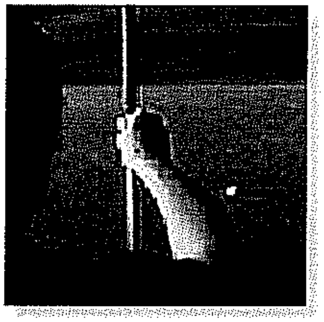
SELF-CONTAINED APPRAISAL REPORT

Site of Proposed Depot Square
150 North Main Street
Bristol, Connecticut



AUTHORIZED BY:

Mayor Arthur J. Ward
City of Bristol
Mayor's Office, 3rd Floor
111 North Main Street
Bristol, Connecticut 06010

EFFECTIVE DATE OF APPRAISAL:

October 1, 2012

PREPARED BY:

Wellspeak Dugas & Kane, L.L.C.
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W D & K *Real Estate Appraisal & Consulting*

December 4, 2012

Mayor Arthur J. Ward
City of Bristol
Mayor's Office, 3rd Floor
111 North Main Street
Bristol, Connecticut 06010

Re: Site of Proposed Depot Square
150 North Main Street
Bristol, Connecticut

Dear Mayor Ward:

Per the authorization by the City of Bristol, we have examined the above-referenced property for the purpose of estimating its investment value as of October 1, 2012. The interest appraised is the fee simple estate. The purpose of this report is to establish the purchase price of the subject parcel in accordance with Article 3, Section 3.01 of the Preferred Developer Agreement (PDA) between the City of Bristol, the Bristol Downtown Development Corporation and Renaissance at Bristol, LLC. Within the contract both parties agreed to a purchase price that is the higher of the results of an appraisal process or $2,100,000. The PDA set forth the appraisal process which to include estimating the "Fair Market Value" of the subject site based on the current plan of development solely using a residual approach to value. While at the outset of this appraisal process it was unknown if the proposed use was the maximally productive use of the site, our analysis has proved this is not the case. Therefore, by definition, the results of our analysis would be classified as investment value as opposed to market value.

As you requested, this report is in a self-contained format. The Scope of Work includes any necessary data and analysis in support of the assignment results with a thorough presentation of the relevant data, analysis, and conclusions using solely a residual method of valuation. Further, the results and analysis are fully described rather than summarized. This report satisfies appropriate federal, state and industry (USPAP) standards.

The appraised property consists of a 15.06-acre site located along the east side of North Main Street, north of Riverside Avenue and west of Main Street in the City of Bristol, Connecticut. The site is the focal point of the Bristol Rising downtown redevelopment plan. Renaissance Downtowns, the chosen development group, in concert with the Bristol Downtown Redevelopment Corporation have proposed to develop this key downtown urban site with 991 residential dwelling units, 77,902 square feet of street retail space; 112,500 square feet of office space, a 125 room hotel, and five structured parking garages containing 1,106 parking spaces.

This portion of Bristol Rising will be known as Depot Square and will be developed in four separate phases. The first phase will consist of 242 residential apartments, 28,721 square feet of retail space and a 9-story, 125-room, extended stay hotel. All of the space in this phase will be developed around a central piazza at the southeast corner of the site, which is bound by Main Street and Riverside Avenue. This phase will be supported by on-street parking as well as 262 temporary off-street surface parking spaces. The temporary parking areas in this phase will eventually be replaced by structured parking in subsequent phases of the development. Also in this phase a portion of one of the interior roadways, Depot Street, will be developed extending north of Riverside Avenue into the site that will provide additional access to the property.

The second phase of the development will take place at the southwest corner of the property bounded generally by Riverside Avenue to the south and North Main Street to the west. This phase will include the development of 275 apartments, 16,181 square feet of retail space along North Main Street and a 9-story, 112,500 square foot, office building. Within this phase, some of temporary surface parking created for the first phase will be eliminated and replaced with a 380-space multiple level podium parking structure and 422 on-site temporary surface parking spaces with additional on-street spaces. In this phase, additional access will be provided by the redevelopment of the existing access driveway to the site across from Laurel Street, off North Main Street, extending to Depot Street.

The third phase of the development will complete the street retail space along North Main Street (26,700 square feet) and will also include the construction of 334 additional residential dwelling units. Once again, some of the prior temporary parking areas will be eliminated and additional temporary parking areas will be developed along with additional on street parking spaces and 256 spaces within two podium parking structures/underground garages.

The final phase of the development will take place within the interior of the site east of the newly developed Depot Street. This will include 140 additional townhome condominium units and 6,300 square feet of additional retail space. As a large temporary surface parking lot will give way to these new structures, the final phase will include the development of a 430 space multi-level podium parking structure and a 40 space basement garage.

By agreement, the "Fair Market Value" of the site must completed by a residual method in the form of a discounted cash flow analysis. A residual analysis estimates the value of land by subtracting the total development costs from the prospective cash flow from the project and discounting the remainder cash flow at a reasonable rate of return. The cash flow consists of both annual operating income and a reversion that includes the proceeds from a hypothetical sale of each asset subsequent to achieving stabilized occupancy. Construction of each phase is anticipated to commence every thirty (30) months beginning in June 2013. The date of valuation is October 1, 2012. The construction costs used in the report, as defined by the PDA, were compiled by an independent third party cost estimator hired by all parties to the transaction.

The basic assumptions and limiting conditions on which our valuation is based are detailed within the body of this report. These include all assumptions regarding environmental conditions and the Americans with Disabilities Act.

In our opinion, the investment value of the fee simple interest of the subject site based solely on the current plan of development as defined herein, as of October 1, 2012, is best represented by the following amount:

NEGATIVE THIRTY THREE MILLION TWO HUNDRED THOUSAND DOLLARS
($33,200,000)

The appraisal report and Addenda that follows set forth in self-contained form pertinent data and analyses leading to the conclusions presented.

Very truly yours,

William E. Kane, Jr., MAI
License No. RCG.0000318

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EXECUTIVE SUMMARY

Property Type	Mixed use urban development site
Property Address	150 North Main Street, Bristol, Connecticut
Property Owner of Record	City of Bristol
Purpose of Appraisal	To estimate the "fair market value" of the subject site in accordance with Article 3, Section 3.01(b) of the Preferred Developer Agreement between the City of Bristol, Bristol Downtown Development Corporation and Renaissance at Bristol, LLC. According to Article 3, Section 3.01(b)(ii)(x), the site must be valued by a residual method. A residual method estimates the value of land by subtracting total development costs from the prospective cash flow from the project and discounting the remainder cash flow at a reasonable rate of return. The cash flow consists of both annual operating income and a reversion that includes the proceeds from a hypothetical sale of each asset subsequent to achieving stabilized occupancy. The results of our analysis will show the proposed development does not represent the maximally productive use of the site and therefore the conclusions can only be defined as an investment value.
Intended User of Appraisal	The client, The City of Bristol and The Bristol Downtown Development Corporation
Intended Use of Appraisal	To establish the purchase price of the parcel in accordance with Article 3, Section 3.01 of the Preferred Developer Agreement between the City of Bristol, Bristol Downtown Development Corporation and Renaissance at Bristol, LLC
Property Interest Appraised	Fee simple estate
Effective Date of Appraisal	October 1, 2012
Date of Inspection	July 10, 2012
Zone	BD-1 (Downtown Business District 1)
Current Taxes (2011 G.L.)	$46,900 (pro rata share)
Land Area	15.06 acres
Highest and Best Use	Mixed use commercial residential development

Building Areas and Unit Counts

		Units	Gross Building Area
Phase 1			
A	Multi-Family - Rental	104	87,236
B	Ground Floor - Retail / Restaurant		22,321
	Multi-Family - Rental	138	111,210
C	Hotel - Rooms	125	74,219
	Hotel - Amenities		26,881
	Ground Floor Retail		6,400
D	Ground Floor - Restaurant McD's		3,896
	SubTotal Phase 1	**242**	**332,163**
Phase 2			
E	Ground Floor - Retail / Restaurant		5,201
	Multi-Family - Rental	76	59,899
F	Office Building		112,500
G	Multi-Family - Rental	93	73,500
H	Ground Floor - Retail / Restaurant		4,860
	Multi-Family - Rental	66	51,840
I	Commercial - Retail / Restaurant		6,120
	Multi-Family - Rental	40	31,680
	SubTotal Phase 2	**275**	**345,600**
Phase 3			
J	Commercial - Retail / Restaurant		15,500
	Multi-Family - Rental	187	147,425
K	Ground Floor - Retail / Restaurant		11,200
	Multi-Family - Rental	71	55,700
L	Multi-Family - Rental	76	59,600
	SubTotal Phase 3	**334**	**289,425**
Phase 4			
M	Stacked Townhomes - For Sale	16	23,200
N	Multi-Family - Condominium	28	37,800
O	Ground Floor - Retail / Restaurant		2,250
	Multi-Family - Condominium	52	72,000
Q	Ground Floor - Retail / Restaurant		4,050
	Multi-Family - Condominium	28	38,475
R	Stacked Townhomes - For Sale	8	11,600
S	Stacked Townhomes - For Sale	8	11,600
T	Train Station		600
	SubTotal Phase 4	**140**	**201,575**
Totals - All Phases		**991**	**1,168,763**
Parking Garages (not including townhomes)			
P1	Parking Garage (P1)	380	121,200
P2	Parking Garage (P2)	430	142,500
P3	Parking Deck (P3)	128	57,000
P4	Parking Deck (P4)	128	48,000
	Basement Parking Building Q	40	16,200
	Total All Parking	**1,106**	**384,900**

Apartment Composition

Building	Height (Floors)	Areas (SF)	Studio	1-Bdrm	2-Bdrm
A	4		22	58	24
		Net	432	620	889
		Gross	564	810	1,161
B	6		36	70	32
		Net	425	606	870
		Gross	552	788	1,131
E	6		19	38	19
		Net	425	610	875
		Gross	534	766	1,099
G	5.25		23	47	23
		Net	425	610	875
		Gross	531	763	1,094
H	5		16	34	16
		Net	425	610	875
		Gross	531	763	1,094
I	5.25		10	20	10
		Net	425	610	875
		Gross	531	763	1,094
J	5.25		47	93	47
		Net	425	610	875
		Gross	531	763	1,094
K	5.25		18	35	18
		Net	425	610	875
		Gross	531	763	1,094
L	4		19	38	19
		Net	425	610	875
		Gross	531	763	1,094
			Studio	1-Bdrm	2-Bdrm
Total Unit Mix			210	433	208
	% of Total		24.7%	50.9%	24.4%

Values Indicated

Cost Approach .... Not Applicable

Sales Comparison Approach .... Not Applicable

Income Capitalization Approach .... ($33,200,000)

FINAL ESTIMATE OF VALUE .... ($33,200,000)

VALUATION SUMMARY

PROPERTY IDENTIFICATION

The legal description for the subject property is included as a site plan in the Property Description section of this report.

Location: 150 North Main Street, Bristol, Connecticut

Tax Map Reference: Map 26 Lot C (a portion thereof) and Map 30, Lot C-A

Property Type: Mixed use urban development site

Property Owner of Record: City of Bristol

VALUATION ISSUES

Property Interest Appraised: Fee simple estate

Purpose of Appraisal: To estimate the "Fair Market Value" of the subject site in accordance with Article 3, Section 3.01(b) of the Preferred Developer Agreement between the City of Bristol, Bristol Downtown Development Corporation and Renaissance at Bristol, LLC. According to Article 3, Section 3.01(b)(ii)(x), the site must be valued by a residual method. A residual method estimates the value of land by subtracting total development costs from the prospective cash flow from the project and discounting the remainder cash flow at a reasonable rate of return. The cash flow consists of both annual operating income and a reversion that includes the proceeds from a hypothetical sale of each asset subsequent to achieving stabilized occupancy. The results of our analysis will show the proposed development does not represent the maximally productive use of the site and therefore the conclusions can only be defined as an investment value.

Intended User of Appraisal: The client, The City of Bristol and The Bristol Downtown Development Corporation

Intended Use of Appraisal: To establish the purchase price of the parcel in accordance with Article 3, Section 3.01 of the Preferred Developer Agreement between the City of Bristol, Bristol Downtown Development Corporation and Renaissance at Bristol, LLC

Effective Date of Appraisal: October 1, 1012

Date of Inspection: July 10, 2012

DEFINITIONS

The definitions of value, interest appraised, and other pertinent real estate appraisal terms can be found in the *Glossary of Terms* section of the appraisal report.

SALES HISTORY (3 YEARS)

The subject site was purchased by the City of Bristol in 2005 for the consideration of $5,299,000. To our knowledge, as of the date of appraisal, the subject property was not being actively marketed for sale nor were there any offers to purchase the property being considered other than that which is defined by the PDA. It is noted that the subject property is under contract for sale under the Preferred Developer Agreement between the City of Bristol, Bristol Downtown Development Corporation and Renaissance at Bristol, LLC. The purchase price will be the minimum of $2,100,000, or the value determined by the process set forth in accordance with Article 3, section 3.01 (b) of the Preferred Developer Agreement. It should be noted that the McDonalds existing parcel will be acquired through a land swap.

SCOPE OF WORK

The estimate of investment value presented in this report was developed after:

- Reading Article 3, Section 3.01(b) of the Preferred Developer Agreement between the City of Bristol, Bristol Downtown Development Corporation and Renaissance at Bristol, LLC
- Discussing the method of valuation with The City of Bristol
- inspecting the subject property
- Reviewing the Depot Square Unified Downtown Development Project, Special Permit Application dated April 30, 2012
- Reviewing the Master Concept Plan Submission Appendix dated April 25, 2011 which included, but was not limited to:
    - Residential Market Analysis prepared by Zimmerman/Volk Associates
    - Retail Market Analysis prepared by Community Land Use & Economics Group
    - Office Market Analysis prepared by Randall Gross
    - Hospitality Market Analysis prepared by Randall Gross
    - Depot Square Infrastructure & Utility Assessment prepared by Clough Harbour Associates, CHA
    - Grading Analysis prepared by Clough Harbour Associates, CHA
    - Preliminary Traffic Assessment prepared by Clough Harbour Associates, CHA
- Reviewing any available site and building plans;
- Inspecting the subject market area;
- Inspecting a sample set of apartment complexes in Bristol and in other communities in Hartford and New Haven County;
- Inspecting a sample set of office buildings in Bristol and in other communities in Hartford and New Haven County;
- Inspecting a sample set of retail projects in Bristol and in other communities in Hartford and New Haven County;
- Reviewing public records in the tax assessor's, City clerk's, planning/zoning and building department offices;
- Reviewing listings posted on Loopnet for office space and retail space available for lease in Bristol and many of its surrounding communities;
- Discussing the details of leases for both retail and office space with various retail and office brokers knowledgeable of the real estate market in Central Connecticut;
- Reviewing sales data for condominiums compiled by the Multiple Listing Service;
- Analyzing construction costs for the various property types that constitute the proposed subject development;
- Analyzing third party construction costs estimates provided by the City of Bristol and composed by VJ Associates;
- Reviewing and analyzing operating expense data for the various property components;

- Modeling the prospective cash flows using ARGUS Software™;
- Reviewing third party surveys of anticipated equity returns including PriceWaterhouseCoopers Real Estate Investor Survey and Realty Rates Investor Survey;
- Reviewing REIS Submarket Apartment Report; and
- Reviewing Custom Trend Report for the hotel market compiled by Smith Travel Research.

CRITICAL DISCLOSURES AND LIMITING CONDITIONS

The value estimated in this appraisal report is subject to the following critical disclosures and limiting conditions, in addition to the standard Assumptions and Limiting Conditions located at the end of this report.

Standards: This appraisal report satisfies appropriate federal (FIRREA), and industry (USPAP), standards.

ADA: We have not made a specific compliance survey and analysis of the improvements to determine whether or not they would be in conformance with the various detailed requirements of the Americans with Disabilities Act (ADA), nor have we considered possible noncompliance with the requirements of ADA in estimating the market value of the property.

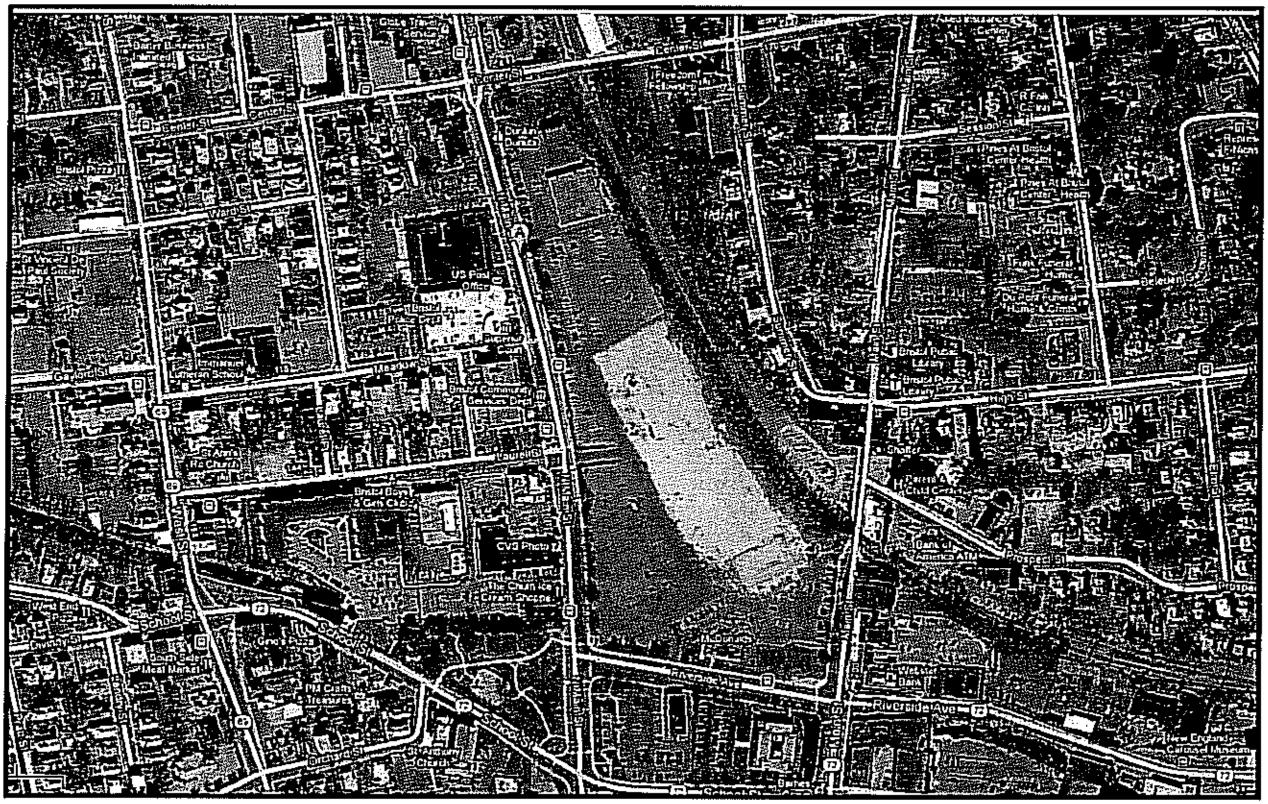
Hazardous: This appraisal is predicated on the assumption that hazardous substances do not exist at the subject property. Hazardous substances cover any material within, around, or near a property that may have a negative effect on its value, including, without limitation, hazards that may be contained within the property, such as friable asbestos or lead paint; and external hazards, such as toxic waste or contaminated ground water. No apparent evidence of contamination or potentially hazardous materials was observed or reported on the date of inspection. Members of this appraisal office are not qualified to determine the existence of, nor is any certification made as to the presence or absence of, any hazardous substances. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

EXPOSURE/MARKETING TIME

Inherent in our estimate of market value for the subject property is an estimate of both exposure and marketing time. Exposure time is presumed to precede the effective date of valuation, while marketing time is presumed to occur subsequent to the valuation date. Exposure time is described as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at our estimate of market value on the effective date of the appraisal. Marketing time is an estimate of the amount of time it might take to sell the property interest appraised at our estimate of market value during the period immediately after the effective date of valuation.

Market value conclusions recognize the characteristics of the subject real estate and consider the current economic environment and its effect on real property. An exposure and marketing period of twenty-four (24) months is considered reasonable in which to induce sale of the subject property at market value. This estimate of exposure and marketing times presume the property is actively exposed and aggressively marketed through commonly accepted marketing channels. The stated exposure and marketing periods are based on discussions with local real estate professionals and considers typical exposure and marketing times for similar property in the market area.

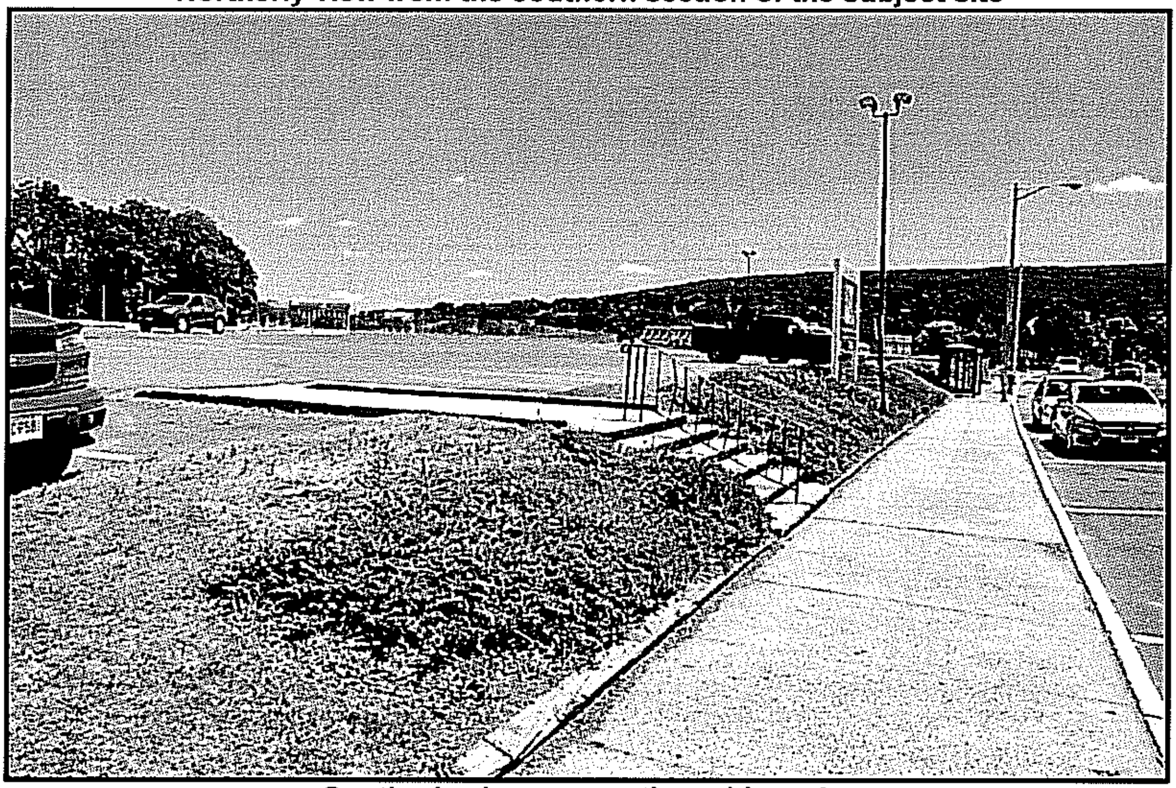
PHOTOGRAPHS OF THE SUBJECT PROPERTY



Aerial view

Aerial view

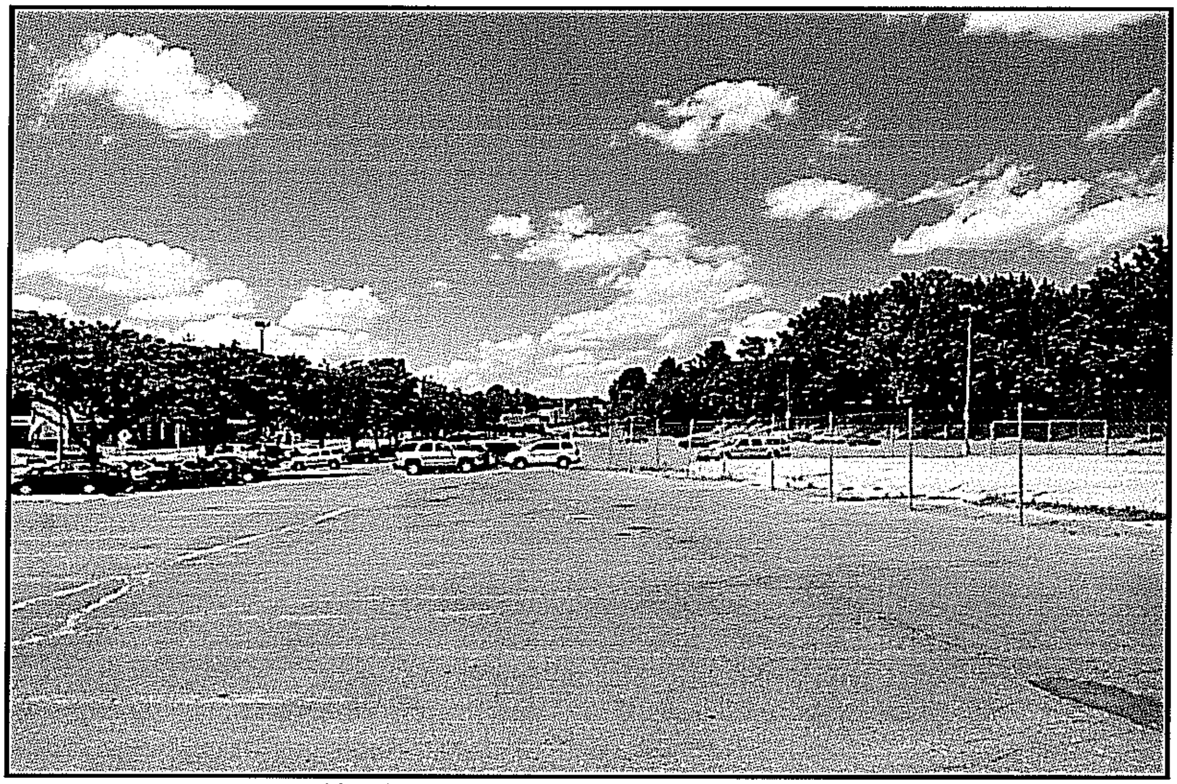
Northerly view from the southern section of the subject site



Southerly view across the subject site

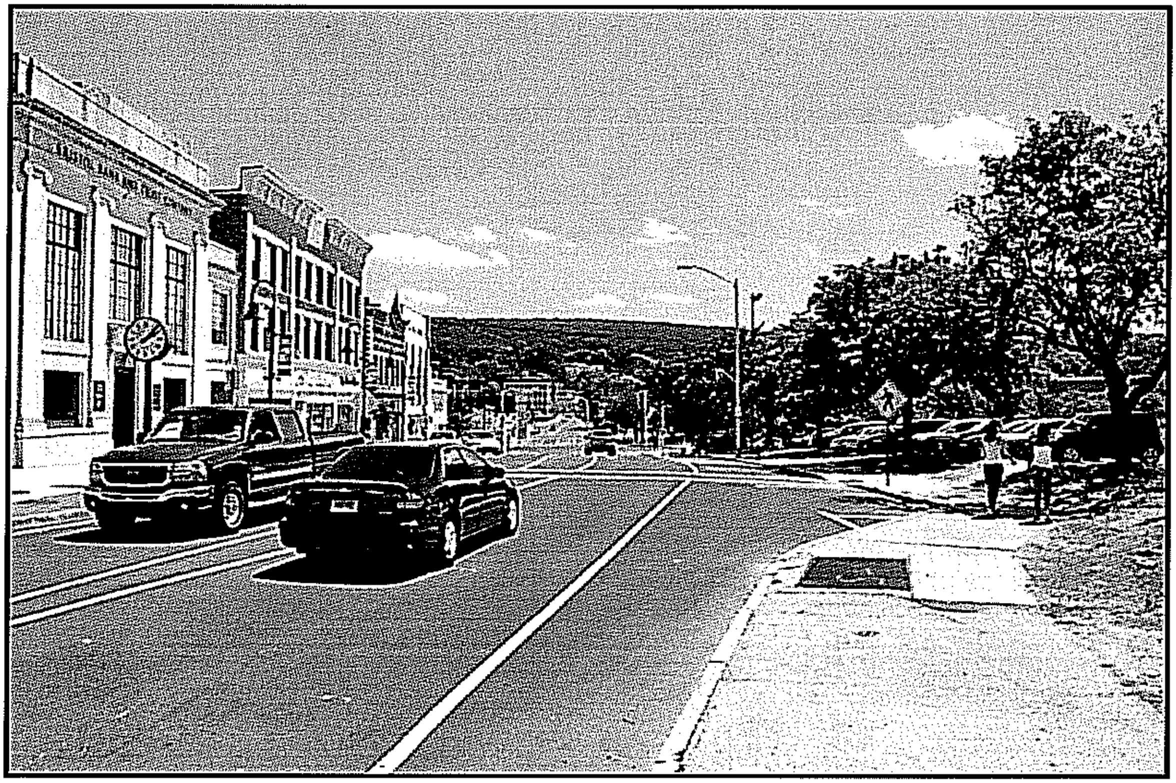
Southerly view along North Main Street north of the subject site

Fire Department on North Main Street

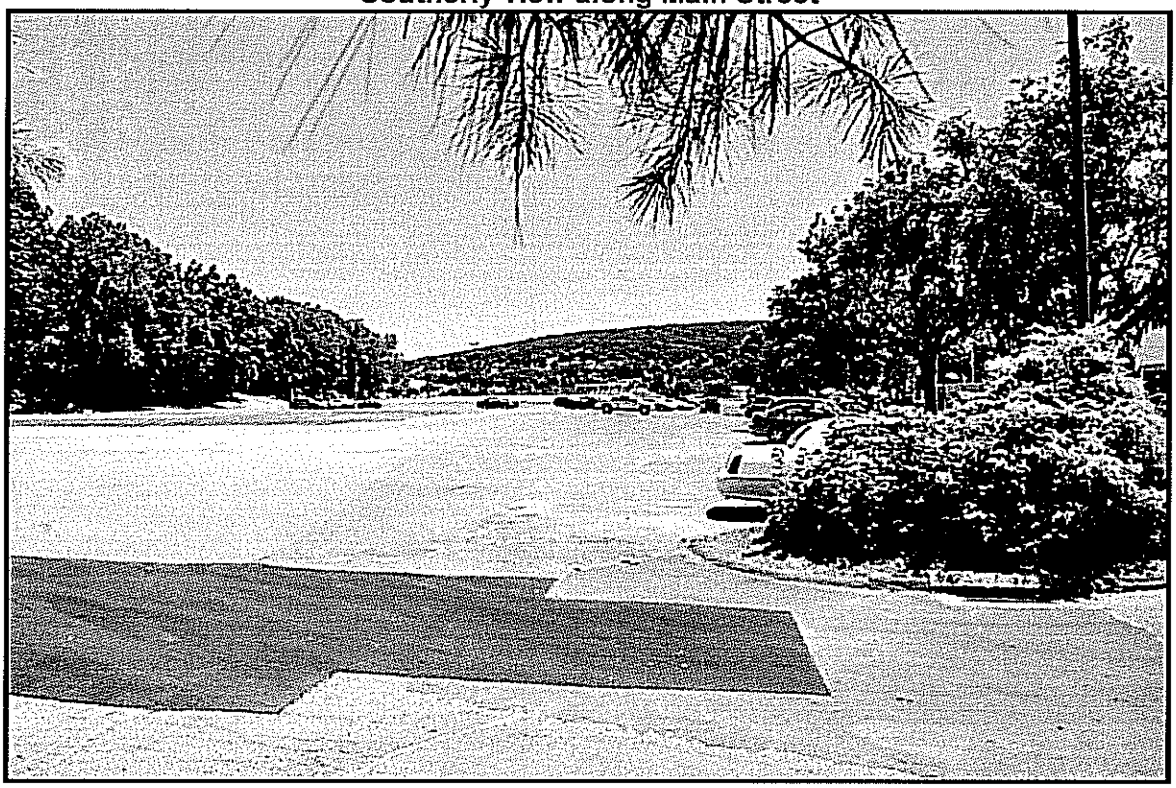


Northerly view across the subject site

Westerly view along Route 72 west of the subject site



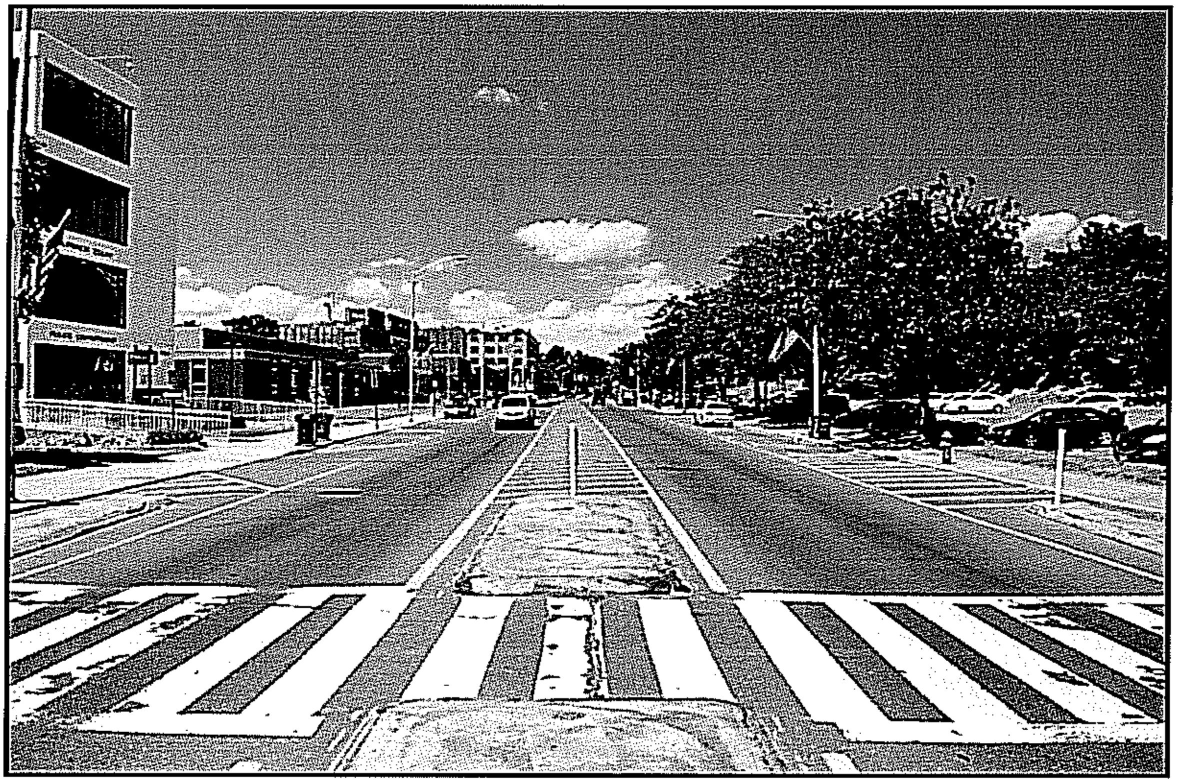
Southerly view along Main Street



Southerly view across the subject site

Delorenzo Towers on North Main Street

Progress Square on North Main Street



Northerly view along North Main Street

Southerly view along North Main Street

PROPERTY DESCRIPTION

SITE

Land Area: The entire site, to include the existing McDonald's site, contains a land area of 726,200 square feet. As we have been asked to appraise the site without consideration for the new McDonald's site at the north end of the parcel (which contains a land area of 1.61 acres), the effective land area being considered is 15.06 acres.

The land area affected by each phase of the development, to include off-site work along North Main Street, Riverside Avenue and Main Street, totals 20.20 acres. This is comprised of 5.8 acres affected in Phase 1 (excluding 4 acres of temporary parking); 7.7 acres affected in Phase 2 (excluding 3.1 acres of temporary parking); 3.6 acres in Phase 3 (excluding 0.8 acre of temporary parking); and 3.1 acres in Phase 4.

Street Frontage: The entire site has 1,424.59 feet of road frontage along the east side of North Main Street; 35.62 feet of road frontage at the corner of North Main Street and Riverside Avenue; 587.72 feet of road frontage along the north side of Riverside Avenue; 38.73 feet of frontage at the corner of Riverside Avenue and Main Street; and 404.34 feet of frontage along the west side of Main Street.

Topography/Shape: The topography of the site is undulating with steep slopes along the site's boundary with the railroad right of way where elevations decline abruptly from 340 feet in some places to 320 feet. The elevation through the center of the site is generally 318 feet declining to roughly 306 feet along North Main Street and Riverside Avenue.

Utilities: The site is serviced by city sewer, city water, natural gas, telephone and electricity. Storm water drainage is also available to the site. Each utility is said to be of adequate capacity to support the proposed use of the site.

Visibility/Access: With extensive frontage along Main Street, Riverside Avenue and North Main Street, the site enjoys excellent visibility. The plan of development shows one curb cut to the site off of Riverside Avenue, and three points of access off North Main Street, one being a driveway to the proposed parking structure identified as P1.

Parking: Most of the parking for the development will eventually be satisfied by structured garages as illustrated below.

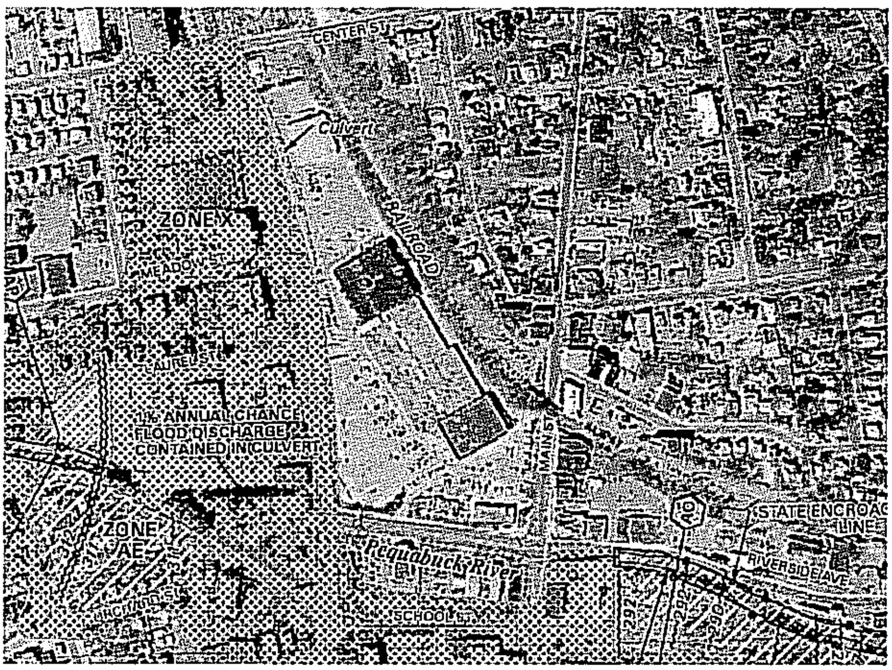
Parking Garages (not including townhomes)

P1	Parking Garage (P1)	380	121,200
P2	Parking Garage (P2)	430	142,500
P3	Parking Deck (P3)	128	57,000
P4	Parking Deck (P4)	128	48,000
	Basement Parking Building Q	40	16,200
	Total All Parking	**1,106**	**384,900**

As noted, there will be 1,106 parking spaces contained within four parking structures and one basement garage in Building Q. There will also be 48 garage spaces in the fourth phase of the development which is proposed for residential condominiums. Final on-site surface parking will amount to just 80 additional parking spaces with off-site parking of 320 spaces. The total number of parking spaces provided by the plan of development amounts to 1,554 spaces. During the phased construction some of the parking requirements will be satisfied with temporary surface lots. As there will be no structured parking for the first phase, a 4 acre temporary lot, largely in the area of Phase 2 will be developed.

Flood Zone:

The city of Bristol is a participant in the National Flood Insurance Program. The subject sites reside in the following flood zone: 1) Flood Zone X (unshaded) which is an area determined to be outside the 0.2% annual chance flood plain. The aforementioned flood zones are noted on Community Panel 09003C0462F, dated September 26, 2008.



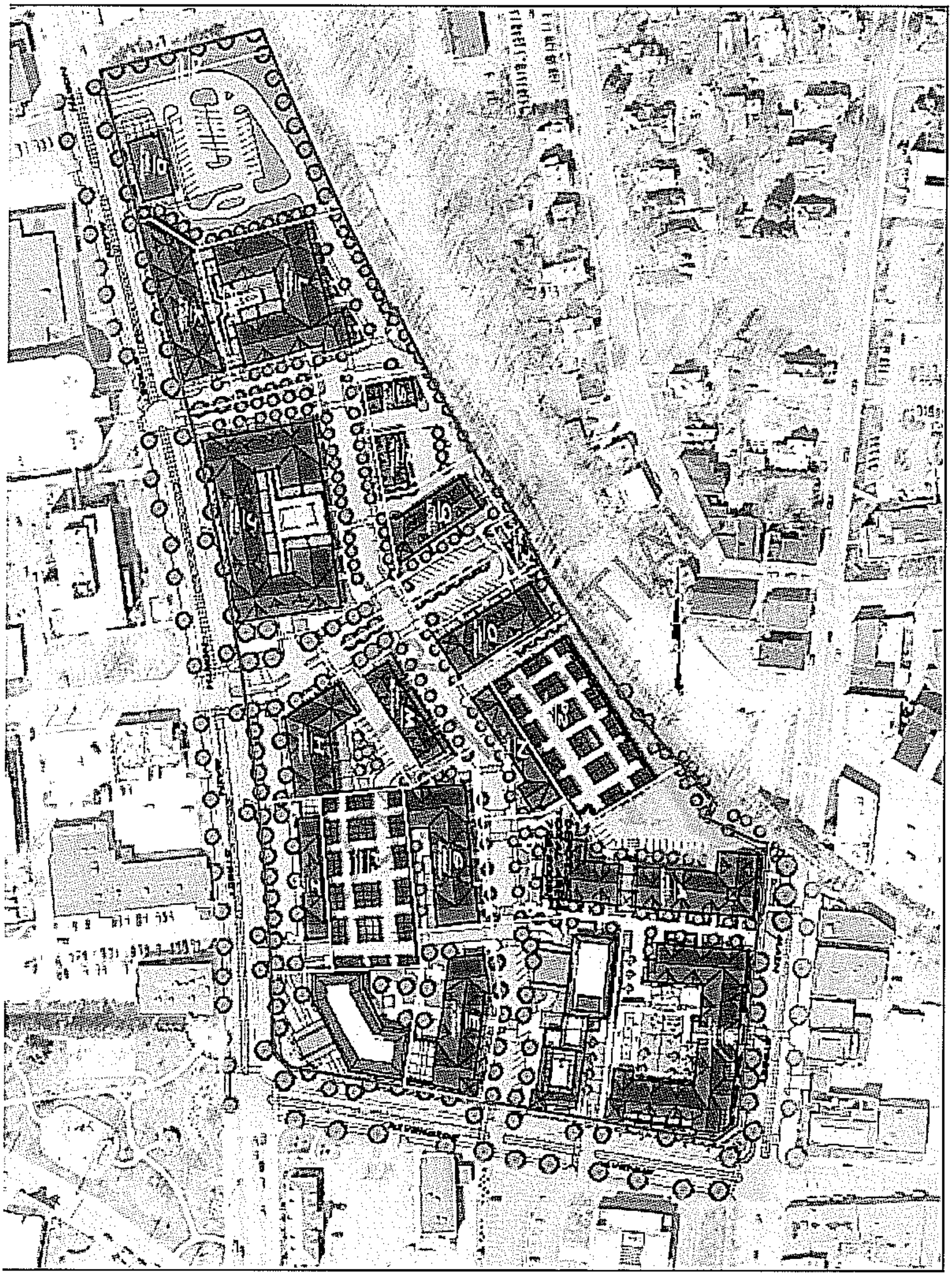
Site Improvements:

At present, site improvements include remnants of the former mall project that was demolished. This includes some bituminous paving in various condition as well as some foundations left behind after demolition. Chain link fencing has also been used to restrict access to the area that had formed the pad site for the former mall. The plan of development of the subject site calls for extremely dense development of the site with 18 buildings. The footprints of these buildings encompass 222,879 square feet, or 34% of the land area. A large portion of the remaining land area will consist of interior roadways including the extension of Laurel Street off North Main Street and the development of Depot Street which will extend through the center of the site intersecting with Laurel Street and extending southward to Riverside Avenue. Other site improvements will include surface parking for 80 vehicles, sidewalls and landscaping, site lighting, and a piazza in the courtyard between the hotel and the apartment buildings at the corner of Riverside Avenue and Main Street.

