

# REAL ESTATE APPRAISAL

## Complete Appraisal; Summary Report

34 Ferry Street  
Middletown, Middlesex County, CT

As Of

December 15, 2004

Owner of Record:

Houston McInvale  
Volume 789, Page 540

Prepared For:

Mr. Michiel Wackers  
Community Development Specialist  
City of Middletown  
245 Dekoven Drive  
Middletown, CT 06457

Appraised By:

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

*John Lo Monte*

REAL ESTATE APPRAISERS & CONSULTANTS  
P.O. BOX 290-0563 • WETHERSFIELD, CT. 06129-0563 • (860) 635-7500 • FAX (860) 635-3339



December 23, 2004

Mr. Michiel Wackers  
Community Development Specialist  
City of Middletown  
245 Dekoven Drive  
Middletown, CT 06457

**RE: 34 Ferry Street, Middletown, Middlesex County, CT**

Dear Mr. Wackers:

At your request and for the benefit of The City of Middletown, Department of Planning, Conservation and Development we have prepared an appraisal to determine the market value (as is) of the subject site located on the northerly side of Ferry Street, Middletown, Middlesex County, Connecticut. The purpose of this report is to evaluate the subject property based on the "as is" value of the fee simple interest in the property as of December 15, 2004. The function of this report is for it to be used by you and The City of Middletown, Department of Planning, Conservation and Development, our client, for asset evaluation and/or portfolio management. John Lo Monte did an inspection of the subject property on Wednesday, December 15, 2004 accompanied by the current subject property owner/manager, Mr. Houston McInvale.

This is a complete appraisal with a summary report intended to comply with the reporting requirements set forth in Standards Rule 2.2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP). The Departure Standard is not invoked.

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

The subject property is a 5,162 square foot, more or less, above grade three-story frame with vinyl siding exterior, six family apartment building, on a 6,530 square foot (0.15± acre) lot. The building is currently 100 percent tenants occupied. The improvements are built on full and unfinished basement.



RE: 34 Ferry Street, Middletown, Middlesex County, CT

The ground floor and second floor each consists of approximately 1,786 sq ft and comprises two apartments per floor. The upper floor consists of approximately 1,590 sq ft and comprises also two apartments for a total of six (6) apartments. It should be noted here that the City of Middletown Assessor's Office records list the subject property as 5-units multi-family dwelling comprising 2-3-room (1-br) apartments and 3-4-room (2-br) apartments.

However, based on our inspection on December 15, 2004 and based on information provided by the current subject property owner/manager, the subject property comprises six (6) apartments of various size, layout and finish-condition. Thus, for our purpose and to maintain consistency throughout the report, the subject property comprises six (6) apartments in approximately 5,162 sq ft gross building area. The units mix is as follows:

34 Ferry Street, Middletown, CT Units Mix			
Unit #	Rooms/BR	Sq Ft ±	Comments
1E	5/3	860	
1W	5/3	860	
2E	5/3	860	
2W	5/3	860	
3E	4/2	780	
3W	3/1	600	
GLA 4,820± sq ft; Common Area 342± sq ft; GBA 5,162± sq ft			

As of the appraisal date the subject property is in average to somewhat less than average, i.e. vinyl siding which needs replacement toward the rear westerly side. Additionally, items of deferred maintenance observed on the day of inspection appear to be minor items which are cosmetic in nature, i.e. cleaning, painting and/or routine maintenance.

*John Lo Monte*

REAL ESTATE APPRAISERS & CONSULTANTS  
P.O. BOX 290-0563 • WETHERSFIELD, CT. 06129-0563 • (860) 635-7500 • FAX (860) 635-3339



**RE: 34 Ferry Street, Middletown, Middlesex County, CT**

To this extent it should be noted here that the current subject property owner purchased the property on October 31, 1986 as recorded in Volume 789, Page 540 of the Middletown Land Records. Subsequently, the property has been somewhat adequately maintained.

Items such as particularly remodeling of kitchens and bathrooms, new floor cover, painting, etc. have been completed in various stages Xando varying degrees. Additionally, according to Mr. McInvale a new roof cover (asphalt shingles) was installed in 2003; however, we could not verify this information as of the appraisal date. For a visual representation the reader should refer to the Photographs of Subject Property section.

The Direct Sales Comparison and Income Capitalization Approaches are used to reach a conclusion of market value. Of all three approaches the Cost Approach has the least relevance.

#### **ENVIRONMENTAL DISCLAIMER**

Unless otherwise stated in this report the existence of hazardous material that may or may not be present on the property was not observed by the appraiser. The appraiser has no knowledge of any such contaminants on the property.

The appraiser is not qualified to detect such substances as they may or may not exist presently. There are probably not substances such as asbestos, lead paint, urea formaldehyde/foam insulation, and/or a fuel oil underground storage tank which would effect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause such a loss in value.

There is no responsibility assumed for any such conditions or for any expertise or engineering knowledge required to discover them. If there is such concern a Phase 1 site assessment should be done.

According to the Middletown Tax Collector Office there are not past taxes due, as of December 15, 2004, or the valuation date.

