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REAL ESTATE APPRAISAL

Property of

RED WING DEPOT
E/S NORTH MAIN STREET
MIDDLETOWN, CONNECTICUT

Appraisal Firm Name: JOHN B. FLINT, MAI, CPM
Address: 532 Hopmeadow Street
Simsbury, Connecticut
(860) 658-1929
Client: City of Middletown

Project and Serial Number:
Federal Aid Project Number:
Identity of Project: Portion of Red Wing Depot
Middletown, CT
Property Owner: Red Wing Depot
Property Owner's Address: 465 Middlefield Street
Middletown, Ct 06457
Property Address: E/S North Main Street
Middletown, Connecticut

General Classification of Property Being Appraised: Industrial

Report Type: Complete Appraisal/Self-contained Report
Valuation Date: November 5, 1998
Market Value: \$80,000

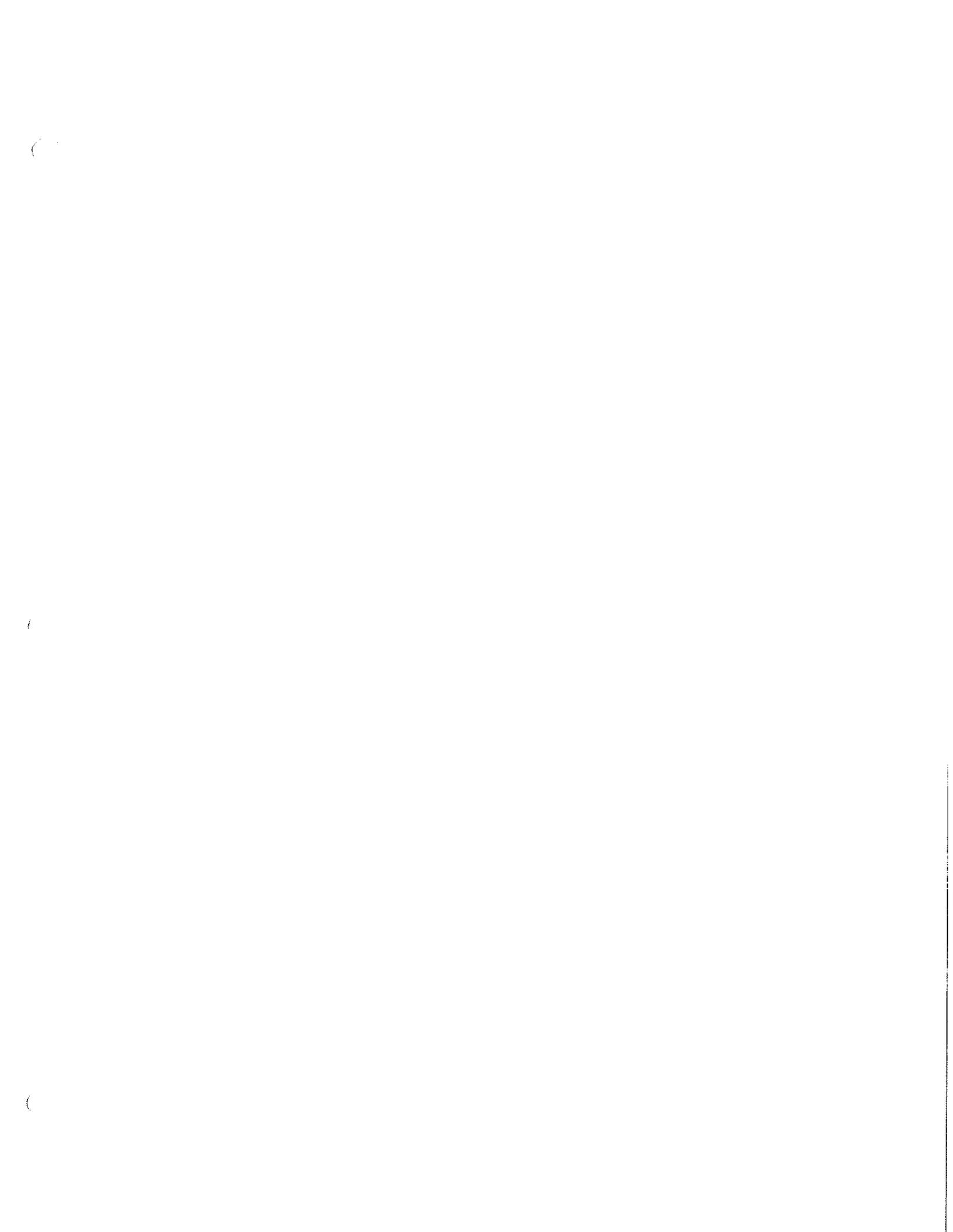


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1. LETTER OF TRANSMITTAL

I have completed my appraisal report which is attached. Please note the following salient facts, conclusions, purposes and definitions:

- 1) The land and rights being appraised are as follows:

Fee Simple Interest in the following:

Address: the northerly portion (0.41 acres) of the property known as Red Wing Depot located at 52 North Main Street, Middletown, Connecticut

Assessor's Identifications: Map 20, Block 17-7, Lot 1 (northerly portion)

Description: 17,533 square feet (0.41 acres); split frontages of 26.83' and 38.00' on the easterly side of North Main Street; improved with an old warehouse building containing approximately 8,671 sq. ft. with a roof and approximately 5,292 sq. ft. without a roof; IRA zone, Industrial Redevelopment Area

Subject to the following encumbrances:

Water main easement in favor of Board of Water Commissioners, 919/286.

Lease to Dean H. Bishop d/b/a Better Office Systems Installations

Together with the following appurtenances: None

Refer to the legal description for any pertinent additional details.

- 2) I made an full inspection the property on November 5, 1998 in the company of Richard R. Sweet, Managing General Partner of Red Wing Depot.

My estimate of Market Value as of November 5, 1998 is as follows:

Fair Market Value \$ 80,000


John B. Flint, MAI, CPM

2. PURPOSE AND DEFINITIONS:

Market Value is defined as the most probable price which a property will bring if exposed for sale in the open market, allowing a reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted or capable of being used, neither buyer nor seller being under abnormal pressure.

Highest and Best Use is defined as the most probable likely use to which a property can legally be put. My opinion of such use is based on the highest and most profitable continuous use to which the property is adapted, and likely to be in demand for the reasonably near future. Alternatively, it is that use from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and which results in highest land value.

Fee Simple Interest is defined as an absolute fee: a fee without encumbrances or limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation. A Fee Simple Interest is usually considered to be an inheritable estate.

Leased Fee Interest is defined as the ownership interest of the landlord in a property held in fee with the right of use and occupancy conveyed by lease to others. A property consisting of the right to receive ground rentals over a period of time, plus the right of ultimate repossession at the termination of the lease.

Appurtenances are defined as the incidental rights and interests (e.g. Rights of Way and Easements) over abutting property that attach to and will pass with the land.

Encumbrances are interests or rights in real property which diminish the value of the fee, but do not prevent conveyance of the fee by the owner. Mortgages, taxes and judgments are financial obligations or liens which are considered by the appraiser but usually they do not affect the utility or value of the property. Deed restrictions and easements often do affect the utility of the property and have a resulting influence on value.

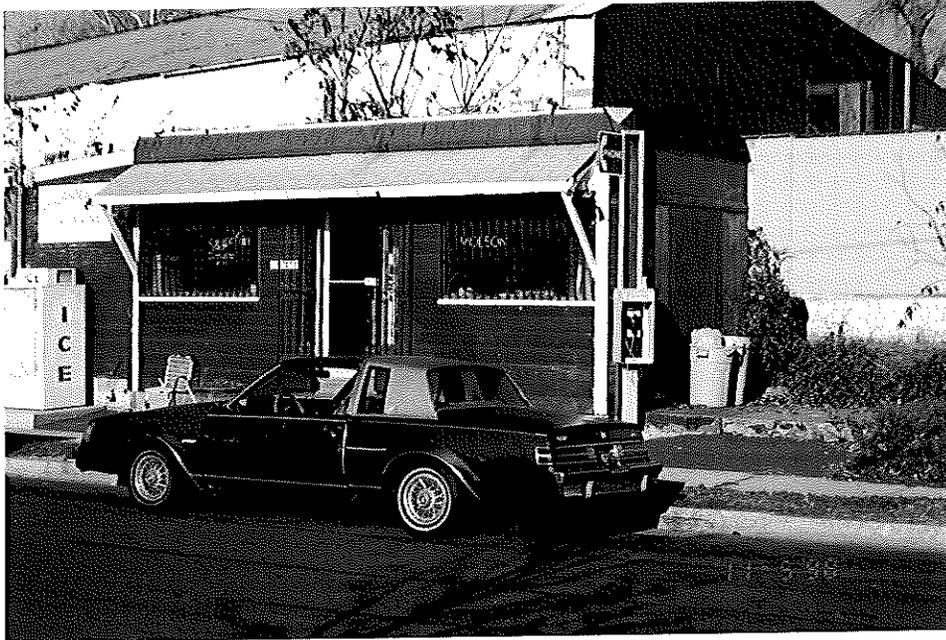
3. SUBJECT PROPERTY



Westerly elevation and a portion of the southerly elevation



Southerly elevation



Liquor store, not part of appraised property



Looking northerly on North Main Street with appraised property and liquor store at right



Section of building without a roof



Floor detail in section of building without roof



Typical interior view

5. MATTERS OF RECORD

a. Complete Legal Description:

The appraised property is a 0.41 acre portion of a 1.25 acre property described in a warranty deed found in Volume 1076 at Page 376 of the Middletown Land Records. This deed transferred property from Elaine H. O'Connor to Red Wing Depot, a partnership. The deed was dated August 1, 1995 and was recorded August 4, 1995. A copy of the deed description is found in the Addenda.

The property being appraised is the northerly portion of the total property conveyed by this deed. The specific description of the appraised property will be found later in this report.

The property is subject to a water main easement in favor of the Board of Water Commissioners dated January 16, 1990 and recorded in Volume 919 at Page 286.