Inland Wetlands: None

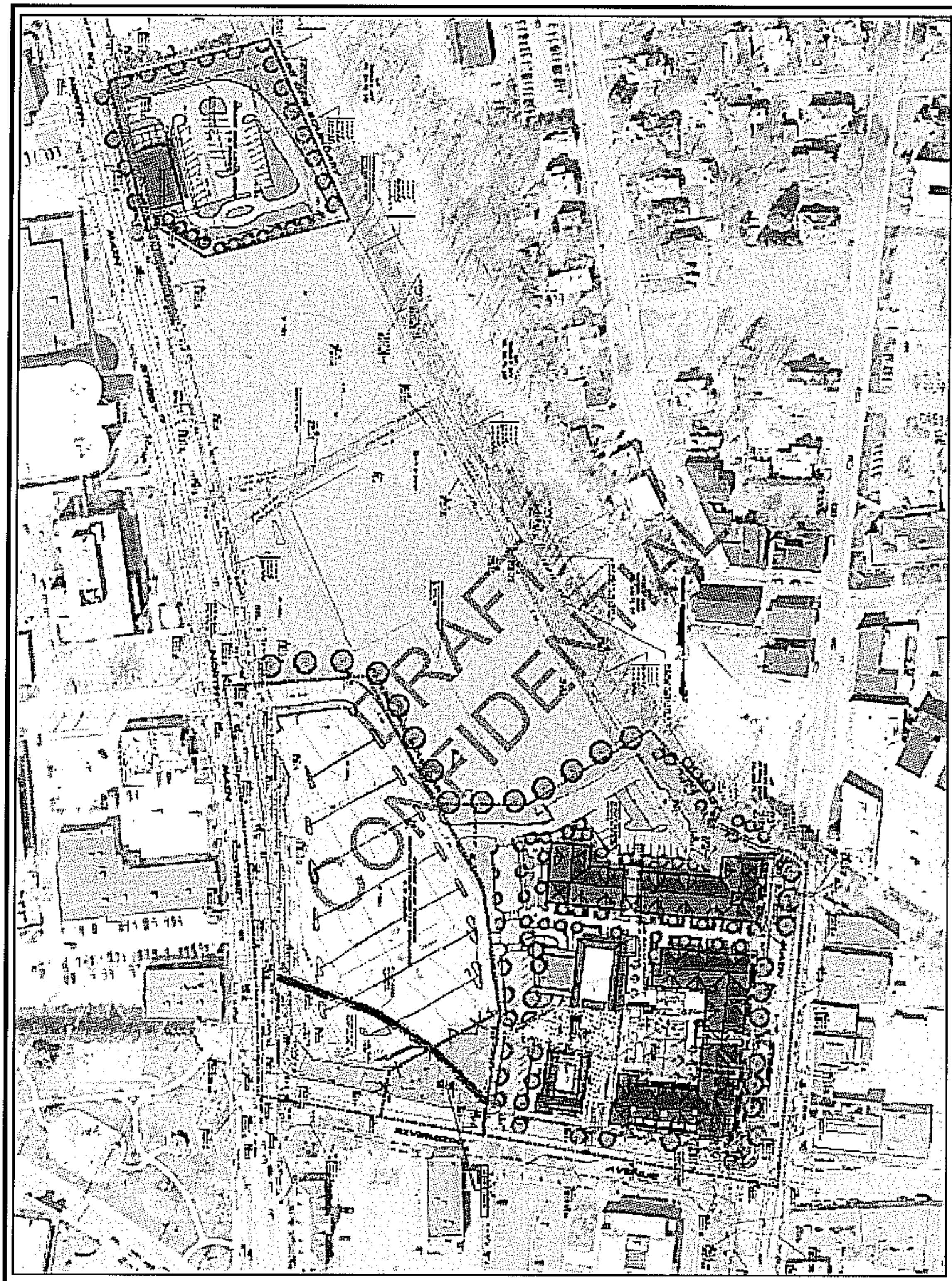
Easements/Restrictions: It is assumed that whatever easements are necessary to develop the site according to the plan of development will be procured.

Conclusion: Overall, the proposed use of the site is extremely dense with the 15.06 acres to support 991 residential units, 77,902 square feet of commercial space, a 9-story, 125-room hotel, and a 9-story, 112,500 square foot, office building. This is clearly an urban redevelopment project with little open surface parking requiring a significant amount of structured parking. The site characteristics will allow for this level of development including adequate utilities.

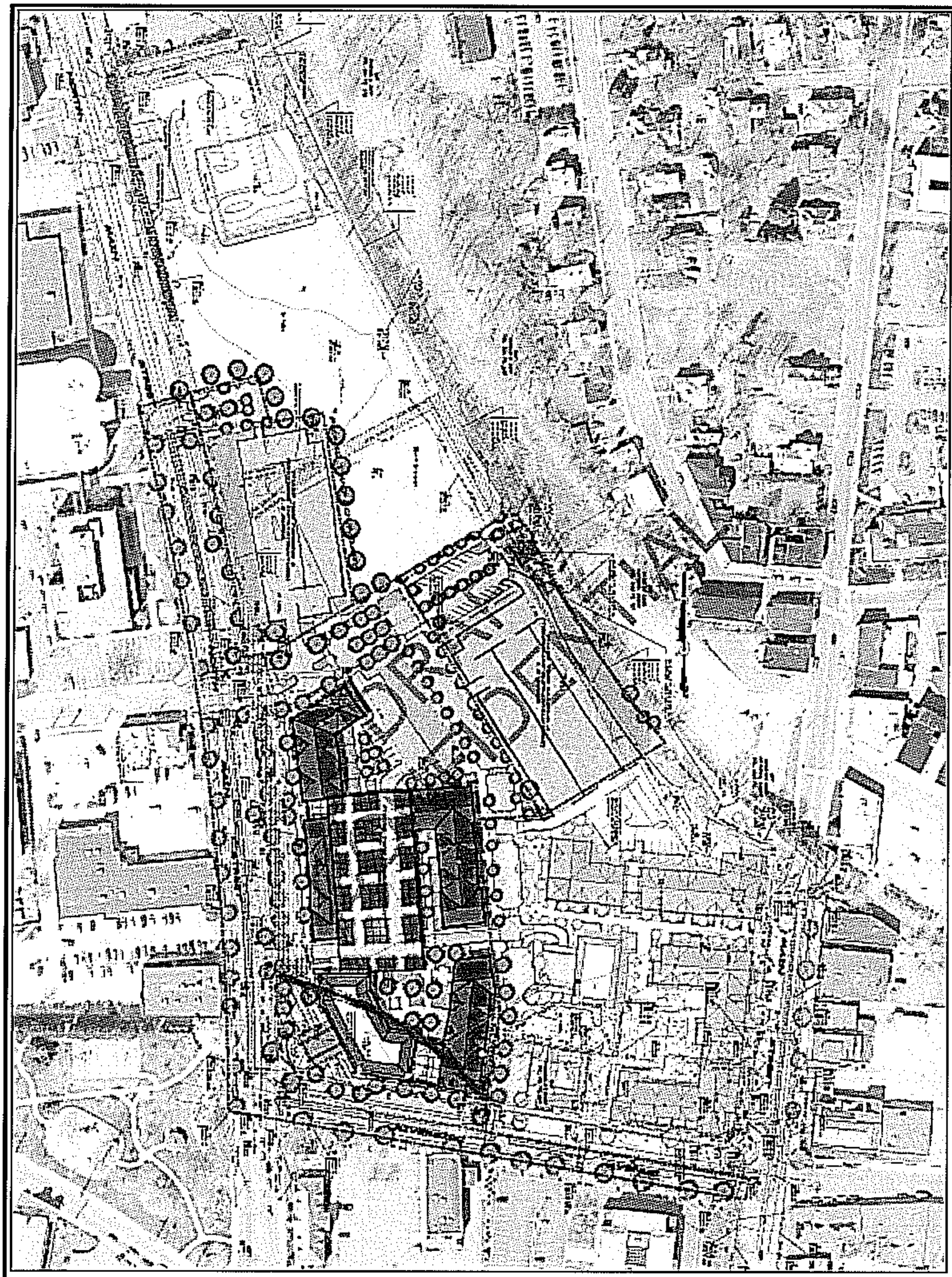


Depot Square Phasing & Takeoffs Diagram
Bristol, CT
FULL BUILDOUT

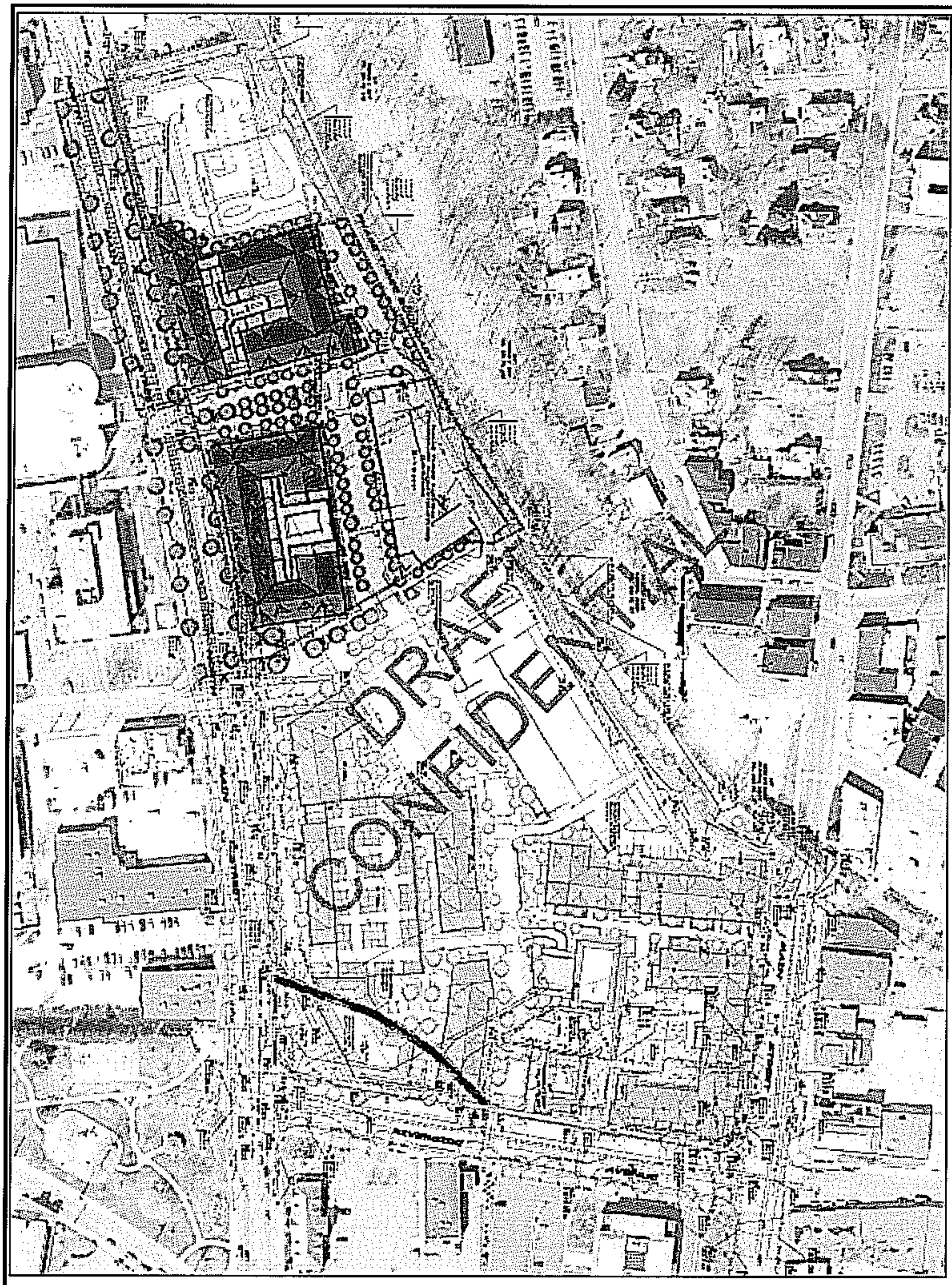
SCALE 09.27.2012



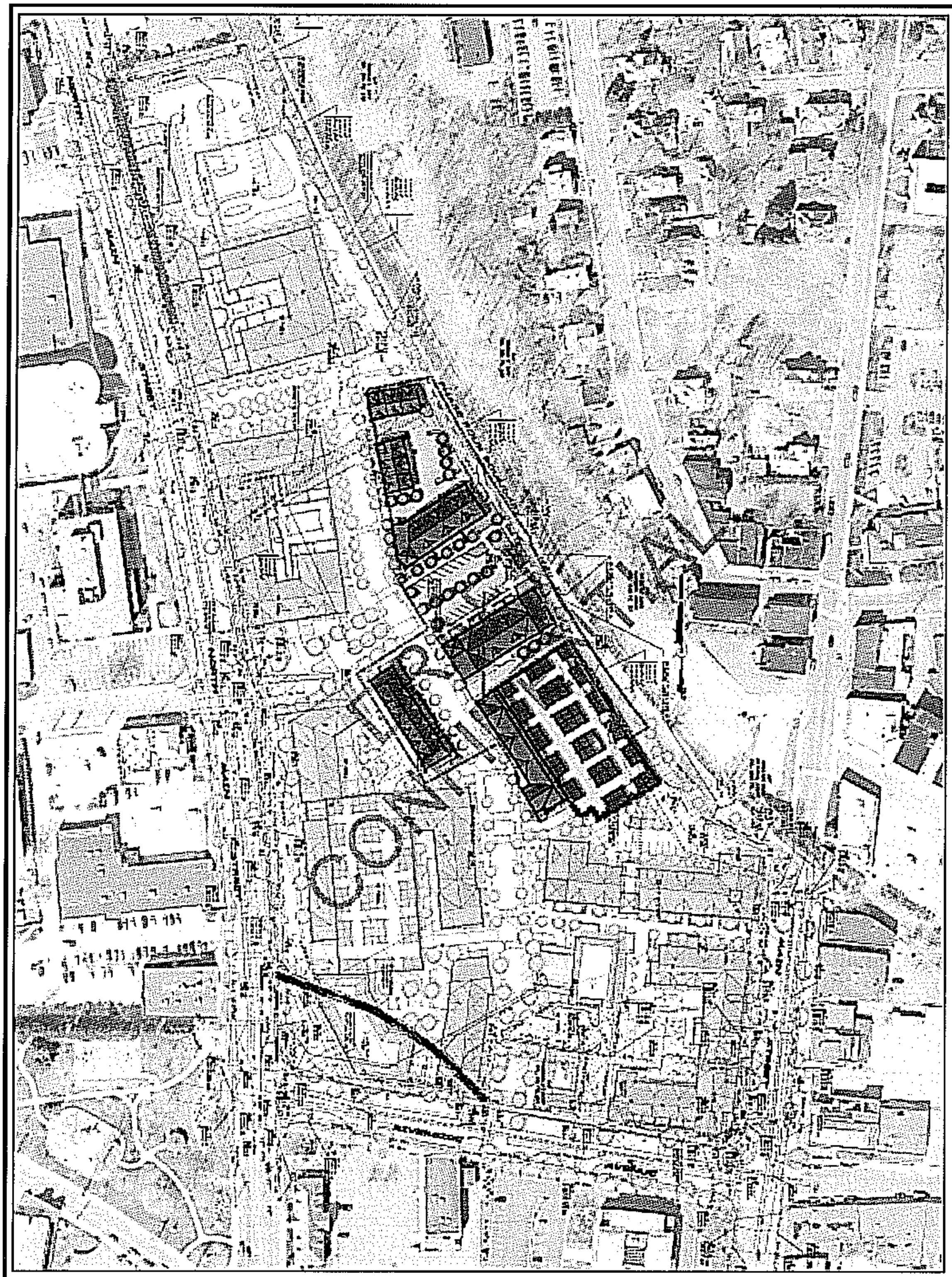
Depot Square Phasing & Takeoffs Diagram
Bristol, CT PHASE ONE
SCALE 05.27.2012



Depot Square Phasing & Takeoffs Diagram
Bristol, CT
PHASE TWO
SCALE 09.27.2012



Depot Square Phasing & Takeoffs Diagram
Bristol, CT PHASE THREE
SCALE 04.27.2012



Depot Square Phasing & Takeoffs Diagram
Bristol, CT PHASE FOUR
SCALE 09.27.2012

IMPROVEMENTS

The subject site is proposed to be improved with 18 buildings with a combined building area of 1,168,763 square feet, to include the new McDonalds fast food restaurant. The buildings areas are outlined as follows:

			Units	Gross Building Area
Phase 1				
	A	Multi-Family - Rental	104	87,236
	B	Ground Floor - Retail / Restaurant		22,321
		Multi-Family - Rental	138	111,210
	C	Hotel - Rooms	125	74,219
		Hotel - Amenities		26,881
		Ground Floor Retail		6,400
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Phase 4				
	M	Stacked Townhomes - For Sale	16	23,200
	N	Multi-Family - Condominium	28	37,800
	O	Ground Floor - Retail / Restaurant		2,250
		Multi-Family - Condominium	52	72,000
	Q	Ground Floor - Retail / Restaurant		4,050
		Multi-Family - Condominium	28	38,475
	R	Stacked Townhomes - For Sale	8	11,600
	S	Stacked Townhomes - For Sale	8	11,600
	T	Train Station		600
		SubTotal Phase 4	**140**	**201,575**
Totals - All Phases			**991**	**1,168,763**
Parking Garages (not including townhomes)				
	P1	Parking Garage (P1)	380	121,200
	P2	Parking Garage (P2)	430	142,500
	P3	Parking Deck (P3)	128	57,000
	P4	Parking Deck (P4)	128	48,000
		Basement Parking Building Q	40	16,200
		Total All Parking	**1,106**	**384,900**

Date of Construction:

The project will be developed in phases. While the actual construction will likely vary from our estimates, for the purpose of this analysis we have used the following time line. The first phase is scheduled for construction in June 2013 with an anticipated completion date of all residential/commercial buildings of May 2014. The hotel is assumed to be delayed with construction commencing in June 2014 with completion as of May 2015

The start date of construction of each subsequent phase is assumed to commence at 30 month intervals with each phase taking 12 months to complete. As such, Phase 2 will commence on December 2015 and be complete by November 2016. Phase 3 will commence in June 2018 and be complete by May 2019. Finally Phase 4 is assumed to commence in December 2020 and be complete by November 2021. Overall, from the date of valuation of October 1, 2012, the estimated time of completion of all construction will be 111 months, or just over 9 years.

Construction Details

At present, the specifications for each building have not been finalized. Only basic details of the construction type and quality have been provided for this analysis. For the purpose of this residual analysis, this level of detail is considered adequate, but there is a presumption that buildings will be at or above standard grade in quality but not luxurious. As an example, within the residential units it is presumed that counters will be laminate and not granite and floors will be ceramic tile and carpet and not marble. Likewise for the commercial and office spaces they are assumed to be delivered in shell condition with HVAC and demising partitions included. The tenant improvement allowance considered in the rents will be standard. The hotel guest rooms are assumed to be above market standard.

Foundation:

Assumed to be reinforced concrete. All of the buildings will be constructed on slab with the exception of those buildings with podium basement parking.

Structural System:

The proposed apartment/commercial buildings are assumed to be of wood construction with gable roof lines. The apartment buildings will be constructed over first floor commercial space. These buildings will range between 4 and 6 stories in height.

The proposed hotel will be nine stories in height and of steel frame construction with poured in place concrete floors and curtain walls.

The proposed office building is nine stories in height and is also assumed to be of steel frame construction with poured-in-place concrete floors and curtain walls.

The condominium buildings are assumed to be stick-built.

Aside from buildings with basement parking, all buildings are assumed to be constructed on slab without basements.

Exterior Walls & Surface:	The buildings will utilize a broad mix of materials including brick, clapboard, stucco, stone, mental panels and cast stone with the heaviest materials generally used at the base and lighter materials used on the upper floors.
Floors:	Floor finishes with be consistent with market for each respective use. Typical apartments have a combination of wall-to-wall carpet with ceramic tile in the kitchens and bathrooms. Floor finishes in the restaurant spaces are generally more heartier to include ceramic tile and quarry tile. Other retail spaces could have a combination of wall-to-wall carpet, laminate tile or stone floor finishes. Office spaces would generally include wall-to-wall commercial grade carpet with a heartier floor finish, such as ceramic tile or marble, in the main entrance and elevator lobbies as well as the restrooms. Likewise, the hotel would include a combination of floorings using mostly wall-to-wall carpeting. The condominium units are expected to have a similar composition of flooring as the apartments, but of a higher grade.
Roof:	Combination of turrets, single pitched, gable and flat roof systems.
HVAC:	All of the habitable spaces will have full HVAC systems.
Fire Protection:	All of the habitable spaces will have a full sprinkler system.
Plumbing:	Assumed to be adequate for the use of each space.
Electrical:	Assumed to be adequate for the use of each space.
Interior Finish:	At or above market standard for each space.
Construction Quality:	Good
Condition:	Excellent upon completion
Functional Utility:	Adequate with exceptions noted in the Miscellaneous Comments
Miscellaneous Comments:	With regard to the apartment component of the proposed development, we note that there is a fairly high ratio of studio style apartments. Of the total number of apartments, roughly 25%, or 210 units will be studio or efficiency style units. This type of unit is specifically designed to attract single occupants. For urban projects this ratio is slightly higher than most. For comparison purposes, we researched three relatively new urban projects. 360 State Street in New Haven is one of the most recently developed urban apartments in the region. It contains 500 residential apartments and is situated in downtown New Haven. The unit composition includes 99 studio apartments (20%), 327 one-bedroom apartments (65%), 56 two-bedroom apartments (11%) and 18 three-bedroom apartments (4%). New Haven is perhaps the most livable city in Connecticut outside of Stamford. It is a well-established urban employment hub with a vibrant economic base. It is home to Yale University and attracts many young urbanites due to an enriched environment of cultural

events and entertainment venues. The second development we surveyed is Hartford 21. This is one of the more modern apartment developments in downtown Hartford. It contains 262 apartment units featuring 97 one bedroom units (37%), 161 two-bedroom units (61%) and 4 penthouse units (2%). The development includes no studio style dwellings. It has been said that the unit composition has had an adverse effect on absorption given the high ratio of two-bedroom units. Another project worth noting is Blue Back Square in West Hartford. This is one of central Connecticut's most successful urban downtown projects including residential, retail, office and commercial uses. The apartment component of the development is fairly small, consisting of just 48 units. The units are generally small but upscale in quality. The unit composition includes 34 one-bedroom units (71%) and 14 two-bedroom units (29%). The complex does not offer studio style dwellings. In summary, the high level of studios at the subject could ultimately affect absorption rates and vacancy at the property. However, as there have been no other similar developments in other smaller urban communities in central Connecticut it is difficult to judge the impact.

With regard to the office project, if developed as proposed, it will contain 112,500 square feet of space in a 9 story building. This indicates average floor plates of 12,500 square feet. This size floor plate is not marketable to any large corporate users who would typically demand floor plates in excess of 20,000 square feet. The space would then be most marketable to small businesses. This will affect both absorption and threshold rents for the space.

With regard to the hotel, this building has also been designed to be 9 stories in height to minimize the usable land area for this component of the development. This design requires fairly expensive construction. In the present market there is very little new hotel construction in central Connecticut, especially in urban areas without convenient highway access. What little construction there is, is generally low rise steel frame or wood frame buildings with a far lower cost basis. As will be addressed, room rates and occupancy levels in the region would be insufficient to feasibly support this building design. While the developer contends that this will be an upscale hotel, even the Goodwin in Hartford succumbed to competition offering more affordable room rates. It is our opinion that Bristol would not support an upscale luxury hotel but would instead be more suitable for a midscale hotel.

Conclusion:

Overall, with the exception of the high-rise design of the hotel and office building, the building improvements are assumed to functional and at market standard for good quality new construction in the market.

ZONING

Zoning Classification: Downtown Business District 1, DB-1

Conclusion: Beginning in mid-2010, Renaissance Downtown at Bristol, LLC, the City of Bristol, the Bristol Downtown Development Corporation, and the Bristol Community collaborated in a comprehensive planning process resulting in the submission and approval by the City Council on October 11, 2011 of a Concept Plan for the development and revitalization of downtown Bristol. The subject property, referred to as Depot Square, is an integral part of that redevelopment plan. While approved by the City Council, this body has no land use authority as such, specific hurdles were necessary in order to gain site plan approval for the project. Zoning amendments were subsequently submitted and approved for the Downtown Business District Zones to create a special permit process titled Unified Downtown Development Project (UDDP), specifically created for Depot Square. This approval was granted in June 2012 and has created the framework for process of developing this large scale multi-phase mixed-use project.

On November 5, 2012 the developer submitted three applications to the Zoning Commission for approval. Two of the submissions are for special permits. One special permit, if granted, would be to allow the hotel use. The other special permit would be for a reduction in the required parking due to the shared parking concept plan. Even though a special permit may be issued for the hotel, the developer would still need to apply and receive site plan approval for this building. The final submission was for site plan approval for the first two apartment buildings, referred to as Building A and Building B. The applications will soon be received by the Zoning Commission who will then review the plans, schedule public hearings and vote on the approvals with or without conditions.

ASSESSMENT/TAXES

In Connecticut properties are generally assessed at 70% of their fair market value. In Bristol, a physical revaluation was implemented for the October 1, 2005 Grand List, with the most recent information available pertaining to the 2011 Grand List year. The subject assessment and tax burden are as follows:

Assessment: $1,631,299

Real Estate Tax Calculation: $46,900 ($1,631,299 x 0.3875 mill rate)

Projected Taxes Upon Completion: For the purpose of this analysis we have based the projected real estate taxes for each component on market comparables. These include retail space, office space, apartments, condominiums and a parking garage. Given the paucity of data on garages, the tax burden for this component has been based on costs.

Apartment: With regard to the apartment units we have reviewed assessments on several apartments in Bristol. As most of the apartment product in the community is fairly old, the comparison to a new development is tenuous at best. For example, the most recent phase of the Lakewood Complex, consisting of 33 units, was built in 1990 according to assessor's records. The 2011 Grand List taxes for this complex is just $930 per unit per year. This is a three story brick apartment consisting of one and two bedroom apartments. This level of taxes is consistent among the older stock of apartments. Perhaps the best indicator in Bristol is the Huntington Woods apartments at 200 Blakeslee Street. This is a 280 unit affordable apartment complex. The full value estimate for the complex is just $75,749 per unit with an annual tax burden of $1,524 per unit. We would anticipate that while the subject unit mix consists of a larger share of studio and one bedroom apartments that the overall value would be much higher than this complex and therefore would generate a higher tax burden per unit per year.

Given the limited data in Bristol, we researched the tax burden for several other developments in central Connecticut. The completed first phase of the Mansions at Hockanum Crossing in Vernon consists of 424 apartment units consisting largely of one and two bedroom units completed in sections between 2001 and 2009. The fair market value of the property for assessment purposes was estimated at $102,240 per unit with an associated tax burden of $2,507. This is a good quality apartment complex with a superior unit mix overall. We would anticipate a tax burden slightly less on a per unit basis given the much higher ration of studio and one bedroom units at the subject.

Vintage at the Grove in Manchester is a 322 unit apartment complex that was built in 2007. It consists of 5% studio apartments, 32% one bedroom apartments and 63% two bedroom apartments. This is one of the premier suburban apartments in Hartford and is proximate to the Buckland Hills Mall and has easy access to Interstate Route 84. Manchester recently underwent revaluation as of October 1, 2011. The complex was estimated to have a fair market value of $114,520 per unit with a corresponding tax burden of $2,836 per unit per year. Once again, we would estimate that the current tax burden for the subject apartments would likely be less given the location and inferior unit mix of the subject complex by comparison.

Newbury Village in Meriden is a 180 unit apartment complex that was built in 2005. The complex consists of a combination of studio units (9%), one-bedroom units (31%) and two-bedroom units (60%). The tax burden based on a valuation of $126,667 per unit as of October 1, 2011 amounts to $3,076 per unit per year. Again, based on an inferior unit mix, we would anticipate a lower overall tax burden for the subject units. Further, the mill rate for Meriden has historically been higher than Bristol which would correspond to higher per unit taxes overall.

Based in this analysis we have estimated a market tax burden for the subject apartment units at **$2,300 per annum** as of the date of valuation. We would anticipate a 2.5% appreciation rate in taxes on an annual basis. Further, we have assumed that the units would not be fully taxed until complete.

Hotel: With regard to the hotel taxes, perhaps the best indicator is the Residence Inn in Southington which is an extended stay hotel located at a full interchange in Interstate 84. This 94 room hotel was built in 2003 and is in good condition. For the revaluation effective October 1, 2011, the property was estimated to have a fair market value of $87,839 per room and for the fiscal year has a tax burden of $1,690 per guest room. Overall, this hotel is considered to have a superior location on a major highway at a major diamond interchange and the hotel has a dominant franchise association. We would expect the tax burden for the subject to be less on a per room basis.

Another comparable hotel is the 121-room Homewood Suites in Farmington, Connecticut. This extended stay hotel is located in a more affluent community in proximity to several large office developments and has good access to the interstate highway system. The fair market value estimate of the hotel as of October 1, 2007 amounted to $112,752 per guest room. The real estate tax burden of the hotel for the 2011 Grand List was $209,147, or $1,728 per guest room. For the purpose of this report we have estimated a tax burden for the subject hotel at **$1,500 per guest room**. As this would be the current taxes, we have inflated this figure at 2.5% per annum with taxes accruing upon completion of the hotel.

Office Building: The office component of the subject facility will consist of a 9 story steel frame office building with a gross building area of 112,500 square feet. Aside from the ESPN headquarters, Bristol has no measurable Class A office space. 10 Main Street, Bristol is a good quality 5 story Class C office building situated proximate to downtown. It contains a gross building area of 61,472 square feet. The 2011 Grand List taxes for the property amount to $1.44 per square foot of gross building area. Another comparable property would include 1154 Highland Avenue, Cheshire. This is a high quality professional office building situated on Route 10. The building was built in 2004 and contains 30,095 square feet of space. The 2011 tax burden for this office was $1.94 per square foot. The Hartford Insurance Company fully occupied the Class A office building at 400 Executive Boulevard in Southington. This four-story 121,648 square foot office building was built in 1992. The 2011 Grand List tax burden for this property, based on a revaluation with an effective date of October 1, 2011, was $249,570, or $2.05 per square foot of gross building area. Overall, we have estimated the tax burden for the office building at **$2.00 per square foot** of gross building area.

Condominium Units: For the purpose of this analysis it is assumed that the buyers would be responsible for the real estate taxes for each condominium unit subsequent to completion.

Retail Space: In the market, retail space is most often leased on an absolute net basis whereby the tenants will pay a pro rata share of real estate taxes. As such, the landlord in only exposed to vacancy when the space is unoccupied. As will be addressed, the retail component of the project is fairly small and therefore, we have excluded taxes for this component given the landlords limited exposure to this expense.

Parking Garage Space: Given the lack of any comparable properties in the region, as most garages in small cities are owned by the municipalities, we have estimated the tax burden for the garage space based upon the estimated hard cost of each improvement. Assuming a fairly stable market for this component, we have estimated the tax by applying a 70% assessment factor to the current hard cost estimate for all garage space and have then applied the current mill rate to the figure. The tax burden per space in the current market would be calculated as follows:

Total Hard Cost	$30,316,250	
Project Savings @12%	$26,678,300	
@70%		$18,674,810
# of Spaces		1,106
Assessment Per Space		$24,121.43
Current Mill Rate		0.02875
Current Taxes Per Space		$693

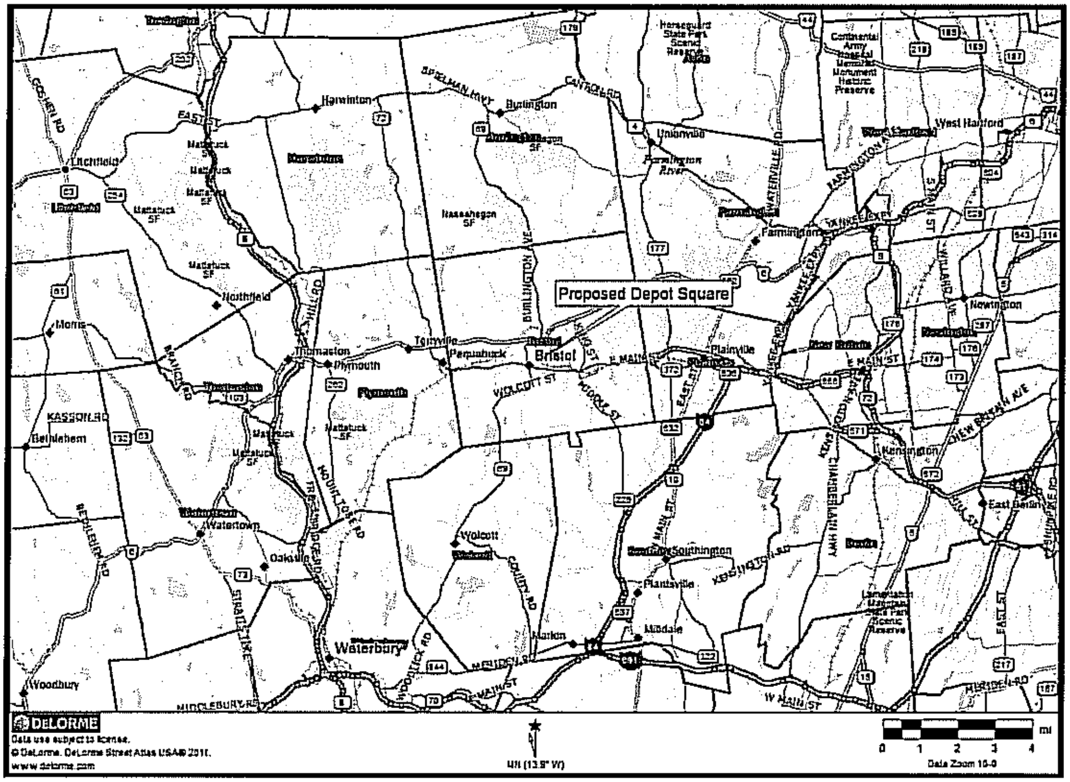
The current tax burden has been estimated at **$693 per parking space** per annum. This figure has been inflated at 2.5% per annum and applied to each space upon completion of each parking structure. It is applied only to structures P3, P4 and the basement parking in Building Q.

Enterprise Zone Tax Relief: The subject property is located in an Enterprise Zone and therefore would qualify for tax relief. The Enterprise Zone calls for a freeze of any additional assessed value attributable to the new development on a seven year scale. The Freeze can be taken at any time during the construction period or upon construction completion. For the purpose of this analysis we have assume that the benefit would be taken upon completion of construction. The abatement diminishes over the seven year period. Essentially, the taxes on the new improvements are abated entirely for the first two years in the third year the abatement is 50% of the tax burden then decreases at 10% per year thereafter until the abatement phases out by the 8th year. For the purpose of the report we have included the full tax burden for each building upon completion and made a single adjustment for the abatement. No abatement is presumed for the condominium space as we have assumed that the landlord would not incur this expense.

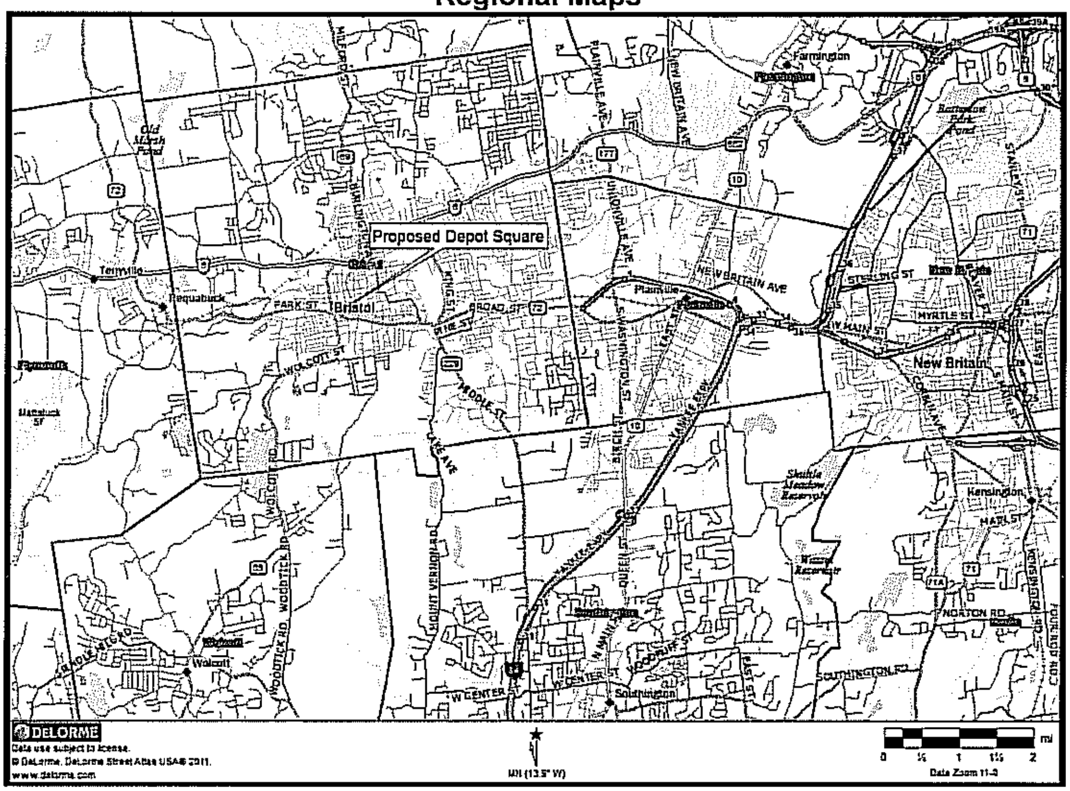
Conclusion: In summarizing, we have estimated the current tax burden for a typical apartment unit at $2,300 per unit. The current tax burden for the hotel would be calculated at $1,500 per guest room. The real estate taxes for the office space have been estimated at $2.00 per square foot of gross building area. The tax burden for the garage space has been estimated at $693 per parking space. These estimates have all been inflated at 2.5% per annum and are only applied to each building component upon completion. The tax burden includes the taxes on land and improvements. No improvement taxes were estimated for the retail space or the condominiums in the fourth phase of the development. In the case of the retail space it is assumed that the tenants would pay a pro rata share of taxes in the rent based on market level of taxes as such the landlord would not be exposed to taxes for this space. Further, the tax burden for the finished condominium units is assumed to be the responsibility of the buyers of each unit and the exposure of the landlord to taxes for this component would be negligible.

MARKET ANALYSIS

COMMUNITY AND REGIONAL ANALYSIS



Regional Maps



COMMUNITY ANALYSIS

Community Type: The subject property is located in the city of Bristol, which can generally be characterized as an urban/suburban community within the west-central portion of the state of Connecticut. Bristol is strongly influenced by its central location and proximity to the city of Hartford. Data presented in this section has been obtained from Connecticut Office of Policy and Management, Connecticut State Department of Housing, State of Connecticut Department of Economic and Community Development, and Connecticut Department of Labor.

Total Population/Trend: The city of Bristol had a total population of 60,392 persons as of 2011. The population of the city has been relatively stagnant for the past thirty years according to the census. Since 1990, the population has vacillated by no more than 578 persons, or less than 1%. Conversely, since 1990 the population of Hartford County grew by 6% and the state's population grew by 9.82%. Even so, according to state population estimates, they project that Bristol's population growth between 2011 and 2016 will equal that of both the county and the state at 0.8% per year.

Housing Units/Trend: The Connecticut Department of Economic and Community Development reported the total housing stock in Bristol was at 26,747 units as of the end of 2005. By 2011 the housing stock had declined to 26,479 units. This reflects a net absolute decrease of 45 units per year over this six year time frame. With the ensuing recession in 2009 and the persistent tepid economic conditions housing starts have declined dramatically between 2005 and 2011. According to DECD there were 111 new housing permits issued in Bristol in 2005. By 2011 this figure was down to just 21 units.

According to statistics from 2011, multifamily housing in Bristol accounted for 42% of the housing stock. This is greater than the county and state ratios of 39% and 36%, respectively. However, this ratio of multifamily housing is less than some of the slightly larger cities in central Connecticut. The percentage of multifamily housing in New Britain, Middletown and Waterbury in 2011 was 67%, 47% and 55%, respectively.

With the softening of demand, the cost of housing has also declined. The median price of a single family home in Bristol declined from roughly $215,000 in 2006 to $172,750 as of September 2012, a decline of 19.6%. A year-to-date comparison of the number of housing unit sales also shows a softening housing market from a peak year-to-date number of sales in 2004 at 590 units to a low of 220 unit sales in 2011. Year-to-date sales in 2012 are up slightly at 280 transfers as of September 2012. The peak in total sales occurred in 2005 when there were 1,400 transfers. The bottom of the market seems to have been 2011 when there were just 452 sales, a decline in volume of 68%.

Median Household Income/Trend: Bristol had a 2011 median household income of $59,002. This compares with $65,589 for Hartford County and $70,705 for the entire state of Connecticut. Bristol is generally considered to be a middle to lower income urban/suburban community.

Employment/Trend: The unemployment rate for Bristol was 8.7% as of October 2012. This is comparable to the Hartford labor market area and the statewide rate of 8.6%. During 2012 the labor force in Bristol declined by 314 persons, while the number of unemployed declined by just 97 persons. As a result of both a declining labor force and declining unemployment, the unemployment rate dropped from 8.9% to 8.7%. While over the past five years the labor force has remained relatively unchanged, the number of persons unemployed in the community has increased from 1,604 persons as of October 2007 to 2,948 persons as of October 2012, or by 83.8%. The current tepid economic conditions suggest no major improvement in employment in the near future.

Transportation: Although the subject community lacks direct access to major highway systems in Connecticut, several local and state roads service the area. Connecticut Routes 69 and 229 provided north/south access through the city, while Connecticut Route 72 and U.S. Route 6 extend in an east/west direction through the central portion of Bristol. As will be discussed in the description of the neighborhood, the completed extension of Route 72 into Bristol has improved the access of Bristol to the interstate highway system. This limited access highway has been extended almost to the intersection of Route 229 (Middle Street). This has vastly improved access to the interstate highway system, to and from downtown Bristol.

Cultural Facilities and Events: The City of Bristol offers a wide array of cultural activities. Those listed by the Bristol Chamber of Commerce include the following:

Lake Compounce - Nestled between a scenic lake and mountain, Lake Compounce offers spectacular rides, Splash Harbor water park, a lakeside beach and three roller coasters. Boulder Dash- voted the world's best wooden roller coaster- is built into the side of a mountain. During the summer you can attend special festivals and events like July 4th fireworks. For Halloween, the brave can tour the park's Haunted Graveyard.