*John Lo Monte*

REAL ESTATE APPRAISERS & CONSULTANTS  
P.O. BOX 290-0563 • WETHERSFIELD, CT. 06129-0563 • (860) 635-7500 • FAX (860) 635-3339



RE: 34 Ferry Street, Middletown, Middlesex County, CT

Therefore, as a result of my physical inspection and based on my knowledge and experience as to real property value, it is my opinion that the most probable market value (as is) of the subject property, as of December 15, 2004, was:

**\$195,000**  
**(ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS)**

Respectfully submitted,

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

John Lo Monte, CCRA, GAA, CCIM  
General Certified Commercial Appraiser  
CT Certificate No. RCG 377  
Expiration Date: 4/30/05

## TABLE OF CONTENTS

Summary of Salient Facts and Conclusions . . . . .	1
Purpose of the Appraisal . . . . .	2
Function of the Appraisal . . . . .	2
Scope of the Appraisal . . . . .	3
Property Identified . . . . .	3
Assessment and Tax Data . . . . .	5
Market Value Definition . . . . .	6
Photographs of the Subject Property . . . . .	7
Community Data . . . . .	18
Neighborhood Data . . . . .	21
Description of the Site . . . . .	25
Assessor's Map . . . . .	27
Area Map . . . . .	28
Zoning . . . . .	29
Description of the Improvements . . . . .	31
Highest and Best Use . . . . .	35
Valuation Premise . . . . .	37
Direct Sales Comparison Approach . . . . .	39
Income Approach . . . . .	52
Reconciliation and Final Value Estimates . . . . .	65
Appraiser's Certification . . . . .	67
Restrictions on Disclosure and Use . . . . .	69
Qualifications of the Appraiser . . . . .	70

### Addenda

Engagement Letter  
Property Deed  
Assessor's Field Card  
Appraiser's Certificate  
Location/Area Maps  
Miscellaneous

**SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

Property Appraised            34 Ferry Street, Middletown, Middlesex County, CT

Property Type                 Commercial 6 family apartment building

Ownership                      Houston McInvale  
Volume 789, Page 540

Assessor's Reference        Map 22, Block 17-37, Lot 29

Interest Appraised         Fee Simple

Land Site                      6,530 Square Feet (0.15 ± acre)

Land to Building Ratio     1.3 to 1

Assessment                    \$19,600 land  
\$55,230 building

Total Assessment            \$74,830

Taxes                          \$2,514.29 yearly (Grand List of 2003)

Units Mix

34 Ferry Street, Middletown, CT Units Mix			
Unit #	Rooms/BR	Sq Ft ±	Comments
1E	5/3	860	
1W	5/3	860	
2E	5/3	860	
2W	5/3	860	
3E	4/2	780	
3W	3/1	600	
GLA 4,820 ± sq ft; Common Area 342 ± sq ft; GBA 5,162 ± sq ft			



## **PURPOSE OF THE APPRAISAL**

The purpose of the appraisal is to estimate the market value of the fee simple interest to the subject property, 34 Ferry Street, Middletown, Middlesex County, CT, as of December 15, 2004.

The Dictionary of Real Estate Appraisal (Chicago: Appraisal Institute Eleventh Edition, 1996) defines the fee simple estate as:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.

The fee simple estate, also known as the fee simple title includes ownership of the land, improvements, and all of the rights normally acquired by ownership. The fee simple of the subject property will be estimated on a cash basis or its equivalent.

## **FUNCTION OF THE APPRAISAL**

The function of this report is to assist you and The City of Middletown in asset evaluation and/or portfolio management for a possible acquisition an/or possible legal proceedings, i.e. Eminent Domain action.

## **SCOPE OF THE APPRAISAL**

The scope of the appraisal includes an inspection of the subject property; an evaluation of the subject property in terms of its conformity to local requirements; the suitability of the property for its current use; and the collection of other data used to formulate and support an estimate of value for the subject property, as of December 15, 2004.

The appraiser collected market information through primary sources such as municipal employees, property owners, property managers, and real estate brokers. An attempt was made to verify all comparable sale data with the buyer, seller or broker involved in the transaction.

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

## **PROPERTY IDENTIFIED**

The property has a street address of 34 Ferry Street, Middletown, Middlesex County, Connecticut. The Middletown Tax Assessor's Office identifies the subject property as Map 22, Block 17-37, Lot 29.

It should be noted here that the City of Middletown Assessor's Office records list the subject property as 5-units multi-family dwelling comprising 2-3-room (1-br) apartments and 3-4-room (2-br) apartments.

However, based on our inspection on December 15, 2004 and based on information provided by the current subject property owner/manager, the subject property comprises six (6) apartments of various size, layout and finish-condition. Thus, for our purpose and to maintain consistency throughout the report, the subject property comprises six (6) apartments in approximately 5,162 sq ft gross building area.

## REFERENCES CITED

Sources of data obtained for this appraisal were gathered by:

National Association of Real Estate Appraisers for narrative appraisal report format

The Appraisal Institute

Records and Offices City of Middletown

Conn Comp, Data Gathering Information Research

Landlords, Tenants, Investors, Appraisers as noted.

## LEGAL DESCRIPTION/PROPERTY HISTORY

The subject property is currently in the name of Houston McInvale. The deed detailing the acquisition is a Warrantee Deed dated October 31, 1986 (recorded in Volume 789 at Page 540) of the Middletown, Middlesex County Land Records.

For a metes and bounds description on the subject property, please see the above-referenced deed and the Assessor's Map included in this appraisal report. A copy of the deed is included in the Addenda Section of this report. No other transfers of the subject property have occurred in the last three years, or since the above noted transaction.

Grantor:	Gary R. Donafrio et al.
Grantee:	Houston McInvale
Recorded:	Middletown Land Records, Volume 789, Page 540
Instrument:	Warranty Deed
Date:	October 31, 1986
Sale Price:	\$120,000

## ASSESSMENT AND TAX DATA

The current assessment and taxes on the subject property are as follows:

Land:	\$19,600
Out Building:	N/A
Building:	<u>\$55,230</u>
Total:	\$74,830
Mill rate:	28.0 Mills per \$1,000 of the assessed value.
Fire District (No. 1) Mill Rate:	5.60 Mills per \$1,000 of the assessed value.
Taxes assessed:	\$2,514 (Rounded) Yearly

Date of Assessment: October 1, 2003

The assessment above is based on 70% of market value with the last revaluation taking place in the City of Middletown during 2000. Revaluation methods in Middletown usually are based on the cost method of valuation.