The property is also subject to a lease to Dean H. Bishop, d/b/a Better Office Systems Installations dated May 27, 1997. The lease is for two years from July 1, 1997 and covers approximately 1,000 square feet in the northwesterly nook. The property is also subject to a tenant in possession, Schlien Furniture Company, a long time tenant.

b. Title History:

Reference is made to the legal description above.

c. Mortgages:

No mortgages were noted.

d. Zoning:

The subject is in the IRA - Industrial Redevelopment Area Zone. The purpose of the zone is to preserve the existing and limited industrial development areas and encourage the rehabilitation and re-use of the land and buildings.

Permitted uses include metal working and machine shops, shops for building and related trades, laboratories, manufacturing, printing, public utilities, physical fitness centers, retail sales of lumber, paints, hardware, automotive and equipment, warehouses, office buildings, automotive body shops and light manufacturing. Prohibited uses include those that produce noxious odors, excessive noise and the like.

The spatial requirements for the IRA zone are shown below.

Lot area:	none
Frontage:	100 ft
Front Yard:	none
Side Yard:	10 ft
Rear Yard:	none
Lot Coverage:	50 % *
Bldg Height	50 ft

* 100% may be covered provided that the required off-street parking and off-street loading is available.

The parking requirement for industrial, manufacturing or warehouse use is 3 spaces for each 500 square feet of gross floor area. For retail or office use it is 1 space for each 300 square feet.

With the exception of parking spaces the appraised property meets all these requirements. No defined parking spaces are on the property.

The property is also in an Enterprise Zone.

e. Taxes:

Since the appraised property is only a portion of a larger property, a separate assessment is not available. The assessment shown below is for the building on the site, and the land assessment is based on the pro rata share of the land.

Land	\$ 14,350
Building	<u>58,100</u>
Total	\$ 72,450
Mill rate (10/1/97)	<u>24.4</u> mills
Estimated Amount of Tax	\$ 1,768
Assessment Ratio	70%
Last year of assessor's revaluation - 1987	

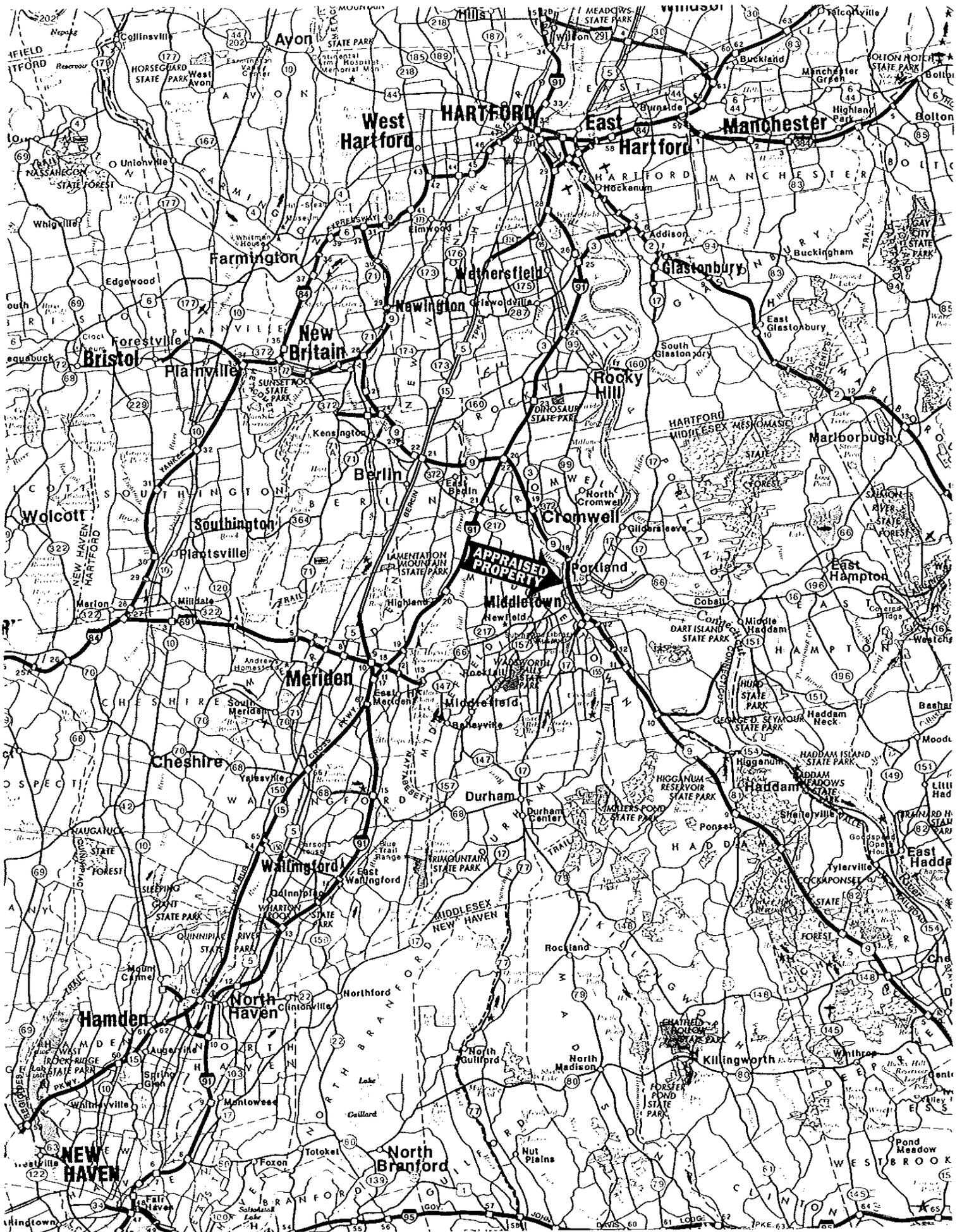
f. Hazardous Waste and/or Contaminants:

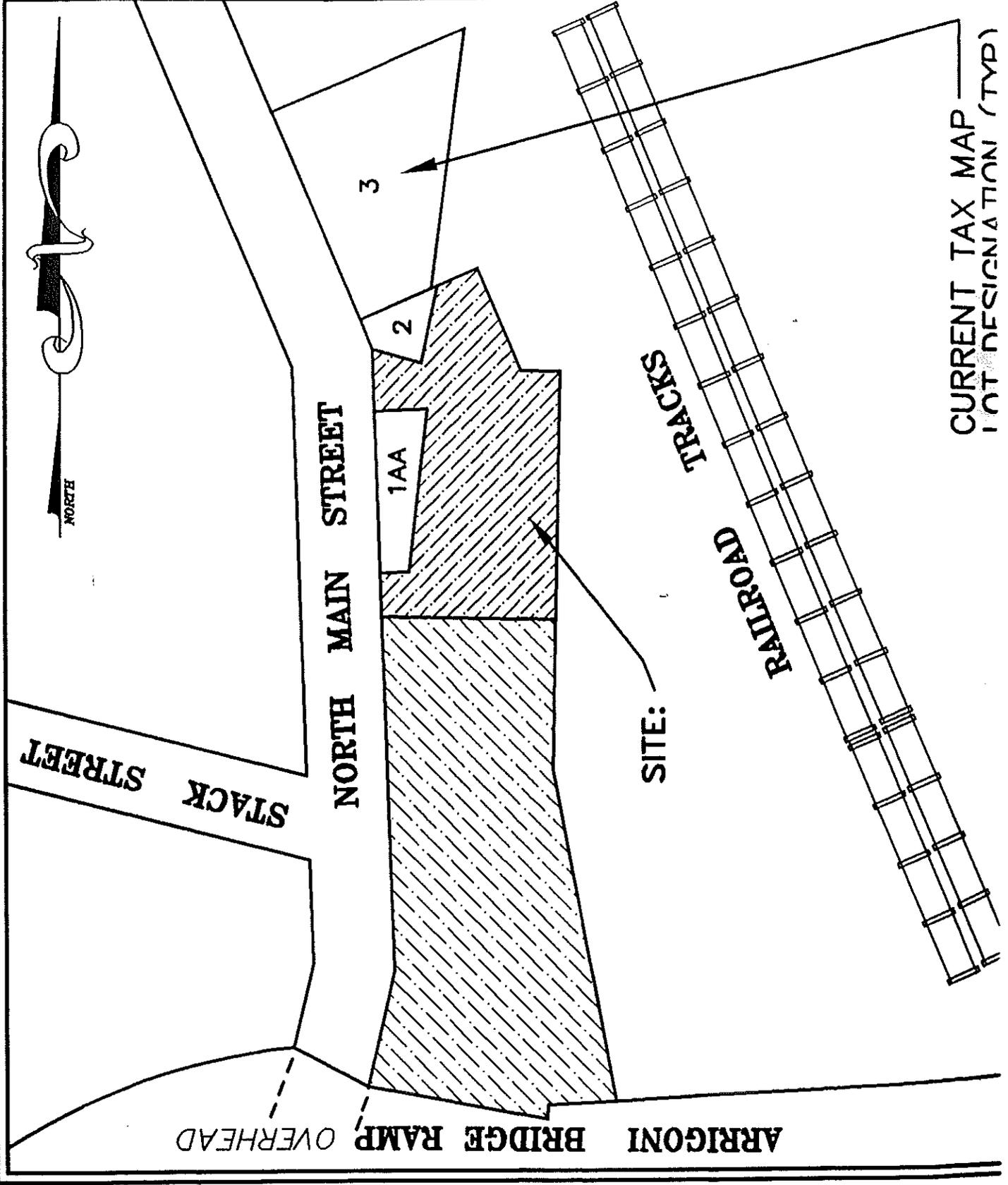
A Phase I Environmental Site Assessment was done on the 0.41 acres of the appraised property and a 0.03 acre parcel immediately north of the appraised property. The assessment was conducted by Vanasse Hangen Brustlin, Inc. (VHB), in June 1998. The Executive Summary of that report is shown in the Addenda of this report.