Clock & Watch Museum - The American Clock & Watch Museum displays one of the most extensive collections of American-made timekeepers in the world. From the earliest "grandfather" clocks to Eli Terry's revolutionary Pillar & Scroll shelf clock to the popular Mickey Mouse wristwatch, visitors experience Yankee ingenuity and craftsmanship in this charming, chiming atmosphere created by the many running clocks. The gateway exhibit presents the important role played by Bristol and the clock industry in the development of American manufacturing.

Carousel Museum - The New England Carousel Museum is one of only a few carousel museums in America. The centerpiece of a growing cultural center in downtown Bristol, the Museum brings out the child in everyone. Here, you can see hand-carved, antique American folk art containing a menagerie of animals, including horses, as well as pieces that have been resorted. You can learn about the history of the carousel, take a tour, treat the children to hands-on activities and enjoy the nostalgic music of the band organ all year long. The Museum's fine art galleries showcase the work of artists from throughout New England.

Witch's Dungeon Classic Movie Museum - The Witch's Dungeon Classic Movie Museum opened in Bristol, CT in 1966, a tribute to the actors & effects artists which have given us the classic fantasy films. It is considered the longest running exhibit of its kind in the country (as stated by "Entertainment Tonight"). The museum features highly accurate, life-size figures of characters from the classic sci-fi & horror films. Voice tracks specially recorded by Vincent Price, June Foray, John Agar and Mark Hamill.

Bristol Chrysanthemum Festival - Every fall, you can see chrysanthemums blooming around Bristol. Our annual chrysanthemum Festival was created in 1961 by Paul Hubbard and Alex Cummings, of Bristol Nurseries, and the Bristol Chamber of Commerce. This is a three week event that includes the Miss Chrysanthemum pageant, a parade, antique car shows, and family events at local farms, bingo and Oktoberfest.

Little League Baseball - For thousands of Little Leaguers playing in Bristol has been an annual goal. Every summer you can see the Eastern Regional finals at the A. Bartlett Giamatti Little League Leadership Training Center, which matches the best teams from the New England and the Mid-Atlantic states. The Center also offers summer camps for youngsters and adult training for managers, coaches, league administrations and umpires.

The Barnes Nature Center - Located in a picturesque setting on Shrub Road offers nature displays. Of special interest is the diorama depicting New England habitat including live reptiles, amphibians, and fish. There are loop hiking trails and a trailhead of Tunxis "Blue" Trail.

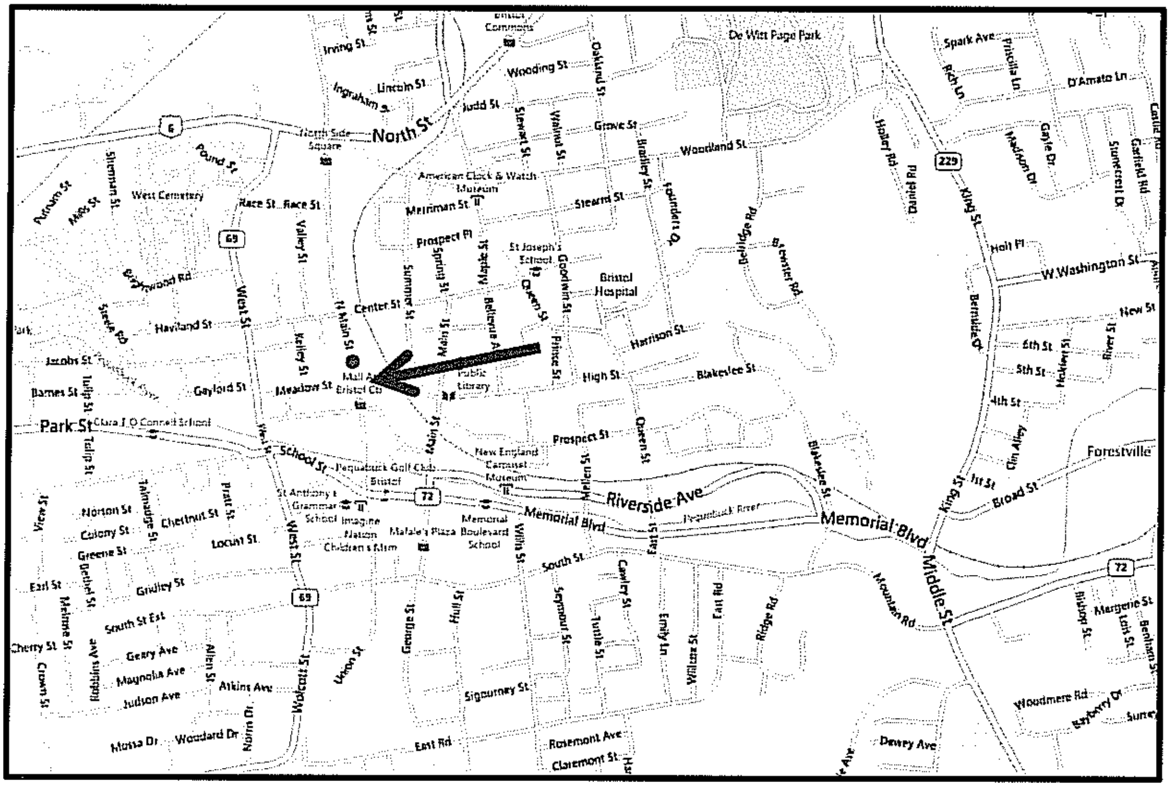
The Museum of Fire History - The Museum of Fire History offers a fascinating array of fire-fighting and fire house signaling equipment and memorabilia wonderfully displayed with alarms to pull, sirens to set off and bells to ring. The Fire Museum is available for educational programming for school groups and adults.

Imagine Nation Museum - The Family Center's Imagine Nation Museum, located in downtown Bristol, is Connecticut's newest children's museum. The museum is committed to enriching the lives of children and families by providing unique interactive exhibits, programs that spark imagination, discovery and hands-on learning through play and exploration. An original 1940's soda fountain from R's Diary, along time local landmark, is proudly located in the lobby where sweet treats, snacks and family entertainment are offered.

Special Events & Activities - No matter what you're looking for, you'll discover it in Bristol. For music and theatre, there's the Bristol Symphony, Bristol Theatre Arts, Bristol Choral Society, Brass and Wind Ensemble and the New England Symphonic Band. For children, there's the Children's Holiday Parade, Bristol Pumpkin Festival, Indian Rock Nature Preserve, which presents early American experiences, a Starlab and nature explorations: Witch's Dungeon Classic Movie Museum plus Veterans Memorial Boulevard, Rockwell and Page Parks. You can explore unique glacial formations at the Hoppers area. For military enthusiasts, there's the Military Museum, with memorabilia dating back to the Civil War. Bristol also has Italian, Polish and Greek fairs for the whole family to enjoy.

Conclusion: The city of Bristol is considered a densely developed, urban/suburban community within Hartford County. Unlike most cities in the state which experienced population declines, the population base in Bristol has been relatively unchanged over the past 30 years. Bristol remains an affordable community in which to live as exhibited by the median home prices and the city has an above average stock of multi-family housing. Changes in the transportation network will also bode well for the future growth of the city as access to the interstate highway system will improve significantly with the extension of Route 72 into central Bristol.

NEIGHBORHOOD ANALYSIS



Neighborhood Map

General Characteristics: The subject property is located in downtown Bristol. The immediate subject neighborhood is geographically defined is the area between Route 6 to the north, South Street to the south, Route 69 to the west and Route 229 to the east. Downtown Bristol is more restricted to the area south of Route 69, east of Route 69, north of School Street and west of Main Street/Summer Street. The heart of downtown consists largely of the land uses along North Main Street between Riverside Avenue and North Street.

Aside from the site for the proposed subject development, other notable improvements along North Main Street include Bristol Superior Court, the Bristol Police Department, the Bristol City Hall, a mixed use office and industrial complex known as Progress Square, Ingraham Manor Health & Rehabilitation Center, Delorenzo Towers – a 90-unit senior and elderly low income apartment complex, The Community Health Center of Bristol, the Bristol Hospital EMS Training Center, North Side Square – a mixed use office and retail center featuring Burger King, Sovereign Bank, Super Natural Market and Deli as well as second floor office space, Bristol Municipal Federal Credit Union, the downtown Bristol Post Office, Dunkin Donuts, a CVS pharmacy and a number of older mixed use properties generally containing apartments over retail space. At present, a 4 story mixed use property at 411 North Main Street is available for sale at an asking price of $1,585,000. This property consists of 26 apartment units over 6 retail units.

Land uses along Riverside Avenue include a McDonald's fast food restaurant that will be relocated to the north end of the proposed subject development, offices of the Barnes Group and offices of New England Bank.

Land uses along Main Street are reminiscent of the turn of the 20th Century downtown streetscape of Bristol. Occupants along the small section of Main Street that abuts the subject site include a branch of Webster Bank, the Lorraine Building now occupied by Bristol Cleaners and Beauty Us, Barley Vine – a new restaurant, Bristol Press and the former Bristol Bank and Trust Company building that is now occupied by Greater Bristol Chamber of Commerce, United Way and Main Street Community Foundation.

Another notable recent development in downtown Bristol is the Riverview apartments. This is a 139 unit elderly apartment complex at 171 Laurel Street. This is a four-story complex situated on a 3.5 acre site just off North Main Street. Although built in 2005, the complex has only just recently topped 90% occupancy. The monthly rental rates for the studio units, one-bedroom units and two-bedroom units are $795, $875 and $1,050, respectively, to include hot and cold water and heat.

Level of Maintenance: Improvements within the immediate subject neighborhood are fairly well maintained.

Conformity: The proposed mix of uses for the subject site, to include apartments, condominiums, retail space, office space and a hotel are uses generally found in urban centers. All of these uses, with the exception of the hotel and condominiums are already present in the subject neighborhood. The level of density of the proposed project is divergent. In order for it to be a catalyst for the revitalization it was deemed necessary for the subject site to be developed with a high-density mixed use development with a variety of residential housing, shopping, dining and entertainment uses. The Zimmerman/Volk Associates report on the residential market indicated that "the greater the number of dwelling units that can be developed in the Downtown will yield more significant fiscal benefits to the city and more dynamic and diverse downtown neighborhoods for its residents." The leaders of the community agreed with this assertion and granted approval of the Concept Plan for the site in 2011.

Transportation/Access: The subject neighborhood is readily accessible to residents of Bristol with access facilitated by several major traffic arteries that service downtown including Connecticut Routes 69 and 72 as well as U.S. Route 6. These secondary roadways provide good access to downtown from other nearby communities including Plymouth, Burlington, Wolcott, Southington, Plainville and Farmington. Access to downtown Bristol from the interstate highway system has improved with the completion of the extension of the limited access section of Route 72 from Route 322 to Route 229. This project improved access from Interstate 84. However, even with the completion of the extension of Route 72, downtown Bristol is still a 10 to 15 minute drive from Interstate 84 in Plainville and is comparable to the drive time from Interstate 84 in Southington via Route 229. While less than optimal, this drive time to and from an interstate highway is not unusual for many residents of central Connecticut.

Trends: Due to tepid economic conditions and lingering high unemployment there has been little new development in downtown Bristol in the past five years. While ESPN continues to expand their presence at their campus off Route 229, it has only had a moderate impact on other commercial development in this neighborhood. Perhaps the most notable development is the renovation, expansion and repositioning of the former Clarion hotel across from the ESPN campus. The property will soon open as a Hilton brand Doubletree hotel. Further, the Briad Group is also building a Hilton brand Homewood Suites hotel near the interchange of West Street and Interstate 84, largely to service the demand from ESPN. Most brokers would agree that the presence of ESPN has clearly had a positive impact on the residential market keeping occupancy levels at nearby apartments fairly strong and obviously helping the otherwise sluggish residential market.

Two small developments in downtown are worth noting. A wine bar known as Barley Vine recently opened on Main Street directly across from the subject site as did a small grocery store on Memorial Boulevard proximate to Main Street. The grocery store, which is within walking distance of the subject, is considered an important component to downtown living.

Conclusion: Overall, the characteristics of the neighborhood would be most supportive of residential development in the form of apartments as well as retail space suitable for local merchants or food service tenants. However, as this report will show, threshold rental rates for apartments are insufficient to cover development costs of structured parking that is essential for the level of density being required of the site. Likewise, at present rental rates for professional office space and room rates for hotels are not at a level that would support a high rise development of either of these uses in downtown Bristol giving no consideration to the need for structured parking for these uses.

HOSPITALITY MARKET ANALYSIS

The proposed subject development will feature a 9 story extended stay hotel, noted as Building C, in the first phase of the development. The proposed hotel is planned to have 125 guest rooms. While the franchise has yet to be selected for the proposed hotels, some leaders in the industry include Homewood Suites, Home2 Suites, Extended Stay America, Extended Stay Deluxe, Homestead Studio Suites, Residence Inn, Hyatt House, Staybridge Suites, Candlewood Suites, Hawthorne Suites, MainStay Suites, Towneplace Suites and Savannah Suites among others.

National Industry Overview: The following chart trends total U.S. lodging industry performance ratios since 2000, as published by Smith Travel Research (STR).

TOTAL US LODGING INDUSTRY TRENDS						
Performance Ratios	*Room Occupancy*		*Average Daily Rate*		*RevPAR*	
Year	%	% Change	$	% Change	$	% Change
2000	63.7%	0.8%	$86.04	5.7%	$54.81	6.5%
2001	60.1%	-5.7%	$84.85	-1.4%	$50.99	-7.0%
2002	59.2%	-1.5%	$83.15	-2.0%	$49.24	-3.4%
2003	59.2%	0.0%	$83.07	-0.1%	$49.18	-0.1%
2004	61.3%	0.5%	$86.23	4.0%	$52.88	7.8%
2005	63.3%	3.1%	$90.52	5.0%	$57.29	8.2%
2006	63.4%	0.2%	$97.31	7.5%	$61.69	7.7%
2007	63.1%	-0.5%	$104.90	7.8%	$66.23	7.4%
2008	60.4%	-4.0%	$106.92	2.5%	$64.48	-1.6%
2009	55.1%	-8.7%	$97.51	-8.8%	$53.72	-16.7
2010	**57.6%**	**4.54%**	**$98.08**	**0.58%**	**$56.47**	**5.12%**
2011	**60.1%**	**4.34%**	**$101.64**	**3.63%**	**$61.06**	**8.13%**
Source: Smith Travel Research						

As depicted by the chart on occupancy and rates, 2009 was perhaps the worst year financially for hotels in recent history with an overall decline in revenue per available room of 16.7%, far worse than the last recession in 2001 which recorded a decline of just 7%. Obviously, the "great recession" of 2008/2009 had an extremely deleterious effect on the hotel industry. The collapse of the economy caused both an 8.7% decline in occupancy as well as an 8.8% decline in rates as hotels clamored to shore up guest nights. With increases in both ADR and OCC in 2010, the industry as a whole rebounded slightly. Although occupancy is still well below historic levels it did increase slightly in 2010 as did the ADR. While ADR is below the peak of 2008, it is trending upward. As recently reported, RevPAR for the U.S. Lodging Market recorded a strong rebound in 2011 caused by modest increases in both occupancy and rate during the year. At $61.06, the RevPAR for 2011 is still just behind the rate achieved in 2006 and roughly 7.8% behind the lofty rate achieved in 2007. Smith Travel Research forecast a 4.3% increase in RevPAR for 2012 based upon modest gains in occupancy and stronger increases in room rates. This does not appear to be aggressive as the pipeline of new construction was virtually cut off in the past two years allowing the markets to regain occupancy and rate.

With regard to the Extended Stay submarket, the national market has recently proved to be a stellar performer in the industry. According to a recent article titled "Evolving Extended-Stay Lodging Continues to Thrive in U.S." published by Lodging Hospitality, revenue per available room in this sector increased by 7.2% in the first quarter of 2012 in the U.S., the highest gain in more than four years. Furthermore, the average length of stay increased from 14.6 nights to 15.3 nights. However, it was noted that the average length of stay at upscale hotels remained flat at just 4 nights. While recent trends have been positive, it is not unusual for development firms to seize on this type of performance and overbuild the market. While supply growth was down to just 1.3%, it did outpace the rest of the industry.

Local Market Overview: According to Smith Travel Research, there are roughly 37 lodging facilities in excess of 50 rooms within roughly thirteen miles of the subject that combined, contain 3,942 guest rooms. As would be expected, the group of hotels varies significantly in size, quality and the type of accommodations provided. For the purpose of this analysis we selected a sample set of hotels that in our opinion best represent the market for guest nights for the proposed subject extended stay hotel. We eliminated what we considered to be far inferior facilities as well as full service hotels. The Clarion in Bristol was also excluded as this hotel has been undergoing a rebranding program whereas the lodging facility will soon become a 141-room Hilton brand Doubletree full service hotel. As the hotel has not been performing to its peak potential in the past several years, it was our opinion that including the hotel in the sample would have adversely impacted the results of the sample set. However, going forward, this hotel will clearly be a significant competitor for any hotel proposed in downtown Bristol.

The hotels included in the sample set are as follows:

Name	Rooms	Opened	Classification
Holiday Inn Express Southington	122	May-87	Upper Midscale
Fairfield Inn & Suites Plainville	107	Jun-74	Upper Midscale
Residence Inn Southington	94	Jul-02	Upscale
Hampton Inn Suites Hartford Farmington	124	Oct-09	Upper Midscale
Extended Stay Deluxe Hartford Farmington	91	Dec-98	Economy
Homewood Suites Farmington	121	Jan-99	Upscale
La Quinta Inns & Suites New Britain	135	Jun-72	Midscale
Comfort Suites Southington	79	Dec-07	Upper Midscale
Courtyard Hartford Farmington	119	Oct-05	Upscale
Total Rooms	992		
Total Room Nights	362,080		
Number of Hotels	9		

The Holiday Inn Express in Southington is located at a full interchange of Interstate 84 and Queen Street (Route 10) at Exit 32. This 122-room hotel was fully renovated to meet the Holiday Inn Express standards in 2007. Reportedly the Waterford Group spent over $7,000 per room in renovations and upgrades to both the interior and exterior of the facility. The hotel features meeting room space, business center, a fitness room, outdoor swimming pool, and a lounge with light fare. While the hotel has a prominent location with good visibility from Interstate 84, access is somewhat circuitous. The hotel is also proximate to a wide array of shopping and restaurants and they advertise the proximity of ESPN and Lake Compounce Amusement Park. Current room rates range between $79 and $129 per night.

The Fairfield Inn & Suites was formerly a full-service hotel converted in 2003 to an upper midscale hotel with suites. This 107 room facility is located at a full interchange of Interstate 84 and Route 72 in Plainville. While the hotel is visible from both Route 72 and Interstate 84, access is somewhat circuitous. The location is proximate to shopping and a number of family style and fast food restaurants. The hotel features complimentary hot breakfast, an indoor heated swimming pool, a comfortable lounge, meeting room space, a business center and a fitness room. Current rack rates start at $118 per night.

The Residence Inn is one of the newer extended stay hotels in the market having been built in 2002. This 94-room hotel is located at a full interchange of Connecticut Route 229 and Interstate 84. It is highly visible from the highway with convenient access. The neighborhood is not situated in a well-established shopping district but does offer proximity to ESPN and is one interchange from a plethora of restaurants along Queen Street. Reportedly, this hotel has achieved occupancy well above average due to the quality of the hotel and a strategic location on Interstate 84. This is an all-suites hotel featuring a business center, 2 meeting rooms, fitness center, free breakfast, flat screen televisions, and a fully appliance kitchenette in each room. Current rack rates start at $169 per night.

The Hampton Inn & Suites in Farmington is one of the newest limited service hotels in the region having been built in 2009. The hotel is located in the affluent community of Farmington on U.S. Route 6, proximate to several office parks and within one quarter mile of a full interchange of Interstate 84 at Fienemann Road (Exit 37). The hotel amenities include a meeting room, fitness center, attractive lounge in a two-story atrium, indoor pool and hot tub, business center and some rooms are equipped with a refrigerator and microwaves. Current rack rates start at $150 per night.

The Extended Stay Deluxe hotel in Farmington was opened in 1998 as an economy class hotel but has since been renovated and rebranded. The hotel has a good location at a full interchange of Interstate 84 at Fienemann Road with several nearby large suburban office developments. All guest rooms feature a kitchen with refrigerator, microwave, ovens and stovetop. Like most new modern hotels, this facility offers free wireless internet service. Flat screen televisions are available in some rooms. The hotel lacks such amenities as a pool, but does feature a fitness center. Current rack rates start at $85 per night.

Homewood Suites, another extended stay hotel in Farmington, was built in 1999, but is a well maintained hotel. It is located on Farm Glen Road proximate to a full interchange of Interstate 84 at Exit 38. While the property has good access to Interstate 84, it is not visible from this highway. It is located in an affluent community near several large suburban office developments as well as the UConn Health Center and John Dempsey Hospital. It is also proximate to a number of restaurants and a variety of shopping, not to mention direct access to the Westfarms Mall via South Road. This is an all-suites hotel with each room having a kitchen equipped with cabinets and countertop space with a microwave oven, cooktop, dishwasher, refrigerator and sink. The hotel also features an indoor pool, fitness center, business center and an attractive lobby/lounge. Current rack rates start at $134 per night.

La Quinta Inns & Suites is a six story hotel located in downtown New Britain with relatively good access to Route 9 and Connecticut Route 72. This is a limited service hotel featuring 135 guest rooms. While the hotel was built in 1972, it was purchased by La Quinta in 2006 for $61,000 per guest room and subsequently renovated and reflagged to this brand in 2007. This is a standard limited service hotel with rooms containing either a single king-sized bed or two double beds. The hotel does not have a swimming pool but does feature a bar/lounge, business center and fitness room. Each room is furnished with a flat screen television and free wireless internet service. This downtown hotel achieves fairly low room rates starting at $75 per night.

The Comfort Inn and Suites in Southington is the newest hotel in region, having opened in 2007 just prior to the worst collapse in the lodging industry in decades. The hotel is a stick built 4 story facility that is proximate to a full interchange of Interstate 84 and Route 322. While partially visible from Interstate 84, access is somewhat circuitous from this highway. While located proximate to a large industrial park, the location would be considered secondary. The hotel performed poorly and was foreclosed and subsequently resold for roughly $45,000 per guest room despite having been built at a cost approaching $100,000 per room. The hotel is a limited service hotel with some suites. It offers an indoor heated swimming pool, business center, fitness room, free wireless internet service, flat screen televisions in each room, and an attractive lounge with breakfast area. Standard rooms currently start at $79 per night with suites being offered at $119 per night.

The Farmington Courtyard hotel is also a fairly new hotel having been built in 2005. It is located on Southeast Road between an interchange of Interstate 84 at New Britain Avenue (Route 71) and an interchange of Route 9 at Southeast Road (Route 71). While access to the limited access highway system is good, this facility is not visible from either of these two limited access highways. It is located in one of central Connecticut's best established shopping districts anchored by the Westfarms Mall. There is obviously a plethora of shopping and choices of restaurants in this neighborhood. The hotel is well appointed with an attractive lounge and breakfast area, indoor/outdoor connected swimming pool and indoor hot tub, business center and fitness room. The rooms are fairly large with a pull out sofa and either a single king-sized bed or two queen-sized beds. Current rates for this hotel start at $175 per night.

The performance of the sample set of hotels since 2006 is noted below:

	Occupance Total Year	ADR Total Year	RevPAR Total Year	Supply Total Year	Demand Total Year
2006	67.64%	$95.94	$64.90	238,345	161,216
2007	60.78%	$98.72	$60.01	270,565	164,461
2008	63.81%	$100.02	$63.82	277,765	177,228
2009	57.21%	$93.97	$53.76	295,700	169,165
2010	60.19%	$90.36	$54.38	362,080	217,918
2011	67.83%	$95.25	$64.61	362,080	245,596
2012					
Avg	62.86%	$95.47	$60.01	301,089	189,264

As noted the supply of room nights in this market segment steadily increased between 2006 and 2009, but with the recession, the supply remained the same in 2010 and 2011. The supply will however increase again in 2012 with the anticipated opening of the Doubletree Hotel in Bristol, which, at 141 guest rooms will add 21 guest rooms to the market. Further, in 2013 a 110-room Hilton brand Homewood Suites hotel, that is now under construction on Route 229 in Southington, will likely open. While the Doubletree only represents an expansion of 21 rooms, it effectively elevates the quality of this hotel to a new property thereby effectively increasing the competitive supply by 141 rooms. Overall, these two hotels will effectively increase the competitive supply of hotel rooms by 91,615 room nights to 453,695 room nights, a 25.3% increase in this competitive sample set. While both of these facilities will also increase demand, it is more than likely that there will be some redistribution of existing demand creating an overall decline in occupancy in the market, at least in the near term. We would also note that the Comfort Inn in Southington was also poorly managed subsequent to opening with occupancy under 45% since 2007. The hotel has since changed ownership and management of the new hotel expects this facility to be far more competitive in the future.

With regard to occupancy, the competitive set of hotels achieved an average occupancy between 2006 and 2011 of 62.86%. Occupancy generally trended downward from 2006 to 2009 but then rebounded to a high of 67.83% in 2011. According to year to date figures as of September 2012, the occupancy for the competitive set has declined slightly from 66.85% in the nine month period ending September 2011 to 66.48% in the most recent nine month period ending September 2012.

Occupancy at the various hotels clearly ranges around these average figures. As we noted, in 2011 the Comfort Inn in Southington had only achieved an occupancy rate of 45%. Conversely, we have unconfirmed reports that the occupancy at the Residence Inn in Southington exceeded 75% which prompted the construction of a new Homewood Suites in this neighborhood. We also note that the occupancy of the Homewood Suites in Farmington amounted to 67.1% in 2009. Following market trends, it is likely that in 2011 the occupancy of this hotel likely improved as well. We also note that the Homewood Suites in Farmington sold in a portfolio transaction in April 2010 at a price of $95,041 per guest room. In summary, with the near term opening of both the Doubletree in Bristol and the Homewood Suites in Southington, it is likely that occupancy in the market will decline as we do not anticipate that demand will initially keep pace with this significant increase in the competitive supply.

In terms of average daily rate (ADR) the competitive set of hotels has generated an average ADR of $95.47 between 2006 and 2011. The peak in ADR of $100.02 was experienced in 2008 just prior to a severe recession. In 2011 the rate rebounded significantly to $95.25. According to year-to-date statistics as of September 2012 the ADR in the market was $99.86, surpassing the rate achieved in the same time frame a year ago of $94.85. Clearly 2012 will likely end in an ADR in excess of $100, comparable to the peak of 2008. With the rebranding and repositioning of the Clarion and the opening of the Homewood Suites, there may be some price competition, but it would not likely result in much decline in rate in the near term.

With improved occupancy and average daily rate in the past several years, it obvious that revenue per available room (RevPAR) would also increase. Between 2009 and 2011 RevPAR increased from $53.76 to $64.61. Based upon year-to-date figures as of September 2012, we would anticipate that RevPar for 2012 will likely exceed $66.00 for the calendar year.

With regard to the proposed extended stay hotel at that subject property it is not likely that it will be developed in the first phase as proposed. For the purpose of this analysis, we have estimated that the hotel would not be complete until July 2015. In the first fiscal year we anticipate that the subject would achieve an occupancy rate of roughly 60%. This would increase to 65% in the second year and stabilize at 70% thereafter. With regard to average daily rate, we would estimate a current ADR of $125. This rate would then be inflated at a rate of 2.5% per annum such that by the time the hotel opened, the ADR would be estimated at $135.

Space Description	Rental Rate	Period	Terms
Hotel Guest Room	$125.00	Per Occupied Night	Occupancy estimated at 60% Year 1, 65% in Year 2 and stabilized at 70% thereafter

RETAIL MARKET ANALYSIS

Property Use: A small portion of the subject development will include retail space. The configuration of each space within each respective phase is outlined in the following table. This excludes the McDonalds fast food restaurant.

			Gross Building Area
Phase 1			
	B	Ground Floor - Retail / Restaurant	22,321
	C	Ground Floor Retail	6,400
	D	Ground Floor - Restaurant McD's	3,896
Phase 2			
	E	Ground Floor - Retail / Restaurant	5,201
	H	Ground Floor - Retail / Restaurant	4,860
	I	Commercial - Retail / Restaurant	6,120
Phase 3			
	J	Commercial - Retail / Restaurant	15,500
	K	Ground Floor - Retail / Restaurant	11,200
Phase 4			
	O	Ground Floor - Retail / Restaurant	2,250
	Q	Ground Floor - Retail / Restaurant	4,050
		Total Retail Space	77,902

According to the developer, most of this retail space will be targeted toward food service tenants as well as small local merchants or service providers. Because the critical mass of retail space is fairly small the likelihood of attracting any national tenants to the development is less likely than attracting more local or regional tenants.

Supply/Demand: According to the Retail Market Analysis prepared by Community Land Use + Economic Group, LLC the city of Bristol currently has more than 2.5 million square feet of retail space. The report also notes that roughly 80% of this space is located along U.S. Route 6. As with most suburban retailing, virtually all of this space is auto-oriented, capitalizing on commuter traffic. Very little of the retail base is dependent solely on pedestrian foot traffic.

Some of the occupants of downtown Bristol include Michael Christopher's Bistro, Bank of America, Lincare, Enterprise Rent-A-Center, Burger King, Rite Aid, Sovereign Bank, Super Natural Market and Deli, Ziogas Medical Supplies, Tortoise and the Hare diner, Rent-A-Center, Jay's Wine & Spirits, Express Yourself, Polonia Market, Dr. E.R. Fournier DDS, Bristol Hospital, Ingraham Manor, Community Health Center of Bristol, Blondies fast food restaurant, Milestone Restaurant, Bristol Municipal Federal Credit Union, Razzelberries, Trim Unlimited Hair Design, Delorenzo Apartments, Rose Chiropractic, Select Physical Therapy, Marc Henderson DDS, Glenn S. Gart Dermatology, Globe Travel, Central Connecticut Regional Planning Agency, Aflac, First Connecticut Insurance Agency, Social Security Administration, Wheeler Clinic, Liberty Business Information, American Custom Care, Dunkin Donuts, City Hall, Bristol Police Headquarters, Bristol Superior Court, Bail Bonds, Armed Forces Career Center, Center Pizza, CVS Pharmacy, Family Dollar, Subway, Laundromat Center, Ice Cream Churn, Beyond Performance, McDonalds fast food restaurant, New England Bank, Webster Bank, Barley Wine, Greater Bristol Chamber of Commerce, T Salon, Bristol Press, Advanced Realty and one of the most recent additions, Bristol's Marketplace (a grocery store) on Memorial Boulevard.

The major shopping centers cited in the report that are located along Route 6 are as follows:

Name	GLA	Anchors/Tenants	Comments
Bristol Commons	233,000	Price Chopper, Michaels Jewelers, Fashion Bug, Sleepy's and Planet Fitness.	This center was built in 1972 and was fully renovated in 1989.
Oakland Commons	90,000	Shaws Vacated the center Bristol 10-Pin and Osco Pharmacy	Shaw's shuttered the store after a decision was made to exit the Connecticut market. The store has been vacant for an extended time at an asking rent of $10 per square foot.
Bristol Plaza	266,000	Stop & Shop, TJ Max, Dress Barn, Dollar Tree, Savers, Ocean State Job Lot and Starbucks	The center is the premier shopping center on Route 6 in Bristol anchored by the dominant grocery store chain in Connecticut. At present the center has roughly 16,000 square feet of vacant space.
Bristol Farms Plaza	152,884	Big Lots, Jo-Ann Fabric, Sears Hardware	This center was built in 1974 on a 12.48 acre site. available for lease containing 23,120 square feet.
Wal-Mart Plaza	258,000	Wal-Mart, Subway	One of the main destination retailers on Route 6.
Home Depot Plaza	261,000	Home Depot	One of the main destination retailers on Route 6.

Other notable retailers with a presence along Route 6 include Walgreens, L.A. Fitness, Autozone, Staples, Shop Rite and Panera Bread among others.

Rental Rate Range: Asking rental rates for retail space vary widely by location and quality of anchor tenants. Generally, rental rates for smaller satellite space along Route 6 range between $12 and $28 per square foot. The premier center on Route 6 is the Bristol Plaza given the condition of the center and the strong anchor tenant, Super Stop and Shop. The leasing representative indicated that asking rents vary by size of the space, location in the center and the potential tenant, but in general range between the low $20's per square foot to the high $20's per square foot. We would expect other centers to be below this high threshold in general, but for the larger centers we would expect no less than $15 per square foot overall. In downtown Bristol, the quality of availability is inferior to the proposed space at the subject development, generally ranging between $8.00 and $12.00 per square foot on an absolute net basis. As an example, 5,400 square feet of space is presently available at 224 North Main Street at an asking rent of $10 per square foot. This is a former fitness center with good street front exposure and good parking.

For restaurant space, there is clearly a premium in rent as this use requires more parking and requires more mechanical systems for a small amount of space. Our office has researched a number of restaurant leases that are itemized in a chart in Exhibit A of the addenda of this report.

Essentially, rental rates for restaurant space have recently ranged between $14.00 to $18.00 per square foot on an absolute net basis.

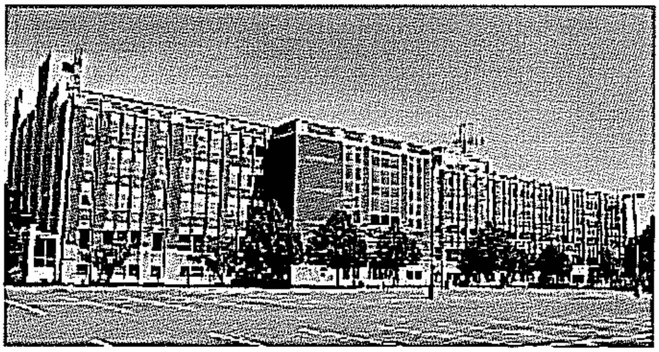
Conclusion: Overall, in relationship to the entire scope of the development the retail space represents only a small component of the project. We would estimate the current rents at $17.50 for the generic retail spaces and $22.50 per square foot for all food service tenants. Final rental rates will likely vary depending on tenant improvement requirements. These rental rates reflect the delivery of "vanilla-box" shell space to the tenants to include HVAC, appropriate electric service and other utilities and nominal plumbing.

Space Description	Rental Rate	Period	Terms
Restaurant Rent	$22.50	Per SF Per Year	Absolute net, tenant pays a pro rata share of all operating expenses at market rates including real estate taxes
General Retail Space	$17.50	Per SF Per Year	Absolute net, tenant pays a pro rata share of all operating expenses at market rates including real estate taxes

OFFICE MARKET ANALYSIS

Property Use: Phase 2 of the subject development includes the proposed construction of a 9-story, 112,500 square foot Class A office building. As noted, due to the small floor plates of the office building it would be most suitable to smaller local firms with space needs of between 2,000 and 10,000 square feet.

The city of Bristol does not contain any Class A office buildings, aside from the owner occupied ESPN campus off Route 229 which reportedly contains roughly 900,000 square feet of office space. As such, the community is not included in any Class A office market surveys conducted by any of the major brokerage firms in the state. While most of the smaller buildings are well occupied, the city has one major vacancy created by the departure of Cigna from 32 Valley Street, also known as Progress Square (shown in this picture). This former mill building was partially converted to office space to accommodate a Cigna call center. In 2001 a state of the art HVAC system was installed to handle all of the 126,210 square feet occupied by this tenant. The remaining two floors (roughly 100,000 square feet) remains either shell space or are rented for light industrial uses. The broker indicated that the smallest tenant the building can realistically handle is 25,000 square feet without considerable capital expenditures. The asking rent is $2.50 per square foot; triple net lease. This is obviously a large amount of office space for a market that typically does not attract large space users. The space has been vacant for several years.



Greater Hartford Market Overview: The following information regarding inventory, vacancy, and leasing activity in the Greater Hartford County office market was obtained from data collected and maintained in our office files, conversations with local real estate brokers, and from recently published statistics regarding the Hartford County office market from *MarketBeat, Office Snapshot, Hartford, CT, Q2 2012*, published by Cushman & Wakefield (C&W). We would also note that we reviewed additional reports on the office market complied by CBRE, Jones Lang LaSalle and RM Bradley.

The C&W report analyzes Hartford County under six macro markets including the Hartford CBD, Hartford Periphery, Western Hartford, Southern Hartford, Eastern Hartford and Northern Hartford. The subject is located within the Hartford CBD submarket. The table below summarizes pertinent information about the Greater Hartford County office market as contained within the C&W report.

GREATER HARTFORD OFFICE MARKET STATISTICS
SECOND QUARTER 2012

Greater Hartford	Total SF	Overall Vacancy %	Direct Vacancy %	YTD Leasing Activity	YTD Net Absorption	Avg. Gross Rental Rate	Class A Avg. Rental Rate
Hartford CBD	7,908,010	26.8%	26.4%	75,965	-25,545	$21.32	$22.89
Hartford Periphery	2,097,814	13.7%	13.6%	6,814	-26,754	$16.70	$21.76
Western Hartford	6,402,596	15.1%	12.1%	139,118	81,940	$20.09	$21.16
Southern Hartford	2,902,794	22.1%	21.4%	39,101	2,828	$19.03	$21.74
Eastern Hartford	3,100,297	10.1%	9.5%	46,703	8,262	$20.73	$22.10
Northern Hartford	3,117,850	22.2%	20.1%	63,048	-41,204	$17.04	$17.16
Total	**25,529,361**	**19.7%**	**18.4%**	**370,749**	**-473**	**$19.94**	**$21.80**

Source: Cushman & Wakefield Marketbeat Office Snapshot, 2nd Quarter 2012

According to the Second Quarter 2012 C&W report, the Greater Hartford County office market contained a total net rentable area of 25,529,361 square feet with an overall vacancy rate of 19.7%, or approximately 5.029 million square feet. The direct vacancy rate is slightly lower at 18.4% due to the elimination of sublease space. By way of comparison, reports by the other brokerage firms provide a similar bleak view of availability with Jones Lang LaSalle indicating a 21.6% vacancy rate and CBRE indicating a 21.13% availability rate. With the economy fairly tepid and unemployment being stubbornly high, it is no surprise that all surveys show that throughout 2011 and 2012 market conditions have not materially improved.

The Hartford CBD is the largest of the six submarkets in Hartford County including nearly 8 million square feet. It also has the highest vacancy rate with vacancy ranging between 26.8% and 30.3% depending upon the source. We would note that CBRE actually breaks down the vacancy rate by building class and while the Class A market is stronger than the Class B or C markets it is still weak with mid 20%'s vacancy rates.

It is noted that there are several very large spaces available in the CBD of Hartford that are contributing to the high vacancy rate. These include 556,000 square feet at Connecticut River Plaza (450 Columbus Boulevard), 195,246 square feet at 55 Farmington Avenue, 135,000 square feet at 200 Constitution Plaza and 119,622 square feet at 280 Trumbull Street. One factor that may improve this situation is that the State of Connecticut is desirous of getting out of leased space and buying their own buildings. There are active rumors that the State could completely fill 450 Columbus Boulevard and 55 Farmington Avenue, which would reduce the Class A vacancy rate in the CBD to between 15% and 17%. Other buildings that have a substantial amount of available space include State House Square, CityPlace II, 20 Church Street and Metro Center.

While Bristol is not included in the Cushman & Wakefield survey, it would be proximate to the Western Submarket. The Western region contains roughly 6.4 million square feet of office space with an overall vacancy of 15.1%. The Western region includes several desirable and affluent communities including Farmington and West Hartford. Both of these communities have excellent access to the interstate highway system with Interstate Route 84 extending between both communities. Southington, also part of the Western submarket, is similarly located on Interstate 84 with three major interchanges serving the community. This community is less affluent than either Farmington or West Hartford. Conversely, Bristol is at least 10 to 15 minutes from Interstate 84 via Connecticut Route 72. The Western region recorded positive year-to-date net absorption of 81,940 square feet. However, the report does not appear to account for the departure of the Hartford Insurance Company from 117,000 square feet at 400 Executive Boulevard in Southington.

Rental Rate Range: According to the Second Quarter 2012 C&W report, the Greater Hartford County office market had an overall asking rental rate of $21.80 per square foot on a full service basis for Class A space. For the same period, the average asking rent in the Western office submarket was $21.16 per square foot. CBRE notes in their Third Quarter 2012 Office Market Snapshot that the average asking rent for Class A space is $22.73 per square foot. All of these figures are fairly consistent. We would note that from our own survey of availabilities we found the following examples of asking rents on a full service basis for competitive buildings:

Address	Available Space	Rental Rate/SF
1001 Farmington Avenue, West Hartford	2,200	$25.00
970 Farmington Avenue, West Hartford	2,121	$20.00
Corporate Center West, West Hartford	9,300	$23.50
7 South Main Street, West Hartford	790	$23.00
2 Batterson Park Road, Farmington	19,210	$21.00
Farm Glen Executive Center, Farmington	9,800	$23.50
76 Batterson Park Road, Farmington	4,472	$22.00
Southington Executive Park, West Street, Southington	41,000 to 155,000	$20.00
10 Executive Drive, Farmington	7,380	$22.50
6 Executive Drive, Farmington	6,500	$18.50

Our discussions with brokers as well as the information on actual lease transactions presented later in this report indicates that deals generally include concessions with typical terms being between $18 and $22 per square foot as an average rental rate over the term.

Separately our review of REIS Reports for the Hartford Office Market indicated that the average rent growth rate over the most recent five year period was 0.1%. This indicates that rental rate growth is tepid at best and we would expect that given a history of rents never exceeding the mid-$20's per square foot since the mid 1980's.

Also of consideration is the potential for the proposed office building to attract medical office tenants. We have found that there is a significant premium in rents for medical office space in the market. Rents for this type of space can exceed $20 per square foot on an absolute net basis, which is roughly $8.00 per square foot above market rents for general purpose professional office space. While the tenant improvement allowances are also far higher, the net is still a premium in rent. As such, our opinion of the average market rent for the subject space considers that the subject building may be suitable to some medical office space users.

Conclusion: As of 2nd/3rd Quarter 2012, the Hartford County office market was continuing to react to the weak economy with high vacancy rates, stable rents and generally anemic leasing volume. Leasing activity is expected to remain tepid through 2012 with rental rates remaining stable. It is noted that rental rates for Class A space in the market have remained fairly level for the past 30 years. Expectations are that the recovery will continue during 2013, albeit at a slow pace. The subject space is assumed to be most attractive to local professionals and some medical tenants and the demised areas generally between 2,500 and 20,000 square feet.

Space Description	Rental Rate	Period	Terms
Professional Office Space	$22.00	Per SF Per Year	Gross plus electric; assumed 3 year lease-up, with a tenant improvement allowance of $25.00 to $30 per square foot above core building.

Note: Estimate of market rent reflects a premium for some medical office tenancy.

