code | 06457 |
| Lender | State of CT, DCF | | | | |



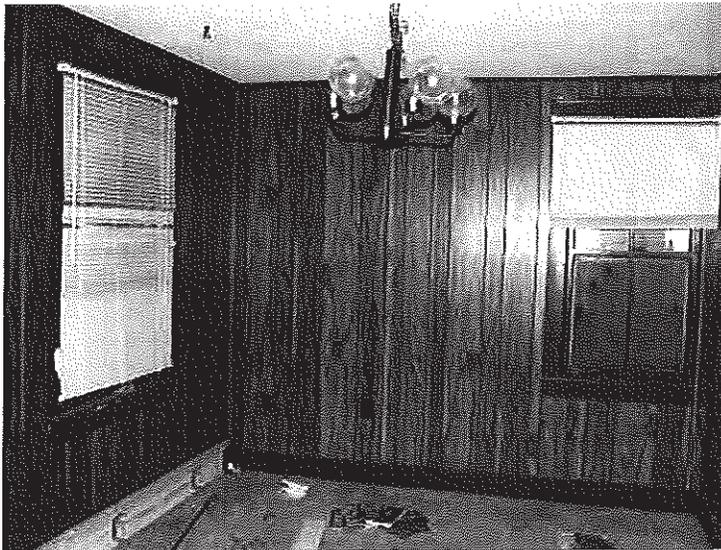
PHOTOGRAPH ADDENDUM

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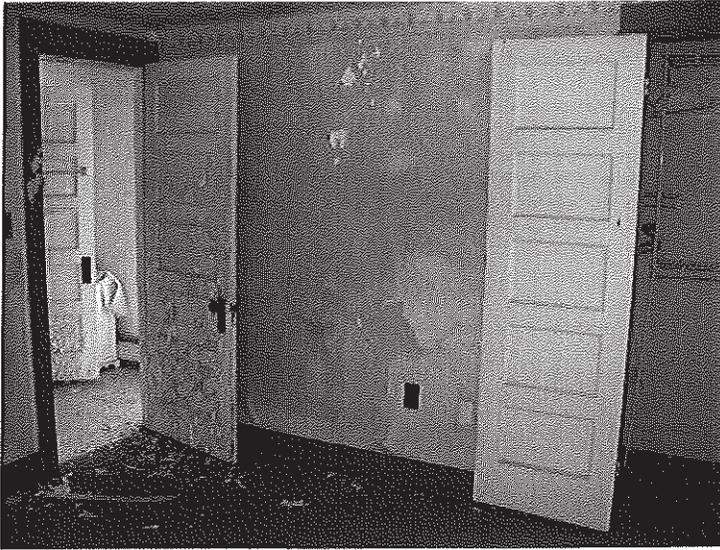
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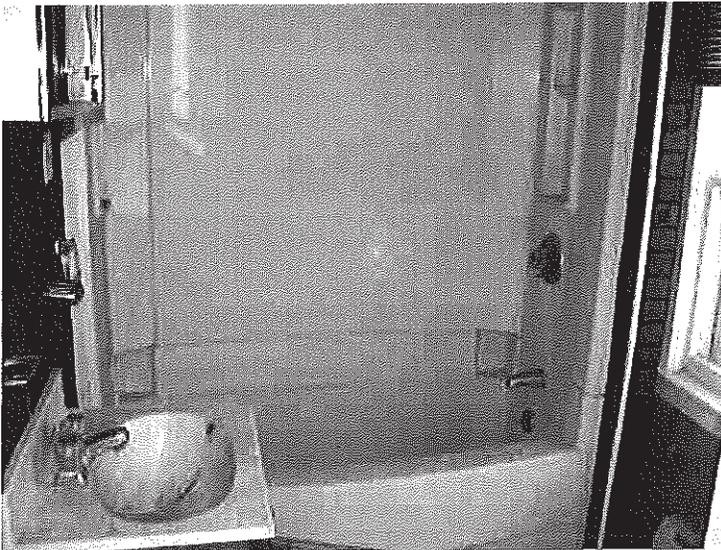
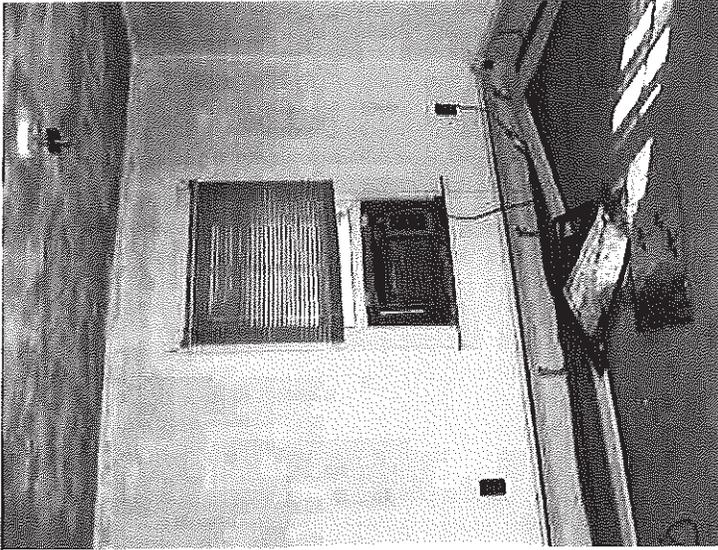
PHOTOGRAPH ADDENDUM