In the Summary VHB states "no evidence was found during the site inspection, regulatory file review or historical review which would suggest that hazardous waste was generated on" the appraised property.

Two spills, in 1993 and 1994, were noted, but it is not known whether they occurred on the appraised property or the remainder of the 1.25 acre property. Likewise, records exist of underground storage tanks being removed, but it is not clear which portion of the 1.25 acre they came from.

A Phase II investigation was also conducted to assess current subsurface soil and groundwater conditions. According to the owner of the property, the Phase II Study showed no groundwater or soil contamination.





CURRENT TAX MAP
ZONING DESIGNATION (TYP)

6. CITY, TOWN OR REGIONAL DATA

The appraised property is located on the easterly side of North Main Street just north of the overhead Arrigoni Bridge ramp in Middletown, Connecticut.

Middletown is located in central Connecticut about eighteen miles south of Hartford. It is the seat of Middlesex County and the only urban town in the county. Relatively densely populated, it had a 1995 population of 42,990 with modest growth expected in the ensuing ten years. It had a per capita income in 1995 of \$25,614 which was well below the State average of \$30,303. The median price residential sale in 1994 was \$102,500 compared to the state median of \$126,000.

The town is diversified economically with single family and multi-family residential, retail and manufacturing development predominating. Wesleyan University is located in town, also. The total labor force in 1994 was 23,732 while total employment in town was 27,540. Thus, more people commute into Middletown than commute out of it.

The town has two sections, the northwest corner (part of the area known as Westfield) and the rest of the town. I-91 runs through the northwest corner and has spawned industrial and office park development in that area. The largest building, and a major employer, is the 1.2 million square foot Aetna building.

Much of the retail and commercial development is located along Main Street in the center of town, or along Washington Street going west toward Meriden. Many stores have relocated to suburban malls outside Middletown, and the downtown area has been suffering from vacancies or underutilized space. Recent additions to the downtown area have included new buildings for the District Court, police station and Middlesex Mutual's office tower.

Virtually all new industrial development has been along the I-91 corridor. A significant amount of old industrial space is vacant. Various attempts by the City, such as the Industrial Redevelopment Area District, have been slow to produce new facilities. The Pratt & Whitney division of United Technologies Corporation has a major plant on 2,000 acres in the southerly part of town near the Connecticut River.

7. NEIGHBORHOOD AND LOCATION DATA

The overhead ramp to the Arrigoni Bridge provides a break from the commercial area on North Main Street to the south. The Central Connecticut Railroad tracks, now owned by the State of Connecticut, are behind the appraised property and provide a boundary to the east and northeast. Pease Avenue is the westerly boundary with older residential areas to the west and northwest. One block north of the appraised property the industrial neighborhood becomes a narrow area between North Main Street and the railroad tracks.

To the immediate south of the appraised property is the other portion of the 1.25 acre property owned by Red Wing Depot. This portion contains a one and two story masonry and metal warehouse building containing approximately 26,500 square feet. The building is old and in fair condition according to the Assessor's Office.

In front of the property is a small liquor store owned by the City of Middletown. This property splits the North Main Street frontage of the appraised property and is part of an assemblage being put together by the City.

Immediately to the north is a small (0.03 acre) property known as the Red Wing Gas property. It contains a small building which supports four steel vertical petroleum storage tanks. The tanks do not appear to be used currently and may not have been used for some time. Across North Main Street and further north along the street are several commercial/retail properties and a number of vacant lots.

With the exception of the liquor store, which was doing steady business during the time of the inspection, the area is quiet with little traffic. Unless some major renovation or redevelopment takes place, values would not be expected to increase in the near future.

8. SITE DATA

a. Physical Features:

The appraised property contains an estimated 0.41 acres and has frontage on the easterly side of North Main Street of 26.83' and 38.00' interrupted by the liquor store property. It is irregular in shape, but fairly compact.

The site is slightly above street grade and is level. Drainage is toward the street, and no drainage problems were apparent at the time of inspection.

b. Utilities:

All city utilities are available to the site including sewer, water, gas, electricity and telephone.

North Main Street is paved with curbs sidewalks and subsurface drainage. It is a wide two lanes with parking available on both sides. It is maintained by the City of Middletown.

c. Site Improvements:

Site improvements include a gravel drive adjacent to a loading area at the northerly end of the building.

9. STRUCTURES, DESIGNATIONS AND DESCRIPTIONS

Occupancy: Warehouse

Class: "C", masonry and steel exterior with wood frame interior

Age: Old, possibly constructed as early as 1895

Number of Stories: One plus partial basement and crawl space

Average Story Height: 15 feet (the portion with a roof)

Condition and Utility of Improvements:

The building is old, in poor condition and has neither water nor heat. Approximately 38% of the building has no roof, and the flooring in that area is open to the elements with significant deterioration having resulted. Interior partitioning is wood or plywood. Access to the building is only from two dock height rolling doors at the North Main Street frontage.

Size:

The building has a gross area of 13,963 square feet with approximately 5,376 square feet having no roof. The net rentable area is estimated at 7,000 square feet.

Exterior Description:

The building has a wood frame with corrugated metal or brick exterior walls. The roof is gabled with metal cover in the front with composition roofing in the rear. The roof was new in 1996.

Interior Description:

In the part of the building with a roof, the wide floorboards are unfinished wood. Interior partitions are either wood or plywood, all unfinished. The space is open to the wood roof rafters.

In the part of the building without a roof, the unfinished wood floors are in dangerous condition. Only the exterior walls remain, and they are also in very poor condition. This section has a partial basement which was not inspected.

Mechanicals:

Electricity is 200 amp service on one meter. The building has no water service currently, although there may be an old water line in the partial basement.

The building has no heat.

10. PRESENT USE

The present use of the appraised property is a warehouse with approximately 35% vacancy.

11. ANALYSIS OF THE APPRAISAL PROBLEM

The purpose of this appraisal is to estimate the market value of the property.

The Sales Comparison Approach is used to value the appraised property. This Approach considers sales of similar properties to estimate the appraised property's market value.

The property is partially under lease, partially occupied under a month-to-month situation and partially vacant. However, the Income Approach has not been fully developed to provide an estimate of the property's value because the age and condition of the property make the current use only an interim use.

The Cost Approach is not pertinent for older improvements like the appraised property that have experienced considerable depreciation. It has not been used in this appraisal.

The land value as if vacant is estimated using the Sales Comparison Approach.

12. SCOPE OF THE APPRAISAL

This is a complete appraisal presented as a self-contained report in conformance with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

The extent of the process of collecting, confirming and reporting the market data utilized in this report is outlined as follows:

Data Collection - Sources of information may include multiple listing sheets, Assessor's records, deeds of record, the Commercial Record, Conn-Comp and data from cooperating appraisers.

Data Confirmation - Date of sale, descriptive information, financing and special conditions (where applicable) were verified with recorded deeds.

13. HIGHEST AND BEST USE - As If Vacant

The Highest and Best Use of the subject as if vacant is industrial or commercial development.

This is the type of development encouraged by the City and permissible under the IRA zone. The size and limited depth of the property, however, make it more attractive for retail or service business uses allowed by zoning than for major industrial or warehousing use. The site is level, and all utilities are available.

Commercial and industrial activity in this neighborhood, however, has been quite slow, and the ultimate development of the property may result from assemblage of several adjacent properties.

HIGHEST AND BEST USE - As Improved

The appraised property is improved with a 13,963 sq. ft. warehouse building of which 5,376 sq. ft. has no roof. As will be shown in the valuation section, the improvements produce some income but not enough to provide a value greater than the value of the land as if vacant. Therefore, the highest and best use of the property as improved is its continued use as a warehouse on an interim basis with ultimate demolition of the building at the time of developing new improvements.

14. LAND VALUATION

The number of sales of small parcels of industrially-zoned land is quite limited. Only two were found in Middletown during the past two to three years that had any degree of comparability. A third more recent sale of a commercially-zoned parcel has also been included.

A data sheet with a picture and sketch for each sale, location maps and a sales adjustment chart are presented on the following pages.

COMPARABLE SALE NO. 1



GRANTOR: Location Realty, Inc.
GRANTEE: Debsal, LLC
VOL/PAGE: 1106/466 **DEED:** Warranty
CONVEYANCE TAX: \$650/\$143.00
FINANCING: Location Realty
\$100,000; due 12/31/97
CONDITIONS OF SALE: NTAV

LOCATION: Lot 14X, So. Main St.
TOWN: Middletown, CT
DATE OF SALE: 8/29/96
RECORDED: 8/30/96
INSPECTED: 11/98
SALE PRICE: \$130,000
SALE PRICE VERIFIED WITH NAME: Unable to verify
DATE:
RELATIONSHIP:

ZONING: I-4, Limited Industrial
CONFORMED TO ZONING: Yes
RESALE AS OF DATE OF APPRAISAL: No
HIGHEST AND BEST USE: Industrial development
EXISTING USE - DATE OF SALE: Vacant
EXISTING USE LEGALLY PERMITTED: Yes

UNIT PRICING: \$24,345/ac.
\$0.56/sq. ft.

LAST YEAR OF REVALUATION: 1987
UTILITIES: Sewer & water
DESCRIPTION AND TOPOGRAPHY:
5.34 acres; 364.30' frontage; irregular shape; level, and slightly below street grade

EXPLANATION: Property appears to be for sale.

FIELD

141
9.5[±] ACS.
REF. # 139B

251-3

785.5'

885'

383'

11

177.63'

387'

142'

344.97'

200.71'

SO. MAIN ST.

303.63'

447.23'

14X
5.34[±] ACS.
2-96

776'

14
3.80[±] ACS.
2-96

4A
177.71'

4AA
6.8 AC

645'

4

4.3 AC

14B-1

14A

14B

4C

98

110
.92 Ac.

5A
.49 Ac.

105
1.07 Ac.

106
.98 Ac.

107
1.08 Ac.

108
1.02 Ac.

109
.91 Ac.

AGORN DRIVE # 132-3

114
.95 Ac.

213.97'

801.71'

112
.95 Ac.