Typically, the Marshall Valuation Service is used to estimate reproduction cost new, and the building is depreciated accordingly. Site valuation is typically based on value per site, with adjustments for frontage, depth, and corner influence. The mill rate has been set at 28.0 mills as of October 1, 2003 Grand List.

According to the Middletown Tax Collector Office there are not past taxes due, as of December 15, 2004, or the valuation date.

## MARKET VALUE DEFINITION

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

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

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

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

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

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

“That price at which a property would most probably sell if exposed to the market for a reasonable time, under conditions prevailing as of the date of appraisal.” (The Dictionary of Real Estate Appraisal, Third Edition, Appraisal Institute, 1993).



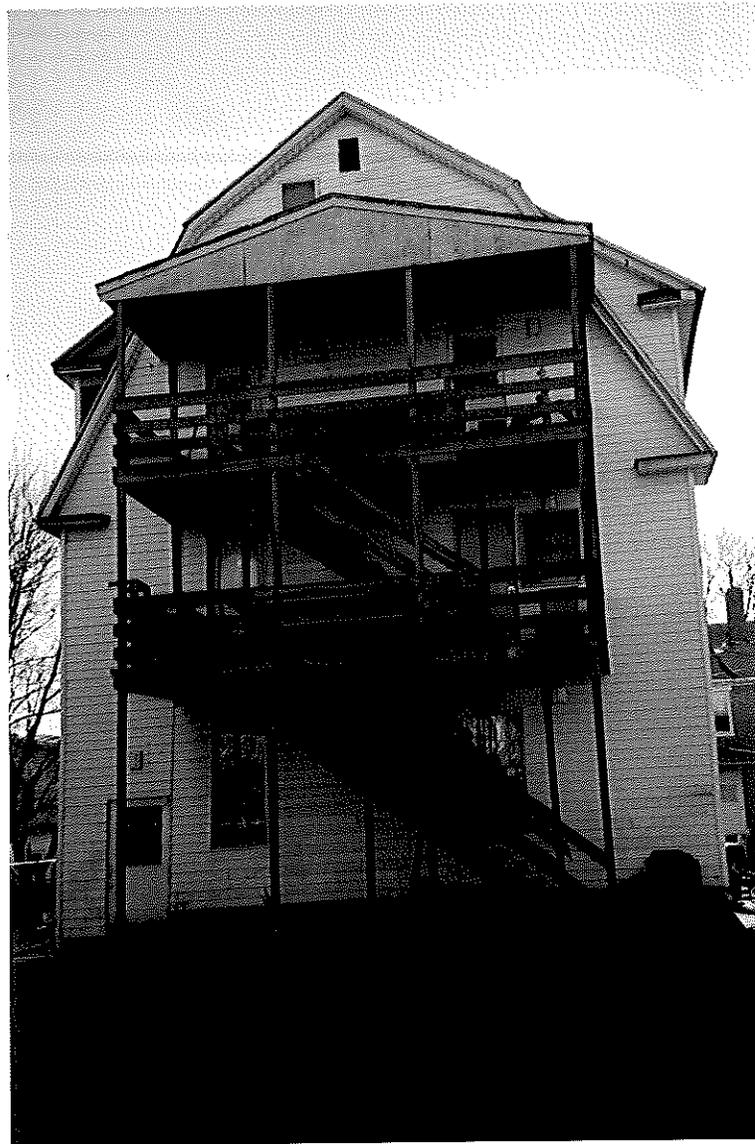
OVERALL FRONT AND WEST SIDE VIEW LOOKING NORTHEASTERLY



OVERALL VIEW OF WEST SIDE AND CONSTRUCTION DETAILS  
(PLEASE NOTE THE VINYL SIDING WHICH IS INDIRECTLY FIRE DAMAGED)