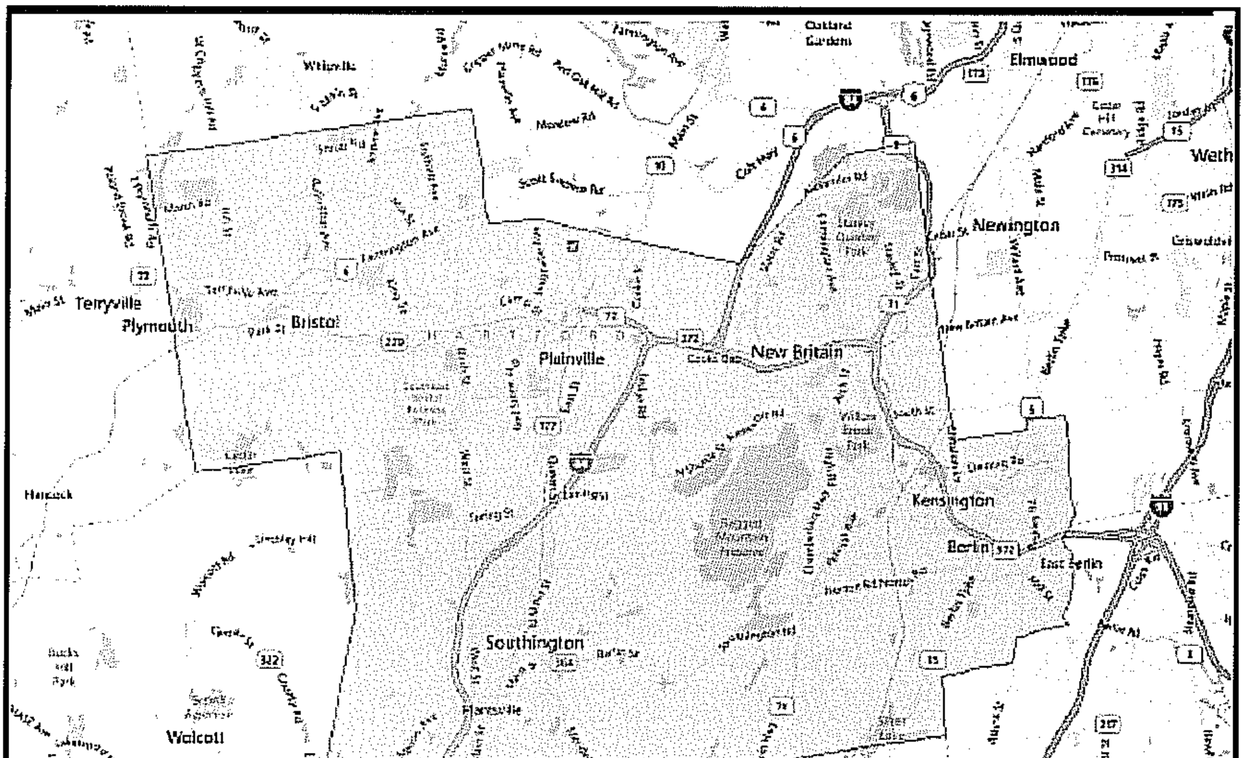
APARTMENT MARKET ANALYSIS

Property Use: The proposed subject development will include the construction of 9 multi-family apartment buildings ranging between 4 and 6 stories that will contain 851 residential apartment units. The unit mix is noted in the following table.

Building	Height (Floors)	Areas (SF)	Studio	1-Bdrm	2-Bdrm
A	4		22	58	24
		Net	432	620	889
		Gross	564	810	1,161
B	6		36	70	32
		Net	425	606	870
		Gross	552	788	1,131
E	6		19	38	19
		Net	425	610	875
		Gross	534	766	1,099
G	5.25		23	47	23
		Net	425	610	875
		Gross	531	763	1,094
H	5		16	34	16
		Net	425	610	875
		Gross	531	763	1,094
I	5.25		10	20	10
		Net	425	610	875
		Gross	531	763	1,094
J	5.25		47	93	47
		Net	425	610	875
		Gross	531	763	1,094
K	5.25		18	35	18
		Net	425	610	875
		Gross	531	763	1,094
L	4		19	38	19
		Net	425	610	875
		Gross	531	763	1,094
			Studio	1-Bdrm	2-Bdrm
Total Unit Mix			210	433	208
	% of Total		24.7%	50.9%	24.4%

Overall, the complex will include 210 studio apartments, 433 one-bedroom apartments and 208 two-bedroom apartments. The gross living area of the studio apartments ranges between 531 and 564 square feet with the mode being 531 square feet. The gross living area of the one-bedroom units ranges between 763 and 810 square feet with the mode being 763 square feet. Finally, the gross living area of the two-bedroom units ranges between 1,094 and 1,161 square feet with the mode being 1,094 square feet.

Supply/Demand/Pricing: In addition to an apartment market survey conducted by our firm, we also relied upon a REIS Submarket Analysis of the apartment market in the Southwest Submarket, of Hartford which includes the cities of Bristol and New Britain as well as the towns of Plainville, Southington and Berlin. A geographical representation of the Southwest Hartford submarket, as defined in the REIS survey, is presented below. According to the REIS report the apartment stock in the Southwest Hartford submarket is relatively old with 94% of the stock of apartments having been constructed prior to 1989. And of that 94%, 55% of the supply was built prior to 1970. Only 6% was constructed in the decade between 1990 and 1999 with no additions to the market subsequent to that time frame. It should be noted that this study excludes low-income and age restricted housing. This is in contrast to the Northwest Hartford submarket that experienced a resurgence of apartment development in recent years is in response to the unwavering rental housing demand in the region coupled with the ability to obtain low-interest financing. The one-year average inventory growth rate as of December 2011 was 4.4% for the Northwest Hartford submarket. This growth rate significantly outpaced all of the other market sectors for the same time period, each indicating growth rates of less than 1%. The inventory growth rate for the Southwest Hartford submarket was 0% in the past five years.



With no new development in the subject submarket there are no relevant statistics on absorption. However, within the Hartford Metro region the market absorbed 53 units year-to-date as of the second quarter of 2012. In the year ending December 31, 2011 there were 264 new units added to the Hartford Metro region and there was absorption of 760 units. Over the past three years there were on average 203 units added to the market each year with an annual average absorption of 424 units. Clearly with one year's absorption in 2011 of 760 units compared to the prior three year average of 424 units, the market is improving considerably overall. With no data on new permits, the REIS report projects no absorption in the Southwest submarket over the next five years. However, based on historic trends in the Hartford Metro region, the forecast is for average annual absorption of 527 units per year with average annual construction of 511 units per year.

Based upon our conversations with representatives of the planning and zoning departments of Bristol, Southington, Berlin, Plainville and New Britain, there are no proposed apartment developments in any of these communities at the present time. With the exception of potential workforce housing we have found a consistent sentiment that developing apartments in any of these communities would be difficult due to zoning constraints and lack of properly zoned sites. Berlin is now considering potential zone changes to allow smaller scale developments in and near their downtown to allow more residential density; however, this is far from being approved and would likely face significant opposition. While there has been some discussion in Southington to rezone some land along West Street to allow multifamily development, it will be limited to small condominium type development with density restrictions. As such, there appears to be very little in the way of potential completion for the subject in the Southwest Hartford submarket for the near foreseeable future.

The REIS study also compiles statistics on rents. The following chart shows growth rates for asking rents for multi-family units in the submarket.

	Asking Rent Growth						
	Quarterly			Annualized			
	2Q12	1Q12	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Southwest	1.1%	1.2%	1.1%	0.2%	0.8%	1.6%	3.6%
Hartford	0.7%	0.8%	0.8%	2.2%	1.2%	1.8%	3.8%
Northeast	1.2%	0.3%	0.7%	2.7%	1.1%	2.1%	4.4%
United States	1.0%	0.5%	0.8%	2.1%	0.4%	1.6%	4.1%
Period Ending:	06/30/12	03/31/12	06/30/12	12/31/11	12/31/11	12/31/11	12/31/16

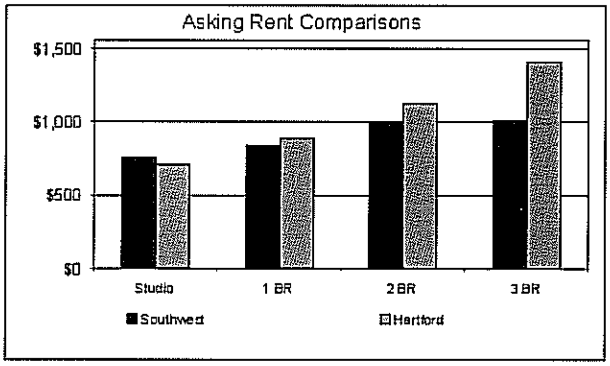
Source: REISReport, Submarket Analysis, Apartment 2nd Q2012, Submarket: N/W Hartford

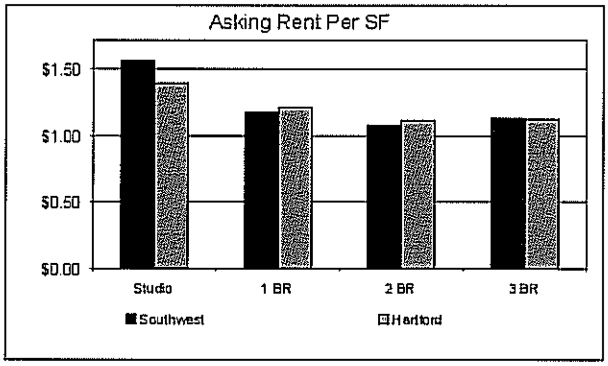
The year to date growth rate, as of June 2012, reports a rent growth of 1.1% for the submarket which compares to 0.8% for all of metro Hartford, 0.7% growth for the Northeast and 0.8% growth nationwide. The average annual growth rate in rents in the Southwest submarket amounted to just 0.2%. As such, there appears to be a small spike in rents in the past six months. The five year average annual growth rate in rents was just 1.6%. However, the forecast for the Southwest Submarket for the next five years is an annual increase of 3.6%. While below the forecast for the Hartford Metro region, Northeast and Nation, it is well above the historic performance of the area.

The following charts and graphs provide a breakdown of rental rates by unit type including studios, one-bedroom, two-bedroom and three-bedroom units, as compiled by REIS. The average rent for a studio style unit in the Southwest submarket was stated at $760. Furthermore, the average unit size was measured at just 484 square feet with an average rental rate of $1.57 per square foot. In the past quarter the growth rate spiked 4.7% for the unit type, following a decline in the prior quarter of 0.8%. Overall, year-to-date the growth rate for studio rents increased 3.8%. The second quarter asking rent for a one-bedroom unit was stated at $836 per month. The rental rate also showed growth over the prior quarter, but not so significant as the studio units growing 1.7% in the quarter with a year-to-date growth rate of 2.7%. The average unit size was measured at 711 square feet with an average rental rate of $1.18 per square foot. The average asking rent for the two-bedroom units for the second quarter of 2012 was stated at $995. The growth rate for this type units was slowest amongst all classes at just 0.2% for the quarter and 1.5% year-to-date. It should be noted that the average annual growth rate for both the one and two bedroom units amounted to 1.6% over five years. The average unit size for a two-bedroom unit was stated at 920 square feet with an average monthly rent per square foot of $1.13.

It is important to note that the stated rents reflect the age and condition of the apartment stock in the region. As noted previously 94% of the apartment stock was built prior to 1989 and 55% of the stock was built prior to 1970.

Current Submarket Average Rents and Sizes				Asking Rent Growth					
	2Q 2012			Quarterly			Annualized		
	Rent	Avg. SF	Avg. Rent PSF	2Q12	1Q12	YTD	1 Year	3 Year	5 Year
Studio/Efficiency	$760	484	$ 1.57	4.7%	-0.8%	3.8%	3.0%	2.0%	0.8%
One Bedroom	$836	711	$ 1.18	1.7%	1.0%	2.7%	1.2%	0.7%	1.6%
Two Bedroom	$995	920	$ 1.08	0.2%	1.3%	1.5%	-0.6%	0.8%	1.6%
Three Bedroom	$1,009	892	$ 1.13	3.2%	1.8%	5.0%	0.1%	1.0%	2.1%
			Average over period ending:	06/30/12	03/31/12	06/30/12	12/31/11	12/31/11	12/31/11





	Studio	1 BR	2 BR	3 BR
Southwest	$760	$836	$995	$1,009
Hartford	$707	$888	$1,126	$1,406

As of 06/30/12

	Studio	1 BR	2 BR	3 BR
Southwest	$ 1.57	$ 1.18	$ 1.08	$ 1.13
Hartford	$ 1.39	$ 1.22	$ 1.11	$ 1.12

As of 06/30/12

We also note that the survey indicates that while the subject submarket generally achieves higher rents and rental rates for studio units than the Hartford Metro region, the subject region lags the metro region for both one bedroom and two bedroom unit rentals.

Lastly, within the submarket the REIS Study shows the composition of apartment units to include just 5.5% of the stock as studio units, 40.6% as one-bedroom units, 49.6% as two bedroom units and just 4.3% as three bedroom units.

Overall, the REIS Study of the Southwest Hartford Submarket depicts an area of the state that has seen very little new construction in the apartment segment in many years. The rental rates, which are below the Hartford Metro area for the most part, are indicative of the age and condition of the stock of existing apartments. On a positive note, the study suggests that rental rates in the region will increase at a fairly high rate over the next five years at an average annual rate of 3.6% per annum.

The scope of our work also included reviewing *The Residential Market Analysis* prepared by Zimmerman/Volk Associates in March 2011. The study cites the supply of apartments in Bristol at

1,108 units within 7 projects ranging in size between 48 apartments and 280 apartments. Clearly this represents only the larger apartments in the community and excludes several other forms of multifamily rental properties including age restricted apartments and developments under 48 units including a plethora of two- to five-family dwellings. It also appears to omit some of the older stock of apartments in the city. Since there have been no significant additions to the apartment supply, this appears to be a reasonable estimate for the subject community. Based on an analysis of demographic and socio-economic conditions, the study concludes that "based on forecast capture of the potential market for new housing units in the Downtown Bristol Study Area, more than 3,500 housing units could be absorbed in the Study Area over a 10-year time frame." While our firm does not attempt to test the veracity of the findings, it non-the-less provides some indication of the potential demand for multi-family housing in downtown. In the past 30 years there has been only one addition to the market, that being one age restricted apartment developed on Laurel Street known as Riverview Apartments. This 139-unit complex, which is age restricted to persons 55 and older, was built in 2005 and was coolly received by the market. Over the past seven years, the occupancy has slowly climbed to the current high of 90%. However, this was a fairly small development constructed at the fringe of the downtown.

In order to estimate market rents for the proposed apartment units our research territory was expanded due to the lack of any new apartment construction in the immediate region. We looked to communities that have active markets for new construction or areas with a well-established supply of relatively new apartments. Our research also revealed that this type of development is fairly unique for cities as small as Bristol. In recent years there have been a number of large scale apartment developments in Hartford and New Haven. However, the economics and dynamics of these large cities are vastly superior to Bristol. Therefore we did not study these complexes nor include these statistics in our analysis. While the subject location is urban with a proposed high density of development, it is our opinion that it is most comparable to some of the larger suburban developments, especially in more urban areas.

On the following pages are the results of our survey which includes a sample set of data from some of the more prominent yet older apartment complexes in Bristol as well as some of the newer regional developments.

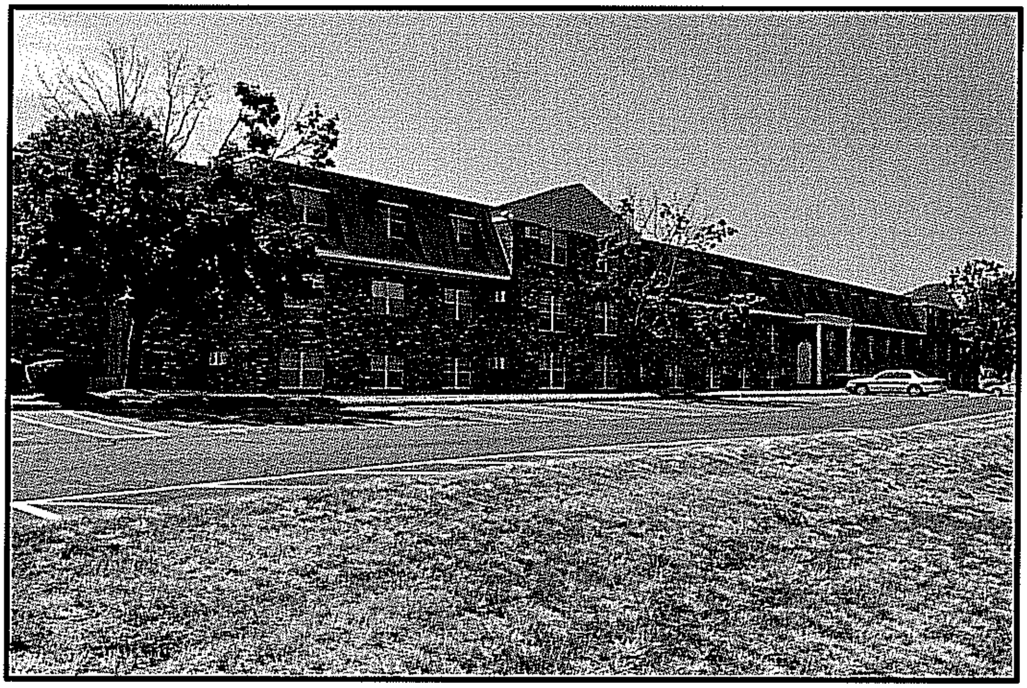
Property Name	Pine Brook
Street Address	90 Pine Brook Terrace
Town	Bristol CT
Neighborhood	Commercial/Residential
Complex Type	Garden Style
Units	112
Occupancy	96%
Acres	5.19
Density	21.6 units per acre
Year Built	1970
Stories	2 Story
Quality/Condition	Average/Average

Unit Mix

No. Units	Unit Type Rms	Bdrms		Unit Style	Square Feet	Asking Rent	Per SF
7	3	1	1	Flat	550	$740	$1.35
24	4	2	1	Flat	800	$755	$0.94
80	4	2	1	Flat	700	$740	$1.06
1	5	3	2	Flat	1,000	$820	$0.82

Utilities Included	Cold Water; tenants pay for all separately metered utilities (all electric)						
Kitchen Appliances	Refrigerator	X	Stove	X	DW	MW	GD X
Unit Amenities	W/D hook-up		Porch		FP	Storage	AC X
Complex Amenities	Laundry	X	Pool		Other	Fitness	
Parking Availability	Ample on-site parking						

Comments: This complex consists of seven contiguous parcels, each improved with a single multifamily building. The complex has no amenities but provides good basic living accommodations. At the existing density, much of the assembled site is covered by either buildings or on-site parking. The units are all flats.



Property Name	Lakewood Complex
Street Address	241 Redstone Hill Road
Town	Bristol CT
Neighborhood	Industrial/multi-family neighborhood
Complex Type	Garden Style
Units	250
Occupancy	98%
Acres	8.52
Density	29.3 units per acre
Year Built	1970
Stories	2 - 3 stories
Quality/Condition	Average/Average

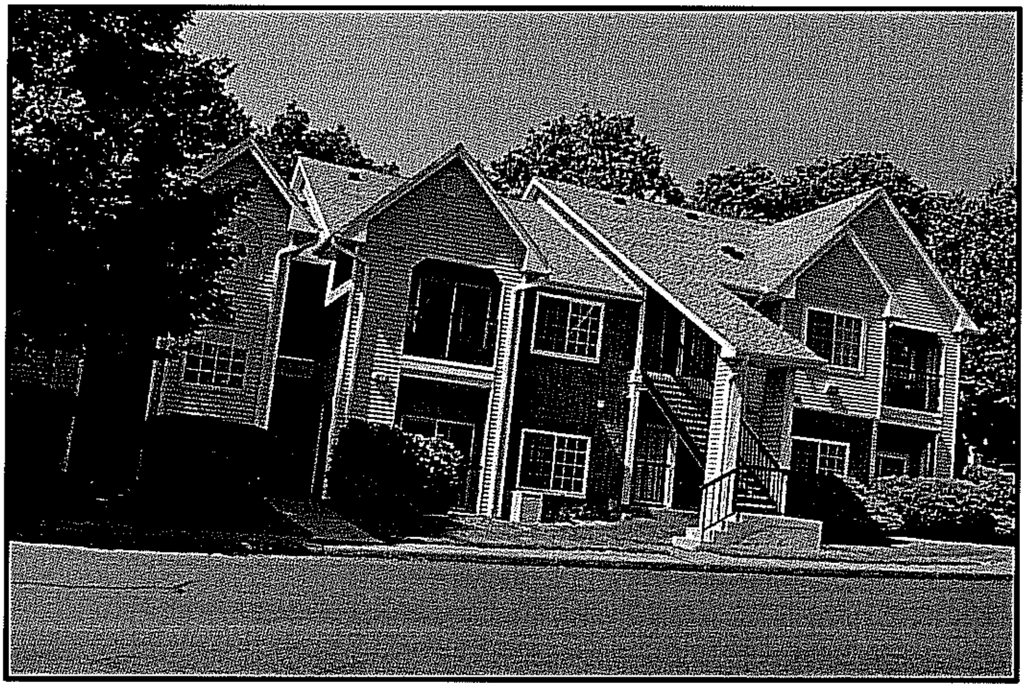
Unit Mix

No. Units	Unit Type Rms	Bdrms		Unit Style	Square Feet	Asking Rent	Per SF
Model 1A	3	1	1	Flat	675	$650	$0.96
Model 2A	4	2	1	Flat	1,000	$750	$0.75

Utilities Included	Cold Water; tenants pay for all separately metered utilities (all electric)									
Kitchen Appliances	Refrigerator	X	Stove	X	DW	X	MW		GD	X
Unit Amenities	W/D hook-up		Porch		FP		Storage	X	AC	X
Complex Amenities	Laundry	X	Pool		Other		Fitness			
Parking Availability	Ample on-site parking									

Comments

This complex consists of five contiguous parcels, each improved with a single multifamily building. The complex has no amenities but provides good basic living accommodations. At the existing density, much of the assembled site is covered by either buildings or on-site parking.



Property Name	Huntington Woods
Street Address	200 Blakeslee Street
Town	Bristol CT
Neighborhood	Largely residential, just off the Route 72 connector
Complex Type	Town House/Garden
Units	280 total; 84 units rented at prevailing market rents
Occupancy	90% Undergoing renovations causing above average vacancy
Acres	20.9
Density	13.4 units per acre
Year Built	1990
Stories	2 - 3 stories
Quality/Condition	Good/Good

Unit Mix

No. Units	Unit Type Rms	Bdrms		Unit Style	Square Feet	Asking Rent	Per SF
Ashley	3	1	1	Flat	896	$1,050	$1.17
Barrington	3	1	1	Flat	794	$1,050	$1.32
Canterbury	4	2	2	Flat	1,002	$1,150	$1.15
Dorchester	4	2	2	Flat	1,083	$1,150	$1.06
Edwardian	5	3	2	Flat	1,280	$1,350	$1.05

Utilities Included	Cold Water; tenants pay for all separately metered utilities										
Kitchen Appliances	Refrigerator	X	Stove	X	DW	X	MW		GD	X	
Unit Amenities	W/D hook-up	X	Porch	X	FP		Storage	X	AC	X	central
Complex Amenities	Laundry	X	Pool	X	Other		Fitness	X	Tennis and Basketball Courts		
Parking Availability	Ample on-site parking										

Comments

This complex was funded by Low Income Housing Tax Credits that encumber 70% of the dwelling units, or 196 units. The balance of the dwelling units (84) are rented at market rates. The rates stated above are current rents achieved for the market units only. The apartments are presently undergoing interior renovations including all new kitchens with

Property Name	Redstone Gardens
Street Address	186 Surrey Drive
Town	Bristol CT
Neighborhood	Largely residential
Complex Type	Town House/Garden
Units	132
Occupancy	95%
Acres	5.6
Density	23.6 units per acre
Year Built	1966
Stories	2 stories
Quality/Condition	Average/Average-Good

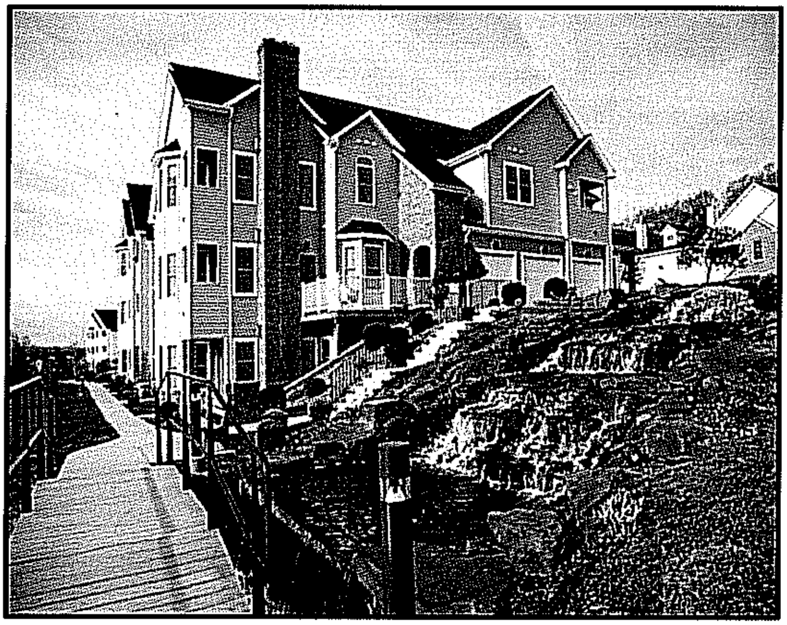
Unit Mix

No. Units	Unit Type Rms	Bdrms		Unit Style	Square Feet	Asking Rent	Per SF
32	3	1	1	Flat	585	$800	$1.37
92	4	2	2	Townhouse	850	$900	$1.06
8	5	3	2	Townhouse	926	$1,075	$1.16

Utilities Included	Cold Water, Hot Water, and Heat									
Kitchen Appliances	Refrigerator	X	Stove	X	DW	X	MW		GD	
Unit Amenities	W/D hook-up	X	Porch		FP		Storage		AC	X
Complex Amenities	Laundry	X	Pool	X	Other		Fitness	X		
Parking Availability	Ample on-site parking									

Comments

This 1960's vintage apartment complex that in 2009 received interior renovations to include new kitchen finish and appliances. However, the property does not show well given poorly maintained landscaping and obvious differed maintenance of the exterior of the buildings. Washer and dryer hookups are provided in the basement of the townhouse units only. The property has one laundry room, but no other amenities.

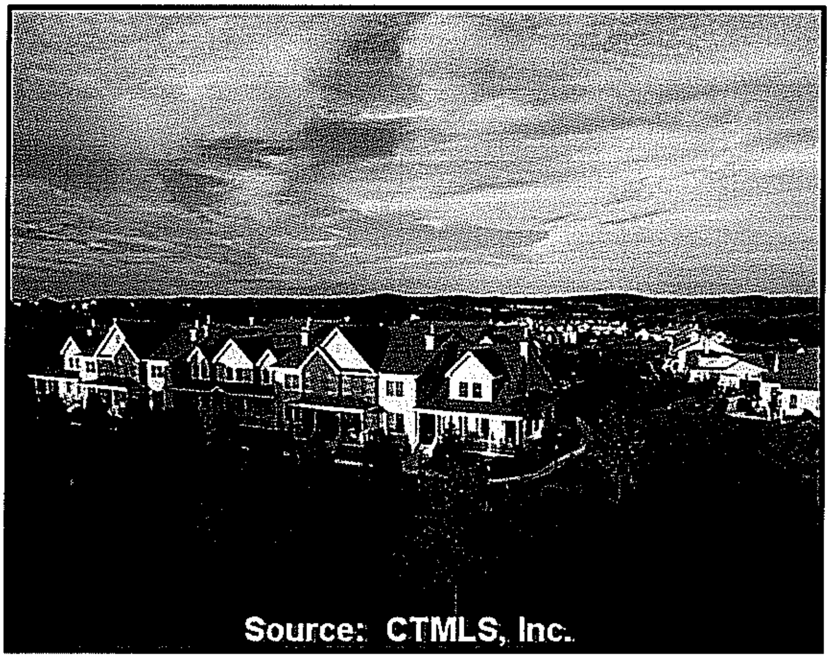


Property Name The Mansions at Hockanum Crossing
Street Address 75 Hockanum Boulevard
Town Vernon CT
Neighborhood Largely residential
Complex Type Town House
Units 650
Occupancy 97%
Acres 75.19
Density 8.6 units per acre
Year Built 2001 - 2011
Stories 2 - 3 stories
Quality/Condition Excellent/Excellent

Unit Mix

No. Units	Unit Type Rms	Bdrms		Unit Style	Square Feet	Asking Rent	Per SF
Winfrey	3	1	1	Flat	720	$1,015	$1.41
Winfrey w/garage	3	1	1	Flat	720	$1,115	$1.55
Wilshire	3	1	1	Flat	795	$1,145	$1.44
Rockwell	3	1	1	Flat	940	$1,205	$1.28
Riviera	3	1	1	Flat	925	$1,205	$1.30
Carlyle	3	1	1.5	Flat	925	$1,215	$1.31
Marquis	3	1	1.5	Flat	1,075	$1,265	$1.18
Ashton	3	1	1.5	Flat	1,175	$1,395	$1.19
Chateau	4	2	2	Flat	1,000	$1,295	$1.30
Versace	4	2	2	Flat	1,125	$1,365	$1.21
Monticello	4	2	2	Flat	1,125	$1,465	$1.30
Vanderbuilt	4	2	2	Flat	1,239	$1,495	$1.21
Arlington	5	3	2.5	Townhouse	1,675	$1,665	$0.99

Utilities Included Cold Water
Kitchen Appliances Refrigerator X Stove X DW X MW GD
Unit Amenities W/D hook-up X Porch FP Storage AC X
Complex Amenities Laundry X Pool X Other Fitness X
Parking Availability Each unit has a garage with the exception of several one bedroom units; ample site parking
Comments This complex was developed in phases starting in 2001. There are presently 72 units now under construction with the maximum site development of 712 units. The complex includes a clubhouse, fitness center, and business center.



Source: CTMLS, Inc.

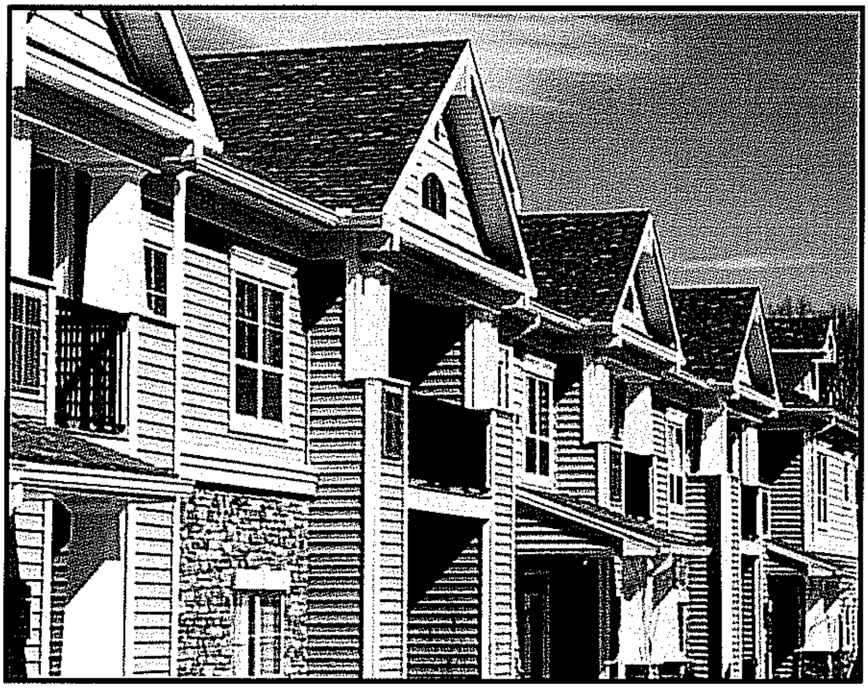
Property Name	Deer Valley
Street Address	155 Windermere Avenue
Town	Ellington CT
Neighborhood	Largely residential
Complex Type	Townhouse
Units	257
Occupancy	98%
Acres	52.04
Density	4.9 units per acre
Year Built	2003 - 2010
Stories	2 - 3 stories
Quality/Condition	Excellent/Excellent

Unit Mix

No. Units	Unit Type Rms	Bdrms		Unit Style	Square Feet	Asking Rent	Per SF
Portsmouth	4	1	1.5	Townhouse	1,232	$1,325	$1.08
Hamptons	5	1	1.5	Flat	1,202	$1,425	$1.19
Bostonian	4	1	1.5	Flat	1,109	$1,425	$1.28
Burlington	3	1	1.5	Townhouse	1,311	$1,475	$1.13
Chatham	5	1	1.5	Flat w/ loft	1,343	$1,595	$1.19
Kennebunkport	4	1	1.5	Townhouse	1,439	$1,650	$1.15
Essex	5	1	2.5	Flat w/ loft	1,489	$1,665	$1.12
Champlain	5	1	2.5	Flat w/ loft	1,827	$1,725	$0.94
Hyannis	5	2	2	Flat	1,434	$1,795	$1.25
Newport	5	2	2.5	Townhouse	1,393	$1,695	$1.22
Woodstock	5	2	2.5	Flat	1,370	$1,825	$1.33
Mystic	5	2	2.5	Townhouse	1,966	$1,895	$0.96
Nantucket	5	2	2.5	Flat w/ loft	1,604	$1,950	$1.22
Greenwich	5	2	2.5	Townhouse	1,750	$2,095	$1.20
Shelburne	5	2	2.5	Townhouse	2,066	$2,195	$1.06

Utilities Included	Cold Water								
Kitchen Appliances	Refrigerator	X	Stove	X	DW	X	MW	GD	
Unit Amenities	W/D hook-up	X	Porch		FP		Storage	AC	X
Complex Amenities	Laundry	X	Pool	X	Other		Fitness X		
Parking Availability	Each unit has a garage								

Comments: Townhouse style apartment complex in Ellington developed in phases between 2003 and 2010. The last 66 units were said to have been completed in 2010 and entirely preleased.



Property Name	Vintage at the Grove
Street Address	839 Tolland Turnpike
Town	Manchester CT
Neighborhood	Residential with Nearby Shopping District
Complex Type	Town House
Units	322
Occupancy	98%
Acres	46.3
Density	7 units per acre
Year Built	2007
Stories	3 stories
Quality/Condition	Excellent/Excellent

Unit Mix

No. Units	Unit Type Rms	Bdrms		Unit Style	Square Feet	Asking Rent	Per SF
The Bothwell (studi	2		1	Flat	701	$1,040	$1.48
The Candler	3	1	1	Flat	814	$1,202	$1.48
The Fairmont	5	1	1	Flat	1,014	$1,395	$1.38
The Kentwood	5	2	2	Flat	1,192	$1,528	$1.28
The Glencoe	4	2	2	Flat	1,182	$1,535	$1.30
The Melrose	5	2	2	Flat	1,257	$1,612	$1.28
The Rosslyn	6	2	2	Flat	1,391	$1,748	$1.26
The Linden	5	2	2	Flat	1,374	$1,758	$1.28
Townhouse w/Attac	6	2	2	Townhouse	1,350	$2,205	$1.63

Utilities Included	Cold Water									
Kitchen Appliances	Refrigerator	X	Stove	X	DW	X	MW	X	GD	X
Unit Amenities	W/D hook-up	X	Porch		FP	X	Storage		AC	X
Complex Amenities	Laundry		Pool	X	Other		Fitness	X		
Parking Availability	Each unit has a garage									

Comments: The units feature washer and dryers in every apartment. Amenities include a pool, tennis court, clubhouse and a laundry facility. Unit features include air conditioning, tile floors, walk-in closets and a patio or balcony. A small number of units have ground floor garages, there are also detached garage buildings, but there is not one garage per unit. Garages can be leased at $65 per month.

Property Name Newbury Village
Street Address 211 Pomeroy Avenue
Town Meriden CT
Neighborhood Industrial/Commercial
Complex Type Mid-rise
Units 180
Occupancy 97%
Acres 10.38
Density 17.3 units per acre
Year Built 2005
Stories 2 - 4 stories
Quality/Condition Good/Good

Unit Mix

No. Units	Unit Type Rms	Bdrms		Unit Style	Square Feet	Asking Rent	Per SF
Adams	1	1	1	Flat	658	$945	$1.44
Cheshire	3	1	1	Flat	749	$1,285	$1.72
Bennington	3	1	1	Flat	754	$1,330	$1.76
Arlington	3	1	1	Flat	736	$1,405	$1.91
Marlborough	3	1	1	Flat	854	$1,405	$1.65
Avon	3	1	1	Flat	850	$1,430	$1.68
Fairfield	4	2	2	Flat	1,130	$1,490	$1.32
Farmington	4	2	2	Flat	1,188	$1,550	$1.30
Newport	4	2	2	Flat	1,240	$1,595	$1.29
Providence	4	2	2	Flat	1,199	$1,670	$1.39
Simsbury	4	2	2	Townhouse	1,319	$1,695	$1.29

Utilities Included Cold Water
Kitchen Appliances Refrigerator X Stove X DW X MW X GD
Unit Amenities W/D X Porch X FP Storage AC X
Complex Amenities Laundry Pool X Other Fitness X
Parking Availability Garage units are available for lease for a portion of the units at a monthly rental rate of $150
Comments Wood frame colonial style development in good condition and of good quality construction. The complex has a full wet sprinkler system. The complex has an on site rental office with maintenance staff. The clubhouse measures 5,200 square feet and features a fitness room, billiards room, community kitchen and a deck overlooking the in ground pool. Each building has elevator service.

Property Name	Middletown Ridge
Street Address	100 Town Ridge Drive
Town	Middletown CT
Neighborhood	Residential
Complex Type	Walk-up
Units	238
Occupancy	98%
Acres	Unknown
Density	Unknown
Year Built	1988 Newly Remodeled
Stories	2 - 4 Stories
Quality/Condition	Good/Good

Unit Mix (sample)

No. Units	Unit Type Rms	Bdrms	Bths	Unit Style	Square Feet	Asking Rent	Per SF
A4	3	1	1	Flat	827	$1,245	$1.51
B1	4	2	2	Flat	1,307	$1,570	$1.20
C1	5	3	2	Flat	1,452	$1,875	$1.29

Utilities Included: The tenant is responsible for separately metered utilities for heat, hot water, cooking and air conditioning as well as cable and telephone. The landlord is responsible for cold water.

Kitchen Appliances	Refrigera	X	Stove	X	DW	X	MW		GD	
Unit Amenities	W/D hool	X	Porch		FP	X	Storage	X	AC	X
Complex Amenities	Laundry	X	Pool	X	Other	X	Fitness	X		

Parking Availability: 1.9 spaces per dwelling unit

Comments: Located in a densley developed multifamily neighborhood typically referred to as the West Lake section of Middletown, just off Interstate 91.

The following chart summarizes the rental survey for studio units.

Studo Units							
	Units	Rms/Bdrms/Bths	Style	Feet	Rent	SF
Newbury Village, Meriden	Adams	1 1 1	Flat	658	$945	$1.44
Vintage	The Bothwell	1 1	Flat	701	$1,040	$1.48

Studio units comprise the smallest share of the market with only two complexes surveyed offering this type of living space. This is contrary to the proposed subject complex which will have 210 studio style units comprising 25% of the unit mix. The most prevalent studio unit will contain a gross living area of 531 square feet which is a small unit in comparison to the two comparable properties where the unit sizes range between 658 and 701 square feet. The comparable units are therefore between 127 square feet and 170 square feet larger than the subject. In both cases, a downward adjustment for size would be warranted. Minor downward adjustments would be warranted for the inferior amenities at the subject and limited balcony or terrace space. A downward adjustment would also be warranted for location. Vintage at the Grove is located in a well-established shopping district anchored by a regional mall with a plethora of shopping, entertainment and restaurant choices readily available to tenants. Further, the complex is located near a full interchange of Interstate 84 just west of Hartford. Newbury Village does not offer the same quality of neighborhood characteristics, being located in an office/industrial park, but it is proximate to a confluence of three major highways, Connecticut Route 15, Interstate 91 and Interstate 691. The strategic location would be attractive to tenants that work in a plethora of employment centers in the region. While downward adjustments for location are warranted, the magnitude of the adjustment in the case of Vintage at the Grove would be greater. Overall, the comparable properties would support a rental rate for the subject units of $900 per month.

Estimates of Market Rent by Comparison

1. Unit Type: Studio	2. Subject Property (Address): Depot Square, Bristol	A. Comparable Property No. 1: Newbury Village, 211 Pomeroy Avenue, Meriden, CT			B. Comparable Property No. 2: Village at the Grove, Manchester, CT		
Characteristics	Data	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +
3. Effective Date of Rental	06/2013	08/2012		$25	08/2012		$25
4. Type of Project/Stories	Elevator	Elevator			Walk-up 3-sty.		$15
5. Floor of Unit in Building	Any	Any			Any		
6. Project Occupancy %	N/A	97%			98%		
7. Concessions	None	None			None		
8. Year Built	2013	2005		$15	2007		$15
9. Sq. Ft. Area	531	658	$50		701	$75	
10. Number of Bedrooms	1	1			1		
11. Number of Baths	1.0	1.0			1.0		
12. Number of Rooms	1	3			3		
13. Balc./Terrace/Patio	No	Yes	$10		Yes	$10	
14. Garage or Carport	No	No			No		
15. Equipment A/C	Yes	Yes			Yes		
b. Range/Oven	Yes	Yes			Yes		
c. Refrigerator	Yes	Yes			Yes		
d. Disposal	Yes	No		$5	Yes		
e. Microwave	Yes	Yes			Yes		
f. Dishwasher	Yes	Yes			Yes		
g. Washer/Dryer	Yes	No		$15	Yes		
h. Carpet/Drapes	Yes	Yes			Yes		
i. Pool/Rec. Area	No	Yes/Yes	$10		Yes/Yes	$10	
16. Services a. Heat/Type	No/Electric	No/Gas			No/Electric		
b. Cook/Type	No / Electric	No/Electric			No/Electric		
c. Electricity	No	No			No		
d. Water Cold/Hot	Yes/No	Yes/No			Yes/No		$10
17. Storage	Good	Good			Good		
18. Project Location	Average	Superior	$50		Superior	$100	
19. Other - Condition	Good	Good			Good		
20. Unit Rent Per Month		$945			$1040		
21. Total Adjustment			($60)			($130)	
22. Indicated Rent		$885			$910		
23. Correlated Subject Rent	$900	☐ If there are any Remarks, check here and add the remarks to the back of page.					
	high rent	$910	low rent		$885	60% range	$890 to $906

Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.

Date (mm/dd/yy): 11/03/12

Reviewer's Signature:

Date (mm/dd/yyyy):

Previous editions are obsolete

form HUD-92273 (3/95)

The following chart summarizes the rental survey for one-bedroom units.

ONE BEDROOM UNITS								
	Units	Rms/Bdrms/Bths			Style	Feet	Rent	SF
Vintage at the Grove, Manchester	The Candler	3	1	1	Flat	814	$1,202	$1.48
Newbury Village, Meriden	Cheshire	3	1	1	Flat	749	$1,285	$1.72
	Bennington	3	1	1	Flat	754	$1,330	$1.76
	Arlington	3	1	1	Flat	736	$1,405	$1.91
	Marlborough	3	1	1	Flat	854	$1,405	$1.65
	Avon	3	1	1	Flat	850	$1,430	$1.68
Deer Valley, Ellington	Burlington	3	1	1.5	Townhouse	1,311	$1,475	$1.13
Huntington Woods, Bristol	Ashley	3	1	1	Flat	896	$1,050	$1.17
	Barrington	3	1	1	Flat	794	$1,050	$1.32
The Mansions, Vernon	Winfrey	3	1	1	Flat	720	$1,015	$1.41
	Wilshire	3	1	1	Flat	795	$1,145	$1.44
	Rockwell	3	1	1	Flat	940	$1,205	$1.28
	Riviera	3	1	1	Flat	925	$1,205	$1.30
Middletown Ridge, Middletown	A4	3	1	1	Flat	827	$1,245	$1.51
Redstone Gardens, Bristol	One bedroom	3	1	1	Flat	585	$800	$1.37
Lakewood, Bristol	Model 1A	3	1	1	Flat	675	$650	$0.96
Pine Brook	One Bedroom	3	1	1	Flat	550	$740	$1.35

The rental rates for one bedroom apartments vary significantly depending on the age, condition and quality of the complex surveyed. Older inferior complexes in Bristol, including Lakewood, Pine Brook and Redstone Gardens command far lower monthly rents in comparison to the stock of newer apartments. Huntington Woods, which is largely an affordable apartment complex, is more modern and in superior condition and offers superior amenities than the balance of apartments surveyed in Bristol. The complex is located just outside of downtown Bristol with good access to Route 72. While most of the units are earmarked for low income households, roughly 30% of the units can be rented at market terms. The rents stated are for market based units. Overall, the rental rates for the one bedroom units range between $1,050 and $1,475 per month for the newer stock of apartments in the region. For the purpose of analysis we have chosen for complexes for adjustment purposes to estimate the market rent for the subject. These include Newbury Village in Meriden, Vintage at the Grove in Manchester, The Mansions at Hockanum Crossing in Vernon, Redstone Gardens in Bristol and Huntington Woods in Bristol.