113
.94 Ac.

COMPARABLE SALE NO. 2



GRANTOR: Edward G. Anderson
GRANTEE: The B.F. Goodrich Company
VOL/PAGE: 1142/670 **DEED:** Warranty
CONVEYANCE TAX: \$17,000/\$1,870
FINANCING: None recorded with deed

CONDITIONS OF SALE: NTAV

LOCATION: 440 Middlefield St.
TOWN: Middletown, CT
DATE OF SALE: 11/10/97
RECORDED: 11/14/97
INSPECTED: 11/98
SALE PRICE: \$1,700,000
SALE PRICE VERIFIED WITH
NAME: Town Records
DATE:
RELATIONSHIP:

ZONING: I-2, Industrial
CONFORMED TO ZONING: Yes
RESALE AS OF DATE OF APPRAISAL: No
HIGHEST AND BEST USE: Industrial development
EXISTING USE - DATE OF SALE: Industrial
EXISTING USE LEGALLY PERMITTED: Yes

UNIT PRICING: \$44,814/ac.*
\$1.03/sq. ft.

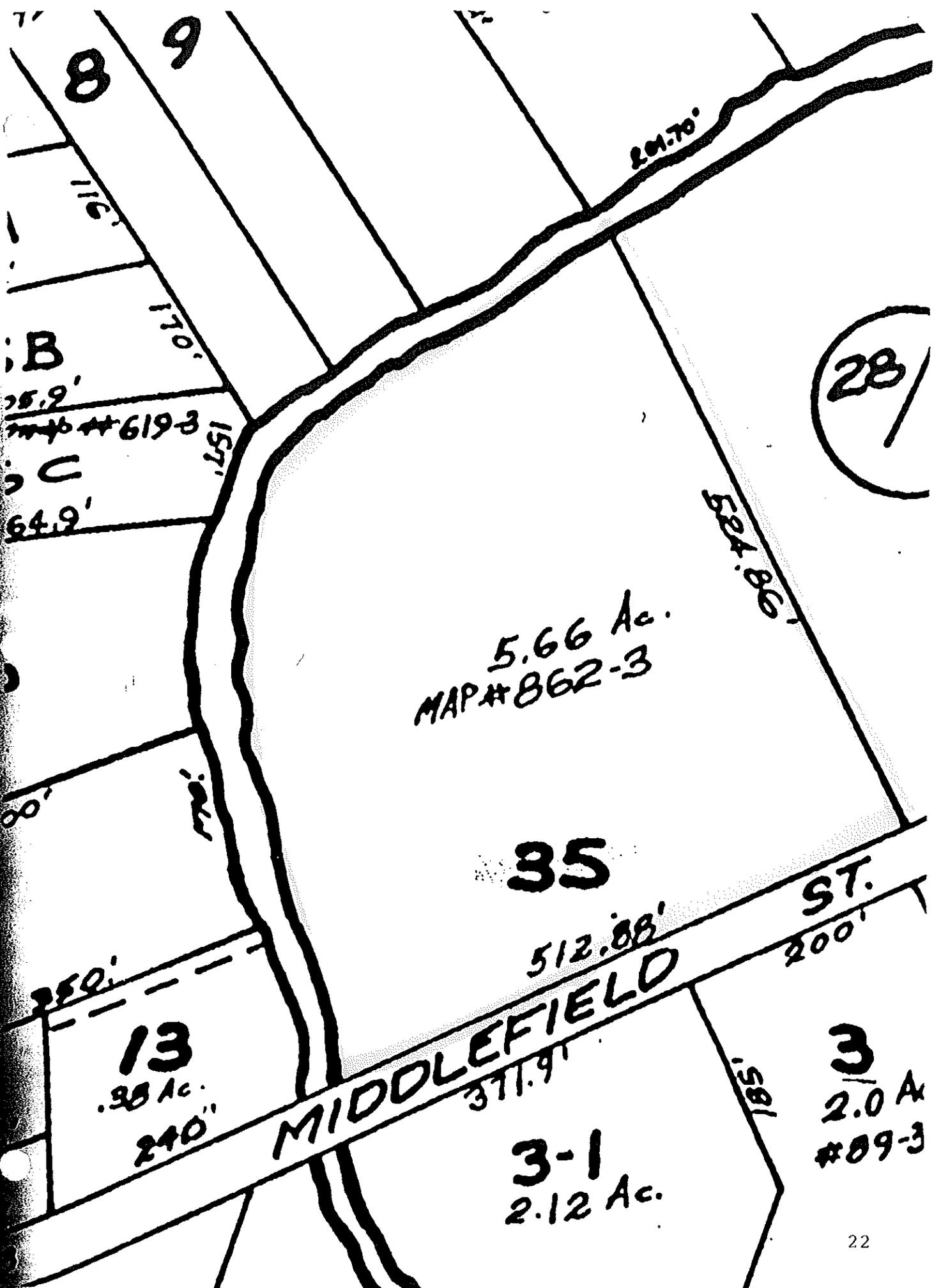
DATE OF LAST REVALUATION: 1987

UTILITIES: Water, sewer

DESCRIPTION AND TOPOGRAPHY: 5.66 acres; 515 fr. ft.; roughly rectangular shape; level and at street grade; bounded northerly and westerly by Coginchaug River with some area in Flood Zone

EXPLANATION: Three inter-connected industrial buildings, reinforced concrete construction, built between 1910 and 1976, 41,319 sf.

*Land Assessment of \$173,300 = 14.92% of Total Assessment \$1,161,500
Sales Price x 14.92% = \$253,640 (extracted land value)
\$253,640/5.66 acres = \$44,813/ac



COMPARABLE SALE NO. 3



GRANTOR: George W. Andreas
GRANTEE: Java Properties, LLC
VOL/PAGE: 1156/433 **DEED:** Warranty
CONVEYANCE TAX: \$4,500/495.00
FINANCING: 1st-Webster Bank; \$194,000
8.25%; 6 mos. demand. 2nd-Webster
Bank; \$242,500; 8.25% adj.; 20 yrs
CONDITIONS OF SALE: NTAV

LOCATION: 125 Coe Avenue
TOWN: Middletown, CT
DATE OF SALE: 3/30/98
RECORDED: 4/15/98
INSPECTED: 11/98
SALE PRICE: \$450,000

SALE PRICE VERIFIED WITH
NAME: Town Records
DATE:
RELATIONSHIP:

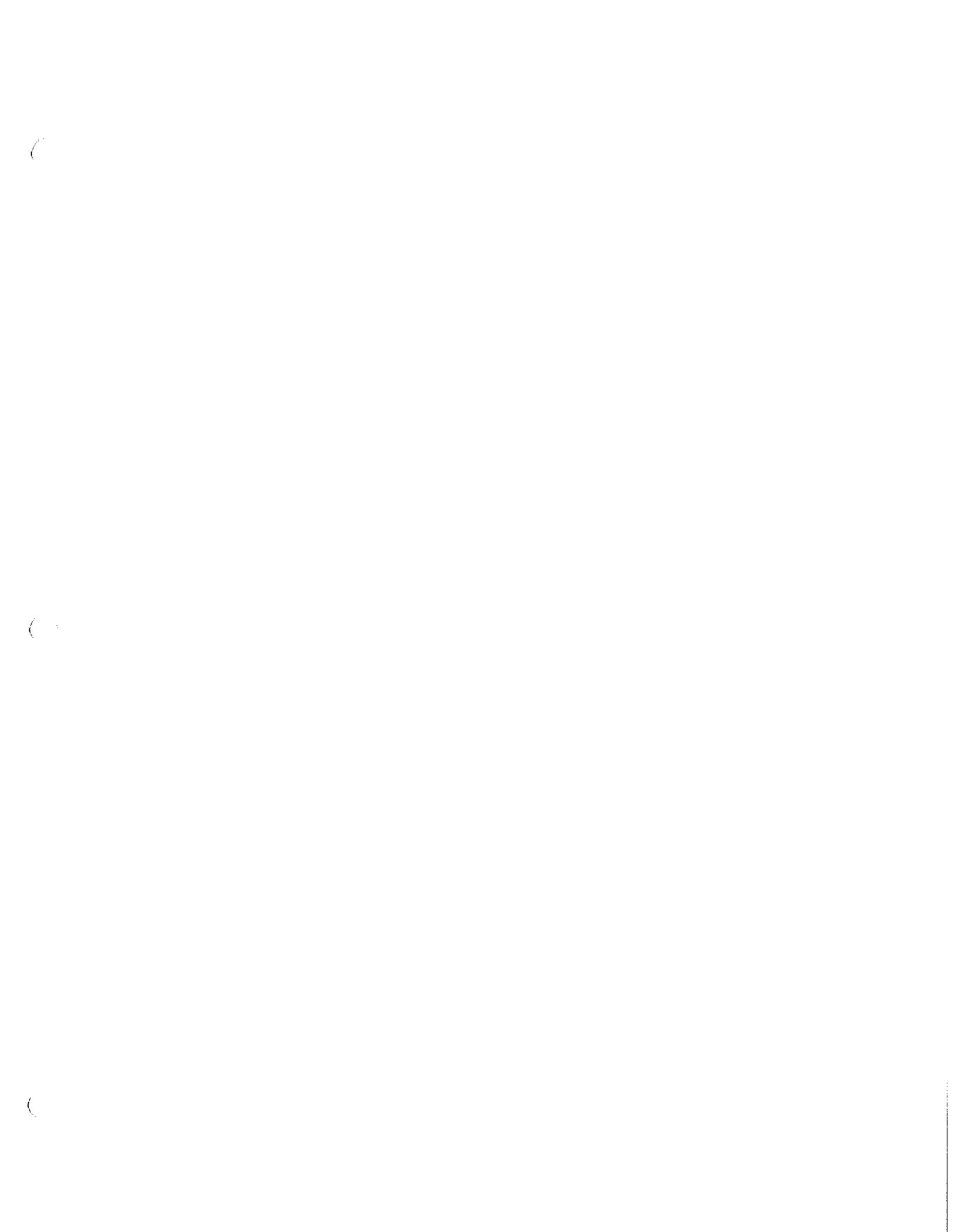
ZONING: B-2, Commercial
CONFORMED TO ZONING: Yes
RESALE AS OF DATE OF APPRAISAL: No
HIGHEST AND BEST USE: Commercial/Industrial development
EXISTING USE - DATE OF SALE: Industrial and office building
EXISTING USE LEGALLY PERMITTED: Yes

UNIT PRICING: \$45,057/ac.*
\$1.03/sq. ft.