CLOSE-UP VIEW OF FRONT SIDE AND CONSTRUCTION DETAILS



OVERALL VIEW OF REAR SIDE AND CONSTRUCTION DETAILS



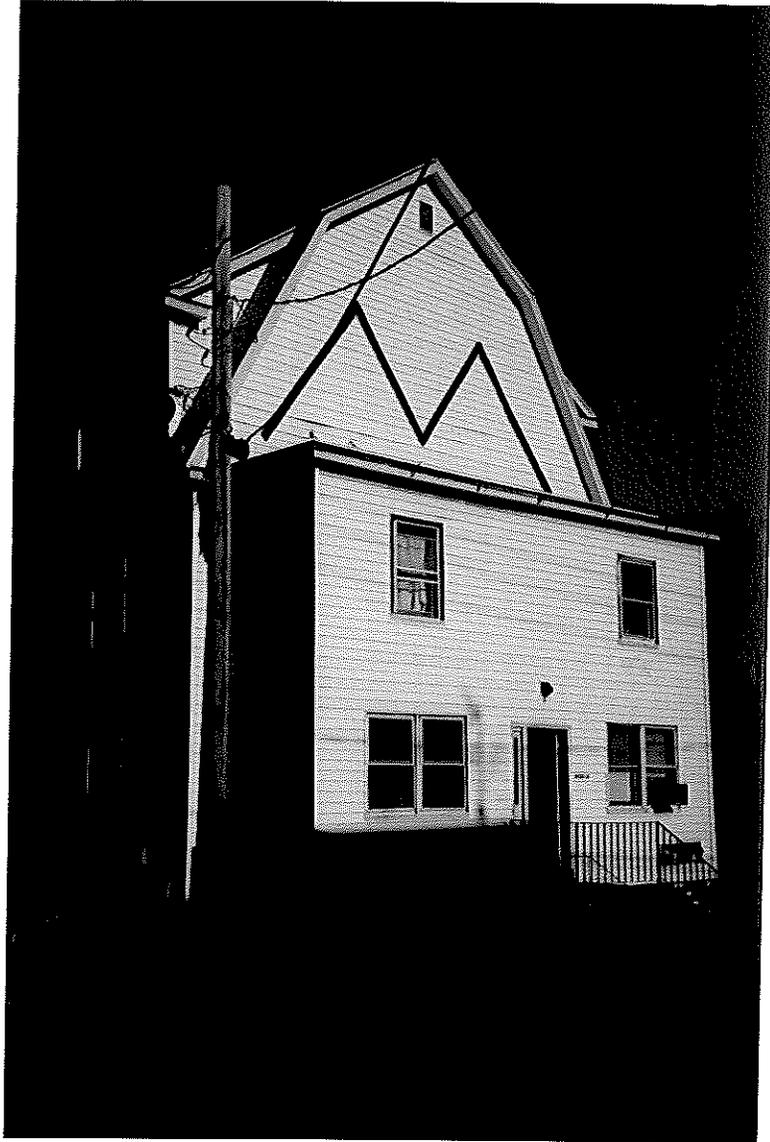
FRONT AND EAST SIDE VIEW AND CONSTRUCTION DETAILS