The results of our adjustment process are illustrated on the table on the following page. Once again, the locations of Newbury Village, Vintage at the Grove and The Mansions at Hockanum Crossing were all considered superior to the subject warranting downward adjustments. The two complexes in Bristol were considered to be inferior to the subject warranting upward adjustments to the rents. Comparables 4, 5 and 6 each offered smaller one bedroom units than the subject and required an upward adjustment to the rents, the largest magnitude of adjustment for the one-bedroom units at Redstone Gardens in Bristol which are only 585 square feet. Overall, the adjustment process resulted in a supported market rental range of between $1,040 and $1,275 per month. We reconciled at a monthly market rental rate for the subject one-bedroom units at $1,100.

Estimates of Market Rent by Comparison

1. Unit Type: One Bedroom	2. Subject Property (Address): Depot Square, Bristol	A. Comparable Property No. 1: Newbury Village, 211 Pomeroy Avenue, Meriden, CT			B. Comparable Property No. 2: Vintage at the Grove, Manchester, CT			C. Comparable Property No. 3: The Mansions at Hockanum Crossing, Vernon, CT			D. Comparable Property No. 4: Redstone Gardens, 186 Surrey Drive, Bristol, CT			E. Comparable Property No. 5: Huntington Woods, 200 Blakeslee Street, Bristol, CT		
Characteristics	Data	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +
3. Effective Date of Rental	06/2013	08/2012		$25	08/2012		$25	08/2012		$25	08/2012		$25	08/2012		$25
4. Type of Project/Stories	Elevator	Elevator			Walk-up 3-sty.		$15	Walk-Up 3-sty.			Walk-up 2-sty.			Walk-up 3 sty.		
5. Floor of Unit in Building	Any	Any			Any			Any			Any			Any		
6. Project Occupancy %	N/A	97%			98%			97%			95%			90%		
7. Concessions	None	None			None			None			None			None		
8. Year Built	2013	2005		$15	2007		$15	2011			1966		$50	1990		$50
9. Sq. Ft. Area	763	749			814	$25		720		$25	585		$175	794	$25	
10. Number of Bedrooms	1	1			1			1			1			1		
11. Number of Baths	1.0	1.0			1.0			1.0			1.0			1.0		
12. Number of Rooms	3	3			3			3			3			3		
13. Balc./Terrace/Patio	No	Yes	$10		Yes	$10		Yes	$10		No			Yes	$10	
14. Garage or Carport	No	No			No			No			No			No		
15. Equipment A/C	Yes	Yes			Yes			Yes			Yes			Yes		
b. Range/Oven	Yes	Yes			Yes			Yes			Yes			Yes		
c. Refrigerator	Yes	Yes			Yes			Yes			Yes			Yes		
d. Disposal	Yes	No		$5	Yes	$5		No		$5	No		$5	Yes		
e. Microwave	Yes	Yes			Yes	$5		No		$5	No		$5	No		$5
f. Dishwasher	Yes	Yes			Yes			Yes			No		$5	Yes		
g. Washer/Dryer	Yes	No		$15	Yes			No		$15	No		$15	No		$15
h. Carpet/Drapes	Yes	Yes			Yes			Yes			Yes			Yes		
i. Pool/Rec. Area	No	Yes/Yes	$10		Yes/Yes	$10		Yes/Yes		$10	No/No			Yes/Yes		
16. Services a. Heat/Type	No/Electric	No/Gas			No/Electric			No/Gas			Yes/Gas	$75		No/Gas		
b. Cook/Type	No / Electric	No/Electric			No/Electric			No/Electric			No/Electric			No/Electric		
c. Electricity	No	No			No			No			No			No		
d. Water Cold/Hot	Yes/No	Yes/No			Yes/No		$10	Yes/No			Yes/Yes	$10		Yes/No		
17. Storage	Good	Good			Good			Good			Good			Good		
18. Project Location	Average	Superior	$50		Superior	$100		Superior	$50		Inferior		$50	Inferior		$50
19. Other - Condition	Good	Good			Good			Good			Fair		$200	Good		
20. Unit Rent Per Month		$1,285			$1,202			$1,015			$800			$1,050		
21. Total Adjustment			($10)			($90)			$25			$445			$110	
22. Indicated Rent		$1,275			$1,112			$1,040			$1,245			$1,160		
23. Correlated Subject Rent	$1,100	☐ If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	$1,275	low rent		$1,040	60% range		$1,087 to $1,228								

Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.

Date (mm/dd/yy): 11/28/12

The following chart summarizes the rental survey for two-bedroom units.

Two Bedroom Units								
	Units	Rms/Bdrms/Bths			Style	Feet	Rent	SF
Newbury Village, Meriden	Fairfield	4	2	2	Flat	1,130	$1,490	$1.32
	Farmington	4	2	2	Flat	1,188	$1,550	$1.30
	Newport	4	2	2	Flat	1,240	$1,595	$1.29
	Providence	4	2	2	Flat	1,199	$1,670	$1.39
Vintage	The Glencoe	4	2	2	Flat	1,182	$1,535	$1.30
Deer Valley	Hyannis	5	2	2	Flat	1,434	$1,795	$1.25
	Newport	5	2	2.5	Townhouse	1,393	$1,695	$1.22
	Woodstock	5	2	2.5	Flat	1,370	$1,825	$1.33
Mansions	Chateau	4	2	2	Flat	1,000	$1,295	$1.30
	Versace	4	2	2	Flat	1,125	$1,365	$1.21
	Monticello	4	2	2	Flat	1,125	$1,465	$1.30
	Vanderbuilt	4	2	2	Flat	1,239	$1,495	$1.21
Middletown Ridge	B1	4	2	2	Flat	1,307	$1,570	$1.20
Redstone, Bristol	92	4	2	2	Townhouse	850	$900	$1.06
Huntington Woods, Bristol	Canterbury	4	2	2	Flat	1,002	$1,150	$1.15
	Dorchester	4	2	2	Flat	1,083	$1,150	$1.06
Lakewood, Bristol	Model 2A	4	2	1	Flat	1,000	$750	$0.75
Pine Brook, Bristol	24	4	2	1	Flat	800	$755	$0.94
	80	4	2	1	Flat	700	$740	$1.06

The results of the survey for two bedroom units indicated similar conditions affecting the one bedroom units. Typically, the older stock of apartments in Bristol exhibited the lowest overall rents, not indicative of threshold rents for new apartment product. The most comparable rents from within the community of Bristol would be the market based rents at Huntington Woods. This largely affordable complex commands rental rates for the two bedroom flats of $1,150 including only cold water. While this complex has a superior amenity package, the subject location would be considered superior. Overall, we would expect a premium in rent above the rents achieved by this property.

The rental rates for the balance of those apartments surveyed ranged between $1,295 per month to a high of $1,825 per month, or between $1.20 and $1.39 per square foot. The units at Deer Valley are larger and we would expect this community to achieve rents higher than the subject. The complex considered most comparable to the subject would be Newbury Village. This complex has a strategic location at the confluence of three major highways. However, it is located in the City of Meriden in an industrial park. We would expect the subject would be able to achieve rents similar to these units.

For the purpose of this analysis we have selected five comparable two-bedroom rents to be adjusted for variances in location, expense handling and quality. The table summarizing those adjustments is on the following page.

Estimates of Market Rent by Comparison

1. Unit Type: Two Bedroom	2. Subject Property (Address): Depot Square, Bristol	A. Comparable Property No. 1 (address): Newbury Village, 211 Pomeroy Avenue, Meriden, CT			B. Comparable Property No. 3 (address): Village at the Grove, Manchester, CT			C. Comparable Property No. 4 (address): The Mansions at Hockanum Crossing, Vernon, CT			D. Comparable Property No. 5 (address): Redstone Gardens, 186 Surrey Drive, Bristol, CT			E. Comparable Property No. 5 (address): Huntington Woods, 200 Blakeslee Street, Bristol, CT		
Characteristics	Data	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +
3. Effective Date of Rental	06/2013	08/2012		$25	08/2012		$25	08/2012		$25	08/2012		$25	08/2012		$25
4. Type of Project/Stories	Elevator	Walk-Up 4 s		$15	Walk-up 3-sty.		$15	Walk-Up 3-sty.			Townhouse	$25		Walk-up 3 sty.		
5. Floor of Unit in Building	Any	Any			Any			Any			Any			Any		
6. Project Occupancy %	N/A	97%			98%			97%			95%			90%		
7. Concessions	None	None			None			None			None			None		
8. Year Built	2013	2005		$15	2007		$15	2011			1966		$50	1990		$50
9. Sq. Ft. Area	1,094	1,130	$25		1,182	$75		1,000		$75	850		$250	1,002		$90
10. Number of Bedrooms	2	2			2			2			2			2		
11. Number of Baths	2.0	2.0			2.0			2.0			2.0			2.0		
12. Number of Rooms	4	3			3			3			3			3		
13. Balc./Terrace/Patio	No	Yes	$10		Yes	$10		Yes	$10		No			Yes	$5	
14. Garage or Carport	No	No			No			No			No			No		
15. Equipment A/C	Yes	Yes			Yes			Yes			Yes			Yes		
b. Range/Oven	Yes	Yes			Yes			Yes			Yes			Yes		
c. Refrigerator	Yes	Yes			Yes			Yes			Yes			Yes		
d. Disposal	Yes	No		$5	Yes			No		$5	No		$5	Yes		
e. Microwave	Yes	Yes			Yes			No		$5	No		$5	No		$5
f. Dishwasher	Yes	Yes			Yes			Yes			No			Yes		
g. Washer/Dryer	Yes	No		$15	Yes			No		$15	No		$15	No		$15
h. Carpet/Drapes	Yes	Yes			Yes			Yes			Yes			Yes		
i. Pool/Rec. Area	No	Yes/Yes	$10		Yes/Yes	$10		Yes/Yes		$10	No/No			Yes/Yes		
16. Services a. Heat/Type	No/Gas	No/Gas			No/Electric			No/Gas			Yes/Gas	$100		No/Gas		
b. Cook/Type	No / Electric	No/Electric			No/Electric			No/Electric			No/Electric			No/Electric		
c. Electricity	No	No			No			No			No			No		
d. Water Cold/Hot	Yes/No	Yes/No			Yes/No		$10	Yes/No			Yes/Yes	$10		Yes/No		
17. Storage	Good	Good			Good			Good			Good			Good		
18. Project Location	Average	Superior	$50		Superior	$50		Superior	$50		Inferior		$50	Inferior		$50
19. Other - Condition	Good	Good			Good			Good			Fair		$400	Good		
20. Unit Rent Per Month		$1,490			$1,535			$1,295			$900			$1,150		
21. Total Adjustment			($20)			($80)			$75			$665			$230	
22. Indicated Rent		$1,470			$1,455			$1,370			$1,565			$1,380		
23. Correlated Subject Rent	$1,500	☐ If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	$1,565	low rent		$1,370	60% range		$1,409	to	$1,526						

Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.

Appraiser's Signature	Date (mm/dd/yy)	Reviewer's Signature	Date (mm/dd/yyyy)
	11/06/12		

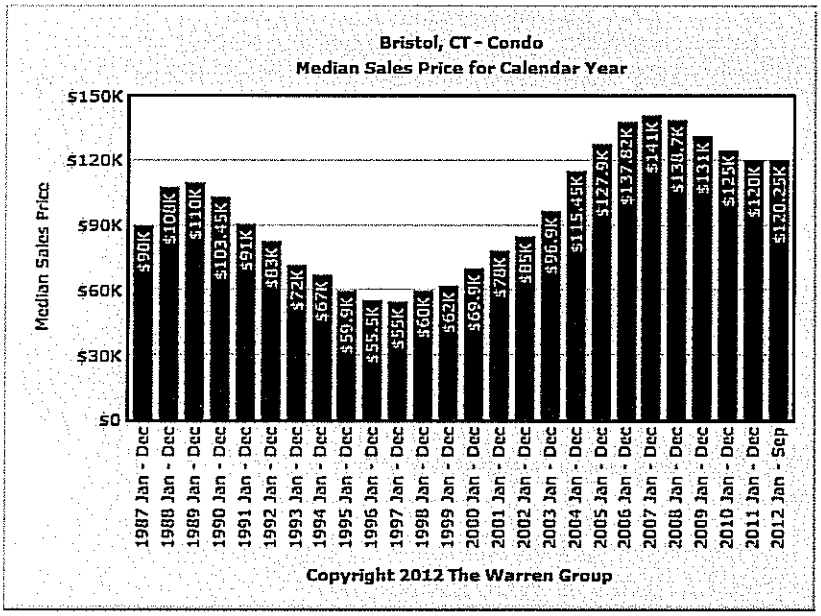
Conclusion: Base on our survey and analysis it is our opinion that the market rents for the subject units would be reasonably estimated as follows:

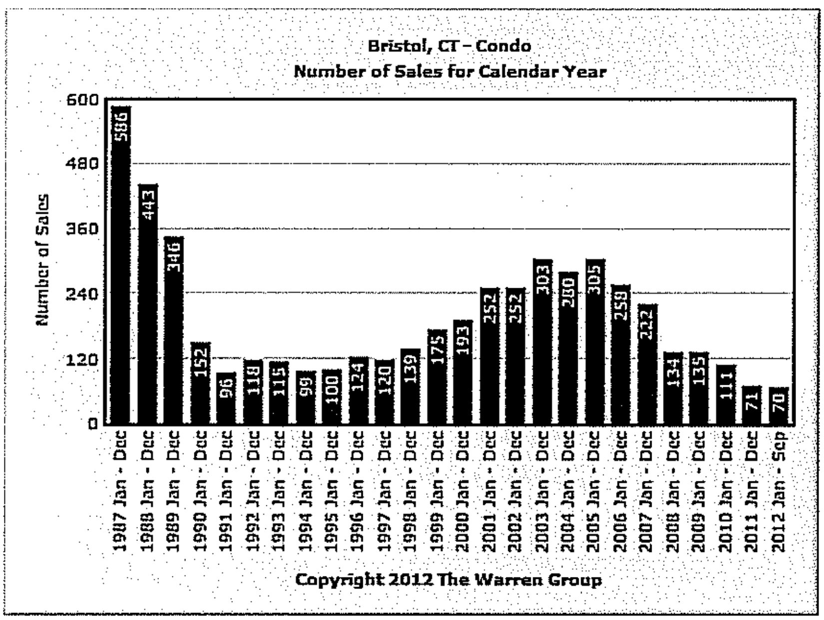
Space Description	Rental Rate	Period	Terms
Studio Apartment	$900	Per Month	Landlord provides cold water only; equivalent to $1.69 per square foot for the prevelent studio size of 531 square feet
One Bedroom Apartment	$1,100	Per Month	Landlord provides cold water only; equivalent to $1.44 per square foot for the prevelent studio size of 763 square feet
Two Bedroom Apartment	$1,500	Per Month	Landlord provides cold water only; equivalent to $1.37 per square foot for the prevelent studio size of 1,094 square feet

These are current monthly rental rates which would be inflated by 3.5% per annum for the first five years then stabilized at 2.5% thereafter. The inflated rents will be used upon absorption of each individual apartment building.

CONDOMINIUM MARKET ANALYSIS

The final phase of the subject development presently includes the proposed construction of 140 condominium units. There has been little new construction of condominiums in Bristol with most of the condominium stock of homes consisting of apartments that were converted to condominiums in the 1980"s. As such, the median price of a condominium unit in Bristol is generally low at just $120,250 as of September 2012. This is off the peak of the market in 2007 of $141,000.





The table below illustrates the most recent condominium activity in Bristol and the nearby community of Southington.

Street Address	Town	Date of Sale	Sale Price	Age	Area	Rms	Bdrms	Bths	Unit Price
1985 West Street U38	Southington	11/8/2012	$236,000	2009	1960	5	2	2	$120.41
2118 Mer-Wtby Road U18	Southington	10/29/2012	$169,900	2012	1396	6	2	2	$121.70
1985 West Street U32	Southington	10/16/2012	$316,705	2011	2114	7	3	2.1	$149.81
1985 West Street U35	Southington	10/5/2012	$232,500	2007	1780	5	2	2	$130.62
105 Turtlebrook Land U22	Bristol	10/1/2012	$293,500	2008	2241	7	3	3.1	$130.97
106 Turtlebrook Lane U17	Bristol	8/9/2012	$275,000	2008	2230	7	2	2.5	$123.32
2118 Mer-Wtby Road U16	Southington	8/1/2012	$189,900	2012	1444	5	2	2.1	$131.51
2118 Mer-Wtby Road U15	Southington	7/25/2012	$187,900	2012	1444	5	2	2.1	$130.12
2118 Mer-Wtby Road U19	Southington	7/19/2012	$190,000	2012	1444	5	2	2.1	$131.58
2118 Mer-Wtby Road U17	Southington	7/19/2012	$189,025	2012	1444	5	2	2.1	$130.90
2118 Mer-Wtby Road U12	Southington	7/13/2012	$187,900	2012	1444	5	2	2.1	$130.12
1325 Farmington Avenue U44	Bristol	7/10/2012	$178,000	2005	1572	4	2	2.1	$113.23
12 Weathervane Road U12	Bristol	7/9/2012	$192,500	2005	1724	6	2	2.1	$111.66
2118 Mer-Wtby Road U13	Southington	6/29/2012	$190,650	2012	1444	5	2	2.1	$132.03
370 Emmett Street U1-6	Bristol	6/29/2012	$204,000	2011	1400	5	2	2.1	$145.71
30 Prosperity Court U14	Southington	6/27/2012	$257,000	2009	1250	5	2	2	$205.60
86 Roberts Trace U25	Bristol	6/5/2012	$288,900	2011	1570	6	3	2	$184.01
1325 Farmington Avenue U41	Bristol	5/24/2012	$229,000	2006	1572	6	2	2	$145.67
370 Emmett Street U8-10	Bristol	4/16/2012	$214,000	2009	1388	4	2	2	$154.18
370 Emmett Street U1-7	Bristol	4/4/2012	$204,000	2011	1400	5	2	2.1	$145.71
55 Columbus Avenue U8	Southington	3/31/2012	$194,500	2008	1308	4	2	1.1	$148.70
370 Emmett Street U1-8	Bristol	2/17/2012	$204,000	2011	1400	5	2	2.1	$145.71
372 Emmett Street U1-9	Bristol	1/30/2012	$203,900	2011	1400	5	2	2.1	$145.64
1325 Farmington Avenue U22	Bristol	1/12/2012	$228,000	2006	1572	6	2	2.1	$145.04
30 Prosperity Court U22	Southington	12/30/2011	$274,900	2011	1750	6	2	2	$157.09
24 Roberts Trace U0	Bristol	12/30/2011	$288,600	2011	1600	6	3	2	$180.38
370 Emmett Street U8-7	Bristol	12/30/2011	$210,000	2009	1806	5	2	2.1	$116.28
55 Columbus Avenue U7	Southington	12/28/2011	$191,000	2008	1308	4.5	2	1.5	$146.02
16 Weathervane Road U16	Bristol	12/22/2011	$199,900	2005	1739	7	2	2.1	$114.95
600 Main Street U12	Plantsville	12/19/2011	$259,900	2009	1456	6	3	2	$178.50
4 Park Place U4	Southington	12/15/2011	$215,000	2005	1413	5	3	1.1	$152.16
36 Buckland Street U21	Southington	12/2/2011	$288,000	2005	1670	6	2	2.5	$172.46
1325 Farmington Avenue U45	Bristol	12/2/2011	$220,000	2006	2400	8	4	3	$91.67
371 Emmett Street U1-5	Bristol	4/30/2011	$204,000	2011	1400	5	2	2.1	$145.71

Overall, it's a fairly inactive market for condominiums in Bristol and its surrounding communities. The sales charted are generally those that represent the most modern construction. Current unit prices range between a low of $91.67 per square foot for the largest condominium unit surveyed at 2,400 square feet. The high unit price was recorded for a unit on Prosperity Court in Southington. This unit, which transferred at $205.60 per square foot, is a new development and the unit is fairly small in size, at 1,250 square feet. Overall, the average unit size in the survey is 1,602 square feet, which is slightly larger than the proposed units. The average unit price of these transactions is $141.45. Noteworthy, are several sales at 370 Emmett Street in Bristol. The most recent sales at this condominium complex ranged in price between $145 and $154 per square foot. These units are also comparable in size to the subject units at 1,400 square feet.

Overall, the proposed subject units will not be available for sale for nine years subsequent to the date of valuation. With the anticipation of price increases as the region anticipates better economic conditions, we have estimated that the subject units will be able to command an average unit price in 9 years of roughly $200 per square foot.

HIGHEST AND BEST USE

Real estate is valued in terms of its highest and best use. The use that, over the long term, maximizes the return on an investment property represents the highest and best use. The public sector establishes the pool of possible uses; the imperfect real estate market determines the feasible, probable, and actual uses. The market, in terms of supply and demand, also influences those specific or typical uses that would be most needed in the area analyzed.

To properly analyze highest and best use, two determinations must be made. First, the highest and best use of the site as though vacant and available for use is made. Second, the highest and best use of the property as improved is analyzed and estimated. The highest and best use of the land as though vacant may be different from the highest and best use of the improved property. This may occur if the improvements contribute to the overall value of a property yet are deemed, in some manner, to be inappropriate. The highest and best use of the site as though vacant forms the basis for the Cost Approach. The highest and best use of the property as improved helps the appraiser select appropriate comparable properties from which the Sales Comparison and Income Capitalization Approaches can be developed.

The highest and best use of both land as vacant and property as improved must meet four criteria. Each is identified and described as follows:

1. **Physically Possible:** This criterion identifies those uses for which the subject site is physically suited. Factors such as size, shape, terrain, capacity and availability of public utilities, and soil conditions are particularly relevant in determining a highest and best use for land as though vacant as they affect its physical utility and adaptability. For improved properties, physical characteristics such as size, design, and condition of the improvements must also be analyzed.

2. **Legally Permissible:** This criterion concerns those uses that are physically possible and are permitted on the site. Legal permissibility depends on public and private restrictions, zoning, building codes, environmental regulations, and any other governmental laws and/or regulations that pertain to the property.

3. **Financially Feasible:** Alternative uses that are physically possible and legally permissible are then analyzed to determine which will produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All alternative uses anticipated to produce a positive return are regarded as financially feasible.

4. **Maximally Productive:** Among financially feasible uses, the use that produces the highest price or value consistent with the rate of return warranted by the market is the maximally productive use.

HIGHEST AND BEST USE - AS VACANT

The property being appraised consists of a 15.06-acre site in downtown Bristol, zoned Business District 1. The site is owned by the City of Bristol. The city perceives this parcel to be of unique quality due to its location that it could become the centerpiece of a revitalization of downtown Bristol. As such the proposed development plan including 991 residential units, a 9-story, 112,500 square foot office tower, a 9-story, 125-room hotel, 77,902 square feet of retail space, 140 condominium units and five supporting garage structures that will contain 1,106 parking spaces has been given Concept Plan approval by the City Council. In June 2012 the developer was granted a special permit under the Unified Downtown Development Project regulations for the overall development plan. This created the framework for this proposed multi-phase, mixed-use development. It is noted that several amendments to the existing regulations were required prior to the submission of this application with the most notable being the UDDP.

As noted, the proposed use must be physically possible, legally permissible, financially feasible and the maximally productive use of the site in order to be considered the highest and best use of the property. While the use is physically possible and legally permissible given recent UDDP approval, based upon our analysis, it is clear that the proposed subject development is not financially feasible without considerable public funding. In our opinion, the proposed office and hotel, in their current proposed configurations, are not financially feasible. Furthermore, due to the proposed density of the residential development, a significant amount of structured parking will be required. In all the development calls for the construction of five separate parking structures that will accommodate 1,106 parking spaces. Aside from this parking only 80 additional on-site surface spaces will be provided. The cost to develop to this level of density is prohibitive.

Overall, without consideration of the social or broader economic benefits to the community, this plan of development would not be the maximally productive use of the property. A far less dense development with a more narrow range of uses would likely be the highest and best use of the site.

However, the purpose of this appraisal was not to estimate the market value of the site under normal market conditions, but was instead to appraise the site using a residual approach as noted, disregarding the maximally productive use of the property and presuming that the only legally allowed use of the site is the proposed subject development. As will be clear from the results of this analysis that the market value of the subject site, disregarding this plan of development, would clearly be positive.

VALUATION PROCEDURES

Appraisers estimate property value by applying specific appraisal procedures that reflect three distinct methods for analyzing data - Sales Comparison, Cost, and Income Capitalization. These traditional approaches are defined below:

> COST APPROACH - *A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.*
>
> 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.*
>
> INCOME CAPITALIZATION APPROACH - *A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.*

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal,* 4th ed., s.v. "Cost Approach, Sales Comparison Approach, Income Capitalization Approach." (Chicago: Appraisal Institute, 2002)

In the case of the subject property, the most likely purchaser would be a developer. While the Sales Comparison Approach would typically be the standard approach of valuation for a development site, we have been asked to estimate the "Fair Market Value" of the subject site in accordance with Article 3, Section 3.01(b) of the Preferred Developer Agreement between the City of Bristol, Bristol Downtown Development Corporation and Renaissance at Bristol, LLC. According to Article 3, Section 3.01(b)(ii)(x), the site must be valued by a residual analysis.

RESIDUAL APPROACH

To estimate the "Fair Market Value" of the subject site in accordance with Article 3, Section 3.01(b)(ii)(x) of the Preferred Developer Agreement between the City of Bristol, Bristol Downtown Development Corporation and Renaissance at Bristol, LLC, the site must be valued by a residual analysis. A residual analysis estimates the value of land by subtracting total development costs from the prospective cash flow from the project and discounting the remainder cash flow at a reasonable rate of return. The cash flow consists of both annual operating income and a residual that includes the proceeds from a hypothetical sale of each asset subsequent to achieving stabilized occupancy.

CASH FLOW

Apartment

Revenues

The rental properties selected for analysis were compared to the subject studio, one, and two bedroom units for purposes of determining market rent for each unit type. This analysis was presented in the *Market Analysis* section of this report. We concluded the following current market rental rates.

Unit Type	Monthly Rent	Frequency
Studio	$900	per month
One Bedroom	$1,100	per month
Two Bedroom	$1,500	per month

The monthly rental rates are stated as of the date of the appraisal and have been inflated at a rate of 3.5% per annum for the next five years and 2.5% per annum thereafter. The rents include parking at a rate of one space per bedroom upon completion of the development.

In addition to income from the apartments, it is expected that additional revenues will be generated through cable/internet fees, late fees, deposit forfeitures, month-to-month fees, corporate unit rentals, application fees, lease termination fees, damages/cleaning fees, administrative fees, interest income, and miscellaneous fees. For the purpose of this report we have estimated this source of income at $35 per unit per month, or $420 per unit per annum.

Pro Forma Vacancy and Collection Loss

In completing our market analysis, it was observed that vacancy levels for well-located apartment complexes generally range from 2% to 7%. Therefore, we have estimated an effective gross income at 95% of gross potential income, which in turn implies a vacancy and collection loss factor of 5%.

Absorption

For the purpose of this analysis we have assumed an absorption period of 24 months per phase subsequent to completion. Apartments are included in the first three phases of the development with 242 units in the first phase, 275 units in the second phase, and 334 units in the third phase. This would indicate an absorption rate of 10 units per month in Phase 1, 11.5 units per month in Phase 2 and 13.9 units per month in Phase 3. This is a fairly aggressive absorption scenario, but plausible with aggressive and professional marketing. It is noted that the eventual absorption of the units may vary depending on potential changes in unit mix or style of units subsequent to the initial phase. The first phase will likely provide additional insight as to the demands of the market for urban apartments. As noted, the proposed subject unit mix contains a relatively low ratio of two bedroom units and a high ratio of studio units. While the market study prepared by Zimmerman/Volk Associates, Inc. would suggest a higher rate of absorption (215 units per year), this rate appears to be somewhat aggressive given that this is a relatively new concept for small inner cities in central Connecticut.

Expenses

In developing a pro forma estimate of operating expenses we analyzed comparable operating expenses on other multi-family developments in Connecticut and Massachusetts, discussed current expense parameters with several multi-family owners, and verified quantifiable expenses with sources such as the office of the tax assessor. Specifically, three expense comparables were analyzed in detail. These expense comparables are summarized in the chart on the following page.

EXPENSE COMPARABLES

Comparable No.	1	2	3
Location	Mansfield, MA	Norwalk, CT	Danbury, CT
Number of Units	200	136	192
Expense Year	2009	2009	2009
Statement	Actual	Actual	Actual

	200		136		192	
	Annual	*$/Unit*	*Annual*	*$/Unit*	*Annual*	*$/Unit*
Administrative						
Advertising	$82,994	$415	$58,784	$432	$33,433	$174
Management	$92,103	$461	$137,209	$1,009	$85,396	$445
Other	$79,883	$399	$71,843	$528	$34,098	$178
Total Administrative	$254,980	$1,275	$267,836	$1,969	$152,927	$796
Operating						
Elevator Maint.	$0	$0	$7,676	$56	$0	$0
Fuel (Heat & HW)	$20,271	$101	$7,903	$58	$0	$0
Lighting & Misc.	$75,446	$377	$132,834	$977	$43,996	$229
Water	$101,110	$506	$16,159	$119	$25,128	$131
Gas	$0	$0	$0	$0	$0	$0
Garbage & Trash Rem.	$24,067	$120	$23,337	$172	$32,752	$171
Payroll	$375,183	$1,876	$233,713	$1,718	$236,127	$1,230
Other	$0	$0	$0	$0	$0	$0
Total Operating	$596,077	$2,980	$421,622	$3,100	$338,003	$1,760
Maintenance						
Decorating	$25,886	$129	$4,292	$32	$56,175	$293
Repairs	$31,171	$156	$39,861	$293	$62,663	$326
Exterminating	$2,214	$11	$831	$6	$1,680	$9
Insurance	$60,252	$301	$40,648	$299	$57,121	$298
Ground Expense	$83,199	$416	$47,279	$348	$39,000	$203
Other	$0	$0	$0	$0	$0	$0
Total Maintenance	$202,722	$1,014	$132,911	$977	$216,639	$1,128
Real Estate Taxes	$301,287	$1,506	$145,089	$1,067	$407,540	$2,123
Personal Property Taxes	$2,275	$11	$0	$0	$1,002	$5
Employee Payroll Taxes	$32,074	$160	$19,224	$141	$24,657	$128
Total Operatin Exp.	**$1,389,415**	$6,947	**$986,682**	$7,255	**$1,140,768**	$5,942
Total Excl. Taxes, Util.	**$992,411**	$4,962	**$700,856**	$5,153	**$689,232**	$3,590

Update Adjustment: All three expense comparables have an effective date of calendar year 2009. Therefore for comparison purposes, we would expect higher expenses in 2013 and thereafter. We assume an annual market inflation rate of 2.5%.

Operating Expenses

Advertising: This expense refers to the costs of advertising in both print and website, credit reports, referral fees, and commissions to procure new tenants. The expense comparables indicate a range from $174 to $432 per unit. The high end of the range is represented by two high-end apartment developments located in markets with similar levels of competition for luxury units. We have reconciled towards the upper end of the range given that marketing will be key to the success of the development. That being said, we have estimated a stabilized advertising expense of $300 per unit.

Management: Our survey of property owners and managers has found that a range of 2% to 5% of effective gross income is typically charged by a management company in this market. Within our analysis we have utilized a market accepted management rate of 3% of effective gross income.

Other Administrative: Administrative expenses typically include professional services related to the operation of the building such as accounting, legal, audit, and brokerage fees. In addition, this expense include various office expenses such as postage, office supplies, administrative contracts for copiers, computers, telephone, travel/training, dues and subscriptions, overhead allocation, and banking costs. We have utilized a stabilized expense of $150 per unit.

Payroll: It is assumed that the subject development will employ a property manager, an assistant manager, a maintenance supervisor, a maintenance technician, several leasing specialists, and a porter. While the expense comparables support costs ranging from $1,230 to $1,876 per unit, the subject will have far more units and therefore likely to experience a significant savings in terms of payroll. Therefore, we have estimated a payroll expense of $400 per unit. Payroll taxes were estimated at $60 per unit.

Garbage & Trash Removal: The expense comparables indicate a range from $120 to $172 per unit. However, as previously noted it is likely that with the number of units proposed, a contract would likely result in significant savings in this department. For the purpose of this analysis we have reconciled at a stabilized garbage and trash removal expense of $85 per unit

Utilities: The apartments are assumed to be fully electric units with individual heating and air conditioning units and individual hot water heaters. The only utility expenses that the landlord is exposed to are water, sewer, and common electricity for the common areas. For the purpose of this report we relied upon discussions with the Bristol Water Department and expense comparables. We estimated water/sewer expense at $70 per unit, common electricity at $75 per unit and gas/common heating at $35 per unit. Overall, this indicates a total expense of $180 per unit. This considers that most of the units will be studio or one bedroom units with lower usage than the standard apartment that typically has a higher ratio of two bedroom units.

Elevator Maintenance: We have estimated this cost at $35 per unit per year.

Decorating: This line item expense varies significantly from one property to the next as exhibited by the expense comparables which support a cost ranging from $32 to $293 per unit. Based on the previous information, we have estimated a stabilized decorating expense of $200 per unit.

Repairs: This expense includes all outside maintenance and service contracts, supplies, and other maintenance and repair items that are typically associated with the operation of a property of this type. The expense comparables support a cost ranging from a low of $156 per unit to a high of $326 per unit for the subject. Considering the number of units proposed, we have estimated the expense slightly below this range at $150 per unit

Exterminating: The expense comparables support a cost from $6 to $11 per unit. Based on this information, we have estimated a stabilized expense of $10 per unit.

Ground Maintenance: The expense comparables indicated a range from $203 to $416 per unit. However, being a dense urban project there will be far less grounds maintenance. We have estimated a grounds maintenance expense of $150 per unit.

Insurance: Our review of insurance costs for comparable apartment developments indicates a fairly tight range from $298 to $301 per unit. However, once again we would expect a lower overall premium per unit given the scope of the proposed subject development. We have estimated an insurance expense of $180 per unit.

Replacement Reserve: Reserves for replacement is a non-cash allocation to account for the likelihood of major capital renovations in the future. This typically includes various short-lived building components including the roof, paving, HVAC components and appliances such as stoves, refrigerators, dishwashers, and common area laundry facilities.

Our discussions with owners of similar multifamily developments indicate that annual expenditures on items that must be capitalized for income tax purposes typically approximate $250 to $400 per unit. We have used a pro forma estimate of $300 per unit for the subject. This level of reserves is in keeping with market standards and is necessary for the proposed subject development to remain competitive in the market.

Real Estate Taxes: As presented in the *Property Description* section of this report, a stabilized real estate tax burden for the subject is estimated to be $2,300 per unit.

All of the aforementioned expenses are estimated as of the date of the report and require trending over the development period. For the purpose of this report we have inflated these estimated expenses at an annual rate of 2.5% per annum.

While during lease-up operating expenses tend to amount to a higher percentage of gross income due to the fixed nature of most expenses, over time, the ratio's drop to a stabilized ratio of roughly 34% of gross income, not including reserves. This ratio is supported by market data which generally shows an expense ratio of between 32% and 36% as being reasonable.

Summary

General Assumptions for Apartment Cash Flows

Unit Type	No.	
Studio	210	dwelling units
1-Bdrm	433	dwelling units
2-Bdrm	208	dwelling units
Total No. of Apartments	851	
Lease - Up	24	months
Market Rent		
Studio	$900	per month
One Bedroom	$1,100	per month
Two Bedroom	$1,500	per month
Inflation Rates		
General Inflation	2.50%	per year; mainly for expenses
Market Rent Inflation	3.50%	for 5 years, 2.5% thereafter
Vacancy	5%	of Potential Gross Income
Operating Expenses		
Advertising	$300	per unit per year
Management Fee	3%	of Effective Gross Income
General Admin.	$150	per unit per year
Operating Payroll	$400	per unit per year
Trash Removal	$85	per unit per year
Utilities		
Water	$70	per unit per year
Common Electric	$75	per unit per year
Gas	$35	per unit per year
Elevator Maintenance	$35	per unit per year
Maintenance		
Decorating	$200	per unit per year
Payroll Tax	$60	per unit per year
Gen. Repairs	$150	per unit per year
Exterminating	$10	per unit per year
Grounds Maint.	$150	per unit per year
Insurance	$180	per unit per year
Real Estate Taxes	$2,300	per unit per year
Reserves	300	per unit per year

Note: All operating expenses except the management fee, are inflated at the General Inflation Rate per year.