UTILITIES: Water, sewer
DESCRIPTION AND TOPOGRAPHY: 1.59 acres; 223.26 fr.ft. Coe Ave.,
205.43 fr.ft. non-access Route 9; irregular, but compact shape;
level and slightly below Coe Avenue grade.

EXPLANATION: Industrial and office building, masonry construction,
built 1980, 13,900 sf.

*Land Assessment of \$66,800 = 15.92% of Total Assessment \$419,700
Sales Price x 15.92% = \$71,640 (extracted land Value)
\$71,640/1.59 acres = \$45,057/acre



Analysis of Sales and Value Conclusion

Reference is made to the facing adjustment chart. The unit of comparison is price per square foot of land. As indicated on the data sheets the land value for Sales #2 and #3 have been extracted from the total sales price using the ratio of land assessment to the total assessment.

The adjustments are shown as pluses or minuses to indicate direction, and the number of symbols indicates the strength of the adjustment.

Date of Sale

All of the sales are within fifteen months of the appraisal date. Nothing has been found in the market to indicate any recent movement of prices in either direction. Thus, no adjustments for time have been taken.

Location

The appraised property is superior in location to all three sales. It is closer to downtown, and with the exception of Sale #3, the appraised property is closer to high speed highways.

Size

Because so few land sales are available, the ones that have occurred have to be used. Sales #1 and #2 are significantly larger than the appraised property, and major adjustments upward are necessary.

Frontage

The appraised property has minimal frontage, and that has been split into two small pieces. All of the sales enjoy good, uninterrupted frontage.

Other Adjustments

Sale #2 has some area in Flood Plain adjacent to the Coginchaug River whereas the appraised property and the other sales have no Flood Plain or wetlands.

The appraised property shares an effective boundary of over 200' with railroad property. None of the sales has this attribute which is recognized by an upward adjustment.

Conclusion

The adjusted indications range from \$2.10 to \$3.70/sq. ft. Emphasizing Sale #3 because of its more similar size, my estimate of the land value at the appraised property is \$3.00/sq. ft.

Then, \$3.00/sq. ft. times 17,533 sq. ft. equals \$52,599 or \$55,000 rounded.

15. VALUATION OF SITE IMPROVEMENTS

As shown in Section 8.c., the site improvements are minimal and do not add to the value of the property.

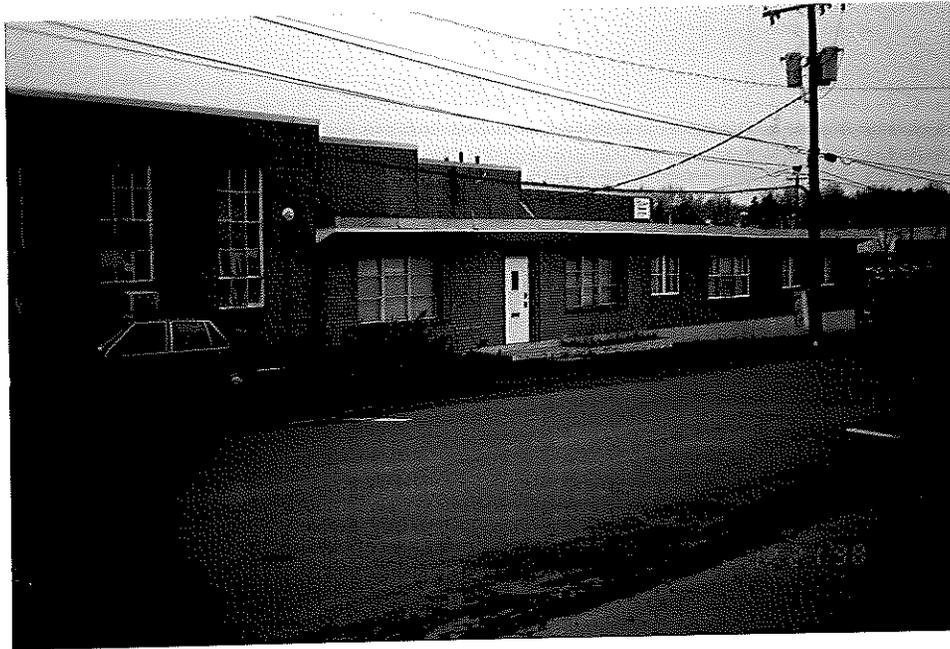
16. COST APPROACH

Not applicable, see Section 11.

17. COMPARATIVE SALES APPROACH

Three sales of old industrial buildings are compared to the appraised property. A data sheet and picture for each sale and a location map follows. An adjustment chart and analysis are also included.

COMPARABLE SALE NO. 1



GRANTOR: Sylvia H. Lazar
GRANTEE: Weber Enterprises
VOL/PAGE: 1227/823 **DEED:** Warranty
CONVEYANCE TAX: \$830/\$182.60
DESCRIPTION OF FINANCING: Grantor;
\$140,000; 5%; due in 7 1/2 years

CONDITIONS OF SALE: NTAV

ZONING: I-2, Industrial
CONFORMED TO ZONING: Yes
RESALE AS OF DATE OF APPRAISAL: No
HIGHEST AND BEST USE: Industrial

EXISTING USE DATE OF SALE: Industrial

EXISTING USE LEGALLY PERMITTED: Yes

UTILITIES: Sewer, water & gas
DESCRIPTION AND TOPOGRAPHY:
0.57± acres; 200 fr. ft.; level &
at street grade; rectangular shape

Description of Improvements: 13,987 sq. ft. industrial (print shop &
auto body shop); age: 1947; one story; masonry construction with flat
composition roof; height, 14 feet;

Analysis/Remarks: Seller occupies a portion of building.

LOCATION: 27 Charles Street
TOWN: New Britain, CT
DATE OF SALE: 7/26/96
RECORDED: 7/29/96
INSPECTED: 12/98
SALE PRICE: \$166,000
SALES PRICE VERIFIED WITH
NAME: Unable to verify
DATE:
RELATIONSHIP:

BUILDING GROUND AREA: 13,987 sf
GROSS BUILDING AREA: 13,987 sf
NET USABLE AREA: 13,987 sf
NO. OF STORIES: 1.0
YEAR BUILT: 1947
NUMBER ROOMS ABOVE GROUND: N/A
BATHS: N/A
BASEMENT AREA: N/A
CONDITION AT TIME OF SALE: Avg
TYPE OF HEAT: Unknown

UNIT PRICING:
PER Sq. Ft. \$ 11.87

COMPARABLE SALE NO. 2



GRANTOR: Kamco Supply Corp. of New England
GRANTEE: Engineered Building Products
VOL/PAGE: 1272/623 **DEED:** Warranty
CONVEYANCE TAX: \$1,530/\$168.30
DESCRIPTION OF FINANCING:
No mortgage following deed

CONDITIONS OF SALE: None to affect value

ZONING: I-2, Industrial
CONFORMED TO ZONING: Yes
RESALE AS OF DATE OF APPRAISAL: No
HIGHEST AND BEST USE: Industrial

EXISTING USE DATE OF SALE: Industrial
EXISTING USE LEGALLY PERMITTED: Yes

UTILITIES: Sewer, water & gas
DESCRIPTION AND TOPOGRAPHY:
0.830 acres; 193.5' fr., irregular shape; level topography.

Description of Improvements: Building 1: 7,205 sq. ft. warehouse; age, 1920; poor condition; one story; masonry construction. Building 2: 4,160 sq. ft. warehouse; age, 1988; good condition; one story; metal construction.

Analysis/Remarks: Part of assemblage with 777 Stanley Street

LOCATION: 24 Dwight St.

TOWN: New Britain, CT
DATE OF SALE: 4/13/98
RECORDED: 4/13/98
INSPECTED: 12/98
SALE PRICE: \$153,000
SALES PRICE VERIFIED WITH
NAME: Town records
DATE:
RELATIONSHIP:

BUILDING GROUND AREA: 11,365 sf
GROSS BUILDING AREA: 11,365 sf
NET USABLE AREA: 11,365 sf
NO. OF STORIES: 1.0
YEAR BUILT: 1920, 1988
NUMBER ROOMS ABOVE GROUND: N/A
BATHS: N/A
BASEMENT AREA: None
CONDITION AT TIME OF SALE: Avg
TYPE OF HEAT: Unknown

UNIT PRICING:
PER Sq. Ft. \$ 13.46

COMPARABLE SALE NO. 3



GRANTOR: Indian River Associates
GRANTEE: Engineered Building Products
VOL/PAGE: 1272/627 **DEED:** Warranty
CONVEYANCE TAX: \$5,250/\$577.50
DESCRIPTION OF FINANCING:
No mortgage following deed

LOCATION: 777 Stanley Street
TOWN: New Britain, CT
DATE OF SALE: 10/24/96
RECORDED: 4/ 9/98
INSPECTED: 12/98
SALE PRICE: \$65,000

CONDITIONS OF SALE:

SALES PRICE VERIFIED WITH
NAME: Town records and
DATE: Town officials
RELATIONSHIP:

ZONING: I-2, Industrial
CONFORMED TO ZONING: Yes
RESALE AS OF DATE OF APPRAISAL: Yes
HIGHEST AND BEST USE: Industrial

BUILDING GROUND AREA: 4,318 sf
GROSS BUILDING AREA: 10,477 sf
NET USABLE AREA: 10,477 sf
NO. OF STORIES: 2, 3, 4
YEAR BUILT: 1900
NUMBER ROOMS ABOVE GROUND: N/A
BATHS: N/A
CONDITION AT TIME OF SALE: Poor
TYPE OF HEAT: Central, unit