CLOSE-UP FRONT VIEW AND FINISH-CONDITION



ALTERNATE CLOSE-UP VIEW OF REAR SIDE AND CONSTRUCTION DETAILS



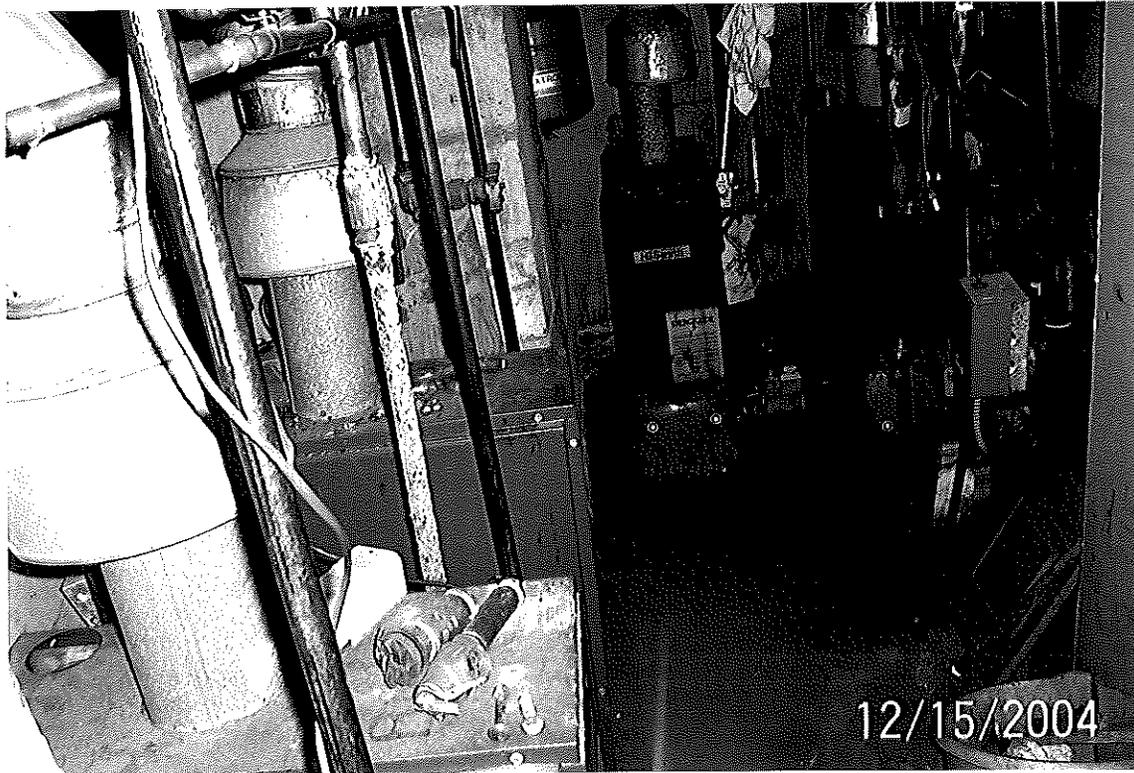
ALTERNATE OVERALL FRONT VIEW AND CONSTRUCTION DETAILS  
LOOKING NORTHEASTERLY



ALTERNATE CLOSE-UP VIEW OF REAR AND EAST SIDE AND CONSTRUCTION DETAILS



VIEW OF MAIN ELECTRIC SERVICE WITH METERS



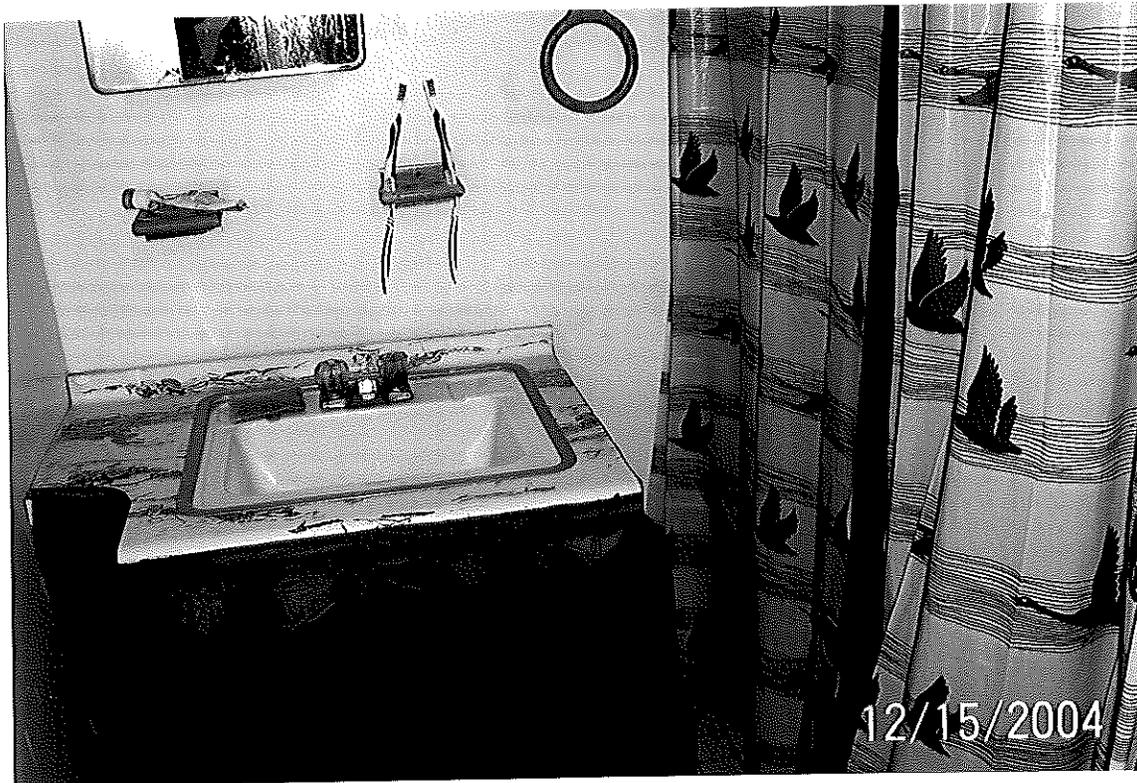
VIEW OF INDIVIDUAL GAS HOT WATER HEATERS



VIEW OF INDIVIDUAL GAS METERS



INTERIOR VIEW (APT. 1 WEST)



ALTERNATE INTERIOR VIEW (APT. 1 WEST)



INTERIOR VIEW (APT. 2 WEST)



ALTERNATE INTERIOR VIEW (APT. 2 WEST)



VIEW OF FINISH-CONDITION FOR APT. 3 EAST



ALTERNATE VIEW OF FINISH-CONDITION FOR APT. 3 EAST



LOOKING SOUTH ON FERRY STREET



LOOKING NORTH ON FERRY STREET

## COMMUNITY DATA

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

### Introduction

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

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

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

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

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

## COMMUNITY/AREA ANALYSIS, continued

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

Some of the city's apartment stock has been converted to condominiums, but there are still a large number of apartment complexes remaining. Again, due to the rising housing costs, apartment rentals have also greatly increased in cost.

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

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

### Population

The 2000 population was 43,167, according to the 2000 U.S. Census Bureau. This was an increase of 0.9% from 1990. This slight increase is well below that for the state and Middlesex county. Nevertheless, the increase is a positive sign, particularly if one considers that every medium to large sized city in the state lost population according to the US Census 2000 count.

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

OPM projections for 2005 show a slight shift, with an increase in the 35-59 age cohort, and a slight decrease in the 20-29 age cohort. This shift more likely has to do with the ring of the resident, non-student population than any shift in the size of the student population.

The median age for the city, 32, is also lower than surrounding communities, 37. These are estimates for 2000 from the OPM. The high percentage of multi-family units, 56.1% of the housing units in 2000, lends support to the younger population. Older residents, more established in their occupations, tend to buy homes in the suburbs. Much of the multi-family housing stock is apartments, not condominiums.

## COMMUNITY/AREA ANALYSIS, continued

### Development Patterns

Middletown will continue to function as the commercial and retail center for surrounding communities. The potential for increased residential development and several road improvements will facilitate increased retail traffic. Approximately twenty percent of the commercial land in Middletown has not been developed.

In addition to undeveloped parcels, adaptive re-use of existing buildings no longer at their highest and best use is highly probable in the three primary commercial districts in the city: the Central Business (CBD); Route 66 (Washington Street); and Route 17 (South Main Street).

### Employment

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

Middletown has several major employers; Pratt & Whitney, a division of United Technologies, manufacturers commercial jet engines and employs about 2,100 persons.

Aetna-US Healthcare Insurance's Employee Benefits Division is in the Interstate Trade Zone off of I-91 employs about 3,400 persons. Middlesex Mutual Assurance Company employs several hundred people in its newly constructed 12-story office in the CBD. One bank is headquartered in Middletown, Liberty Bank.

It should be noted here that due to the last recession, two of the city largest employers, Pratt & Whitney and Aetna-US HealthCare Insurance Co. have implemented and still are (albeit slight), major restructuring of their labor force and amount of space occupied, particularly for Pratt & Whitney, a division of United Technologies Corporation, which has been hit the hardest by a declining global commercial aviation business. As a result more down sizing in the employment rolls of these two important companies in Middletown and in the region is expected in the foreseeable future. Middletown is part of the Hartford Labor Market Area.

## COMMUNITY/AREA ANALYSIS, continued

### Employment, continued

There has been little variation in the number of persons employed in retail trade in the LMA. The percent of the non-agricultural employment in retail trade has remained stable at 14%. Declines in retail employment in the city are apparent from the 2000 figures.