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| Property Address | 155 Wadsworth Street | | | | | | |
| City | Middletown | County | Middlesex | State | CT | Zip Code | 06457 |
| Lender | State of CT, DCF | | | | | | |



PHOTOGRAPH ADDENDUM

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| Property Address | 155 Wadsworth Street | | | | | | |
| City | Middletown | County | Middlesex | State | CT | Zip Code | 06457 |
| Lender | State of CT, DCF | | | | | | |



Comparable Photo Page

| | | | |
|------------------|----------------------|----------|-----------|
| Client | State of CT, DCF | | |
| Property Address | 155 Wadsworth Street | | |
| City | Middletown | County | Middlesex |
| State | CT | Zip Code | 06457 |
| Owner | State of CT | | |



Comparable 1

| | |
|---------------------------|------------|
| 33 Bidwell Terrace | |
| Prox. to Subject | 1.67 miles |
| Sale Price | 76,100 |
| Gross Living Area | 1,218 |
| Total Rooms | |
| Total Bedrooms | 3 |
| Total Bathrooms | 1 |
| Location | average |
| View | average |
| Site | 0.16 acres |
| Quality | average |
| Age | 100+ years |



Comparable 2

| | |
|-------------------------|------------|
| 1 Hillside Court | |
| Prox. to Subject | 1.43 miles |
| Sale Price | 75,000 |
| Gross Living Area | 850 |
| Total Rooms | |
| Total Bedrooms | 3 |
| Total Bathrooms | 1.1 |
| Location | average |
| View | average |
| Site | 0.08 acres |
| Quality | average |
| Age | 90 years |