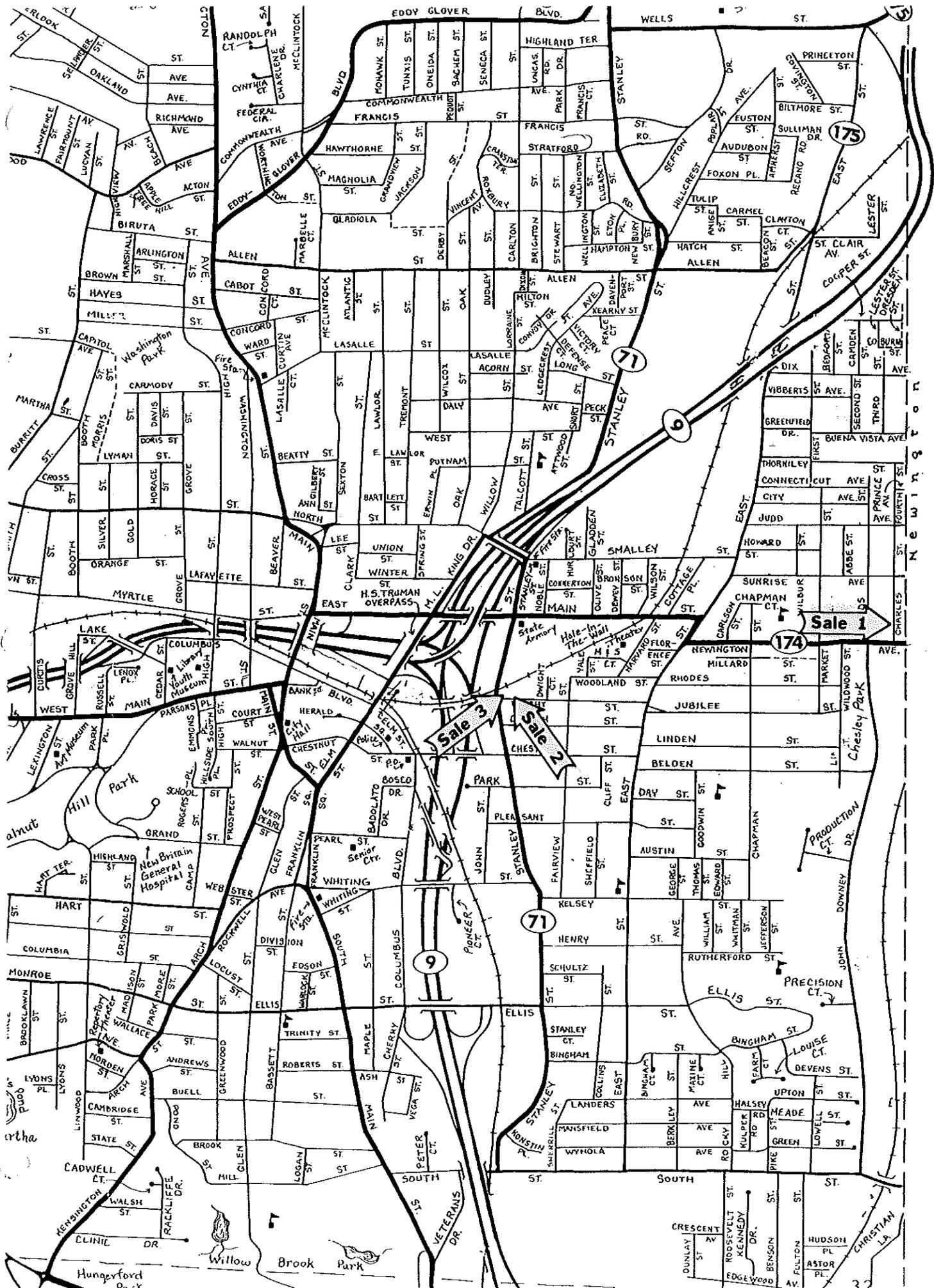
EXISTING USE DATE OF SALE: Industrial
EXISTING USE LEGALLY PERMITTED: Yes

UTILITIES: Sewer & water
DESCRIPTION AND TOPOGRAPHY:
.250 acres; 94.63' Stanley St.,
27.14' curve, 75' Dwight Street; level

UNIT PRICING:
PER Sq. Ft. \$ 6.20

Description of Improvements: 10,477 sq. ft. industrial; 2, 3 and 4 stories, masonry construction, built 1900+/-

Analysis/Remarks: Part of assemblage with 14 Dwight Street. Subsequently quit-claimed to Guida-Siebert Dairy Company (1277/747, 5-27-98) for whom assemblage was done.



175

71

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Sale 3

Sale 2

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17. Continued

Analysis

Reference is made to the adjustment chart on the facing page. The unit of comparison is price square foot of building including land. Only that portion of the appraised property that has a roof (8,587 sf) is considered in this comparable analysis. The remainder of the building will be valued subsequently.

Time

The sale dates range from July 1996 to April 1998. The market has generally shown no indications as to whether prices are increasing or decreasing. Therefore, no adjustments are made for time.

Location

The location of the appraised property is stronger than Sales #2 and #3 which are in a deteriorating area of New Britain.

Size

Adjustments are made for size where necessary. This is based on the fact that smaller properties tend to sell for more on a unit basis.

Age/Condition/Quality

Adjustments are made to Sales #1 and #2 for these characteristics. Sale #3 is considered similar.

Heat/Utilities

The appraised property has no heat and is currently connected only to electricity. All the sales have heat and are connected to all the utilities.

Other Adjustments

Because of the age and condition of all the buildings both at the sales and the appraised property, the value of the land is a higher ratio to the total value than in many other circumstances. Therefore, the land to building ratio becomes an important factor and has been appropriately adjusted for.

Sales #2 and #3 are part of an assemblage which tends to increase the sales price. Downward adjustments have been made to these sales recognizing this factor.

Conclusion

The adjusted indications fall in a narrow range between \$7.44 and \$8.31/sq. ft. My estimate of the value of the roofed portion of the appraised property by the Sales Comparison Approach is \$8.00 per square foot.

Then, \$8.00/sq. ft. times 8,587 sq. ft. equals \$68,696.

The unroofed portion of the building contributes some value. The remaining walls and flooring have no significant value, but the owner could rebuild within the existing footprint without further planning and zoning approval. The value of this is estimated to be \$2.00 per square foot.

Then, $\$2.00 \times 5,376 \text{ sf} = \$10,752$.

The total value of the property by the Sale Comparison Approach is as follows:

Roofed portion	\$68,696
Unroofed portion	<u>10,752</u>
Total Value	\$79,448
Rounded	\$80,000

18. INCOME APPROACH

A preliminary Income Approach was developed during the analysis leading to determination of the highest and best use. The analysis attempted to show whether the existing improvements produced enough income to provide value in excess of the value of the land.

As the figures below show, this is not the case. So, a full Income Approach with detailed rental and expense analysis was not done.

Rental Income

7,000 sq.ft. @ \$2.50	\$17,500
Less: Vacancy @ 25%	<u>4,375-</u>
Total Income	\$13,125

Expense

Taxes	\$1,800	
Insurance	500	
Repairs	1,500	
Electricity	400	
Management	<u>500</u>	
Total Expense		<u>4,700-</u>

Net Operating Income \$ 8,425

Capitalized @ 15% \$56,167

Rounded \$55,000

The property has one lease to Dean H. Bishop, d/b/a Better Office Systems Installations for 1,000 square feet which includes one of the two sliding doors at the building. The lease is for two years from July 1, 1997, and the rent is \$325/month or \$39,000/year. This equates to \$3.90 per square foot per year. The Lessor provides electricity and pays for repairs to the building and real estate taxes. The landlord had to build a demising wall and provide electricity to the space.

Another tenant, on a month-to-month basis, is Schlein Furniture. They occupy 3,600 square feet paying \$500/month, or \$6,000/year. This equates to \$1.67 per square foot per year.

The remaining space, approximately 2,400 square feet, is unleased. The owner is marketing the space at \$3.00/sf without any electricity. If leased, the space would require the construction of demising walls.

The average of the leased space is \$2.15/sf, and the vacant space could probably be leased at \$2.50/sf. The rent shown in the table above has been based on an average of \$2.50 for the entire building.

A 25% vacancy factor has been used to recognize the short term nature of the existing tenant leases and the narrow market for unheated space.

The expenses have been based on known levels or on reasonable levels anticipated for the building. A modest management fee has been included.

Recently published figures from the National Market Indicators produced by the *Korpacz Real Estate Investor Survey* show overall cap rates for investment grade industrial properties in a range between 8.00% and 11.00%. The appraised property is not investment grade, and its location, age and condition require a cap rate well beyond the range shown. A rate of 15% has been used which produces a rounded value by this approach of \$55,000.

Since this value is the same as the value of the property as if vacant, it implies the improvements only have interim value until some new development is in place that can command higher net operating income and/or a lower capitalization rate.

19. RECONCILIATION OF APPROACHES

Indicated Site Value:	\$ 55,000
Indicated Property Value by:	
Sales Comparison Approach	\$ 80,000
Preliminary Income Approach	\$ 55,000

The sales comparison approach analyzed three relatively recent sales of similar properties. Because of the lack of a market in Middletown all of the sales were in the nearby town of New Britain. The indicated values after adjustments fell in a reasonable range.

A preliminary Income Approach was done to help determine the highest and best use of the property. This indicates that the income stream which can be expected from the property only produces a value equaling the value of the land.

The difference between the two approaches may indicate the market places some discounted present value on the future development of industrial properties currently occupied by old improvements. On this basis little weight is given to the Income Approach.

Based on this analysis my conclusion of the Market Value of the appraised property as of November 5, 1998 is

EIGHTY THOUSAND DOLLARS
(\$80,000).

CERTIFICATION OF APPRAISER

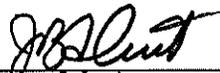
I hereby certify that the appraisal has been made in accordance with the standards of ethics and practice of the Appraisal Institute of which I am a member.