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

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

### Economic Trends

Middlesex County 1998 per capita income was \$25,497; for the same period the state per capita income was \$27,078. Middletown per capita income for 1998 was \$23,376.

The total labor force in Middletown as of October, 2004 was 23,188 with an unemployment rate of 4.1% which is slightly lower than the state average (seasonally unadjusted) of 4.2% and slightly lower than the Hartford LMA of 4.7% for the same period.

The annual 2000, 2001 and 2002 average unemployment rates for Middletown were 2.3%, 3.2%, and 4.1%, respectively.

Source: Connecticut Department of Labor Office of Research

## NEIGHBORHOOD DATA

The purpose of the Neighborhood Data section is to analyze the influence of the surrounding neighborhood on the highest and best use of the subject property. A neighborhood is a group of complimentary land uses, as defined in the 11th Edition of The Appraisal of Real Estate, (Appraisal Institute, 1996). A Neighborhood exhibits a greater degree of uniformity than a larger area. Neighborhood boundaries often coincide with changes in land use, occupant characteristics, and physical characteristics such as street patterns, terrain, lot sizes, and transportation arteries.

The property being appraised is known as 34 Ferry Street, Middletown, Connecticut. The subject property is located on the northerly side of Ferry Street between Washington Street (Route 66) to the south, Green Street, Rapallo Avenue and Hartford Avenue to the north.

The area in which the subject property is located is in the northeasterly quadrant of Middletown or the city's downtown area. The subject property is immediately west of Route 9 and the Connecticut River, and within the easterly fringes of the Middletown central business district. Ferry Street is a short one-way street (west to east) with light to moderate traffic. However, the site offers easy access to Interstate 91 and Routes 15, 217 and 372 via the neighboring Route 9. In addition, Route 66 is situated less than one block to the south of the subject neighborhood.

Most of the area around the subject property has been developed for commercial, flex-use and residential uses; primarily multi-family or mix-use converted dwellings. The subject property neighborhood is bounded to the east by a city owned parking lot, by DeKoven Drive and Route 9, with the Connecticut River located immediately to the east; by Washington Street (Route 66) to the south, by Hartford Avenue to the north and by Main Street to the west. The subject neighborhood appears to be in a state of uncertainties and in a state of instability and revitalization at the same time; as noted it offers good accessibility to highways, and a relative short distance to the State Capital and the Hartford business district to the north and the city of New Haven to the south.

The quality of the immediate neighborhood is less than average in terms of residential uses; on the other hand, the quality of the general neighborhood is average in terms of residential, and is average to good in terms of commercial use(s); testimony to this has been the robust growth in real estate values experienced throughout the neighborhood during the last 2-3 years; the general character of the neighborhood is that of a built-up urban community.

NEIGHBORHOOD DATA, continued

The immediate subject neighborhood is characterized primarily by converted older mix-use buildings, multi family buildings, and a mixture of retail/service businesses to the west (Main Street).

The subject properties in the neighborhood were owner occupied for the most part up to and including the late 1970's and early 1980's; however, when these owners started selling their properties to move in the suburbs or in the south-end section of Middletown, the majority of the buildings on Ferry Street and the subject neighborhood became tenant occupied and in some cases were boarded up. To this extent, the City of Middletown itself is in the process of purchasing some of these blighted properties via mutual agreement and/or possibly by eminent domain, for the stated purposes of revitalization and/or development of the area, which is part of the city's central business district and due to the presence of the Connecticut River less than one block to the east of the subject neighborhood itself.

Moreover, the City of Middletown, through grants, has encouraged the rehabilitation of many buildings in the area which were abandoned or were in fair to poor overall condition; the intent was to improve the area, or the city's inner core. Such phenomena is typical of most inner cities neighborhoods in Connecticut and through the region and this country as well.

The subject appears to be in average condition with respect to the neighborhood. The immediate neighborhood is, however, not well established yet and land uses may change in the foreseeable future, particularly so if the city leaders are successful in their efforts of revitalization in the (subject) neighborhood, as noted.

The subject property is located less than 1/4 mile south of the entrance/exit to Route 9 located on Main Street and is located one block north of its intersection with Route 66 (Washington Street). As noted, the subject building is situated on the northerly side of Ferry Street, within the city's central business district. The area is characterized by a mixture of older retail, service and commercial buildings, as well as small to medium neighborhood strip shopping centers, located to the south of the subject neighborhood, i.e. property.

The subject neighborhood is bordered on the south by Harbor Park; to the north along Main Street there are brick, commercial buildings with slightly higher elevation. To the southeast of the subject, along Main Street there is a large commercial building formerly utilized as a department store converted to a multi-tenant mall facility, and known as the Clock Tower Shops.

NEIGHBORHOOD DATA, continued

The construction of a new State of Connecticut Superior Court building was completed in the early 1990s in the subject neighborhood, specifically roughly 1/4 mile to the south of the subject on Court Street. Also, situated on the northwest corner of DeKoven Drive and Court Street we find Middletown's City Hall Complex.