Reversion		
Terminal Capitalization Rate	6.25%	applied to NOI before reserves
Closing Costs	2%	of Gross Sale Proceeds

Consolidated Statements

ARGUS™ SOFTWARE

Building A Apt
North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Apartment Phase 1 Bldg A
Property Type: Apartment
Portfolio:
Date: 11/27/12
Time: 8:51 am
Ref#: ADB
Page: 1

Schedule Of Prospective Cash Flow
d Dollars for the Fiscal Year Beginning 1

For the Years Ending	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019
Operating Ratios						
Total Number of Units	3	45	92	99	96	96
Average Occupancy	3.04%	42.87%	88.54%	94.87%	92.39%	92.39%
Avg Monthly Rent per Occ Area	1.41	1.45	1.48	1.52	1.60	1.65
Avg Monthly Rent per Occ Unit	1,214.82	1,220.10	1,239.31	1,277.72	1,341.34	1,385.85
Expense Ratio to Operating Inc	249.99%	70.19%	37.01%	33.55%	33.60%	33.37%
Expenses per Unit Area	1.66	5.34	5.79	6.00	6.15	6.30
Expenses per Unit	1,394.97	4,479.37	4,858.35	5,036.16	5,156.99	5,289.54
Potential Gross Revenue						
Potential Market Rent	$1,485,432	$1,537,422	$1,591,232	$1,646,925	$1,704,567	$1,747,182
Loss to Lease	(1,439,269)	(884,667)	(201,170)	(49,410)	(28,177)	(16,242)
Potential Rental Revenue	46,163	652,755	1,390,062	1,597,515	1,676,390	1,730,940
Absorption & Turnover Vacancy			(20,622)	(84,691)	(129,824)	(133,059)
Scheduled Base Rental Revenue	46,163	652,755	1,369,440	1,512,824	1,546,566	1,597,881
Miscellaneous	14,924	45,891	47,039	48,215	49,420	50,655
Total Potential Gross Revenue	61,087	698,646	1,416,479	1,561,039	1,595,986	1,648,536
General Vacancy	(3,054)	(34,932)	(51,233)			
Effective Gross Revenue	58,033	663,714	1,365,246	1,561,039	1,595,986	1,648,536
Operating Expenses						
Advertising	10,660	32,779	33,599	34,439	35,300	36,182
Management Fee	1,741	19,911	40,957	46,831	47,880	49,456
General Admin	5,330	16,390	16,799	17,219	17,650	18,091
Operating Payroll	14,213	43,706	44,799	45,919	47,067	48,243
Trash Removal	3,020	9,288	9,520	9,758	10,002	10,252
Utilities						
Water	191	2,605	5,478	6,008	5,999	6,149
Common Electricity	205	2,791	5,869	6,437	6,428	6,589
Gas	96	1,302	2,739	3,004	3,000	3,075
Total	492	6,698	14,086	15,449	15,427	15,813
Elevator Maint	1,244	3,824	3,920	4,018	4,118	4,221
Maintenance						
Decorating	7,107	21,853	22,399	22,959	23,533	24,122
Payroll Tax	2,132	6,556	6,720	6,888	7,060	7,236
Gen. Repairs	5,330	16,390	16,799	17,219	17,650	18,091
Exterminating	355	1,093	1,120	1,148	1,177	1,206
Grounds Maint.	5,330	16,390	16,799	17,219	17,650	18,091
Total	20,254	62,282	63,837	65,433	67,070	68,746
Insurance	6,396	19,668	20,159	20,663	21,180	21,709
Real Estate Taxes	81,727	251,309	257,592	264,032	270,633	277,399
Total Operating Expenses	145,077	465,855	505,268	523,761	536,327	550,112
Net Operating Income	(87,044)	197,859	859,978	1,037,278	1,059,659	1,098,424
Leasing & Capital Costs						
Reserves	10,660	32,779	33,599	34,439	35,300	36,182
Total Leasing & Capital Costs	10,660	32,779	33,599	34,439	35,300	36,182
Cash Flow Before Debt Service	($97,704)	$165,080	$826,379	$1,002,839	$1,024,359	$1,062,242

ARGUS™ SOFTWARE

Building B, Apt
North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Apartment Phase 1 Bldg B
Property Type: Apartment
Portfolio:
Date: 11/27/12
Time: 8:50 am
Ref#: ACN
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018
Operating Ratios					
Total Number of Units	13	78	123	130	127
Average Occupancy	9.18%	56.28%	89.31%	94.14%	92.21%
Avg Monthly Rent per Occ Area	1.40	1.45	1.51	1.57	1.64
Avg Monthly Rent per Occ Unit	1,424.48	1,281.58	1,222.48	1,265.26	1,323.78
Expense Ratio to Operating Inc	89.49%	52.86%	36.32%	34.00%	33.99%
Expenses per Unit Area	1.81	5.67	6.03	6.23	6.38
Expenses per Unit	1,457.64	4,567.97	4,858.80	5,017.90	5,140.67
Potential Gross Revenue					
Potential Market Rent	$1,954,908	$2,023,330	$2,094,146	$2,167,441	$2,243,302
Loss to Lease	(1,738,387)	(828,895)	(213,480)	(62,819)	(45,992)
Potential Rental Revenue	216,521	1,194,435	1,880,666	2,104,622	2,197,310
Absorption & Turnover Vacancy			(72,622)	(132,089)	(175,891)
Scheduled Base Rental Revenue	216,521	1,194,435	1,808,044	1,972,533	2,021,419
Miscellaneous	20,090	60,894	62,417	63,977	65,576
Total Potential Gross Revenue	236,611	1,255,329	1,870,461	2,036,510	2,086,995
General Vacancy	(11,831)	(62,766)	(24,532)		
Effective Gross Revenue	224,780	1,192,563	1,845,929	2,036,510	2,086,995
Operating Expenses					
Advertising	14,350	43,496	44,583	45,698	46,840
Management Fee	6,743	35,777	55,378	61,095	62,610
General Admin	7,175	21,748	22,292	22,849	23,420
Operating Payroll	19,133	57,995	59,444	60,930	62,454
Trash Removal	4,066	12,324	12,632	12,948	13,271
Utilities					
Water	825	4,572	6,891	7,398	7,445
Common Electricity	884	4,899	7,383	7,927	7,976
Gas	413	2,286	3,446	3,699	3,722
Total	2,122	11,757	17,720	19,024	19,143
Elevator Maint	1,674	5,075	5,201	5,331	5,465
Maintenance					
Decorating	9,567	28,997	29,722	30,465	31,227
Payroll Tax	2,870	8,699	8,917	9,140	9,368
Gen. Repairs	7,175	21,748	22,292	22,849	23,420
Exterminating	478	1,450	1,486	1,523	1,561
Grounds Maint.	7,175	21,748	22,292	22,849	23,420
Total	27,265	82,642	84,709	86,826	88,996
Insurance	8,610	26,098	26,750	27,419	28,104
Real Estate Taxes	110,017	333,468	341,805	350,350	359,109
Total Operating Expenses	201,155	630,380	670,514	692,470	709,412
Net Operating Income	23,625	562,183	1,175,415	1,344,040	1,377,583
Leasing & Capital Costs					
Reserves	14,350	43,496	44,583	45,698	46,840
Total Leasing & Capital Costs	14,350	43,496	44,583	45,698	46,840
Cash Flow Before Debt Service	$9,275	$518,687	$1,130,832	$1,298,342	$1,330,743

ARGUS™ SOFTWARE

Building E, Apt
North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Apartment Phase 2 - Bldg E
Property Type: Apartment
Portfolio:
Date: 11/27/12
Time: 8:52 am
Ref#: ACR
Page: 1

Schedule Of Prospective Cash Flow
d Dollars for the Fiscal Year Beginning 1

For the Years Ending	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020
Operating Ratios				
Total Number of Units	13	51	73	70
Average Occupancy	17.32%	66.89%	96.38%	92.65%
Avg Monthly Rent per Occ Area	1.67	1.70	1.73	1.78
Avg Monthly Rent per Occ Unit	1,317.47	1,338.94	1,364.51	1,405.47
Expense Ratio to Operating Inc	113.55%	43.62%	32.00%	32.27%
Expenses per Unit Area	4.28	5.90	6.48	6.61
Expenses per Unit	3,371.45	4,650.26	5,108.29	5,204.47
Potential Gross Revenue				
Potential Market Rent	$1,203,522	$1,245,645	$1,276,787	$1,308,706
Loss to Lease	(995,361)	(428,891)	(36,844)	(24,869)
Potential Rental Revenue	208,161	816,754	1,239,943	1,283,837
Absorption & Turnover Vacancy			(40,539)	(96,212)
Scheduled Base Rental Revenue	208,161	816,754	1,199,404	1,187,625
Miscellaneous	29,361	36,115	37,017	37,943
Total Potential Gross Revenue	237,522	852,869	1,236,421	1,225,568
General Vacancy	(11,876)	(42,643)	(23,309)	
Effective Gross Revenue	225,646	810,226	1,213,112	1,225,568
Operating Expenses				
Advertising	20,972	25,796	26,441	27,102
Management Fee	6,769	24,307	36,393	36,767
General Admin	10,486	12,898	13,221	13,551
Operating Payroll	27,963	34,395	35,255	36,136
Trash Removal	5,942	7,309	7,492	7,679
Utilities				
Water	773	3,029	4,458	4,396
Common Electricity	828	3,246	4,776	4,710
Gas	386	1,515	2,229	2,198
Total	1,987	7,790	11,463	11,304
Elevator Maint	2,447	3,010	3,085	3,162
Maintenance				
Decorating	2,208	8,655	12,737	12,560
Payroll Tax	662	2,597	3,821	3,768
Gen. Repairs	1,656	6,491	9,553	9,420
Exterminating	110	433	637	628
Grounds Maint.	1,656	6,491	9,553	9,420
Total	6,292	24,667	36,301	35,796
Insurance	12,583	15,478	15,865	16,261
Real Estate Taxes	160,789	197,770	202,714	207,782
Total Operating Expenses	256,230	353,420	388,230	395,540
Net Operating Income	(30,584)	456,806	824,882	830,028
Leasing & Capital Costs				
Reserves	20,972	25,796	26,441	27,102
Total Leasing & Capital Costs	20,972	25,796	26,441	27,102
Cash Flow Before Debt Service	($51,556)	$431,010	$798,441	$802,926

ARGUS™ SOFTWARE

Building G, Apt
North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Apartment Phase 2 - Bldg G
Property Type: Apartment
Portfolio:
Date: 11/27/12
Time: 8:54 am
Ref#: ADL
Page: 1

Schedule Of Prospective Cash Flow
d Dollars for the Fiscal Year Beginning 1

For the Years Ending	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020
Operating Ratios				
Total Number of Units	16	63	90	86
Average Occupancy	17.03%	67.74%	96.33%	92.74%
Avg Monthly Rent per Occ Area	1.67	1.70	1.73	1.78
Avg Monthly Rent per Occ Unit	1,316.64	1,337.80	1,362.09	1,405.23
Expense Ratio to Operating Inc	128.58%	44.06%	32.27%	32.54%
Expenses per Unit Area	4.27	5.91	6.48	6.61
Expenses per Unit	3,359.41	4,653.61	5,106.08	5,202.90
Potential Gross Revenue				
Potential Market Rent	$1,472,043	$1,523,564	$1,561,653	$1,600,694
Loss to Lease	(1,221,882)	(512,187)	(45,668)	(30,113)
Potential Rental Revenue	250,161	1,011,377	1,515,985	1,570,581
Absorption & Turnover Vacancy			(51,739)	(116,173)
Scheduled Base Rental Revenue	250,161	1,011,377	1,464,246	1,454,408
Miscellaneous	5,602	22,572	32,837	32,410
Total Potential Gross Revenue	255,763	1,033,949	1,497,083	1,486,818
General Vacancy	(12,788)	(51,697)	(25,702)	
Effective Gross Revenue	242,975	982,252	1,471,381	1,486,818
Operating Expenses				
Advertising	25,664	31,566	32,355	33,164
Management Fee	7,289	29,468	44,141	44,605
General Admin	12,832	15,783	16,178	16,582
Operating Payroll	34,218	42,088	43,141	44,219
Trash Removal	7,271	8,944	9,167	9,397
Utilities				
Water	934	3,762	5,473	5,402
Common Electricity	1,000	4,031	5,864	5,787
Gas	467	1,881	2,736	2,701
Total	2,401	9,674	14,073	13,890
Elevator Maint	2,994	3,683	3,775	3,869
Maintenance				
Decorating	2,668	10,748	15,637	15,433
Payroll Tax	800	3,225	4,691	4,630
Gen. Repairs	2,001	8,061	11,727	11,575
Exterminating	133	537	782	772
Grounds Maint.	2,001	8,061	11,727	11,575
Total	7,603	30,632	44,564	43,985
Insurance	15,398	18,940	19,413	19,899
Real Estate Taxes	196,755	242,008	248,058	254,260
Total Operating Expenses	312,425	432,786	474,865	483,870
Net Operating Income	(69,450)	549,466	996,516	1,002,948
Leasing & Capital Costs				
Reserves	25,664	31,566	32,355	33,164
Total Leasing & Capital Costs	25,664	31,566	32,355	33,164
Cash Flow Before Debt Service	($95,114)	$517,900	$964,161	$969,784

ARGUS™ SOFTWARE

Building H, Apt
North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Apartment Phase 2 - Bldg H
Property Type: Apartment
Portfolio:
Date: 11/27/12
Time: 8:56 am
Ref#: ADE
Page: 1

Schedule Of Prospective Cash Flow
d Dollars for the Fiscal Year Beginning 1

For the Years Ending	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020
Operating Ratios				
Total Number of Units	12	44	64	61
Average Occupancy	17.55%	67.05%	96.21%	92.80%
Avg Monthly Rent per Occ Area	1.67	1.70	1.73	1.78
Avg Monthly Rent per Occ Unit	1,316.77	1,336.66	1,362.34	1,404.08
Expense Ratio to Operating Inc	127.13%	46.70%	34.47%	34.66%
Expenses per Unit Area	4.35	6.20	6.92	7.04
Expenses per Unit	3,424.17	4,878.80	5,446.59	5,541.95
Potential Gross Revenue				
Potential Market Rent	$1,043,787	$1,080,319	$1,107,327	$1,135,011
Loss to Lease	(860,756)	(370,553)	(32,947)	(21,271)
Potential Rental Revenue	183,031	709,766	1,074,380	1,113,740
Absorption & Turnover Vacancy			(36,278)	(81,739)
Scheduled Base Rental Revenue	183,031	709,766	1,038,102	1,032,001
Miscellaneous	4,095	15,959	23,420	23,173
Total Potential Gross Revenue	187,126	725,725	1,061,522	1,055,174
General Vacancy	(9,356)	(36,286)	(18,612)	
Effective Gross Revenue	177,770	689,439	1,042,910	1,055,174
Operating Expenses				
Advertising	18,213	22,402	22,962	23,536
Management Fee	5,333	20,683	31,287	31,655
General Admin	9,106	11,201	11,481	11,768
Operating Payroll	24,284	29,869	30,616	31,381
Trash Removal	5,160	6,347	6,506	6,669
Utilities				
Water	683	2,660	3,903	3,862
Common Electricity	731	2,850	4,182	4,138
Gas	341	1,330	1,952	1,931
Total	1,755	6,840	10,037	9,931
Elevator Maint	2,125	2,614	2,679	2,746
Maintenance				
Decorating	5,850	22,798	33,457	33,105
Payroll Tax	585	2,280	3,346	3,310
Gen. Repairs	1,463	5,699	8,364	8,276
Exterminating	98	380	558	552
Grounds Maint.	1,463	5,699	8,364	8,276
Total	9,459	36,856	54,089	53,519
Insurance	10,928	13,441	13,777	14,122
Real Estate Taxes	139,632	171,748	176,041	180,442
Total Operating Expenses	225,995	322,001	359,475	365,769
Net Operating Income	(48,225)	367,438	683,435	689,405
Leasing & Capital Costs				
Reserves	18,213	22,402	22,962	23,536
Total Leasing & Capital Costs	18,213	22,402	22,962	23,536
Cash Flow Before Debt Service	($66,438)	$345,036	$660,473	$665,869

ARGUS™ SOFTWARE

Building I, Apt
North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Apartment Phase 2 - Bldg I
Property Type: Apartment
Portfolio:
Date: 11/27/12
Time: 8:58 am
Ref#: ADH
Page: 1

Schedule Of Prospective Cash Flow
d Dollars for the Fiscal Year Beginning 1

For the Years Ending	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020
Operating Ratios				
Total Number of Units	6	26	38	37
Average Occupancy	16.04%	65.42%	96.04%	93.13%
Avg Monthly Rent per Occ Area	1.67	1.70	1.73	1.78
Avg Monthly Rent per Occ Unit	1,315.92	1,336.45	1,361.98	1,405.66
Expense Ratio to Operating Inc	124.89%	42.09%	30.13%	30.19%
Expenses per Unit Area	3.90	5.44	6.03	6.15
Expenses per Unit	3,073.10	4,288.60	4,753.32	4,848.30
Potential Gross Revenue				
Potential Market Rent	$633,433	$655,603	$671,993	$688,793
Loss to Lease	(532,107)	(235,959)	(21,718)	(13,163)
Potential Rental Revenue	101,326	419,644	650,275	675,630
Absorption & Turnover Vacancy			(22,400)	(47,301)
Scheduled Base Rental Revenue	101,326	419,644	627,875	628,329
Miscellaneous	2,279	9,385	14,044	13,937
Total Potential Gross Revenue	103,605	429,029	641,919	642,266
General Vacancy	(5,180)	(21,451)	(10,816)	
Effective Gross Revenue	98,425	407,578	631,103	642,266
Operating Expenses				
Advertising	11,038	13,577	13,916	14,264
Management Fee	2,953	12,227	18,933	19,268
General Admin	5,519	6,788	6,958	7,132
Operating Payroll	14,718	18,103	18,555	19,019
Trash Removal	3,127	3,847	3,943	4,042
Utilities				
Water	380	1,564	2,341	2,323
Common Electricity	407	1,676	2,508	2,489
Gas	190	782	1,170	1,161
Total	977	4,022	6,019	5,973
Elevator Maint	1,288	1,584	1,624	1,664
Maintenance				
Decorating	1,085	4,469	6,688	6,637
Payroll Tax	326	1,341	2,006	1,991
Gen. Repairs	814	3,352	5,016	4,978
Exterminating	54	223	334	332
Grounds Maint.	814	3,352	5,016	4,978
Total	3,093	12,737	19,060	18,916
Insurance	6,623	8,146	8,350	8,559
Real Estate Taxes	73,588	90,513	92,775	95,095
Total Operating Expenses	122,924	171,544	190,133	193,932
Net Operating Income	(24,499)	236,034	440,970	448,334
Leasing & Capital Costs				
Reserves	11,038	13,577	13,916	14,264
Total Leasing & Capital Costs	11,038	13,577	13,916	14,264
Cash Flow Before Debt Service	($35,537)	$222,457	$427,054	$434,070

ARGUS™ SOFTWARE

Building J, Apt
North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Apartment Phase 3 - Bldg J
Property Type: Apartment
Portfolio:
Date: 11/27/12
Time: 9:00 am
Ref#: ABO
Page: 1

Schedule Of Prospective Cash Flow
flated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022
Operating Ratios				
Total Number of Units	6	80	166	177
Average Occupancy	3.03%	42.96%	88.73%	94.83%
Avg Monthly Rent per Occ Area	1.78	1.81	1.83	1.87
Avg Monthly Rent per Occ Unit	1,396.38	1,422.11	1,440.77	1,473.36
Expense Ratio to Operating Inc	277.54%	64.66%	34.83%	32.02%
Expenses per Unit Area	1.74	5.84	6.68	6.97
Expenses per Unit	1,368.59	4,602.13	5,263.61	5,487.66
Potential Gross Revenue				
Potential Market Rent	$3,142,297	$3,220,855	$3,301,376	$3,383,910
Loss to Lease	(3,047,343)	(1,849,939)	(390,207)	(73,713)
Potential Rental Revenue	94,954	1,370,916	2,911,169	3,310,197
Absorption & Turnover Vacancy			(42,592)	(174,884)
Scheduled Base Rental Revenue	94,954	1,370,916	2,868,577	3,135,313
Miscellaneous	2,111	30,121	63,540	69,630
Total Potential Gross Revenue	97,065	1,401,037	2,932,117	3,204,943
General Vacancy	(4,853)	(70,052)	(106,143)	
Effective Gross Revenue	92,212	1,330,985	2,825,974	3,204,943
Operating Expenses				
Advertising	21,686	66,685	68,352	70,061
Management Fee	2,766	39,930	84,779	96,148
General Admin	10,843	33,343	34,176	35,031
Operating Payroll	28,915	88,914	91,137	93,415
Trash Removal	6,144	18,894	19,367	19,851
Utilities				
Water	352	5,020	10,590	11,605
Common Electricity	377	5,379	11,346	12,434
Gas	176	2,510	5,295	5,803
Total	905	12,909	27,231	29,842
Elevator Maint	2,530	7,780	7,974	8,174
Maintenance				
Decorating	1,005	14,343	30,257	33,157
Payroll Tax	302	4,303	9,077	9,947
Gen. Repairs	754	10,758	22,693	24,868
Exterminating	50	717	1,513	1,658
Grounds Maint.	754	10,758	22,693	24,868
Total	2,865	40,879	86,233	94,498
Insurance	13,012	40,011	41,011	42,037
Real Estate Taxes	166,261	511,254	524,035	537,136
Total Operating Expenses	255,927	860,599	984,295	1,026,193
Net Operating Income	(163,715)	470,386	1,841,679	2,178,750
Leasing & Capital Costs				
Reserves	21,686	66,685	68,352	70,061
Total Leasing & Capital Costs	21,686	66,685	68,352	70,061
Cash Flow Before Debt Service	($185,401)	$403,701	$1,773,327	$2,108,689

ARGUS™ SOFTWARE

Building K, Apt
North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Apartment Phase 3 - Bldg K
Property Type: Apartment
Portfolio:
Date: 11/27/12
Time: 9:02 am
Ref#: ACK
Page: 1

Schedule Of Prospective Cash Flow
flated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022
Operating Ratios				
Total Number of Units	2	30	62	67
Average Occupancy	2.82%	42.02%	87.91%	94.84%
Avg Monthly Rent per Occ Area	1.78	1.81	1.83	1.87
Avg Monthly Rent per Occ Unit	1,399.92	1,422.37	1,440.50	1,473.15
Expense Ratio to Operating Inc	297.34%	65.93%	35.08%	32.01%
Expenses per Unit Area	1.73	5.82	6.67	6.96
Expenses per Unit	1,365.79	4,590.25	5,253.32	5,485.55
Potential Gross Revenue				
Potential Market Rent	$1,193,518	$1,223,356	$1,253,940	$1,285,288
Loss to Lease	(1,159,920)	(714,147)	(158,763)	(28,649)
Potential Rental Revenue	33,598	509,209	1,095,177	1,256,639
Absorption & Turnover Vacancy			(16,245)	(66,330)
Scheduled Base Rental Revenue	33,598	509,209	1,078,932	1,190,309
Miscellaneous	731	11,150	23,881	26,357
Total Potential Gross Revenue	34,329	520,359	1,102,813	1,216,666
General Vacancy	(1,716)	(26,018)	(39,708)	
Effective Gross Revenue	32,613	494,341	1,063,105	1,216,666
Operating Expenses				
Advertising	8,234	25,319	25,952	26,601
Management Fee	978	14,830	31,893	36,500
General Admin	4,117	12,660	12,976	13,300
Operating Payroll	10,978	33,759	34,603	35,468
Trash Removal	2,333	7,174	7,353	7,537
Utilities				
Water	122	1,858	3,980	4,393
Common Electricity	130	1,991	4,264	4,707
Gas	61	929	1,990	2,196
Total	313	4,778	10,234	11,296
Elevator Maint	961	2,954	3,028	3,103
Maintenance				
Decorating	348	5,309	11,372	12,551
Payroll Tax	104	1,593	3,412	3,765
Gen. Repairs	261	3,982	8,529	9,413
Exterminating	17	265	569	628
Grounds Maint.	261	3,982	8,529	9,413
Total	991	15,131	32,411	35,770
Insurance	4,940	15,191	15,571	15,960
Real Estate Taxes	63,126	194,112	198,965	203,939
Total Operating Expenses	96,971	325,908	372,986	389,474
Net Operating Income	(64,358)	168,433	690,119	827,192
Leasing & Capital Costs				
Reserves	8,234	25,319	25,952	26,601
Total Leasing & Capital Costs	8,234	25,319	25,952	26,601
Cash Flow Before Debt Service	($72,592)	$143,114	$664,167	$800,591

ARGUS™ SOFTWARE

Building L, Apt
North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Apartment Phase 3 - Bldg L
Property Type: Apartment
Portfolio:
Date: 11/27/12
Time: 9:04 am
Ref#: ABM
Page: 1

Schedule Of Prospective Cash Flow
flated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022
Operating Ratios				
Total Number of Units	2	32	67	72
Average Occupancy	2.85%	41.67%	87.94%	95.07%
Avg Monthly Rent per Occ Area	1.78	1.80	1.83	1.87
Avg Monthly Rent per Occ Unit	1,395.27	1,420.41	1,440.43	1,473.04
Expense Ratio to Operating Inc	294.78%	66.54%	35.08%	31.99%
Expenses per Unit Area	1.73	5.82	6.67	6.97
Expenses per Unit	1,366.63	4,588.38	5,256.13	5,491.12
Potential Gross Revenue				
Potential Market Rent	$1,276,787	$1,308,706	$1,341,424	$1,374,959
Loss to Lease	(1,240,510)	(768,952)	(168,549)	(30,057)
Potential Rental Revenue	36,277	539,754	1,172,875	1,344,902
Absorption & Turnover Vacancy			(17,652)	(67,772)
Scheduled Base Rental Revenue	36,277	539,754	1,155,223	1,277,130
Miscellaneous	812	11,940	25,672	28,412
Total Potential Gross Revenue	37,089	551,694	1,180,895	1,305,542
General Vacancy	(1,854)	(27,585)	(42,275)	(894)
Effective Gross Revenue	35,235	524,109	1,138,620	1,304,648
Operating Expenses				
Advertising	8,814	27,102	27,780	28,474
Management Fee	1,057	15,723	34,159	39,139
General Admin	4,407	13,551	13,890	14,237
Operating Payroll	11,752	36,136	37,039	37,965
Trash Removal	2,497	7,679	7,871	8,068
Utilities				
Water	135	1,990	4,279	4,735
Common Electricity	145	2,132	4,584	5,074
Gas	68	995	2,139	2,368
Total	348	5,117	11,002	12,177
Elevator Maint	1,028	3,162	3,241	3,322
Maintenance				
Decorating	387	5,686	12,225	13,529
Payroll Tax	116	1,706	3,667	4,059
Gen. Repairs	290	4,264	9,168	10,147
Exterminating	19	284	611	676
Grounds Maint.	290	4,264	9,168	10,147
Total	1,102	16,204	34,839	38,558
Insurance	5,288	16,261	16,668	17,084
Real Estate Taxes	67,571	207,782	212,977	218,301
Total Operating Expenses	103,864	348,717	399,466	417,325
Net Operating Income	(68,629)	175,392	739,154	887,323
Leasing & Capital Costs				
Reserves	8,814	27,102	27,780	28,474
Total Leasing & Capital Costs	8,814	27,102	27,780	28,474
Cash Flow Before Debt Service	($77,443)	$148,290	$711,374	$858,849

Consolidated Statement for Apartment Buildings

ARGUS™ SOFTWARE

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021
Gross Revenue								
Potential Rental Revenue	$262,684	$1,847,190	$3,270,728	$4,444,816	$4,633,931	$4,645,412	$2,419,879	$5,179,221
Absorption & Turnover Vacancy			(93,244)	(216,780)	(129,824)	(150,956)		(76,489)
Scheduled Base Rental Revenue	262,684	1,847,190	3,177,484	4,228,036	4,504,107	4,494,456	2,419,879	5,102,732
Miscellaneous Revenue	35,014	106,785	109,456	153,529	133,451	110,972	53,211	113,093
Total Gross Revenue	297,698	1,953,975	3,286,940	4,381,565	4,637,558	4,605,428	2,473,090	5,215,825
General Vacancy	(14,885)	(97,698)	(75,765)	(39,200)	(152,077)	(86,862)	(123,655)	(188,126)
Effective Gross Revenue	282,813	1,856,277	3,211,175	4,342,365	4,485,481	4,518,566	2,349,435	5,027,699
Operating Expenses								
Apartment/Assisted Living	346,232	1,096,235	1,175,782	2,133,805	1,816,078	1,869,465	1,535,224	1,756,747
Total Operating Expenses	346,232	1,096,235	1,175,782	2,133,805	1,816,078	1,869,465	1,535,224	1,756,747
Net Operating Income	(63,419)	760,042	2,035,393	2,208,560	2,669,403	2,649,101	814,211	3,270,952
Leasing & Capital Costs								
Capital Costs & Reserves	25,010	76,275	78,182	156,024	128,641	134,408	119,106	122,084
Total Leasing & Capital Costs	25,010	76,275	78,182	156,024	128,641	134,408	119,106	122,084
Cash Flow Before Debt Service	($88,429)	$683,767	$1,957,211	$2,052,536	$2,540,762	$2,514,693	$695,105	$3,148,868

Statements exclude reversionary interests

Retail

Revenues

The retail spaces include a combination of spaces designed for general purpose retail stores and a variety of restaurant spaces. The food service spaces include six spaces designed largely for a combination of restaurants that would mirror the demographics and the demands in the marketplace. In urban areas it is not uncommon for restaurants offering various types of cuisine to locate in on geographic area. In New Haven for example there are a multitude of restaurants offering, Italian, Thai, Greek, Chinese, Japanese, Brazilian, Vietnamese, French, German and American fare. The restaurants include a combination of family owned or franchise type facilities.

The remaining retail spaces at proposed project are assumed to be largely local merchants with space needs generally under 5,000 square feet. This could include specialty food stores, jewelry stores, clothing stores, local sporting goods stores, coffee shops, eye care centers, banks, financial services, insurance offices and flower shops among many other potential users.

We have identified the average market rents at $17.50 per square foot for general purpose retail stores and $22.50 per square foot for restaurant spaces. All rents are assumed to be on an absolute net basis with the tenants responsible for a pro rata share of common area maintenance of the sidewalks, common electricity, taxes, and insurance. They would also be responsible for a utilities consumed including water, sewer, electricity and natural gas.

Vacancy has been estimated at 5% of potential gross income.

Expenses

Operating expenses which are classified as reimbursable by the tenants include Common Area Maintenance at $2.00 per square foot, Insurance at $0.35 per square foot and a Management Fee at 3% of effective gross income of the retail space. Real estate taxes would also be applicable and would likely range between $2.00 and $2.50 per square foot based on comparable data. However, real estate taxes for the retail space have been omitted as the benefit of the enterprise zone tax abatement program would benefit the tenants under the absolute net lease assumption.

Non-reimbursable operating expenses have been modeled at $0.05 per square foot.

Summary

General Assumptions for Retail Cash Flows

Building/Type		
B - General Retail	22,321	square feet
C - Restaurant	6,400	square feet
E - Restaurant	5,201	square feet
H - Restaurant	4,860	square feet
I - Restaurant	6,120	square feet
J - General Retail	15,500	square feet
K - General Retail	11,200	square feet
O - Restaurant	2,250	square feet
Q - Restaurant	4,050	square feet
Total	77,902	square feet
Lease - Up	24	months for General retail space (Bldg.'s B, J and K)
	1	month for restaurant space upon completion
Market Rent		
General Retail Space	$17.50	per square foot per year, NNN
Restaurant Space	$22.50	per square foot per year, NNN
General Inflation	2.50%	per year; for rents and expenses
Vacancy	5%	of Potential Gross Income
Operating Expenses		
Common Area Maint.	$2.00	per square foot per year
Insurance	$0.35	per square foot per year
Management Fee	3%	of Effective Gross Income
Misc., Non Reimbursable	$0.05	per square foot per year
Reserves	$0.25	per square foot per year

Note: All operating expenses except the management fee, are inflated at the General Inflation Rate per year.

Reversion		
Terminal Capitalization Rate	6.75%	applied to NOI before reserves
Closing Costs	2%	of Gross Sale Proceeds

Consolidated Statements

ARGUS™ SOFTWARE

Building B Retail
150 North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Retail Phase 1 Bldg B
Property Type: Retail
Portfolio:
Date: 11/27/12
Time: 9:10 am
Ref#: ABM
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018
Potential Gross Revenue					
Base Rental Revenue	$120,113	$367,102	$369,408	$369,410	$369,410
Absorption & Turnover Vacancy	(101,345)	(192,372)	(27,605)		
Scheduled Base Rental Revenue	18,768	174,730	341,803	369,410	369,410
Expense Reimbursement Revenue					
CAM	1,265	19,026	40,153	44,352	45,464
Insurance	221	3,330	7,030	7,760	7,956
Management Fee	76	3,225	10,674	12,416	12,400
Total Reimbursement Revenue	1,562	25,581	57,857	64,528	65,820
Total Potential Gross Revenue	20,330	200,311	399,660	433,938	435,230
General Vacancy				(21,697)	(21,761)
Effective Gross Revenue	20,330	200,311	399,660	412,241	413,469
Operating Expenses					
CAM	13,729	42,212	43,267	44,349	45,458
Insurance	2,403	7,387	7,572	7,761	7,955
Management Fee	610	6,009	11,990	12,367	12,404
Miscellaneous	1,030	1,055	1,082	1,109	1,136
Total Operating Expenses	17,772	56,663	63,911	65,586	66,953
Net Operating Income	2,558	143,648	335,749	346,655	346,516
Leasing & Capital Costs					
Leasing Commissions	11,260	23,084	11,830		
Reserves	268	2,528	5,014	5,544	5,682
Total Leasing & Capital Costs	11,528	25,612	16,844	5,544	5,682
Cash Flow Before Debt Service	($8,970)	$118,036	$318,905	$341,111	$340,834

ARGUS™ SOFTWARE

Building C, Retail
150 North Main Street
Bristol, CT 06010

Softw are: AR
File: R
P

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017
Potential Gross Revenue			
Base Rental Revenue	$50,430	$151,290	$151,290
Scheduled Base Rental Revenue	50,430	151,290	151,290
Expense Reimbursement Revenue			
CAM	1	720	8,905
Insurance		126	1,558
Management Fee	1,490	4,469	4,747
Total Reimbursement Revenue	1,491	5,315	15,210
Total Potential Gross Revenue	51,921	156,605	166,500
General Vacancy	(2,596)	(7,830)	(8,325)
Effective Gross Revenue	49,325	148,775	158,175
Operating Expenses			
CAM	2	2	9,569
Insurance			1,675
Management Fee	1,480	4,463	4,745
Miscellaneous	1,121	3,446	3,532
Total Operating Expenses	2,603	7,911	19,521
Net Operating Income	46,722	140,864	138,654
Leasing & Capital Costs			
Leasing Commissions	18,911		
Reserves	561	1,723	1,766
Total Leasing & Capital Costs	19,472	1,723	1,766
Cash Flow Before Debt Service	$27,250	$139,141	$136,888

ARGUS™ SOFTWARE

Building E, Retail
150 North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: RETAIL PHASE 2 BLDG E
Property Type: Retail
Portfolio:
Date: 11/27/12
Time: 9:12 am
Ref#: ABF
Page: 1

Schedule Of Prospective Cash Flow
n Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019
Potential Gross Revenue			
Base Rental Revenue	$107,642	$129,171	$129,171
Scheduled Base Rental Revenue	107,642	129,171	129,171
Expense Reimbursement Revenue			
CAM	9,623	11,770	12,065
Insurance	1,684	2,060	2,111
Management Fee	3,482	4,202	4,205
Total Reimbursement Revenue	14,789	18,032	18,381
Total Potential Gross Revenue	122,431	147,203	147,552
General Vacancy	(6,122)	(7,360)	(7,378)
Effective Gross Revenue	116,309	139,843	140,174
Operating Expenses			
CAM	9,569	11,769	12,063
Insurance	1,675	2,060	2,111
Management Fee	3,489	4,195	4,205
Miscellaneous	2,392	2,942	3,016
Total Operating Expenses	17,125	20,966	21,395
Net Operating Income	99,184	118,877	118,779
Leasing & Capital Costs			
Leasing Commissions	16,146		
Reserves	1,196	1,471	1,508
Total Leasing & Capital Costs	17,342	1,471	1,508
Cash Flow Before Debt Service	$81,842	$117,406	$117,271

ARGUS™ SOFTWARE

Building H, Retail
150 North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: RETAIL PHASE 2 BLDG H
Property Type: Retail
Portfolio:
Date: 11/27/12
Time: 9:14 am
Ref#: ABE
Page: 1

Schedule Of Prospective Cash Flow
Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019
Potential Gross Revenue			
Base Rental Revenue	$100,585	$120,702	$120,702
Scheduled Base Rental Revenue	100,585	120,702	120,702
Expense Reimbursement Revenue			
CAM	8,991	10,999	11,274
Insurance	1,573	1,925	1,973
Management Fee	3,253	3,927	3,929
Total Reimbursement Revenue	13,817	16,851	17,176
Total Potential Gross Revenue	114,402	137,553	137,878
General Vacancy	(5,720)	(6,878)	(6,894)
Effective Gross Revenue	108,682	130,675	130,984
Operating Expenses			
CAM	8,941	10,997	11,272
Insurance	1,565	1,925	1,973
Management Fee	3,260	3,920	3,930
Miscellaneous	2,235	2,749	2,818
Total Operating Expenses	16,001	19,591	19,993
Net Operating Income	92,681	111,084	110,991
Leasing & Capital Costs			
Leasing Commissions	15,088		
Reserves	1,118	1,375	1,409
Total Leasing & Capital Costs	16,206	1,375	1,409
Cash Flow Before Debt Service	$76,475	$109,709	$109,582

ARGUS™ SOFTWARE

Building I, Retail
150 North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Retail Phase 2 Bldg I
Property Type: Retail
Portfolio:
Date: 11/27/12
Time: 9:15 am
Ref#: ABF
Page: 1

Schedule Of Prospective Cash Flow
Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019
Potential Gross Revenue			
Base Rental Revenue	$98,515	$118,218	$118,218
Absorption & Turnover Vacancy	(14,777)		
Scheduled Base Rental Revenue	83,738	118,218	118,218
Expense Reimbursement Revenue			
CAM	12,033	17,312	17,746
Insurance	2,406	3,462	3,550
Management Fee	2,664	4,026	4,092
Total Reimbursement Revenue	17,103	24,800	25,388
Total Potential Gross Revenue	100,841	143,018	143,606
General Vacancy		(7,151)	(7,180)
Effective Gross Revenue	100,841	135,867	136,426
Operating Expenses			
CAM	14,074	17,311	17,743
Insurance	2,815	3,462	3,549
Management Fee	3,025	4,076	4,093
Miscellaneous	2,815	3,462	3,549
Total Operating Expenses	22,729	28,311	28,934
Net Operating Income	78,112	107,556	107,492
Leasing & Capital Costs			
Leasing Commissions	14,778		
Reserves	1,407	1,731	1,774
Total Leasing & Capital Costs	16,185	1,731	1,774
Cash Flow Before Debt Service	$61,927	$105,825	$105,718

ARGUS™ SOFTWARE

Building J, Retail
150 North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Retail Phase 3 Bldg J
Property Type: Retail
Portfolio:
Date: 11/27/12
Time: 9:16 am
Ref#: ABB
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022
Potential Gross Revenue				
Base Rental Revenue	$99,612	$302,574	$302,574	$302,574
Absorption & Turnover Vacancy	(68,483)	(44,670)		
Scheduled Base Rental Revenue	31,129	257,904	302,574	302,574
Expense Reimbursement Revenue				
CAM	2,098	27,887	35,888	36,784
Insurance	367	4,880	6,280	6,436
Management Fee	254	7,467	10,100	10,144
Total Reimbursement Revenue	2,719	40,234	52,268	53,364
Total Potential Gross Revenue	33,848	298,138	354,842	355,938
General Vacancy			(17,742)	(17,797)
Effective Gross Revenue	33,848	298,138	337,100	338,141
Operating Expenses				
CAM	11,386	35,007	35,882	36,779
Insurance	1,993	6,126	6,279	6,436
Management Fee	1,015	8,944	10,113	10,144
Miscellaneous	854	875	897	919
Total Operating Expenses	15,248	50,952	53,171	54,278
Net Operating Income	18,600	247,186	283,929	283,863
Leasing & Capital Costs				
Leasing Commissions	18,678	19,144		
Reserves	445	3,738	4,485	4,597
Total Leasing & Capital Costs	19,123	22,882	4,485	4,597
Cash Flow Before Debt Service	($523)	$224,304	$279,444	$279,266

ARGUS™ SOFTWARE

Building K, Retail
150 North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Retail Phase 3 Bldg K
Property Type: Retail
Portfolio:
Date: 11/27/12
Time: 9:18 am
Ref#: AAW
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022
Potential Gross Revenue				
Base Rental Revenue	$71,980	$218,635	$218,634	$218,634
Absorption & Turnover Vacancy	(49,486)	(32,278)		
Scheduled Base Rental Revenue	22,494	186,357	218,634	218,634
Expense Reimbursement Revenue				
CAM	1,516	20,152	25,932	26,580
Insurance	265	3,526	4,536	4,652
Management Fee	184	5,395	7,300	7,328
Total Reimbursement Revenue	1,965	29,073	37,768	38,560
Total Potential Gross Revenue	24,459	215,430	256,402	257,194
General Vacancy			(12,820)	(12,860)
Effective Gross Revenue	24,459	215,430	243,582	244,334
Operating Expenses				
CAM	8,228	25,295	25,928	26,576
Insurance	1,440	4,427	4,537	4,651
Management Fee	734	6,463	7,307	7,330
Miscellaneous	617	632	648	664
Total Operating Expenses	11,019	36,817	38,420	39,221
Net Operating Income	13,440	178,613	205,162	205,113
Leasing & Capital Costs				
Leasing Commissions	13,496	13,834		
Reserves	321	2,701	3,241	3,322
Total Leasing & Capital Costs	13,817	16,535	3,241	3,322
Cash Flow Before Debt Service	($377)	$162,078	$201,921	$201,791

ARGUS™ SOFTWARE

Building O, Retail
150 North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Retail Phase 4 Bldg O
Property Type: Retail
Portfolio:
Date: 11/27/12
Time: 9:20 am
Ref#: AAW
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 10 Sep-2022	Year 11 Sep-2023	Year 12 Sep-2024
Potential Gross Revenue			
Base Rental Revenue	$50,064	$60,077	$60,077
Scheduled Base Rental Revenue	50,064	60,077	60,077
Expense Reimbursement Revenue			
CAM	4,067	5,474	5,611
Insurance	712	958	982
Management Fee	1,482	1,955	1,956
Total Reimbursement Revenue	6,261	8,387	8,549
Total Potential Gross Revenue	56,325	68,464	68,626
General Vacancy	(2,816)	(3,423)	(3,431)
Effective Gross Revenue	53,509	65,041	65,195
Operating Expenses			
CAM	4,451	5,474	5,610
Insurance	779	958	982
Management Fee	1,605	1,951	1,956
Miscellaneous	1,070	1,301	1,304
Total Operating Expenses	7,905	9,684	9,852
Net Operating Income	45,604	55,357	55,343
Leasing & Capital Costs			
Leasing Commissions	7,510		
Reserves	556	684	701
Total Leasing & Capital Costs	8,066	684	701
Cash Flow Before Debt Service	$37,538	$54,673	$54,642

ARGUS™ SOFTWARE

Building Q, Retail
150 North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Retail Phase 4 Bldg Q
Property Type: Retail
Portfolio:
Date: 11/27/12
Time: 9:22 am
Ref#: AAU
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 10 Sep-2022	Year 11 Sep-2023	Year 12 Sep-2024
Potential Gross Revenue			
Base Rental Revenue	$90,105	$108,127	$108,127
Scheduled Base Rental Revenue	90,105	108,127	108,127
Expense Reimbursement Revenue			
CAM	7,320	9,853	10,099
Insurance	1,281	1,724	1,767
Management Fee	2,667	3,518	3,520
Total Reimbursement Revenue	11,268	15,095	15,386
Total Potential Gross Revenue	101,373	123,222	123,513
General Vacancy	(5,069)	(6,161)	(6,176)
Effective Gross Revenue	96,304	117,061	117,337
Operating Expenses			
CAM	8,010	9,852	10,098
Insurance	1,402	1,724	1,767
Management Fee	2,889	3,512	3,520
Miscellaneous	1,926	2,341	2,347
Total Operating Expenses	14,227	17,429	17,732
Net Operating Income	82,077	99,632	99,605
Leasing & Capital Costs			
Leasing Commissions	13,516		
Reserves	1,001	1,231	1,262
Total Leasing & Capital Costs	14,517	1,231	1,262
Cash Flow Before Debt Service	$67,560	$98,401	$98,343

Consolidated Statement for Commercial Space

ARGUS™ SOFTWARE

Software: ARGUS Ver. 15.0.1.26
File: PORTFOLIOTEST
Property Type: Portfolio
Portfolio:
Date: 11/27/12
Time: 9:25 am
Ref#: AEK
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022	Year 11 Sep-2023
Gross Revenue										
Potential Rental Revenue	$120,113	$417,532	$520,698	$827,442	$368,091	$171,592	$521,209	$521,208	$140,169	$168,204
Absorption & Turnover Vacancy	(101,345)	(192,372)	(27,605)	(14,777)		(117,969)	(76,948)			
Scheduled Base Rental Revenue	18,768	225,160	493,093	812,665	368,091	53,623	444,261	521,208	140,169	168,204
Expense Reimbursement Revenue	1,562	27,072	63,172	125,447	59,683	4,684	69,307	90,036	17,529	23,482
Total Gross Revenue	20,330	252,232	556,265	938,112	427,774	58,307	513,568	611,244	157,698	191,686
General Vacancy		(2,596)	(7,830)	(41,864)	(21,389)			(30,562)	(7,885)	(9,584)
Effective Gross Revenue	20,330	249,636	548,435	896,248	406,385	58,307	513,568	580,682	149,813	182,102
Operating Expenses										
Reimbursable Expenses	16,760	57,106	67,310	128,887	59,723	24,800	86,266	90,050	19,136	23,471
Office & Retail Expenses	2,334	3,512	5,897	13,483	10,588	1,471	1,507	1,545	2,996	3,642
Total Operating Expenses	19,094	60,618	73,207	142,370	70,311	26,271	87,773	91,595	22,132	27,113
Net Operating Income	1,236	189,018	475,228	753,878	336,074	32,036	425,795	489,087	127,681	154,989
Leasing & Capital Costs										
Leasing Commissions	11,260	41,995	11,830	46,012		32,174	32,978		21,026	
Capital Costs & Reserves	268	3,089	6,737	11,031	4,577	766	6,439	7,726	1,557	1,915
Total Leasing & Capital Costs	11,528	45,084	18,567	57,043	4,577	32,940	39,417	7,726	22,583	1,915
Cash Flow Before Debt Service	($10,292)	$143,934	$456,661	$696,835	$331,497	($904)	$386,378	$481,361	$105,098	$153,074

Office

Revenues

Based upon our analysis of comparable lease rates and terms, and after discussions with local real estate professionals, the starting market rent for the subject's average size office suites is estimated at $22.00 per square foot on gross plus electric basis. The estimate of market rent assumes a flat base rent over a five-year lease term. It is assumed that the office space would be absorbed by the market over a three year time frame assuming aggressive preconstruction marketing and significant preleasing. As noted, the configuration of the proposed office building with fairly small floor plates would be most suitable to smaller local professional firms as opposed to larger corporations. The building is estimated to contain a net rentable area of 112,770 square feet.

The vacancy and collection loss deduction reflects income loss due to unoccupied net rentable area, shortfalls in the collection of rental income, excluding income sources not subject to a vacancy allowance, if applicable. We have appropriated an allowance for vacancy equal to 5% of potential gross income. This would reflect market conditions and the anticipated credit of the prospective tenants. This figure also includes a 1% factor for collection losses.

Expenses

The proposed subject office building is assumed to be leased on gross plus electric basis whereby the landlord pays for all operating expenses of the property excluding separately metered utilities.

In order to determine an appropriate estimate of stabilized operating expenses for the subject, we have relied upon a survey of known operating expenses for other suburban office buildings in the Connecticut as well as municipal records. Our estimates of stabilized fixed and variable expenses are as follows.

Real Estate Taxes: In the Property Description section of this appraisal report we have fully discussed the subject assessment and tax burden. Therefore, the annual real estate tax burden has been estimated at $2.00 per square foot of gross building area.

Insurance: Based upon our experience with appraising suburban office buildings in the state, we have found the insurance expense to commonly range between $0.15 and $0.50 per square foot of net rentable area. The low end of the range is generally associated with buildings containing 50,000+ square feet of net rentable area, while insurance costs for buildings containing less than 25,000 generally report costs towards the upper end of the range. We believe that a pro forma annual expense of $0.35 per square foot of NRA is appropriate for the subject.

Utilities: While it is presumed that the tenants are billed for 100% of the electric expense for their specific suites, the landlord is presumed to be responsible for heat and air conditioning costs as well as electricity in the common areas and office suites when a tenant rolls over. In addition, the landlord may perform services at the property that will result in a non-reimbursable utilities expense. Based on information provided by the property owner, we have budgeted at $2.50 per square foot per annum for this line item to include costs not directly billed to the tenants.

Repairs and Maintenance: The Repairs and Maintenance line item includes such costs as repairs, janitorial, HVAC contracts, elevator maintenance, supplies, landscaping, snow removal and trash removal. We have estimated this expense at $2.50 per square foot.