Among the most pertinent of these, the following should be highlighted:

1. The facts and figures contained in this report are correct to the best of my knowledge and belief.
2. The compensation for this report is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. The appraisal assignment and final value estimate(s) are not based on a requested minimum valuation or a valuation within a given range or approval of a loan.
3. I have no present nor contemplated future interest in the property herein appraised. Further, I have no personal interest or bias with respect to the subject matter of this report or the parties involved.
4. The opinions and conclusions herein expressed are mine, and in no way reflect those of another without due acknowledgement.
5. This appraisal report sets forth all of the limiting conditions affecting the analyses, opinions and conclusions contained in this report.
6. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and in conformity with the Uniform Standards of Professional Appraisal Practice.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. I have made a personal inspection of the property that is the subject of this report.
9. No one provided significant professional assistance to the person signing this report.
10. As of the date of this report I have completed the requirements under the continuing education program of the Appraisal Institute.

My estimate of the Market Value of the property known as 82 North Main Street, Middletown, Connecticut as of November 5, 1998 is \$80,000.

April 24, 1998


John B. Flint, MAI, CPM

ADDENDA

STATUTORY FORM WARRANTY DEED

I, ELAINE H. O'CONNOR of the Town of Newington, County of Hartford and State of Connecticut acting herein by DONALD E. O'CONNOR of the Town of Newington, County of Hartford and State of Connecticut, under Power of Attorney

for consideration paid, grant to RED WING DEPOT, a Connecticut General Partnership with an office at 465 Middlefield Street, in the Town of Middletown, County of Middlesex and State of Connecticut with WARRANTY COVENANTS

all that certain piece or parcel of land with the buildings thereon situated in the on the East Side of North Main Street in the Town of Middletown, County of Middlesex and State of Connecticut and being more particularly bounded and described on Schedule A attached hereto.

Said premises are subject to building, building line and zoning restrictions of the Town of Middletown, water main easement to The Board of Water Commissioners dated January 16, 1990 and recorded in Volume 919 at Page 286 of the Middletown Land Records, lease to The Middletown Press Publishing Company dated May 29, 1974 and recorded in Volume 420 at Page 30 of the Middletown Land Records, Notice of Lease to Gannett Outdoor Co. of Connecticut dated March 19, 1990 and recorded in Volume 926 at Page 536 of the Middletown Land Records, Special Exception dated October 5, 1992 and recorded in Volume 996 at Page 190 of the Middletown Land Records, notes and easements shown on a map entitled "Survey Map Portion of Property of Elaine H. O'Connor To Be Conveyed to Rose M. McCormack and Helen T. Annino 82 North Main Street Middletown, Conn. 1" = 10' Dec. 4, 1991 William B. Bergan Land Surveyor Haddam, Conn." which map is on file as Map No. 2-92 in the office of the Middletown Town Clerk.

Said premises are also subject to the taxes on the List of October 1, 1994 which the Grantees herein assume and agree to pay as part consideration for this deed.

CONSIDERATION PAID: SEVENTY-FIVE THOUSAND AND 00/100THS (\$75,000.00) DOLLARS

Signed this 1st day of August, 1995.

Witnessed by: DONALD E. DENEN

ELAINE H. O'CONNOR

BY: Donald E. O'Connor Her Attorney-in-Fact

STATE OF CONNECTICUT

COUNTY OF HARTFORD

New Haven SS. Hartford August 1, 1995

Personally Appeared DONALD H. O'CONNOR, Attorney-In-Fact for ELAINE H. O'CONNOR Signer of the foregoing instrument and acknowledged the same to be his free act and deed before me.

DONALD E. DENEN Commissioner of Superior Court

Grantee's Mailing Address:

465 MIDDLEFIELD ST.

MIDDLETOWN, CT. 06457

50 \$80 Conveyance Tax received, ST. TX \$750.00

Acting Town Clerk of Middletown

... a certain piece or parcel of land, together with all improvements thereon, located on the East side of North Main Street in the Town of Middletown, County of Middlesex, and State of Connecticut, as shown on map entitled, "Map Of The Property Of Meech and Stoddard, Inc. North Main Street Middletown, Conn. Scale 1"=20' June 25, 1947 L. Norman Germain Civil Engineer & Surveyor," which map is on file in the Office of the Town Clerk of the City of Middletown, being Map No. 1109, more particularly bounded and described as follows:

Beginning at a point on the Easterly side of North Main Street, marked by a boundstone, which point is the Southwesterly corner of the within-described premises and the Northwesterly corner of premises of the State of Connecticut; continue thence in a Northerly direction along said Easterly side of North Main Street, seventy-four (74.0) feet to a point marked by a boundstone; continue thence in a Northwesterly direction along said Easterly boundary line of North Main Street, three hundred eighty-three and forty-two one-hundredths (383.42) feet to a point marked by a boundstone; continue thence Easterly along property now or formerly of Red Wing Gas Co., thirty-one and sixty one-hundredths (31.60) feet to a point marked by a boundstone; continue thence Northerly along said property now or formerly of Red Wing Gas Co., forty-eight and fifty-three one-hundredths (48.53) feet to a point marked by a boundstone; continue thence Northeasterly along property now or formerly of N.Y., N.H. & Hartford R.R. Co., twenty-seven and fifty-nine one-hundredths (27.59) feet to a point marked by a boundstone; continue thence Southeasterly along said property now or formerly of N.Y., N.H. & Hartford R.R. Co., sixty-eight and fifty-eight one-hundredths (68.58) feet to a point marked by a boundstone; continue thence Easterly along said property now or formerly of N.Y., N.H. & Hartford R.R. Co., twenty-four and eighty-three one-hundredths (24.83) feet to a point marked by a boundstone; continue thence Southerly along said property now or formerly of N.Y., N.H. & Hartford R.R. Co., two hundred forty-five and seventy-five one-hundredths (245.75) feet to a point; continue thence Southeasterly along said property now or formerly of N.Y., N.H. & Hartford R.R. Co., two hundred eight and twenty-five one-hundredths (208.25) feet to land now or formerly of the State of Connecticut; continue thence Westerly along land now or formerly of the State of Connecticut, forty-

four (44) feet, more or less, to a point; continue thence Southerly along land now or formerly of the State of Connecticut, ten (10) feet, more or less, to a point; continue thence Westerly along land now or formerly of the State of Connecticut, one hundred thirteen and ninety-four one-hundredths (113.94) feet to the point or place of beginning.

Specifically excluding from the above description premises described in a deed from Elaine H. O'Connor to Rose M. McCormack dated March 19, 1992 and recorded in Volume 973 at Page 554 of the Middletown Land Records.

Rec'd for Record AUG 04 1995 1142 A
Recorded by *[Signature]* of H m M
[Signature] Town Clerk

Executive Summary

At the request of the City of Middletown (City), acting through its Municipal Development Office and Economic Development Committee, Vanasse Hangen Brustlin, Inc. (VHB) conducted a Phase I Transfer Act Site Assessment (TASA) for two parcels located in the City's North End Redevelopment Area, pursuant to the Connecticut Transfer Act (the Act), General Statute Sections 22a-134 to 22a-134d. The Site, and subject of this report, is identified herein as the northernmost ± 0.41 -acre portion of Lot 1 (known as the Red Wing Depot parcel) and entire ± 0.03 -acre area of Lot 2 (known as the Red Wing Gas parcel) shown on City Tax Assessors Map No. 20. This assessment was conducted to identify Recognized Environmental Conditions based on review of available environmental information and visual observations for overt evidence of a release or threat of release of oil and/or hazardous materials at and in the vicinity of the Site. The scope of services for this ESA included a review of historical sources; a review of federal and state environmental computer databases; review of state and local records; site reconnaissance; and, interviews with people knowledgeable about the Site. This TASA is subject to the terms of the agreement between VHB and City and the limitations included in Appendix A.

The computer database search did not identify any releases or significant concerns at the Site. Several properties were identified in the vicinity of the Site that could pose an environmental threat to the Site.

VHB conducted a site walkover of the Red Wing Gas parcel on December 12, 1997. The Gas parcel is occupied by a vacant one-story concrete structure which supports four large steel vertical petroleum above ground storage tanks (AST). This building was historically used for bulk storage of petroleum products (primarily gasoline), delivered by offloading railroad tank cars from circa 1930 to circa 1960. VHB conducted a site walkover of the Red Wing Depot north parcel on June 12, 1998. The Depot north parcel is occupied by a wood frame one-story furniture warehouse. Prior to 1950, the Depot parcel was occupied by a grain warehouse (known as Meech & Stoddard) and included grain, feed, and hay storage since as early as 1889.

The subject property appears to qualify as an "Establishment" as defined by the Connecticut Transfer Act. This act defines an "Establishment" as any site "which generates more than 100 kilograms of hazardous waste in any one-month period

on or after November 19, 1980. In addition, dry-cleaning establishments, furniture-stripping establishments, vehicle body repair shops, or vehicle painting shops operating on or after May 1, 1967 automatically qualify as an Establishment, regardless of the amount of hazardous waste they generate." A review of municipal and state regulatory documentation, and historical sources, revealed that a vehicle body repair shop operated in the Red Wing Depot "south" warehouse (not part of the site but part of the subject property) from circa 1990 to circa 1995. As a result, the entire Red Wing Depot parcel (both the site portion and "south" warehouse portion) is automatically considered an "establishment". However, no evidence was found during the site inspection, regulatory file review or historical review which would suggest that hazardous waste was generated on the portion of the Red Wing Depot parcel which is the subject of this environmental assessment. In accordance with the Transfer Act, transfer of establishment does not mean "conveyance of property through a judicial foreclosure" or "any conveyance of a portion of a parcel upon which portion no establishment is or has been located and upon which there has not occurred a discharge, spillage, uncontrolled loss, seepage or filtration of hazardous waste, provided either the area of such portion is not greater than fifty per cent of the area of such parcel or written notice of such proposed conveyance is provided to the commissioner sixty day prior to such conveyance".