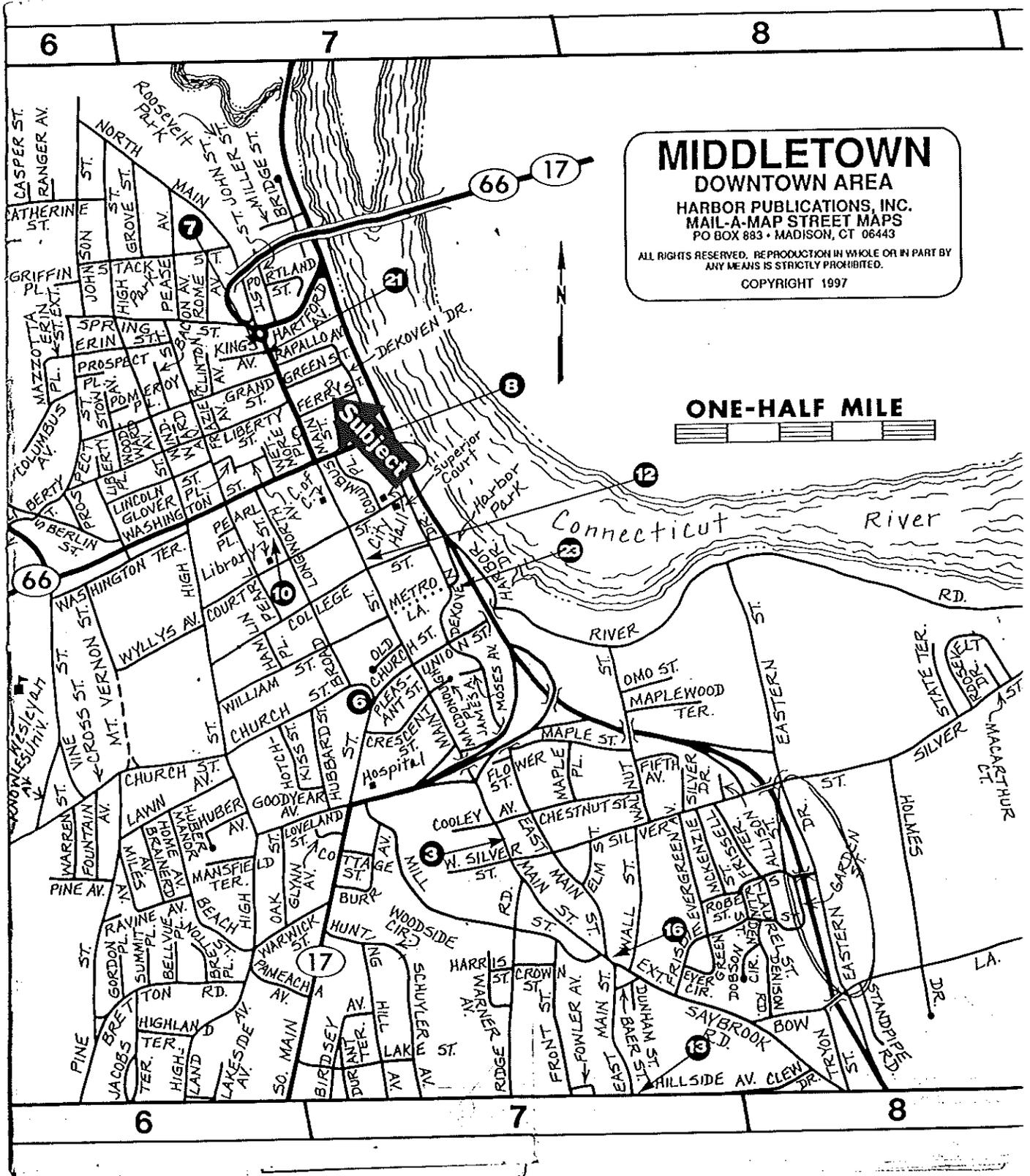
As reported, the subject has very close proximity to Routes 9, 66 and to some extent to Route 3 (Newfield Street), a major arterial route which serves as a highway connection from I-84 in New Britain to I-91 in Middletown. Route 66 is just to the southwest of the subject and is a major arterial route running east/west.

Immediately to the north of the subject property we find a 4-family brick dwelling known with the street address of 34 Ferry Street rear; this property has been 100 percent rehabbed as well as remodeled through state secured financing. As a result, this property is devoted for use as affordable home based on the area low to moderate family income limits.

Further to the north and south of the subject building we find similar small to medium sized multi-family building of various age, layout, size and finish-condition, as well as a converted 2-story dwelling utilized as offices by the Middletown Community Health Center at 33 Ferry Street, or directly across the subject property.

Immediately to the east, we find a city owned parking lot. Further to the west is situated a 3-story frame 10-unit apartment building known with the street address of 40 Ferry Street, and immediately to the west of it a vacant parcel, also city owned, as well as two vacant, i.e. boarded-up mix-use buildings which are city owned as well as inclusive of the neighborhood revitalization plan, as noted.

As a result, land use is expected to change in the foreseeable as well as distant future.



**MIDDLETOWN  
DOWNTOWN AREA**  
 HARBOR PUBLICATIONS, INC.  
 MAIL-A-MAP STREET MAPS  
 PO BOX 883 • MADISON, CT 06443  
 ALL RIGHTS RESERVED. REPRODUCTION IN WHOLE OR IN PART BY  
 ANY MEANS IS STRICTLY PROHIBITED.  
 COPYRIGHT 1997

**ONE-HALF MILE**

## DESCRIPTION OF THE SITE

The site area, according to the legal description and tax assessor's records, is approximately 6,530 square feet or 0.15± acre. The rectangular shaped lot has 45.5 feet of frontage on the north side of Ferry Street and a maximum depth of approximately 142 feet on the westerly side.

Hence, due to the adequate site size and site width and due to the building footprint, there was on-site parking, as well as adequate open space; however, the current subject property owner few years back converted the parking area to the rear side of the improvements into landscaped area; the reason given to the appraiser is to take advantage of the city owned parking lot situated immediately to the south of the subject itself. There is, however, a fairly narrow and partially paved driveway along the improvements east side.