General & Administrative: This reflects various costs, including legal fees and other administrative costs associated with the operation of the subject property. Being that the subject building is presumed to be professionally managed, this expense is typically nominal. Therefore, we have budgeted a general and administrative expense of $0.15 per square foot of NRA.

Management Fee: Our pro forma estimate is based upon a market-accepted rate of $0.50 per square foot of NRA.

Total Operating Expenses: The aforementioned operating expenses equate to $8.00 per square foot of NRA which is reasonable for the proposed subject property. Operating expenses for comparable office buildings with modified gross leases in place indicate a range from $8.00 to $10.00 per square foot. It is noted that this is a current estimate of expenses. The eventual expenses will be based upon this level of expense inflated at 2.5% per year.

Reserves: After discussing an appropriate range of reserve allowances with other owners, institutional lenders, and investors we have made an allocation of $0.15 per square foot of NRA.

Summary

General Assumptions for Office Cash Flows

Building		
F - Office Building	112,770	square feet of Net Rentable Area (NRA)
Lease - Up	36	months following completion in Phase 2
Market Rent		
General Office Space	$22.00	per square foot per year, gross plus electric
General Inflation	2.50%	per year; for rents and expenses
Vacancy	5%	of Potential Gross Income
Operating Expenses		
General Operating	$6.00	per square foot per year
Real Estate Taxes	$2.00	per square foot per year
Reserves	$0.25	per square foot per year

Note: All operating expenses except the management fee, are inflated at the General Inflation Rate per year.

Below Line Expenses		
Leasing Commissions	2.50%	of initial term gross rental revenue
Tenant Improvements	$0	included in Development Costs
Reversion		
Terminal Capitalization Rate	9.00%	applied to NOI before reserves
Closing Costs	2%	of Gross Sale Proceeds

Consolidated Statements

ARGUS™ SOFTWARE

Building F, Ofc
150 North Main Street
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Office Phase 2 Bldg F
Property Type: Office/Industrial
Portfolio:
Date: 11/27/12
Time: 9:28 am
Ref#: ABZ
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021
Potential Gross Revenue					
Base Rental Revenue	$2,282,076	$2,784,135	$2,807,527	$2,807,528	$2,807,528
Absorption & Turnover Vacancy	(1,863,696)	(1,442,463)	(519,482)		
Scheduled Base Rental Revenue	418,380	1,341,672	2,288,045	2,807,528	2,807,528
Total Potential Gross Revenue	418,380	1,341,672	2,288,045	2,807,528	2,807,528
General Vacancy	(20,919)	(67,084)	(114,402)	(140,376)	(140,376)
Effective Gross Revenue	397,461	1,274,588	2,173,643	2,667,152	2,667,152
Operating Expenses					
General Operating	622,386	765,533	784,672	804,289	824,396
Real Estate Taxes	207,462	255,178	261,557	268,096	274,799
Total Operating Expenses	829,848	1,020,711	1,046,229	1,072,385	1,099,195
Net Operating Income	(432,387)	253,877	1,127,414	1,594,767	1,567,957
Leasing & Capital Costs					
Tenant Improvements					
Leasing Commissions	114,104	116,956	119,880		
Reserves	25,933	31,897	32,695	33,512	34,350
Total Leasing & Capital Costs	140,037	148,853	152,575	33,512	34,350
Cash Flow Before Debt Service	($572,424)	$105,024	$974,839	$1,561,255	$1,533,607

Hotel

Revenues

The statements for the subject follow the Uniform System of Accounts for the Lodging Industry, which is a standardized format and account classification for the lodging industry. We will estimate the cash flow for the property using the Uniform System of Accounts, making only broad comparisons to the subject cash flow statements when possible.

The sources of income for the subject property include room rentals, food and beverage income, telephone charges, and miscellaneous revenues from incidental operations including meeting room rental revenue, vending machines and guest laundry among other minor sources. Offsetting the revenues are departmental expenses; undistributed operating expenses such as administrative costs, marketing, repairs and maintenance, utilities, management, and franchise fees; and fixed expenses such as real estate taxes, insurance and reserves. Each source of revenue and each general category of expenses will be analyzed, compared to other operating data from similar facilities and a budget will be set forth in determining the pro forma cash flow for the subject. This follows a similar process completed by any potential investor in the marketplace in establishing a transaction price.

ESTIMATION OF ROOM REVENUE

Average daily rates (ADRs) and occupancy (or occupied room nights) are the basis for an estimate of room revenue in any single operating year. The following analysis presumes a 365-day calendar year with 125 available guest rooms.

Average Daily Rate: The estimate of an ADR considers fluctuations in rack rates due to seasonal fluctuations in occupancy, corporate or group discounts, promotions, length of stay, and room type. In order to estimate a pro forma ADR for the subject property, we have examined the owner's pro forma as tested against historic operating data for the central Connecticut lodging market. These operating trends were presented within the *Hospitality Market Overview* section of the report.

For the purpose of this analysis we have projected the ADR for the first fiscal year at $125.00, increasing by 2.5% per annum. With the estimated completion of the hotel in May 2015, the ADR would be estimated at roughly $135 upon completion of the hotel.

Occupancy: Based upon our analysis of the hotel market considering that the proposed subject hotel would be of above market standards in quality yet a nascent lodging facility in downtown Bristol, we have estimated Year 1 occupancy at 60% increasing to 65% in Year 2 then stabilizing at 70% in Year 3.

MINOR OPERATED DEPARTMENTS

Food and beverage income for extended stay hotels are generally nominal, especially since guest rooms feature in room kitchens. Other revenue from minor operated departments may include income from guest laundry, vending machines, gift shops, and other ancillary services such as a fax machine, or valet parking. For the purpose of this analysis this other minor operating income, to include modes F&B sales, was estimated at $1.50 per guest room per night and was inflated at 2.5% per annum.

Telephone revenue was once considered a profit center and was therefore included as a full department on most income and expense reports. However in the past decade, this department has largely become nothing more than an expense for a hotel with nominal revenues. Telephones are largely offered as a service of last resort as most people now use cellular phones when traveling. For the purpose of this report we have estimated revenues at $0.20 per guest room per night. This unit amount was also inflated at 2.5% per annum.

Expenses

In order to estimate the operating expenses of the proposed subject hotel we have used, as a standard source, the 2012 HOST Report prepared by Smith Travel Research. In addition, we have also used market extracted expense data from known limited-service lodging facilities that our office has appraised.

		Total U.S.		New England	New England	Upscale **	Upscale***
Occupancy (of Sample)		70.0%		71.9%	71.9%	72.2%	72.2%
Average Size Of Property (Rooms)		114		114	114	119	119
Average Daily Rate		$89.85		$96.58	$96.58	$123.98	$123.98
	Ratio to Sales	**Per Available Room**	**Per Occupied Room Night**	**Ratio to Sales**	**Per Occupied Room Night**	**Ratio to Sales**	**Per Available Room**
REVENUE							
Rooms	96.7%	$22,841	$89.85	97.0%	$96.58	95.8%	$32,270
Food	–	–	–	–	–	–	–
Beverage	–	–	–	–	–	–	–
Other Food & Beverage	–	–	–	–	–	–	–
Telecommunications	0.2	41	0.16	0.2	0.15	0.2	60
Other Operated Departments	1.5	357	1.4	1.7	1.72	2.1	697
Rentals & Other Income	1.7	392	1.54	1.1	1.07	1.9	648
Cancellation Fee	0.0	5	0.02	0.0	0.02	0.0	4
Total Revenue	100.0%	$23,636	$92.97	100.0%	$99.54	100.0%	$33,679
DEPARTMENTAL EXPENSES							
Rooms	24.3%	$5,561	$21.88	23.0%	$22.25	23.7%	$7,659
Food & Beverage	–	–	–	–	–	–	–
Telecommunications	390.8	162	0.64	409.6	0.63	292.8	176
Other Operated Depts & Rentals	1.5	360	1.42	1.4	1.42	2.0	683
Total Departmental Expenses	25.7%	$6,083	$23.94	24.4%	$24.30	25.3%	$8,518
Total Departmental Profit	74.3%	$17,553	$69.03	75.6%	$75.24	74.7%	$25,161
UNDISTRIBUTED OPERATING EXPENSES							
Administrative & General	9.3%	$2,188	$8.61	9.3%	$9.28	8.8%	$2,970
Marketing	5.7	1,350	5.31	5.5	5.49	6.7	2,265
Utility Costs	5.3	1,248	4.91	6.6	6.58	4.4	1,476
Property Operations & Maintenance	5.3	1,250	4.92	5.3	5.32	4.7	1,587
Total Undistributed Operating Expenses	25.5%	$6,036	$23.75	26.8%	$26.67	24.6%	$8,298
GROSS OPERATING PROFIT	**48.8%**	**$11,517**	**$45.28**	**48.8%**	**$48.57**	**50.1%**	**$16,863**
Franchise Fees (Royalty)	3.0	715	2.81	2.8	$2.79	3.6	$1,203
Management Fees	3.1%	$727	$2.86	3.0%	$3.02	3.5%	$1,183
INCOME BEFORE FIXED CHARGES	**42.6%**	**$10,075**	**$39.61**	**43.0%**	**$42.76**	**43.0%**	**$14,477**
Selected Fixed Charges							
Property Taxes	4.9%	$1,157	$4.55	5.6%	$5.54	4.5%	$1,499
Insurance	1.2	276	1.09	0.9	0.91	0.9	291
Reserve For Capital Replacement	1.9	452	1.78	2.5	$2.52	2.4	$816
AMOUNT AVAILABLE FOR DEBT SERVICE & OTHER FIXED CHARGES*	**34.6%**	**$8,190**	**$32.19**	**34.0%**	**$33.79**	**35.2%**	**$11,871**

Source: Host Study 2012

Departmental Expenses: These expenses generally include those costs attributed directly to the rooms, food and beverage services, telephone, and other operations.

<u>*Rooms Expense:*</u> This category accounts for housekeeping, sales tax, linens and supplies and other direct expenses applicable to room occupancy. We have found through reviewing actual operating expenses for comparable hotels in the market, as well as, industry standards that room expenses generally range from 24% to 27% of rooms revenue. STR reports typical Rooms Expense for limited service hotels ranges between 23% and 24.3% of total room revenues. The rooms expense for upscale hotels is within this range at 23.7%. Assuming market conditions prevail, we have estimated the expense ratio at 24%.

<u>*Telephone Expenses:*</u> This expense varies widely among hotels. For the purpose of this report we have estimated the expense at 500% of telephone revenue.

<u>*Other Departmental Expenses:*</u> We have estimated this expense at roughly 25% of this source of revenue to include the purchase of food & beverages for continental breakfast at a minimum.

Undistributed Expenses: These generally include expenses for administration and general operation, marketing, franchise fees, utilities, property operations and maintenance, and management. These expenses are generally attributable to and necessary for the operation of the facility regardless of occupancy.

- *Administrative Expense* generally ranges between 8.8% and 9.3% of total revenue. For the purpose of this report we have estimated the expense at 9% of total revenue.
- *Marketing Expense*, in total to include franchise marketing fees, has been estimated at 5% of total revenue. This expense typically ranges between 5% and 7% of total revenue.
- *Utility Expenses*, to include heat and air conditioning as well as water and sewer charges has been estimated at $7.50 per room night.
- *Property Operations and Maintenance* has been estimated at 5% of total revenue. This expense typically ranges between 4.7% and 5.3% of total revenue.
- *Franchise Fee*: It is assumed that the hotel would be a franchise facility and therefore we have used a 6% franchise fee.

Fixed Expenses: Fixed expenses include taxes and insurance, professional fees and a reserve allocation for the repair or replacement of short-lived structural components. Fixed expenses are estimated as follows:

- The insurance cost has been estimated at 1.0% of total revenues. This is consistent with market standards which show a ratio of 0.9% to 1.2% of total revenue.
- Real estate taxes have been estimated at $1,500 per guest room, inflated at 2.5% per annum. Personal property taxes are estimated at $15,000 per year which is reasonable for a new extended stay hotel.
- Reserves for replacement is a non-cash allocation to account for the need for capital replacement of short-lived items. The allocation of 4% is an industry standard supported by empirical market data. It is noted that reserves are generally not reported for the Host Study and therefore, the median figures are typically below market standards.

Summary

General Assumptions for Hotel Cash Flows

Total Rooms	125	Guest rooms
Occcupancy	60%	Initial occupancy rate
	70%	Stabilized occupancy at 3 years
Revenues		
Hotel ADR	$125.00	per occupied roomnight
Telephone Revenues	$0.20	per room night per year
Other Minor Sources	$1.50	per room night per year
General Inflation	2.50%	per year; for ADR, other revenues and expenses
Department Expenses		
Room Department	24%	of room revenues
Telephone Department	500%	of telephone revenues
Minor Departments	25%	of minor department revenue
Undistributed Operating Expenses		
Administrative	9%	of total revenues
Marketing	5%	of total revenues
Franchise Fee	6%	of room revenues
Operating & Maint.	5%	of total revenues
Utilities	$7.50	per available room night
Management Fee	3%	of total revenues
Fixed Expenses		
Insurance	1%	of total revenues
Real Estate Taxes	$1,500	per guest room per year
Personal Property Taxes	$15,000	per year
Reserves	4%	of total revenues

Note: All operating expenses other than those tied to revenues, are inflated at the General Inflation Rate per year.

Reversion		
Terminal Capitalization Rate	9.75%	applied to NOI before reserves
Closing Costs	2%	of Gross Sale Proceeds

Consolidated Statements

ARGUS™ SOFTWARE

Building C Hotel
Bristol, CT 06010

Software: ARGUS Ver. 15.0.1.26
File: Hotel Phase 1 Bldg C
Property Type: Hotel/Motel
Portfolio:
Date: 11/27/12
Time: 9:30 am
Ref#: ACC
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018
Gross Revenue				
Room Revenue	$898,777	$3,761,756	$4,170,559	$4,516,794
Telephone	1,438	6,019	6,673	7,227
Other	10,785	45,141	50,047	54,202
Total Gross Revenue	911,000	3,812,916	4,227,279	4,578,223
Departmental Expenses				
Room Expense	215,706	902,821	1,000,934	1,084,031
Telephone	7,190	30,095	33,365	36,135
Other	2,696	11,285	12,512	13,551
Total Departmental Expenses	225,592	944,201	1,046,811	1,133,717
Departmental Profit	685,408	2,868,715	3,180,468	3,444,506
Undistributed Expenses				
Administrative	81,990	343,162	380,455	412,040
Marketing	45,550	190,646	211,364	228,911
Franchise Fee	53,927	225,705	250,234	271,008
Operations & Maint.	45,550	190,646	211,364	228,911
Utilities	53,927	225,705	250,234	271,008
Managment Fee	27,330	114,387	126,818	137,347
Total Undistributed Expenses	308,274	1,290,251	1,430,469	1,549,225
Gross Operating Profit	377,134	1,578,464	1,749,999	1,895,281
Fixed Expenses & Costs				
Insurance	9,110	38,129	42,273	45,782
Real Estate Taxes	66,715	201,917	206,965	212,139
PP Taxes	7,880	16,153	16,557	16,971
Total Fixed Expenses & Costs	83,705	256,199	265,795	274,892
Net Operating Income	293,429	1,322,265	1,484,204	1,620,389
Capital Costs				
Reserves	36,440	152,517	169,091	183,129
Total Capital Expenditures	36,440	152,517	169,091	183,129
Cash Flow Before Debt Service	$256,989	$1,169,748	$1,315,113	$1,437,260

Parking Garage

Revenues

We have conducted research on several mixed use developments throughout central Connecticut to ascertain what, if any, revenues could be generated by the structured parking proposed for the subject development. Of critical importance in our final opinion was the availability of alternative parking for residents and other commercial tenants of the proposed development. We have found that in larger cities where there are ample alternatives for parking, such as Hartford and New Haven, landlords are able to charge for parking. In some cases, one space might be included in the rent as a concession with any additional spaces required being subject to a monthly charge. However, in the case of the subject, there are no alternatives for residents or commercial occupants and the subject development is a nascent project in downtown. In our opinion it would be near impossible to charge tenants or guests for parking spaces without making a commensurate downward adjustment in rent for the retail space, office space, hotel and residential apartments to account for this added charge. As such, we have assumed no revenues for the parking structures.

Expenses

Operating expenses for structured parking can vary widely depending on how the parking is operated. Typically in an urban center, parking is operated for profit. This requires added support staff to man booths or additional technology to collect revenues, added security, specialty equipment, administrative fees, advertising, supplies and added maintenance costs in addition to the typical expenses. We have reviewed operating expenses for several inner city garages that are operated on this basis.

However, given that the subject garages will largely be constructed for the benefit of the apartment units (1,106 spaces for 851 apartments) we have assumed that for the near foreseeable future, the garages would not be operated for profit. Therefore, this eliminates a large number of expenses for the project. What expenses would be incurred include insurance, general repairs and maintenance, snow removal, minor security charges and utilities. In the case of utilities they will largely consist of lighting costs as the developer indicated that the way the structures will be built will not require the parking structures to have any air handling systems. Further, the expense of maintaining all elevators servicing the garages are included in the maintenance costs of the attached structures.

For the purpose of this analysis we have estimated the current operating expenses of the garage at $175 per space per year for general maintenance and security, $50 per space per year for utilities and $25 per space per year for insurance.

Real estate taxes charge only to parking structures P3, P4 and the basement parking of Building Q, are estimated at $693 per space per year in current dollars.

All operating expenses are inflated at 2.5% per annum and charged to the garage structures accordingly when they are complete.

Summary

General Assumptions for Parking Cash Flows

Parking Garages (not including townhomes)		
Parking Garage (P1)	380	
Parking Garage (P2)	430	
Parking Deck (P3)	128	
Parking Deck (P4)	128	
Basement Parking Building Q	40	
	1,106	**Total Spaces**
General Inflation	2.50%	per year; for expenses
Revenues		No revenues
Operating Expenses		
Maintenance, insurance, electric	$250.00	per space per year
Real Estate Taxes	$693.00	per space per year on all but P1 & P2
Reversion		
Terminal Capitalization Rate	10.00%	applied to NOI before reserves
Closing Costs	2%	of Gross Sale Proceeds

Consolidated Statements

ARGUS™ SOFTWARE

Software: ARGUS Ver. 15.0.1.26
File: Parking Building Q Oper
Property Type: CBD
Portfolio:
Date: 11/27/12
Time: 9:31 am
Ref#: AAL
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 10 Sep-2022	Year 11 Sep-2023	Year 12 Sep-2024
Operating Expenses			
General Operating	10,459	12,801	13,121
Real Estate Taxes	28,993	35,484	36,371
Total Operating Expenses	39,452	48,285	49,492
Net Operating Income	(39,452)	(48,285)	(49,492)
Cash Flow Before Debt Service	($39,452)	($48,285)	($49,492)

ARGUS™ SOFTWARE

Software: ARGUS Ver. 15.0.1.26
File: Parking P1 P2 Oper
Property Type: CBD
Portfolio:
Date: 11/27/12
Time: 9:33 am
Ref#: ABH
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022	Year 11 Sep-2023	Year 12 Sep-2024	Year 13 Sep-2025	Year 14 Sep-2026	Year 15 Sep-2027	Year 16 Sep-2028
Operating Expenses												
General Operating	87,431	107,484	110,171	112,925	115,748	230,519	259,217	265,698	272,340	279,148	286,127	293,280
Total Operating Expenses	87,431	107,484	110,171	112,925	115,748	230,519	259,217	265,698	272,340	279,148	286,127	293,280
Net Operating Income	(87,431)	(107,484)	(110,171)	(112,925)	(115,748)	(230,519)	(259,217)	(265,698)	(272,340)	(279,148)	(286,127)	(293,280)
Cash Flow Before Debt Service	($87,431)	($107,484)	($110,171)	($112,925)	($115,748)	($230,519)	($259,217)	($265,698)	($272,340)	($279,148)	($286,127)	($293,280)

ARGUS™ SOFTWARE

Software: ARGUS Ver. 15.0.1.26
File: Parking P3 & P4 Oper
Property Type: CBD
Portfolio:
Date: 11/27/12
Time: 9:35 am
Ref#: AAL
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022
Operating Expenses				
General Operating	24,933	76,076	77,978	79,927
Real Estate Taxes	69,115	210,882	216,154	221,558
Total Operating Expenses	94,048	286,958	294,132	301,485
Net Operating Income	(94,048)	(286,958)	(294,132)	(301,485)
Cash Flow Before Debt Service	($94,048)	($286,958)	($294,132)	($301,485)

Consolidated Statement for All Parking Structures

ARGUS™ SOFTWARE

Depot Square

Software: ARGUS Ver. 15.0.1.26
File: PORTFOLIOTEST
Property Type: Portfolio
Portfolio:
Date: 11/27/12
Time: 9:37 am
Ref#: AEL
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022	Year 11 Sep-2023	Year 12 Sep-2024	Year 13 Sep-2025	Year 14 Sep-2026	Year 15 Sep-2027
Operating Expenses											
Office & Retail Expenses											
Structured Parking	1,041	1,067	1,094	1,121	1,149	39,452	48,285				
Structured Parking	87,431	107,484	110,171	112,925	115,748	230,519	259,217	265,698	272,340	279,148	286,127
Structured Parking	1,041	1,067	94,048	286,958	294,132						
Total	89,513	109,618	205,313	401,004	411,029	269,971	307,502	265,698	272,340	279,148	286,127
Total Operating Expenses	89,513	109,618	205,313	401,004	411,029	269,971	307,502	265,698	272,340	279,148	286,127
Net Operating Income	(89,513)	(109,618)	(205,313)	(401,004)	(411,029)	(269,971)	(307,502)	(265,698)	(272,340)	(279,148)	(286,127)
Cash Flow Before Debt Service	($89,513)	($109,618)	($205,313)	($401,004)	($411,029)	($269,971)	($307,502)	($265,698)	($272,340)	($279,148)	($286,127)

Condominiums

Revenues

We have projected the unit price of the residential condominium units at $200 per square foot upon completion of the units. The 140 units, which range in size between 1,350 and 1,450 square feet, are assumed to be constructed and sold over a four year period indicating an absorption rate of 2.91 units per month. During the absorption period unit prices are inflated by 5% per annum. As such, while the initial average unit price is estimated at $278,131, the overall average unit price over the four year absorption period increases to $299,695.

Expenses

Closing costs are estimated at $1,000 per unit closing, standard city and state conveyance taxes as well as a brokerage commission of 3% of gross sales proceeds. All soft costs for marketing and a sales team are included in the soft cost budget for the development.

Real estate taxes upon completion are assumed to be the responsibility of the buyers.

Consolidated Statements

CASH FLOW ANALYSIS	#	TOTALS	#	Year 10 Sep-2022	Year 11 Sep-2023	Year 12 Sep-2024	Year 13 Sep-2025
Number of Units Built	#	140	#	44	52	44	0
Units Available for Sale	#	0	#	44	61	70	35
Number of Units Sold	#	140	#	35	35	35	35
Remaining Fin. Inventory	#	0	#	9	26	35	0
Income from sales	#	$41,957,350	#	$9,734,600	$10,221,330	$10,732,400	$11,269,020
Average sale price/unit	#	$299,695	#	$278,131	$292,038	$306,640	$321,972
	#		#				
SUMMARY OF REVENUES	#		#				
UNIT SALES	#	$41,957,350	#	$9,734,600	$10,221,330	$10,732,400	$11,269,020
OTHER INCOME	#	$0	#	$0	$0	$0	$0
GROSS ESTIMATED REVENUES	#	$41,957,350	#	$9,734,600	$10,221,330	$10,732,400	$11,269,020
minus	#		#				
Real Estate Commissions	#	$1,258,721	#	$292,038	$306,640	$321,972	$338,071
Closing Costs & Taxes	#	$395,940	#	$94,381	$97,350	$100,468	$103,741
NET ESTIMATED REVENUES	#	**$40,302,690**	#	**$9,348,181**	**$9,817,340**	**$10,309,960**	**$10,827,208**

Enterprise Zone Real Estate Tax Savings

Summary

The subject property is located within Bristol's Enterprise Zone established in accordance with Connecticut General Statues 32-70. The zone in this instance is centered around downtown Bristol. The purpose of this zone designation is to attract development, renewal investment and job opportunities to the zone. The final approval for the zone was received in February 1995, but projects begun on or after November 1, 1994 are eligible for the benefits of the zone designation.

1. The Enterprise zone calls for a freeze of any additional assessed value attributed to the new development, on a seven year scale.
2. The freeze in assessed value can be taken at any time during the construction period or upon construction completion. Since the City offers a developer the option on when a freeze can be taken, the developer would receive the most benefit if the freeze is taken after the property achieves full assessment and receives a certificate of occupancy.
3. The enterprise zone benefits new residential developments and commercial developments. However, there is a minimum cost investment for commercial development in order to receive the abatement. The subject's proposed development exceeds that cost and the entire subject development is eligible for the freeze. According to the City Assessor, "**this is correct and the investment should easily meet the threshold.**"
4. Based on the enterprise zone guidelines the building assessed value would be 100% frozen (in the form of an abatement) for the first two years. The third year would receive a 50% freeze, decreasing 10% per year thereafter for a total abatement period of 7 years. The following is the freeze schedule.
   - Year 1 - 100% freeze of building assessment
   - Year 2 - 100% freeze of building assessment
   - Year 3 - 50% freeze of building assessment
   - Year 4 - 40% freeze of building assessment
   - Year 5 - 30% freeze of building assessment
   - Year 6 - 20% freeze of building assessment
   - Year 7 - 10% freeze of building assessment
   - Year 8 - Achieves full assessed value
5. During the tax benefit term the owner will continue to pay taxes on the full land assessment.
6. According to the City Assessor, the development will receive a partial assessment based on the improvements that are on the site as of October 1st.
7. Based on fire codes a CO can be issued when the improvements are completed and pass inspection. Therefore, we are assuming that each building can only be occupied upon full completion.
8. The freeze would be most advantageous if taken when the improvements achieve a full assessment, which would be the October 1st after completion.

For the purpose of this report we have estimated that the full real estate taxes on the improvements would not be realized until each building is complete, at which point seven full years of abatement of the improvement tax would be available. Real estate taxes are based on previous estimates for each component of the project.

No real estate taxes were modeled for the retail space, assuming that the tenants of this section of the building are typically responsible for a pro rata share of real estate taxes. As the tenant would benefit from this provision, and not the landlord, the tax savings for this section of the development have been omitted.

It is also presumed that there will be no real estate taxes on the two free standing parking garage structures. The value of these structures is in inherently included in the valuation of the remaining components of the project including the apartments, office building and hotel. While a similar case could be made for the connected podium garages, P3, P4 and in building Q, we have assumed that these garages would be taxed.

No tax savings would accrue to the developer in the case of the condominium units developed in the fourth phase of the project. It is assumed that the improvements would only be taxed after construction and the buyers would benefit from such savings over a seven year term.

Given the difficulty in assigning the land assessment to each building, we have assumed a full abatement of taxes for each building and then deducted the land tax from the end summation of savings. The land tax has been estimated at the current pro rata share of land taxes as previously estimated in the report, inflated at 2.5% per annum. Likewise, the real estate tax burden of each component has been inflated at 2.5% per annum.

Obviously, the final tax savings may vary due to revaluation results; it is our opinion that this calculation is a reasonable estimate of the tax savings due to the benefits of being in Bristol's Enterprise Zone. The calculation is shown on the following table. While there appears to be more than seven years of savings for some improvements, this is due to partial year tax savings at the beginning and end of each abatement period.

Consolidated Statements

Structure	Sep-13 Year 1	Sep-14 Year 2	Sep-15 Year 3	Sep-16 Year 4	Sep-17 Year 5	Sep-18 Year 6	Sep-19 Year 7	Sep-20 Year 8	Sep-21 Year 9	Sep-22 Year 10	Sep-23 Year 11	Sep-24 Year 12	Sep-25 Year 13	Sep-26 Year 14	Sep-27 Year 15	Sep-28 Year 16
PH 1 - A		$81,727	$251,309	$257,592	$264,032	$270,633	$277,399	$284,334	$291,442	$298,728	$306,196	$313,851	$321,697	$329,740	$337,983	$346,433
		$81,727	$251,309	$225,393	$125,415	$101,487	$76,285	$49,758	$21,858							
PH 1 - B		$110,017	$333,468	$341,805	$350,350	$359,109	$368,087	$377,289	$386,721	$396,389	$406,299	$416,456	$426,868	$437,539	$448,478	$459,690
		$110,017	$333,468	$299,079	$166,416	$134,666	$101,224	$66,026	$29,004							
PH 2 - E					$160,789	$197,770	$202,714	$207,782	$212,977	$218,301	$223,759	$229,353	$235,087	$240,964	$246,988	$253,163
					$160,789	$197,770	$101,357	$83,113	$63,893	$43,660	$22,376					
PH 2 - G					$196,755	$242,008	$248,058	$254,260	$260,616	$267,132	$273,810	$280,655	$287,672	$294,864	$302,235	$309,791
					$196,755	$242,008	$124,029	$101,704	$78,185	$53,426	$27,381					
PH 2 - H					$139,632	$171,748	$176,041	$180,442	$184,954	$189,577	$194,317	$199,175	$204,154	$209,258	$214,489	$219,852
					$139,632	$171,748	$88,021	$72,177	$55,486	$37,915	$19,432					
PH 2 - I					$73,588	$90,513	$92,775	$95,095	$97,472	$99,909	$102,407	$104,967	$107,591	$110,281	$113,038	$115,864
					$73,588	$90,513	$46,388	$38,038	$29,242	$19,982	$10,241					
PH 3 - J							$166,261	$511,254	$524,035	$537,136	$550,564	$564,328	$578,437	$592,898	$607,720	$622,913
							$166,261	$511,254	$262,018	$214,854	$165,169	$112,866	$57,844			
PH 3 - K							$63,126	$194,112	$198,965	$203,939	$209,038	$214,264	$219,620	$225,111	$230,739	$236,507
							$63,126	$194,112	$174,094	$96,871	$78,389	$58,923	$38,434	$16,883		
PH 3 - L							$67,571	$207,782	$212,977	$218,301	$223,759	$229,353	$235,087	$240,964	$246,988	$253,163
							$67,571	$207,782	$186,355	$103,693	$83,910	$63,072	$41,140	$18,072		
Hotel - 1 - C				$66,715	$201,917	$206,965	$212,139	$217,443	$222,879	$228,451	$234,162	$240,016	$246,016	$252,167	$258,471	$264,933
				$66,715	$201,917	$103,483	$84,856	$65,233	$44,576	$22,845						
Office -2 - F					$207,462	$255,178	$261,557	$268,096	$274,799	$281,669	$288,710	$295,928	$303,326	$310,909	$318,682	$326,649
					$207,462	$255,178	$130,779	$107,238	$82,440	$56,334	$28,871					
Parking Structures																
P3 & P4							$69,115	$210,882	$216,154	$221,558	$227,097	$232,774	$238,594	$244,559	$250,673	$256,939
							$69,115	$210,882	$108,077	$88,623	$68,129	$46,555	$23,859			
Bldg Q										$39,452	$48,285	$49,492	$50,729	$51,998	$53,297	$54,630
										$39,452	$48,285	$24,746	$20,292	$15,599	$10,659	$5,463
Minus Land Tax	$48,073	$49,275	$50,507	$51,770	$53,064	$54,391	$55,751	$57,145	$58,574	$60,038	$61,539	$63,077	$64,654	$66,270	$67,927	$69,625
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Net Savings	$0	$142,469	$534,270	$539,417	$1,218,910	$1,242,462	$1,063,259	$1,650,172	$1,076,653	$717,618	$490,643	$243,084	$116,915	$0	$0	$0

REVERSION ESTIMATES

The reversion for each asset has been determined by the process of direct capitalization. In each case, the net operating income in the year following stabilization is divided by an appropriate capitalization rate then adjusted for closing costs (2% of gross sale proceeds) to arrive at the net proceeds from sale.

The direct capitalization rates were estimated using a comparative method citing the PriceWaterhouseCoopers Real Estate Investor Survey for the Third Quarter of 2012.

According to the National Apartment Market survey, residual capitalization rates for institutional grade apartments ranged between 4.5% and 9.75% with an overall average of 6.2%. For the purpose of this analysis we have selected a residual rate of 6.25% as being reasonable for this component of the development.

With regard to the National Suburban Office market survey, residual capitalization rates range between 6% and 11% with an overall average of 7.98%. The proposed subject office building would not be considered institutional grade and therefore, we have selected a rate of 9% as being reasonable for this component of the development.

With regard to the National Strip Shopping Center Market survey, residual capitalization rates range between 6% and 12% with an overall average of 7.69%. As the subject commercial space is included with the apartments, only a slight premium in rate over the apartment residual capitalization rate was considered appropriate. As such, we have selected a rate of 6.75% as being reasonable for this component of the development.

With regard to the National Limited-Service Lodging Segment survey, residual capitalization rates range between 8% to 12% with an overall average of 9.85%. The proposed subject hotel will be of above average quality of construction. For the purpose of this analysis we have selected a residual capitalization rate of 9.75% as being a reasonable estimate for this component of the development.

The parking structures generate only negative cash flows. For the purpose of this analysis we have selected a residual capitalization rate of 10% as being a reasonable estimate for this component of the development.

The estimated reversions for each component of the proposed development are illustrated on the table on the following page. The estimates are subsequent to a deduction of 2% for closing costs.

Net Proceeds From Sale (Reversion Estimates)

Bldg	Reversion	Per Unit	Per Sq. Ft.
Apt A	$17,223,288	$165,609	$197.43
Apt B	$21,600,502	$156,525	$194.23
Apt E	$13,014,840	$171,248	$217.28
Apt G	$15,726,225	$169,099	$213.96
Apt H	$10,809,870	$163,786	$208.52
Apt I	$7,029,877	$175,747	$221.90
Apt J	$34,162,800	$182,689	$231.73
Apt K	$12,970,370	$182,681	$232.86
Apt L	$13,913,225	$183,069	$233.44
P3 & P4	-$3,014,850	($11,777)	-$28.71
Hotel	$16,286,987	$130,296	$161.10
Ofc	$17,073,309		$151.76
Rtl B	$5,030,899		$225.39
Rtl C	$2,020,586		$315.72
Rtl E	$1,724,495		$331.57
Rtl H	$1,611,425		$331.57
Rtl I	$1,560,625		$255.00
RTL J	$4,121,270		$265.89
Rtl K	$2,977,937		$265.89
Rtl O	$803,702		$357.20
Prk Bld Q	-$494,920	($12,373)	-$30.55
Rtl Q	$1,446,509		$357.16
P1 & P2	-$2,932,800	($3,621)	-$11.12

COST PROJECTIONS

The following are the cost estimates prepared by the third party cost estimator, VJ Associates. These costs are current and therefore, we have inflated the figures at 2% per year and deducted the costs from the cash flows in the appropriate periods of development.

VJ ASSOCIATES

DEPOT SQUARE MASTER PLAN
UNIFIED DOWNTOWN DEVELOPMENT PROJECT
BRISTOL, CT

11/10/12

BUILDINGS AND ABOVE-GROUND PARKING INCLUDING SITE IMPROVEMENTS

PHASE #1

	DESCRIPTION		TYPE OF CONSTRUCTION	TOTAL BUILDING AMOUNT	TOTAL SITE IMPROVEMENT AMOUNT	TOTAL PARKING / ROAD AMOUNT	TOTAL AMOUNT
	PHASE #1						
1	BUILDING 'A'	Multi-Family - Rental	Stick	10,730,028	N.A	N.A	10,730,028
2	BUILDING 'B'	Ground Floor - Retail / Restaurant Multi-Family - Rental	Stick over Commercial Podium	16,290,387	96,090	N.A	16,386,477
3	BUILDING 'C'	Hotel - Rooms Hotel - Amenities Ground Floor Retail	Steel	20,704,500	109,610	N.A	20,814,110
4	SITE DEVELOPMENT	Site Improvements		N.A	365,500	N.A	365,500
		Temporary Lawn Area		N.A	53,000	N.A	53,000
		Depot Street		N.A	137,866	N.A	137,866
5	PIAZZA / PEDETRIAN MUSE			N.A	702,225	N.A	702,225
6	PARKING	Permanent Parking Area		N.A	N.A	90,600	90,600
		Temporary Parking Area		N.A	N.A	260,700	260,700
7	ROAD INFRASTRUCTURE	Main Street		N.A	N.A	131,800	131,800
		Riverside Avenue		N.A	N.A	67,870	67,870
8	ON-SITE UTILITIES	Storm main		N.A	199,645	N.A	199,645
		Sanitary main		N.A	176,603	N.A	176,603
		Water main		N.A	133,746	N.A	133,746
		Electric service		N.A	492,750	N.A	492,750
		Natural gas service		N.A	109,660	N.A	109,660
		Telephone service		N.A	102,250	N.A	102,250
		Street lighting		N.A	48,590	N.A	48,590
		TV / Cable		N.A	64,450	N.A	64,450
9	SITE PLATFORM	Site Demolition / Clearing		N.A	36,902	N.A	36,902
		Site Earthwork		N.A	265,986	N.A	265,986
		Roadways on Grade		N.A	N.A	N.A	0
		Paver Sidewalks		N.A	N.A	N.A	0
		Site Amenities		N.A	14,500	N.A	14,500
	SUBTOTAL			47,724,915	3,109,372	550,970	51,385,257
	ASSUMED BUY-OUT SAVINGS		-12.0%	-5,726,990	-373,125	-66,116	-6,166,231
	SUB TOTAL			41,997,925	2,736,248	484,854	45,219,026
	GENERAL CONDITIONS		8.0%	3,359,834	218,900	38,788	3,617,522
	C.M. FEE		2.5%	1,049,948	68,406	12,121	1,130,476
	DESIGN CONTINGENCY		5.0%	2,099,896	136,812	24,243	2,260,951
	CONSTRUCTION CONTINGENCY		5.0%	2,099,896	136,812	24,243	2,260,951
	PERFORMANCE BOND		0.5%	209,990	13,681	2,424	226,095
	LEGAL, ARCHITECTURAL & ENGINEERING FEES		4.0%	1,679,917	109,450	19,394	1,808,761
	ESCALATION		0%	0	0	0	0
	TOTAL			$52,497,407	$3,420,310	$606,067	$56,523,783

VJ ASSOCIATES

DEPOT SQUARE MASTER PLAN
UNIFIED DOWNTOWN DEVELOPMENT PROJECT
BRISTOL, CT

11/10/12

BUILDINGS AND ABOVE-GROUND PARKING INCLUDING SITE IMPROVEMENTS

PHASE #2

	DESCRIPTION		TYPE OF CONSTRUCTION		TOTAL BUILDING AMOUNT	TOTAL SITE IMPROVEMENT AMOUNT	TOTAL PARKING / ROAD AMOUNT	TOTAL AMOUNT
	PHASE #2							
1	BUILDING 'E'	Ground Floor - Retail / Restaurant Multi-Family - Rental	Stick over Commercial Podium		7,974,450	N.A	N.A	7,974,450
2	BUILDING 'F'	Office Building	Steel		20,643,750	N.A	N.A	20,643,750
		Site Development				116,213		116,213
3	BUILDING 'G'	Multi-Family - Rental	Stick		9,040,500	N.A	N.A	9,040,500
4	BUILDING 'H'	Ground Floor - Retail / Restaurant Multi-Family - Rental	Stick over Commercial Podium		6,944,940	N.A	N.A	6,944,940
5	BUILDING 'I'	Commercial - Retail / Restaurant Multi-Family - Rental	Stick over Commercial Podium		4,612,680	N.A	N.A	4,612,680
6	BUILDING 'T'	Train Station	Stick		85,800	N.A	N.A	85,800
7	SITE DEVELOPMENT	Site Demolition			N.A	N.A	102,800	102,800
		Site Improvements			N.A	243,928	N.A	243,928
		Depot Street			N.A	N.A	186,007	186,007
		Laurel Street			N.A	N.A	153,412	153,412
		Courtyard			N.A	78,600	N.A	78,600
		Entry Road			N.A	N.A	52,608	52,608
8	PARKING	Parking Garage 'P1'	Steel/Concrete		9,605,100	N.A	N.A	9,605,100
		Permanent Parking - east of Bldg 'E'			N.A	N.A	41,560	41,560
		Permanent Parking - west of Temp. Lot 'A'			N.A	N.A	100,676	100,676
		Permanent Parking - west of Bldg 'H'			N.A	N.A	96,310	96,310
		Temporary Parking 'A'			N.A	N.A	129,705	129,705
		Temporary Parking 'B'			N.A	N.A	100,698	100,698
9	ROAD INFRASTRUCTURE	North Main Street			N.A	N.A	117,310	117,310
		Riverside Avenue			N.A	N.A	34,790	34,790
10	ON-SITE UTILITIES	Storm main			N.A	136,955	N.A	136,955
		Sanitary main			N.A	121,348	N.A	121,348
		Water main			N.A	100,539	N.A	100,539
		Electric service			N.A	336,900	N.A	336,900
		Natural gas service			N.A	80,240	N.A	80,240
		Telephone service			N.A	72,750	N.A	72,750
		Street lighting			N.A	36,860	N.A	36,860
		TV / Cable			N.A	44,050	N.A	44,050
11	SITE PLATFORM	Site Demolition / Clearing			N.A	41,616	N.A	41,616
		Site Earthwork			N.A	299,280	N.A	299,280
		Roadways on Grade			N.A	N.A	N.A	0
		Paver Sidewalks			N.A	N.A	N.A	0
		Site Amenities			N.A	2,100	N.A	2,100
	SUBTOTAL				58,907,220	1,711,379	1,115,875	61,734,474
	ASSUMED BUY-OUT SAVINGS			-12.0%	-7,068,866	-205,365	-133,905	-7,408,137
	SUBTOTAL				51,838,354	1,506,014	981,970	54,326,337
	GENERAL CONDITIONS			8.0%	4,147,068	120,481	78,558	4,346,107
	C.M. FEE			2.5%	1,295,959	37,650	24,549	1,358,158
	DESIGN CONTINGENCY			5.0%	2,591,918	75,301	49,099	2,716,317
	CONSTRUCTION CONTINGENCY			5.0%	2,591,918	75,301	49,099	2,716,317
	PERFORMANCE BOND			0.5%	259,192	7,530	4,910	271,632
	LEGAL, ARCHITECTURAL & ENGINEERING FEES			4.0%	2,073,534	60,241	39,279	2,173,053
	ESCALATION			0%	0	0	0	0
	TOTAL				$64,797,942	$1,882,517	$1,227,463	$67,907,921