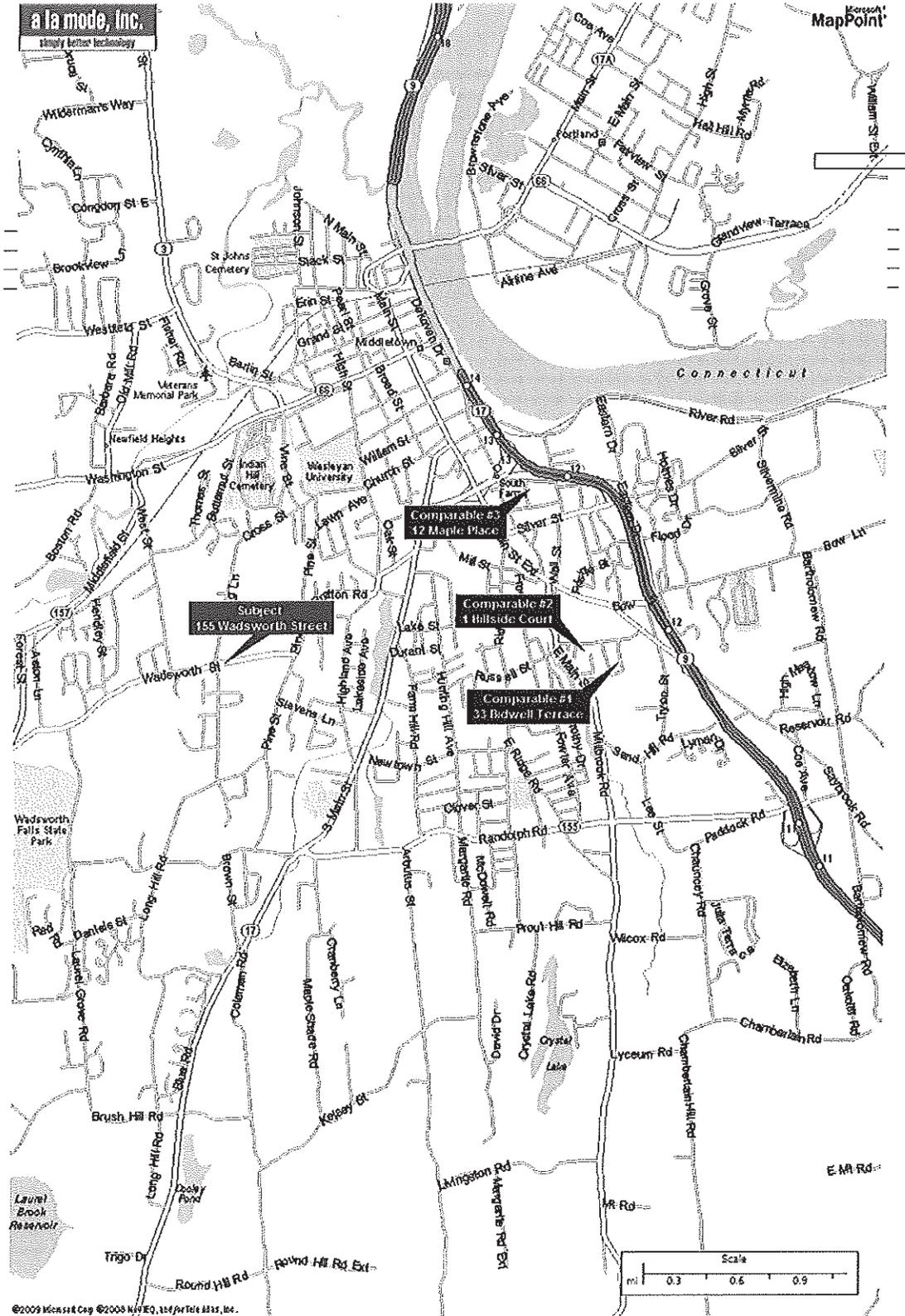


Comparable 3

| | |
|-----------------------|------------|
| 12 Maple Place | |
| Prox. to Subject | 0.64 miles |
| Sale Price | 67,000 |
| Gross Living Area | 1,546 |
| Total Rooms | |
| Total Bedrooms | 3 |
| Total Bathrooms | 1 |
| Location | average |
| View | average |
| Site | 0.16 acres |
| Quality | average |
| Age | 100+ years |

Location Map

| | | | | | | | |
|------------------|----------------------|--------|-----------|-------|----|----------|-------|
| Borrower/Cient | NIA | County | Middlesex | State | CT | Zip Code | 06457 |
| Property Address | 155 Wadsworth Street | | | | | | |
| City | Middletown | | | | | | |
| Lender | State of CT, DCF | | | | | | |



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Permit History

| Date | Purpose | Price |
|------|---------|-------|
|------|---------|-------|

Out Building Information

| Type | Qty | Year | Size1 | Size2 | Grade | Cond |
|------|-----|------|-------|-------|-------|------|
|------|-----|------|-------|-------|-------|------|