Relying of this information, if the City acquires the site through judicial foreclosure, compliance with the Transfer Act would not be required. Additionally, because the portion of the Red Wing Depot parcel in which the City is interested consists of ± 0.41 -acre (less than fifty per cent of the ± 1.25 acres total parcel), compliance with the Transfer Act would not be required provided no release of hazardous waste has occurred on site. The field investigation planned for the Site will help determine ultimate compliance issues. However, VHB does recommend that advice from legal counsel be sought regarding compliance with this Act.

VHB did not identify any Recognized Environmental Conditions on the Site during the ESA. Although not considered Recognized Environmental Conditions as defined by ASTM-1527, VHB did identify the following potential environmental concerns on the Site:

- > Four rusted vertical storage tanks are located on the roof of the Site structure. No visual evidence of petroleum leakage was observed. The structural integrity of these tanks is in question due to the severity of rusting observed. In addition, it is unknown whether the tanks currently contain product.
- > One underground 4-inch steel pipe was observed exiting the structure in an easterly direction towards the southern warehouse located on the Red Wing Depot parcel. In addition, during construction activities associated with a sewer project on North Main Street (1994), six 4-inch steel pipes were encountered in the roadway at approximately two feet below the ground

surface. Historical information indicates that these pipes were likely associated with gasoline tanks, one which was/is located now under the warehouse on site and several located across North Main Street to the southwest. These pipes were inferred by the sewer project's consulting engineer to have originated from the Site. No information was found regarding any residual product, odors or staining within these pipes or surrounding soils.

- The interior of the Site structure was not physically accessed; visual observations were made through a small window. Numerous rusted and broken pipes, 55-gallon drums, and debris were observed inside the structure; the amount of debris on the floor inhibited a complete visual assessment of the area, including the integrity/contents of the drums or possible staining of the floor. Although no overt evidence of petroleum leakage was noted, visual observations were limited.
- A spill incident dated December 6, 1993 revealed the release of an unknown quantity of #2 fuel oil from a UST located on the Red Wing Depot parcel; it is not know whether this incident occurred on Site or the adjoining parcel to the south. The date of this incident corresponds to a building permit for the removal of a 5,000-gallon oil tank. No other information regarding this incident (e.g., location of UST, remedial activities, etc.) was found on file at CTDEP or municipal offices.
- A January 10, 1994 spill incident report revealed the release of an unknown quantity of gasoline from a gasoline UST located at the Red Wing Depot parcel; it is not know whether this incident occurred on Site or the adjoining parcel to the south. No other information regarding this incident (e.g., location of UST, remedial activities, etc.) was found on file at CTDEP or municipal offices.

VHB identified the following Recognized Environmental Conditions on abutting properties during the assessment which could potentially impact the Site:

- A Middletown Department of Health correspondence to Connecticut Department of Environmental Protection (CTDEP) Oil and Chemical Spill Section, dated July 27, 1988, indicated that "Northeast Utility crews, in the process of installing a new utility pole, encountered oil-saturated soils to a depth of approximately 10 feet, directly in front of, and adjacent to, said property [Site/Red Wing Gas parcel]."
- A CTDEP interoffice memorandum, dated September 16, 1994, revealed that "On December 12, 1993, Connecticut Light & Power discovered contamination while excavating for an underground line on the east side of North Main Street across from Stack Street. Two abandoned underground storage tanks were discovered on property owned by

Donald O'Connor [Red Wing Depot south parcel] ... The tanks were subsequently removed and contaminated soil stockpiled for disposal. The effectiveness of the clean-up and the extent of any remaining contamination is not known." Also this correspondence indicated that "On August 12, 1993, an anonymous neighbor reported dumping of unknown substances and noxious odors at the Connecticut Coach body shop at 52 North Main Street [Red Wing Depot parcel, southern portion]." There is no indication in the files of any follow-up actions taken.

- The vacant parcel abutting the Site to the west across North Main Street (former LCI Ford property) is a recognized (state-listed) leaking UST site. Additional file information revealed the removal of a 30,000-gallon gasoline UST in 1991 and associated soil remediation. A subsequent investigation by CTDEP in 1994, performed in association with the North Main Street sewer project, revealed petroleum contaminated soil and groundwater in North Main Street, both adjacent to and upgradient of the Site.

In addition to the RECs identified above, the following incident is documented at the adjacent Red Wing Depot south parcel and represents a potential environmental concern to the Site.

- Middletown Building Department permit records indicate the removal of four underground storage tanks (USTs) (three oil tanks, contents of fourth unknown) from the Red Wing Depot parcel (between August 1992 and September 1996), which abuts the Site to the east. The locations of these removed USTs, the integrity of the removed tanks, and the environmental condition of surrounding tank grave soil or underlying groundwater are unknown.
- In accordance with our terms of agreement with the City, a phase II field investigation will be conducted at the Site to assess current subsurface soil and groundwater conditions. An investigation work plan is currently being developed and will be provided to the City prior to initiation of intrusive Site work.

UNDERLYING ASSUMPTIONS AND CONDITIONS

UNDERLYING ASSUMPTIONS

1. That the legal description or plot plan provided is correct.
2. That the title to the property is marketable.
3. There are no encumbrances or defects of title other than those mentioned in this report.
4. That the property is free and clear of all liens other than those mentioned in this report.
5. That the property will be efficiently managed and properly maintained.
6. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto other than stated in the report that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

CONDITIONS

1. No liability is assumed on account of matters of legal character affecting the property -- such as title defects, encroachments, liens, overlapping boundaries etc.
2. The plot plan or sketch used in this case (where applicable) is based on information furnished by others, and is in no sense a survey of the property.
3. Value is reported in dollars on the basis of the currency prevailing on the date of the appraisal. The current purchasing power of the dollar is the basis for the value reported.

4. The distribution of the total valuation between land and the improvements applies only under the existing program of utilization and conditions stated in this report. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalidated under other programs of utilization or conditions, or if used in making a summation appraisal, (where applicable).
5. Possession of this report or a copy thereof does not carry with it the right of publication, nor may it be used for any purpose by any but the client for whom the appraisal was made without the previous written consent of the appraiser, and in any event, only in its entirety.
6. The information contained in this report, gathered from reliable sources, and opinions furnished by others, was considered correct; however, no responsibility is assumed as to the accuracy thereof.
7. Neither all, nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as to the value conclusions, the identity of the Appraiser or firm with which he is connected, or any reference to the Appraisal Institute, or to the MAI designation.

DEFINITION OF

MARKET VALUE

a. Market Value - means 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 interest;
- (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.

Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696.

APPRAISER'S QUALIFICATIONS

JOHN B. FLINT

Educational

1955 - Haverford College, B.A., Economics
1959 - University of Connecticut, M.B.A., Finance

Business

1955-1967 Connecticut General Life Insurance Company,
Policyholders Service Department - Supervisory experience
in Budget, Banking, Conversion and Legal Settlement Divisions.

1967-1970 Connecticut General Life Insurance Company,
Mortgage and Real Estate Department - Supervisor, Property
Management. Managed portfolio of owned development real estate
in excess of \$400,000,000.

Responsible for a variety of income producing properties
including office buildings, office parks, shopping centers,
motels, apartments, and industrial.

1970-1975 Newport Associates, Inc. Leasing, brokerage,
management and construction coordination of office, retail and
industrial properties. Feasibility studies and site studies.

1975-1976 The One Thousand Corporation, subsidiary of
St. Francis Hospital - Building Manager -- Leased over 65,000
square feet of medical office space in renovated insurance
building adjacent to hospital. Involved in \$4,000,000
renovation and new construction. Managed 200,000 square feet
building during renovation.

1977-1983 Associate Appraiser with Karl G. Kaffenberger, MAI

1984 - Present. Independent Fee Appraiser

Appraisals include office buildings, multi-family residential,
industrial, gasoline service stations, fast food operations,
shopping centers and commercial properties and mobile home parks.
Land appraisals for estates, banks, developers and owners. Railroad
appraisals for State of Connecticut. Appraisals of gravel
operations and contaminated properties. Conservation appraisals for
land trusts and property owners.

Marketability studies include office buildings, shopping centers,
condominiums, conversions and residential subdivision
development. Pricing schedules for condominiums, conversions and
residential lots. Insurance appraisals for condominium
associations and residential owners.

Highest and Best Use Studies for major land owners.

Acquisition appraisals have been done for the Water Pollution Control Authorities in Simsbury and Suffield; Condemnation appraisals for the State of Connecticut Department of Transportation, Department of Public Works, Department of Housing and Department of Environmental Protection and several Towns; property appraisals for condemnees; Re-Use appraisals for the Hartford Redevelopment Agency; tax appeals for towns and owners; tax impact studies for developers.

Major consulting work for insurance companies, owners of professional office buildings, private schools, banks and attorneys.

Qualified in Connecticut Superior Court in Fairfield, Hartford, Litchfield and Middlesex Counties and before State Referees. Qualified in Federal Court and Federal Bankruptcy Court.

Civic

Interim Chief Administrative Officer, Town of Granby in 1970.
Member Board of Finance, Town of Granby, 1979-87. Vice Chairman 1982-87. Chairman, Capital Projects Committee, 1984-87.
Member Board of Selectmen, Town of Granby, 1995-99. Vice Chairman 1995-99.
Former Trustee, Granby Land Trust, Chairman Land Management Committee.

Professional

Member, Appraisal Institute (MAI).
Past President, Connecticut Chapter.
Member, Regional Committee, Region IV.
Member, Regional Professional Standards Panel (Ethics). 1990-1996
Member, National Residential Demonstration Report Committee 1989-1991.
Grader, Non-Residential Demonstration Reports
Member The Appraisal Journal Board 1992-1997

Certified Property Manager (CPM).
Past President Connecticut Chapter, Institute of Real Estate Management (IREM).
Chairman Ethics Committee, 1978-81.
Member National Membership Committee 1977-78.

Connecticut General Appraiser Certification Number - 0000205
New Jersey General Appraiser Certification - RG 01420

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