VJ ASSOCIATES

DEPOT SQUARE MASTER PLAN
UNIFIED DOWNTOWN DEVELOPMENT PROJECT
BRISTOL, CT

11/10/12

BUILDINGS AND ABOVE-GROUND PARKING INCLUDING SITE IMPROVEMENTS

PHASE #3

DESCRIPTION		TYPE OF CONSTRUCTION		TOTAL BUILDING AMOUNT	TOTAL SITE IMPROVEMENT AMOUNT	TOTAL PARKING / ROAD AMOUNT	TOTAL AMOUNT
PHASE #3							
1 BUILDING 'J'	Commercial - Retail / Restaurant Multi-Family - Rental	Stick over Commercial Parking Podium		19,946,775	N.A	N.A	19,946,775
2 BUILDING 'K'	Ground Floor - Retail / Restaurant Multi-Family - Rental	Stick over Commercial Podium		8,161,500	N.A	N.A	8,161,500
3 BUILDING 'L'	Multi-Family - Rental	Stick over Parking Podium		7,330,800	N.A	N.A	7,330,800
4 SITE DEVELOPMENT	Site Demolition			N.A	N.A	32,935	32,935
	Site Improvements			N.A	146,200	N.A	146,200
	Depot Street			N.A	N.A	186,040	186,040
	Entry Road - eastern section			N.A	N.A	71,720	71,720
5 PARKING	Parking Deck 'P3' - Building 'J'	Parking Podium		N.A	N.A	4,289,250	4,289,250
	Parking Deck 'P4' - Building 'L'	Parking Podium		N.A	N.A	3,516,000	3,516,000
	Permanent Parking - east of Bldg 'L'			N.A	N.A	72,720	72,720
	Temporary Parking 'A'			N.A	N.A	74,640	74,640
6 ROAD INFRASTRUCTURE	North Main Street			N.A	N.A	31,500	31,500
7 ON-SITE UTILITIES	Storm main			N.A	127,195	N.A	127,195
	Sanitary main			N.A	112,578	N.A	112,578
	Water main			N.A	89,399	N.A	89,399
	Electric service			N.A	310,600	N.A	310,600
	Natural gas service			N.A	74,360	N.A	74,360
	Telephone service			N.A	63,250	N.A	63,250
	Street lighting			N.A	31,740	N.A	31,740
	TV / Cable			N.A	41,450	N.A	41,450
8 SITE PLATFORM	Site Demolition / Clearing			N.A	28,006	N.A	28,006
	Site Earthwork			N.A	143,134	N.A	143,134
	Roadways on Grade			N.A	N.A	N.A	0
	Paver Sidewalks			N.A	N.A	N.A	0
	Site Amenities			N.A	2,100	N.A	2,100
SUBTOTAL				35,439,075	1,170,011	8,274,805	44,883,891
ASSUMED BUY-OUT SAVINGS			#####	-4,252,689	-140,401	-992,977	-5,386,067
SUBTOTAL				31,186,386	1,029,610	7,281,828	39,497,824
GENERAL CONDITIONS			8.0%	2,494,911	82,369	582,546	3,159,826
C.M. FEE			2.5%	779,660	25,740	182,046	987,446
DESIGN CONTINGENCY			5.0%	1,559,319	51,480	364,091	1,974,891
CONSTRUCTION CONTINGENCY			5.0%	1,559,319	51,480	364,091	1,974,891
PERFORMANCE BOND			0.5%	155,932	5,148	36,409	197,489
LEGAL, ARCHITECTURAL & ENGINEERING FEES			4.0%	1,247,455	41,184	291,273	1,579,913
ESCALATION			0%	0	0	0	0
TOTAL				$38,982,983	$1,287,012	$9,102,286	$49,372,280

VJ ASSOCIATES

DEPOT SQUARE MASTER PLAN
UNIFIED DOWNTOWN DEVELOPMENT PROJECT
BRISTOL, CT

11/10/12

BUILDINGS AND ABOVE-GROUND PARKING INCLUDING SITE IMPROVEMENTS

PHASE #4

	DESCRIPTION		TYPE OF CONSTRUCTION		TOTAL BUILDING AMOUNT	TOTAL SITE IMPROVEMENT AMOUNT	TOTAL PARKING / ROAD AMOUNT	TOTAL AMOUNT
	PHASE #4							
1	BUILDING 'M'	Stacked Townhouse - For Sale	Stick, includes 3-car garage at grade		3,062,400	N.A	included in Building Amount	3,062,400
2	BUILDING 'N'	Multi-Family - Condominium	Stick		4,914,000	N.A	N.A	4,914,000
3	BUILDING 'O'	Ground Floor - Retail / Restaurant Multi-Family - Condominium	Steel		10,377,000	N.A	N.A	10,377,000
4	BUILDING 'Q'	Ground Floor - Retail / Restaurant Multi-Family - Condominium	Stick over Parking Podium		5,556,600	N.A	N.A	5,556,600
5	BUILDING 'R'	Stacked Townhouse - For Sale	Stick, includes 3-car garage at grade		1,531,200	N.A	included in Building Amount	1,531,200
6	BUILDING 'S'	Stacked Townhouse - For Sale	Stick, includes 3-car garage at grade		1,531,200	N.A	included in Building Amount	1,531,200
7	SITE DEVELOPMENT	Site Demolition - Phase 2 Temporary Parking 'A'			N.A	N.A	75,450	75,450
		Site Demolition - Phase 3 Temporary Parking 'A'			N.A	N.A	46,300	46,300
		Site Improvements			N.A	240,894	N.A	240,894
8	PARKING	Parking Garage 'P2'	Steel/Concrete		11,253,500	N.A	N.A	11,253,500
		Basement Parking - Building 'Q'	Parking Podium		N.A	N.A	1,652,400	1,652,400
9	SITE PLATFORM	Site Demolition / Clearing			N.A	23,361	N.A	23,361
		Site Earthwork			N.A	97,423	N.A	97,423
		Roadways on Grade			N.A	N.A	N.A	0
		Paver Sidewalks			N.A	N.A	N.A	0
		Site Amenities			N.A	2,100	N.A	2,100
	SUBTOTAL				38,225,900	363,778	1,774,150	40,363,828
	ASSUMED BUY-OUT SAVINGS			-12.0%	-4,587,108	-43,653	-212,898	-4,843,659
	SUBTOTAL				33,638,792	320,125	1,561,252	35,520,169
	GENERAL CONDITIONS			8.0%	2,691,103	25,610	124,900	2,841,613
	C.M. FEE			2.5%	840,970	8,003	39,031	888,004
	DESIGN CONTINGENCY			5.0%	1,681,940	16,006	78,063	1,776,008
	CONSTRUCTION CONTINGENCY			5.0%	1,681,940	16,006	78,063	1,776,008
	PERFORMANCE BOND			0.5%	168,194	1,601	7,806	177,601
	LEGAL, ARCHITECTURAL & ENGINEERING FEES			4.0%	1,345,552	12,805	62,450	1,420,807
	ESCALATION			0%	0	0	0	0
	TOTAL				$42,048,490	$400,156	$1,951,565	$44,400,211

ARGUS™ SOFTWARE

Depot Square

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Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 1 Sep-2013	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022
Net Operating Income										
Development Costs										
Hard/Construction Costs										
Hard/Construction Costs										
Phase 1 - Building A	2,420,785	7,147,535								
Phase 1 - Building B	3,696,928	10,915,435								
Phase 1 - Building C Hotel		4,768,683	14,079,865							
Phase 2- Building E				8,071,250	500,815					
Phase 2 - Building F Ofc				16,148,323	1,303,256					
Phase 2 - Building G				7,003,189	567,530					
Phase 2 - Building H				8,071,254	435,985					
Phase 2 - Building I				4,032,397	289,572					
Phase 3 - Building J						4,968,544	14,669,969			
Phase 3 - Building K						2,032,949	6,092,422			
Phase 3 - Building L						1,826,030	5,301,478			
Phase 4 Building M									2,955,785	212,250
Phase 4 Building N									4,742,923	340,596
Phase 4 Building O									10,015,734	719,243
Phase 4 Building Q									5,363,153	385,135
Phase 4 Building R									1,477,893	106,129
Phase 4 Building S									1,477,893	106,129
Total	6,117,713	22,831,653	14,079,865	43,126,413	2,896,967	8,827,523	26,063,869		26,033,381	1,869,401
Total Hard/Construction Costs	6,117,713	22,831,653	14,079,865	43,126,413	2,896,967	8,827,523	26,063,869		26,033,381	1,869,401
Soft/Development Costs										
Soft/Development Costs										
Phase 1 - Building A	605,196	1,780,884								
Phase 1 - Building B	924,232	2,728,859								
Phase 1 - Building C Hotel		1,102,171	3,510,966							
Phase 2- Building E				1,742,813	125,154					
Phase 2 - Building F Ofc				4,537,081	325,814					
Phase 2 - Building G				1,975,797	141,885					
Phase 2 - Building H				1,517,814	108,998					
Phase 2 - Building I				1,008,099	72,393					
Phase 3 - Building J						1,242,136	3,667,492			
Phase 3 - Building K						508,237	1,500,606			
Phase 3 - Building L						456,508	1,347,870			
Phase 4 Building M									738,946	53,065
Phase 4 Building N									1,185,731	85,140
Phase 4 Building O									2,503,934	179,811
Phase 4 Building Q									1,340,788	96,284
Phase 4 Building R									369,473	26,532
Phase 4 Building S									369,473	26,532
Total	1,529,428	5,707,014	3,510,966	10,781,604	774,242	2,206,881	6,515,968		6,508,345	467,373
Total Soft/Development Costs	1,529,428	5,707,014	3,510,966	10,781,604	774,242	2,206,881	6,515,968		6,508,345	467,373
Total Development Costs	7,647,141	28,538,667	17,590,831	53,908,017	3,671,209	11,034,404	32,579,837		32,541,726	2,336,864
Cash Flow Before Debt Service	($7,647,141)	($28,538,667)	($17,590,831)	($53,908,017)	($3,671,209)	($11,034,404)	($32,579,837)		($32,541,726)	($2,336,864)

ALL RESIDENTIAL AND COMMERCIAL BUILDINGS

ARGUS SOFTWARE

Depot Square

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Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 1 Sep-2013	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022	Year 15 Sep-2027
Net Operating Income											
Development Costs											
Hard/Construction Costs											
Hard/Construction Costs											
Parking - Basement Bldg Q									1,594,874	114,530	
Parking Structure P1				8,806,716	632,422						
Parking Structure P2									10,861,719	779,995	
Parking Structures P3 & P4						1,885,205	5,566,197				
Total				8,806,716	632,422	1,885,205	5,566,197		12,456,593	894,525	
Total Hard/Construction Costs				8,806,716	632,422	1,885,205	5,566,197		12,456,593	894,525	
Soft/Development Costs											
Soft/Development Costs											
Parking - Basement Bldg Q									398,719	28,633	
Parking Structure P1				2,201,679	158,106						
Parking Structure P2									2,715,430	194,999	
Parking Structures P3 & P4						471,301	1,391,549				
Total				2,201,679	158,106	471,301	1,391,549		3,114,149	223,632	
Total Soft/Development Costs				2,201,679	158,106	471,301	1,391,549		3,114,149	223,632	
Total Development Costs				11,008,395	790,528	2,356,506	6,957,746		15,570,742	1,118,157	
Cash Flow Before Debt Service				($11,008,395)	($790,528)	($2,356,506)	($6,957,746)		($15,570,742)	($1,118,157)	

ALL PARKING STRUCTURES

ARGUS™ SOFTWARE

Depot Square

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Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 1 Sep-2013	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022
Net Operating Income										
Development Costs										
Hard/Construction Costs										
Hard/Construction Costs										
Site Work Phase 1	779,397	2,301,222								
Site Work Phase 2				1,911,293	137,253					
Site Work Phase 3						371,694	1,097,452			
Site Work Phase 4									466,598	33,507
Total	779,397	2,301,222		1,911,293	137,253	371,694	1,097,452		466,598	33,507
Total Hard/Construction Costs	779,397	2,301,222		1,911,293	137,253	371,694	1,097,452		466,598	33,507
Soft/Development Costs										
Soft/Development Costs										
Site Work Phase 1	194,849	575,306								
Site Work Phase 2				477,823	34,313					
Site Work Phase 3						92,924	274,363			
Site Work Phase 4									116,650	8,377
Total	194,849	575,306		477,823	34,313	92,924	274,363		116,650	8,377
Total Soft/Development Costs	194,849	575,306		477,823	34,313	92,924	274,363		116,650	8,377
Total Development Costs	974,246	2,876,528		2,389,116	171,566	464,618	1,371,815		583,248	41,884
Cash Flow Before Debt Service	($974,246)	($2,876,528)		($2,389,116)	($171,566)	($464,618)	($1,371,815)		($583,248)	($41,884)

ALL SITE WORK

ARGUS™ SOFTWARE

Depot Square

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Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 1 Sep-2013	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022	Totals
Net Operating Income											
Development Costs											
Hard/Construction Costs											
Hard/Construction Costs											
Phase 1 - Building A	2,420,785	7,147,535									$9,568,320
Phase 1 - Building B	3,696,928	10,915,435									$14,612,363
Phase 1 - Building C Hotel		4,768,683	14,079,865								$18,848,548
Phase 2- Building E				6,971,250	500,615						$7,471,865
Phase 2 - Building F Ofc				18,148,323	1,303,256						$19,451,579
Phase 2 - Building G				7,903,189	567,539						$8,470,728
Phase 2 - Building H				6,071,254	435,985						$6,507,239
Phase 2 - Building I				4,032,397	289,572						$4,321,969
Phase 3 - Building J						4,968,544	14,669,969				$19,638,513
Phase 3 - Building K						2,032,949	6,002,422				$8,035,371
Phase 3 - Building L						1,826,030	5,391,478				$7,217,508
Phase 4 Building M									2,955,785	212,259	$3,168,044
Phase 4 Building N									4,742,923	340,596	$5,083,519
Phase 4 Building O									10,015,734	719,243	$10,734,977
Phase 4 Building Q									5,363,153	385,135	$5,748,288
Phase 4 Building R									1,477,893	106,129	$1,584,022
Phase 4 Building S									1,477,893	106,129	$1,584,022
Parking - Basement Bldg Q									1,594,874	114,530	$1,709,404
Parking Structure P1				8,806,716	632,422						$9,439,138
Parking Structure P2									10,861,719	779,995	$11,641,714
Parking Structures P3 & P4						1,885,205	5,566,197				$7,451,402
Site Work Phase 1	779,397	2,301,222									$3,080,619
Site Work Phase 2				1,911,293	137,253						$2,048,546
Site Work Phase 3						371,694	1,097,452				$1,469,146
Site Work Phase 4									466,598	33,507	$500,105
Soft Costs To Date											
Total	6,897,110	25,132,875	14,079,865	53,844,422	3,866,642	11,084,422	32,727,518		38,956,572	2,797,523	$189,386,949
Total Hard/Construction Costs	6,897,110	25,132,875	14,079,865	53,844,422	3,866,642	11,084,422	32,727,518		38,956,572	2,797,523	$189,386,949
Soft/Development Costs											
Soft/Development Costs											
Phase 1 - Building A	605,196	1,786,884									$2,392,080
Phase 1 - Building B	924,232	2,728,859									$3,653,091
Phase 1 - Building C Hotel		1,192,171	3,519,966								$4,712,137
Phase 2- Building E				1,742,813	125,154						$1,867,967
Phase 2 - Building F Ofc				4,537,081	325,814						$4,862,895
Phase 2 - Building G				1,975,797	141,885						$2,117,682
Phase 2 - Building H				1,517,814	108,996						$1,626,810
Phase 2 - Building I				1,008,099	72,393						$1,080,492
Phase 3 - Building J						1,242,136	3,667,492				$4,909,628
Phase 3 - Building K						508,237	1,500,606				$2,008,843
Phase 3 - Building L						456,508	1,347,870				$1,804,378
Phase 4 Building M									738,946	53,065	$792,011
Phase 4 Building N									1,185,731	85,149	$1,270,880
Phase 4 Building O									2,503,934	179,811	$2,683,745
Phase 4 Building Q									1,340,788	96,284	$1,437,072
Phase 4 Building R									369,473	26,532	$396,005
Phase 4 Building S									369,473	26,532	$396,005
Parking - Basement Bldg Q									398,719	28,633	$427,352
Parking Structure P1				2,201,679	158,106						$2,359,785
Parking Structure P2									2,715,430	194,999	$2,910,429
Parking Structures P3 & P4						471,301	1,391,549				$1,862,850
Site Work Phase 1	194,849	575,306									$770,155
Site Work Phase 2				477,823	34,313						$512,136
Site Work Phase 3						92,924	274,363				$367,287
Site Work Phase 4									116,650	8,377	$125,027
Soft Costs To Date	1,650,000										$1,650,000
Total	3,374,277	6,283,220	3,519,966	13,461,106	966,661	2,771,106	8,181,880		9,739,144	699,382	$48,996,742
Total Soft/Development Costs	3,374,277	6,283,220	3,519,966	13,461,106	966,661	2,771,106	8,181,880		9,739,144	699,382	$48,996,742
Total Development Costs	10,271,387	31,416,095	17,599,831	67,305,528	4,833,303	13,855,528	40,909,398		48,695,716	3,496,905	$238,383,691
Cash Flow Before Debt Service	($10,271,387)	($31,416,095)	($17,599,831)	($67,305,528)	($4,833,303)	($13,855,528)	($40,909,398)		($48,695,716)	($3,496,905)	($238,383,691)

TOTAL PROJECT COSTS TO INCLUDE SOFT COSTS INCURRED TO DATE

COMPLETE CONSOLIDATED CASH FLOW

The cash flows for revenues and expenses associated with each asset and phase of the development have been consolidated and are presented on the following page.

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 1 Sep-2013	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022	Year 11 Sep-2023	Year 12 Sep-2024	Year 13 Sep-2025	Year 14 Sep-2026	Year 15 Sep-2027
Gross Revenue															
Potential Rental Revenue		$382,797	$2,264,722	$3,791,426	$7,554,334	$7,786,157	$7,624,531	$5,746,616	$5,700,429	$140,169	$168,204				
Absorption & Turnover Vacancy		(101,345)	(192,372)	(120,649)	(2,095,253)	(1,572,287)	(788,407)	(76,948)	(76,489)						
Scheduled Base Rental Revenue		281,452	2,072,350	3,670,577	5,459,081	6,213,870	6,836,124	5,671,668	5,623,940	140,169	168,204				
Expense Reimbursement Revenue		1,562	27,072	63,172	125,447	59,683	4,684	69,307	90,036	17,529	23,482				
Hotel Revenue			911,000	3,812,916	4,227,279										
Miscellaneous Revenue	420	177,483	641,055	648,673	1,372,439	1,375,913	1,174,231	1,703,363	1,189,746	10,065,799	10,307,983	10,553,044	10,944,123		
Total Gross Revenue	420	460,497	3,651,477	8,195,538	11,184,246	7,649,466	8,015,039	7,444,358	6,903,722	10,223,497	10,499,669	10,553,044	10,944,123		
General Vacancy	(21)	(14,885)	(100,294)	(83,595)	(101,983)	(240,550)	(201,264)	(264,031)	(218,688)	(7,885)	(9,584)				
Effective Gross Revenue	399	445,612	3,551,183	8,111,943	11,082,263	7,408,916	7,813,775	7,180,327	6,685,034	10,215,612	10,490,085	10,553,044	10,944,123		
Operating Expenses															
Reimbursable Expenses	20	16,760	57,106	67,310	126,687	59,723	24,800	86,266	90,050	19,136	23,471				
Hotel Expenses	1,500	1,536	617,571	2,490,651	2,743,075										
Apartment/Assisted Living	4,032	346,232	1,096,235	1,175,782	2,133,805	1,816,078	1,869,465	1,535,224	1,756,747						
Office & Retail Expenses	4,420	4,530	5,765	8,204	932,844	1,140,917	1,253,013	1,474,896	412,574	272,967	311,144	265,698	272,340	279,148	286,127
Total Operating Expenses	9,972	369,060	1,776,677	3,741,947	5,938,611	3,016,718	3,147,278	3,096,386	2,259,371	292,103	334,615	265,698	272,340	279,148	286,127
Net Operating Income	(9,573)	76,552	1,774,506	4,369,996	5,143,652	4,392,198	4,666,497	4,083,941	4,425,663	9,923,509	10,155,470	10,287,346	10,671,783	(279,148)	(286,127)
Leasing & Capital Costs															
Leasing Commissions		11,260	41,995	11,830	160,116	116,956	152,054	32,978		21,026					
Capital Costs & Reserves	300	25,278	115,804	237,436	362,079	165,115	167,869	159,057	129,810	1,557	1,915				
Total Leasing & Capital Costs	300	36,538	157,799	249,266	522,195	282,071	319,923	192,035	129,810	22,583	1,915				
Development Costs															
Hard/Construction Costs															
Hard/Construction Costs	6,897,110	25,132,675	14,079,865	53,844,422	3,866,642	11,084,422	32,727,518		38,956,572	2,797,523					
Total Hard/Construction Costs	6,897,110	25,132,675	14,079,865	53,844,422	3,866,642	11,084,422	32,727,518		38,956,572	2,797,523					
Soft/Development Costs															
Soft/Development Costs	3,374,277	6,283,220	3,519,966	13,461,106	966,661	2,771,106	8,181,880		9,739,144	699,382					
Total Soft/Development Costs	3,374,277	6,283,220	3,519,966	13,461,106	966,661	2,771,106	8,181,880		9,739,144	699,382					
Total Development Costs	10,271,387	31,416,095	17,599,831	67,305,528	4,833,303	13,855,528	40,909,398		48,695,716	3,496,905					
Cash Flow Before Debt Service	($10,281,260)	($31,376,081)	($15,983,124)	($63,184,798)	($211,846)	($9,745,401)	($36,562,824)	$3,891,906	($44,399,863)	$6,404,021	$10,153,555	$10,287,346	$10,671,783	($279,148)	($286,127)

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 10/1/2012

For the Years Ending	Year 1 Sep-2013	Year 2 Sep-2014	Year 3 Sep-2015	Year 4 Sep-2016	Year 5 Sep-2017	Year 6 Sep-2018	Year 7 Sep-2019	Year 8 Sep-2020	Year 9 Sep-2021	Year 10 Sep-2022	Year 11 Sep-2023	Year 12 Sep-2024	Year 13 Sep-2025	Year 14 Sep-2026	Year 15 Sep-2027
Reversions															
Apt A						$17,223,288									
Apt B					$21,600,502										
Apt E							$13,014,840								
Apt G							$15,726,225								
Apt H							$10,809,870								
Apt I							$7,029,877								
Apt J									$34,162,800						
Apt K									$12,970,370						
Apt L									$13,913,225						
P3 & P4									-$3,014,850						
Hotel					$16,286,987										
Ofc								$17,073,309							
Rtl B					$5,030,899										
Rtl C					$2,020,586										
Rtl E						$1,724,495									
Rtl H						$1,611,425									
Rtl I						$1,560,625									
RTL J									$4,121,270						
Rtl K									$2,977,937						
Rtl O											$803,702				
Prk Bld Q											-$494,920				
Rtl Q											$1,446,509				
P1 & P2															-$2,932,800
Annual Reversions	$0	$0	$0	$0	$44,938,973	$22,119,833	$46,580,812	$17,073,309	$65,130,752	$0	$1,755,291	$0	$0	$0	-$2,932,800

SELECTION OF AN APPROPRIATE OVERALL DISCOUNT RATE

Again we have relied on PricewaterhouseCoopers (PWC) semiannual surveys of institutional investment criteria based upon forecast financial performance. Based on the Second Quarter 2012 survey, overall discount rates for the land development ranged between 15% and 30%, with the average overall discount rate being 20.42%, only a slight decline from the Second Quarter of 2011 when the average rate was 21%. After considering the previous analysis, we have determined that an overall rate above the midpoint of the cited range is reasonable for the proposed subject development. This rate also considers the assumption that market conditions will improve over the near term. Therefore, it is our opinion that a reasonable overall discount rate for the subject would be 25%.

	For the Years Ending	Cash Flow Before Debt Service	Annual Reversions	Annual Cash Flows	Discount Rate/ Factors	Discounted Annual Cash Flows
Year 1	Sep-2013	($10,281,260)	$0	($10,281,260)	0.800000	($8,225,008)
Year 2	Sep-2014	($31,376,081)	$0	($31,376,081)	0.640000	($20,080,692)
Year 3	Sep-2015	($15,983,124)	$0	($15,983,124)	0.512000	($8,183,359)
Year 4	Sep-2016	($63,184,798)	$0	($63,184,798)	0.409600	($25,880,493)
Year 5	Sep-2017	($211,846)	$44,938,973	$44,727,127	0.327680	$14,656,185
Year 6	Sep-2018	($9,745,401)	$22,119,833	$12,374,432	0.262144	$3,243,883
Year 7	Sep-2019	($36,562,824)	$46,580,812	$10,017,988	0.209715	$2,100,924
Year 8	Sep-2020	$3,891,906	$17,073,309	$20,965,215	0.167772	$3,517,379
Year 9	Sep-2021	($44,399,863)	$65,130,752	$20,730,889	0.134218	$2,782,453
Year 10	Sep-2022	$6,404,021	$0	$6,404,021	0.107374	$687,627
Year 11	Sep-2023	$10,153,555	$1,755,291	$11,908,846	0.085899	$1,022,962
Year 12	Sep-2024	$10,287,346	$0	$10,287,346	0.068719	$706,941
Year 13	Sep-2025	$10,671,783	$0	$10,671,783	0.054976	$586,687
Year 14	Sep-2026	($279,148)	$0	($279,148)	0.043980	($12,277)
Year 15	Sep-2027	($286,127)	($2,932,800)	($3,218,927)	0.035184	($113,256)
Net Present Value						($33,190,044)
Residual Value Indication						**($33,200,000)**

VALUE INDICATED VIA
INCOME CAPITALIZATION APPROACH.. Negative $33,200,000

RECONCILIATION AND FINAL VALUE ESTIMATE

Cost Approach.. Not Applicable

Sales Comparison Approach .... Excluded

Income Capitalization Approach (Residual Method) .... ($33,200,000)

Per the authorization by the City of Bristol, we have examined the above-referenced property for the purpose of estimating its investment value as of October 1, 2012. The interest appraised is the fee simple estate. The purpose of this report is to establish the purchase price of the parcel in accordance with Article 3, Section 3.01 of the Preferred Developer Agreement (PDA) between the City of Bristol, the Bristol Downtown Development Corporation and Renaissance at Bristol, LLC. Within the contract both parties agreed to a purchase price that is the higher of the results of an appraisal process or $2,100,000. The PDA set forth the appraisal process which included estimating the "Fair Market Value" of the subject site based on the current plan of development solely using a residual method of valuation. While at the outset of this appraisal process the proposed use could have been the maximally productive use of the site. Our analysis as presented has proved otherwise. Therefore, by definition, the results of our analysis would be classified as investment value as opposed to market value.

A residual analysis estimates the value of land by subtracting total development costs from the prospective cash flow from the project and discounting the remainder cash flow at a reasonable rate of return. The cash flow consists of both annual operating income and a residual that includes the proceeds from a hypothetical sale of each asset subsequent to achieving stabilized occupancy. As the results of our analysis have shown the proposed development does not represent the maximally productive use given that the residual value is a large negative figure. Overall, within the appraisal we estimated the prospective cash flows for each component of the proposed subject development including the apartments, office, hotel, retail, condominiums and parking garage uses. The hard and soft costs of the development were then deducted from this revenue stream. This residual cash flow was then discounted at an appropriate rate to arrive at an investment value indication for the site of this specific project. The costs in this case were those compiled by an independent third party cost estimator, VJ Associates. This independent contractor was selected by all parties to the transaction.

Based upon our analysis of the subject, as presented within this appraisal report, it is our opinion that the fee simple investment value of the subject property as a residual to the proposed plan of development, as of October 1, 2012, is represented by the following amount:

NEGATIVE THIRTY THREE MILLION TWO HUNDRED THOUSAND DOLLARS
($33,200,000)

CERTIFICATION

The undersigned does hereby certify that to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, with include the Uniform Standards of Professional Appraisal Practice.

3. In compliance with the ethics rule of USPAP, I hereby certify that this appraiser has no current or prospective interest in the subject property or parties involved, and has not performed any services regarding the subject property within the 3 year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. 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 intended use of this appraisal.

7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

8. No one provided significant real property appraisal assistance to the person(s) signing this report.

9. William E. Kane, Jr. made a personal inspection of the property that is the subject of this report.

As of the date of this report, William E. Kane, Jr. has completed the requirements under the continuing education program of the Appraisal Institute.

William E. Kane, Jr.

William E. Kane, Jr., MAI
License No. RCG.0000318

ASSUMPTIONS AND LIMITING CONDITIONS

1. No investigation of title to the property has been made, and the premises are assumed to be free and clear of all deeds of trust, use restrictions and reservations, easements, cases or actions pending, tax liens, and bonded indebtedness, unless otherwise specified. No responsibility for legal matters is assumed. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, unless otherwise specified.

2. A request was made for all pertinent information regarding the subject property for the purpose of this valuation. The request included any data deemed relevant to this analysis. The valuation contained herein reflects all such information received.

3. The maps, plats, and exhibits included in this report are for illustration only to help the reader visualize the property. They should not be considered as surveys or relied upon for any other purpose. No appraiser responsibility is assumed in connection therewith.

4. This appraiser, by reason of this report, is not required to give testimony or be in attendance in any court or before any governmental body with reference to the property in question unless arrangements have been previously made.

5. No engineering survey has been furnished to the appraiser, and no responsibility is assumed for engineering matters, mechanical or structural. Good mechanical and structural condition is assumed to exist.

6. It is assumed, unless specifically disclosed, that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.

7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws, unless noncompliance is stated and considered in this report. Specifically, it is assumed that hazardous substances, including friable asbestos, lead paint, toxic waste or contaminated ground water do not exist at the subject property. Members of this office are not qualified to determine the existence of, nor is any certification made as to the presence or absence of, any hazardous substances. No responsibility is therefore assumed for such conditions.

8. No soil borings or analysis have been made of the subject. It is assumed that soil conditions are adequate to support standard construction consistent with the highest and best use as stated in this report.

9. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless noncompliance is stated and considered in this report.

10. We have not completed a compliance survey and analysis of the subject property to determine whether or not it is in conformity with the requirements of the Americans with

Disabilities Act (ADA), nor have we considered possible noncompliance with the requirements of ADA in estimating the value of the subject property.

11. The individual values estimated for the various components of the subject property are valid only when taken in the context of this report and are invalid if considered individually or as components in connection with any other appraisal.

12. When the Discounted Cash Flow Analysis is utilized, it is prepared on the basis of information and assumptions stipulated in this report. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon the occurrence of other future events that cannot be assured. Therefore, the actual results achieved may well vary from the projections and such variations may be material.

13. The date of value to which the opinions expressed in this report is set forth in a letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the opinions herein stated.

14. If this report is used within a credit sale-leaseback-type transaction, or the offering structure of a syndicate or syndication partnership, joint venture, or association, it is to be noted that the market value estimate rendered is restricted exclusively to the underlying real property rights defined in this report. No consideration whatsoever is given to the value of any partnership units or interest(s), broker or dealer selling commissions, general partners' acquisition fees, operating deficit reserves, offering expenses, atypical financing, and other similar considerations.

15. Our value estimate presumes that all benefits, terms, and conditions have been disclosed in any lease agreements, and we have been fully informed of any additional considerations (i.e., front-end cash payments, additional leasehold improvement contributions, space buybacks, free rent, equity options).

16. Neither all nor any part of the contents of this report shall be conveyed to the public, without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the authors or firm with which they are connected, or any reference to the Appraisal Institute, or to the MAI designation.

PROFESSIONAL RESUME OF THE APPRAISER

WILLIAM E. KANE, JR., MAI

Real Estate Appraisal Experience

Real estate appraiser with WELLSPEAK DUGAS & KANE. Formerly employed at the firm of Edward F. Heberger and Associates, Inc., Cheshire, Connecticut, between January 1983 and June, 1995. Assignments include narrative and bank form appraisals of office buildings, regional malls, shopping centers, condominium properties, condominium marketability and feasibility studies, highest and best use studies, and appraisals of other commercial properties. Specializations include proposed multitenant income-producing properties.

Qualified as an expert witness in the state of Connecticut and New Hampshire court systems.

Educational Background

University of Connecticut, Storrs, Connecticut
Degree: Bachelor of Science and Business Administration
Major: Real Estate and Urban Economic Studies
Completed course requirements for additional major in Finance

The Appraisal Institute is the result of the January 1, 1991, unification of the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers. Completed courses that were formerly offered by AIREA and the Society are recognized by the Appraisal Institute.

Society of Real Estate Appraisers

- Successfully challenged SREA 201 examination for Income Property Analysis

American Institute of Real Estate Appraisers and Appraisal Institute
Successfully completed the following courses:

- Real Estate Appraisal Principles (Examination 1A-1)
- Basic Valuation Procedures (Examination 1A-2)
- Capitalization Theory and Techniques - Part A (Examination 1B-B)
- Capitalization Theory and Techniques - Part B (Examination 1B-B)
- Case Studies in Real Estate Valuation (Examination 2-1)
- Valuation Analysis and Report Writing (Examination 2-2)
- Standards of Professional Practice Examination (SPP)
- Demonstration Appraisal Report
- Comprehensive Examination

Awarded five years of creditable appraisal and field appraisal experience by the American Institute of Real Estate Appraisers.

Professional Affiliations

- Past member of the Research Advisory Committee for the Center for Real Estate and Urban Economic Studies, School of Business Administration, University of Connecticut.
- State of Connecticut - Certified Real Estate Appraiser - Certification No. RCG.318 Expires: April 30, 2013.
- Member of the Appraisal Institute, MAI Designation No. 9686.
- Past member of the International Council of Shopping Centers.

GLOSSARY OF TERMS

The following glossary defines terminology used by the real estate appraiser in the appraisal report. This list is not intended to represent a complete dictionary of real estate appraisal terms.

Assessed Value: Assessed value applies in ad valorem taxation and refers to the value of a property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a market value base.

Absorption: Short-term capture; the process whereby any specific commodity is occupied, leased, and/or sold to an end user.

Appraisal: The act or process of developing an opinion of value; an opinion of value. Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

Building Capitalization Rate: 1) The rate used in certain residual techniques or in a band of investment to convert building income into an indication of building value. 2) The ratio of building income to building value.

Capitalization Rate: Any rate used to convert income into value.

Comparative Analysis: The process by which a value indication is derived in the sales comparison approach. Comparative analysis may employ quantitative or qualitative techniques, either separately or in combination.

Direct Capitalization: 1) A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor. 2) A capitalization technique that employs capitalization rates and multipliers extracted from sales. Only the first year's income is considered.

Discounted Cash Flow (DCF) Analysis: The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion and discounts each to its present value at a specified yield rate. DCF analysis can be applied with any yield capitalization technique and may be performed on either a lease-by-lease or aggregate basis.

Discount Rate: An interest rate used to convert future payments or receipts into present value. The discount rate may or may not be the same as the internal rate of return (IRR) or yield rate depending on how it is extracted from the market and/or used in the analysis.

Disposition Value: The most probable price that a specified interest in real property is likely to bring under all of the following conditions: 1) Consummation of a sale will occur within a limited future marketing period specified by the client; 2) The actual market conditions currently prevailing are those to which the appraised property interest is subject; 3) The buyer and seller is each acting prudently and knowledgeably; 4) The seller is under compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they consider their best interests; 7) An adequate marketing effort will be made in the limited time allowed for the completion of a sale; 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 9) 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.

Easement: An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.

Effective Rent: The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis.

Encumbrance: An interest or right in real property that may decrease or increase the value of the fee estate but does not prevent its conveyance by the owner. An encumbrance effects a permanent reduction in an owner's property rights, while a lien represents a claim against the owner's property rights, which may or may not become permanent. Mortgages, taxes, and judgments are liens; restrictions, easements, and reservations are encumbrances.

Excess Land: In regard to an improved site, the land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, the land not needed to accommodate the site's primary highest and best use. Such land may be separated from the larger site and have its own highest and best use, or it may allow for future expansion of the existing or anticipated improvement. See also surplus land.

Exposure Time: 1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions") Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. In the case of disposition value, the time frame allowed for marketing the property rights is somewhat limited, but the marketing effort is orderly and adequate. With liquidation value, the time frame for marketing the property rights is so severely limited that an adequate marketing program cannot be implemented. (The Report of the Appraisal Institute Special Task Force on Value Definitions qualifies exposure time in terms of the three above-mentioned values.) See also marketing time.

Extraordinary Assumption: An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Furniture, Fixtures, and Equipment (FF&E): The movable property of a business enterprise not classified as stock or inventory or leasehold improvements; frequently found in the ownership of hotels or motels, restaurants, assisted-living facilities, service stations, car washes, greenhouses and nurseries, and other service-intensive properties. Furniture, fixtures, and equipment frequently wears out much more rapidly than other components of those properties.

Going-concern Value: 1) The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; also called value of the going concern. 2) Tangible and intangible elements of value in a business enterprise resulting from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place. 3) The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value. (USPAP, 2002 ed.)

Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay all or most of the property's operating expenses and real estate taxes.

Hypothetical Condition: That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if: 1) Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; 2) Use of the hypothetical condition results in a credible analysis; and 3) The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions. (USPAP, 2002 ed.)

Investment Value: The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached. See also market value.

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

Leasehold Estate: The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions. The leasehold estate can be negative or positive. Negative Leasehold is a lease situation in which the market rent is less than the contract rent. Positive Leasehold is a lease situation in which the market rent is greater than the contract rent.

Liquidation Value: The most probable price that a specified interest in real property is likely to bring under all of the following conditions: 1) Consummation of a sale will occur within a severely limited future marketing period specified by the client; 2) The actual market conditions currently prevailing are those to which the appraised property interest is subject; 3) The buyer is acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated; 6) The buyer is acting in what he or she considers his or her best interest; 7) A limited marketing effort and time will be allowed for the completion of a sale; 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 9) 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.

Market Rent: The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby: 1) Lessee and lessor are typically motivated; 2) Both parties are well informed or well advised, and acting in what they consider their best interests; 3) A reasonable time is allowed for exposure in the open market; 4) The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and 5) The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

Marketing Time: 1) The time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal. 2) Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

Market Value: 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.

Modified Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay most, but not all, of the property's operating expenses and real estate taxes.

Most Probable Selling Price: The price at which a property would most probably sell if exposed on the market for a reasonable time, under the market conditions prevailing on the date of appraisal.

Net Lease: Generally a lease in which the tenant pays for utilities, janitorial services, and either property taxes or insurance, and the landlord pays for maintenance, repairs, and the property taxes or insurance not paid by the tenant. Sometimes used synonymously with single net lease but better stated as a partial net lease to eliminate confusion. Also called single net lease; modified gross lease single net lease; modified gross lease. Other variations of the net lease are as follows: 1) *Net Net Lease*: Generally a lease in which the tenant pays for utilities, janitorial services, property taxes, and insurance in addition to the rent, and the landlord pays for maintenance and repairs. Also called double net lease; 2) *Net Net Net Lease*: A net lease under which the lessee assumes all expenses of operating a property, including both fixed and variable expenses and any common area maintenance that might apply, but the landlord is responsible for structural repairs. Also called triple net lease; and 3) *Absolute Net Lease*: A lease in which the tenant pays all expenses including structural maintenance and repairs; usually a long-term lease to a credit tenant.

Occupancy Rate: The relationship or ratio between the income received from the rented units in a property and the income that would be received if all the units were occupied.

Personal Property: 1) Identifiable tangible objects that are considered by the general public as being "personal," for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all tangible property that is not classified as real estate. (USPAP, 2002 ed.) 2) Consists of every kind of property that is not real property; movable without damage to itself or the real estate; subdivided into tangible and intangible. (IAAO)

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

Real Estate: Physical land and appurtenances attached to the land, e.g., structures. An identified parcel or tract of land, including improvements, if any.

Real Property: All interests, benefits, and rights inherent in the ownership of physical real estate; the bundle of rights with which the ownership of the real estate is endowed. In some states, real property is defined by statute and is synonymous with real estate.

Rentable Area: 1) The amount of space on which the rent is based; calculated according to local practice; and 2) The tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to areas below. The rentable area of a floor is fixed for the life of a building and is not affected by changes in corridor sizes or configuration. Rentable area is recommended for measuring the total income-producing area of a building and for computing a tenant's pro rata share of a building for purposes of rent escalation. Lenders, architects, and appraisers use rentable area in analyzing the economic potential of a building. On multi-tenant floors, both the rentable and usable area for any specific office suite should be computed. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. No deductions should be made for columns and projections necessary to the building. (BOMA).

Replacement Cost: 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.

Reproduction Cost: The estimated cost to construct, at current prices as of the effective date of the appraisal, 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 the deficiencies, superadequacies, and obsolescence of the subject building.

Stabilized Value: 1) A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods, when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. 2) A value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a bonus or premium for material, the abnormal inefficiency of labor, the cost of delay or an excessive sale price, e.g., a premium paid due to a temporary shortage of supply.

Superadequacy: An excess in the capacity or quality of a structure or structural component; determined by market standards.

Surplus Land: Land not necessary to support the highest and best use of the existing improvement but, because of physical limitations, building placement, or neighborhood norms, cannot be sold off separately. Such land may or may not contribute positively to value and may or may not accommodate future expansion of an existing or anticipated improvement. See also excess land.

Usable Area: The area available for assignment or rental to an occupant, including every type of usable space; measured from the inside finish of outer walls to the office side of corridors or permanent partitions and from the centerline of adjacent spaces; includes subdivided occupant space, but no deductions are made for columns and projections. There are two variations of net area: single occupant net assignable area and store net assignable area.

Use Value: 1) In economics, the attribution of value to goods and services based upon their usefulness to those who consume them. 2) In real estate appraisal, the value a specific property has for a specific use; may be the highest and best use of the property or some other use specified as a condition of the appraisal; may be used where legislation has been enacted to preserve farmland, timberland, or other open space land on urban fringes.

Value in Use: The value a specific property has to a specific person or specific firm as opposed to the value to persons or the market in general. Special-purpose properties such as churches, schools, and public buildings, which are seldom bought and sold in the open market, can be valued on the basis of value in use. The value in use to a specific person may include a sentimental value component. The value in use to a specific firm may be the value of the plant as part of an integrated multiplant operation. See also use value.

Value Indication: An opinion of value derived through application of the appraisal process.

Sources:

1) *The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, 2002.

2) (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994; Federal Register, Vol. 75, No. 237, December 10, 2010.

3) The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2

ADDENDA

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<u>EXHIBIT A</u>

Restaurant Leases

Restaurant Leases

Comp. No.	Tenant	Address	Town/ State	Demised Area Sq. Ft.	Start Date	Term	Base Rent/ Sq. Ft.	Lease Structure*	Comments
1	Invita, Inc.	166 Albany Turnpike	Canton, CT	4,000	09/01/10	2 Years	$16.00	Gross + E, J	Lease for second floor space within a two-story colonial converted for office use; the base rent is flat for two years; the space was leased as-is
2	Available	124 Simsbury Road (1-A)	Avon, CT	3,200	3rd Qrt 2011	Negotiable	$18.00	NNN	Asking rent for a restaurant space in the Riverdale Farms Shopping Center; lease includes a patio and walkout basement
3	Shangri-La	100 Village Walk	Guilford, CT	2,198	10/01/09	5 Years	$13.65	NNN	Absolute net lease for a prominent end-cap space in the Village Walk shopping center, along US Route 1; 1 year of free rent then the rent starts at $13.65/sf; base rent bumps to $16.38/sf in Year 3; there is one 5-year renewal option; the tenant and the landlord split the cost of a new septic system ($15,000± each)
4	Mark Barry's	464 Boston Post Road	Orange, CT	5,000	10/01/10	5 Years	$15.00	NNN	Absolute net lease for a free-standing restaurant formerly occupied by Jacob Marley's; the space was leased as-is
5	Fat and Happy	2095 Berlin Turnpike	Newington, CT	6,000	04/01/10	5 Years	$14.50 (estimated)	NNN	Absolute net lease for a former 99 Restaurant; landlord indicated that the lease rate ranged from $12.50 to $16.67/sf; the space was leased as-is; there are two 3-year renewal options with a market based escalation
6	Hibachi Grille	185 Boston Post Road	Orange, CT	12,000	06/01/10	10 Years, 8 Months	$15.50	Gross + IOBY	Modified gross lease for the former Hitchcock Furniture store space - space was vacant for 4 years; 8 months of free rent up front; the base rent bumps by 3% every two years; the tenant reimburses the landlord for increases in real estate taxes and CAM over base year operating expenses (estimated at $4/sf)

* E = Electric, G = Gas, U = Utilities, J = Janitorial, IOBY = Increases Over Base Year Expenses