The building is recessed approximately 10 feet from the roadway and is located in the center of the site; as noted, there is a curb cut with a partially paved driveway, on the easterly side of the improvements. Site improvements consist of slab walkway and steps to the front; further site improvements consist of fencing along the east side, and along the rear boundary line.

Site improvements are in average overall condition.

For a visual representation, the reader should refer to the photographs of subject property section earlier in the report, and to the assessor's map in the following pages of this report. A concrete sidewalk runs along the street frontage, within the building line.

The site is served by all public utilities and is not in a flood plain, according to FEMA Map No. 090068 0006C, Panel 6 of 16, dated March 7, 2001. The subject property site is situated in Zone "X" or area(s) of minimal flooding.

The Appraiser did no research on environmental issues that might pertain to the site and assume that the site is free of any environmental problems. There was no visible evidence of contamination or hazardous conditions on the date of inspection.

While there is no apparent evidence of potentially hazardous waste and ground contamination, the determination of the presence of such hazardous waste is beyond the capability of the appraisers. No certification of the presence or absence of hazardous waste or ground contamination of the subject site is hereby stipulated.

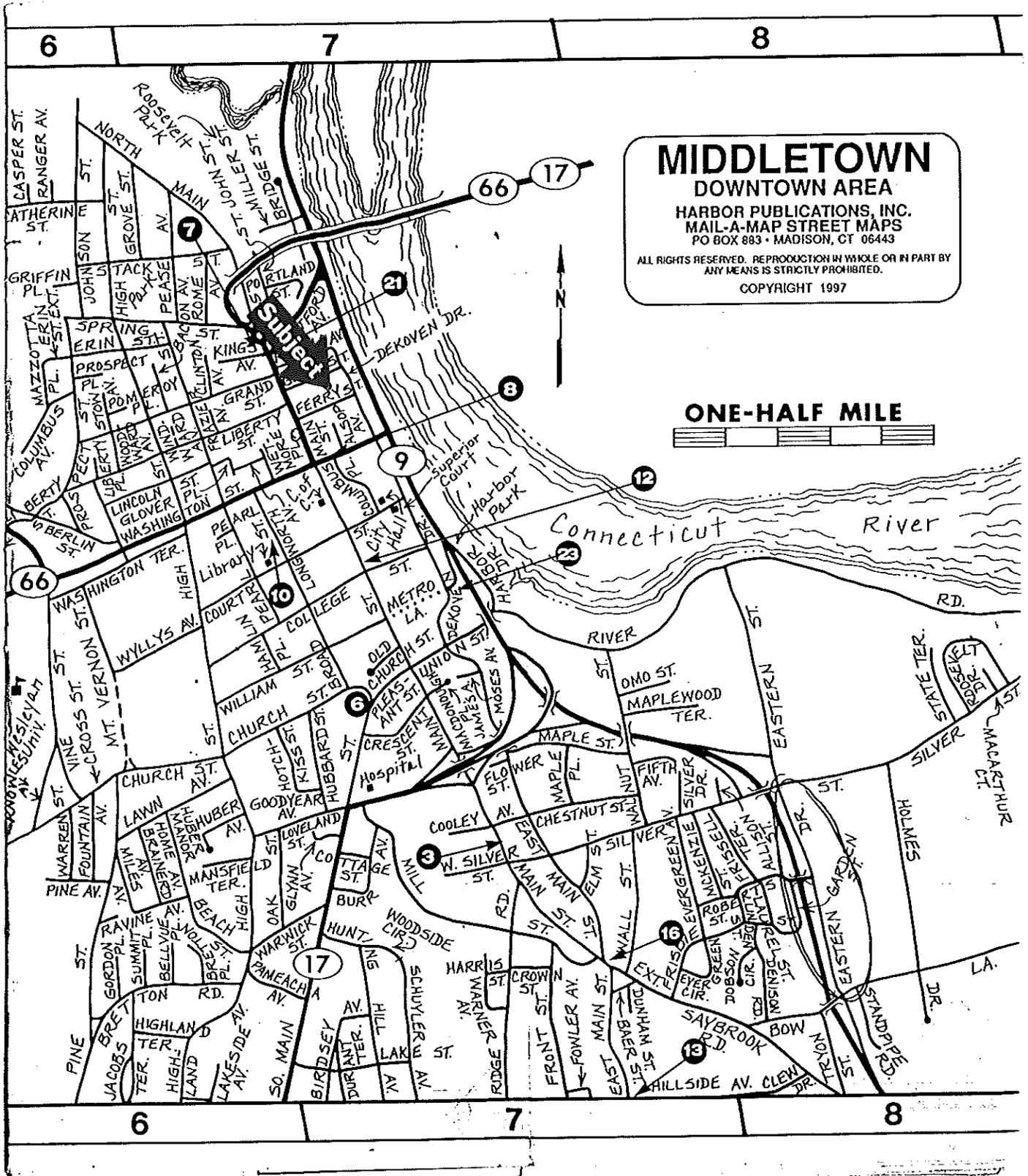
DESCRIPTION OF THE SITE, continued

Typically in an appraisal it is recommended that a Phase 1 environmental survey be undertaken to determine what if any levels of contamination may be due to the waste brought on by the tenant or anything else during the years.

It is noted that there have been no environmental tests done and nothing that this appraiser is aware of to indicate as such that there may be any contamination on the site. It is assumed that the previous owner did not contaminate this site or is anyone aware of any such contaminants which may exist.

In general the site is an average i.e. site size of  $0.15 \pm$  acres, city site with average physical and location characteristics, with average visibility and within the northeasterly fringes of the city's downtown district.





## ZONING

The subject property is zoned B-1, Central Business District. The following uses are permitted in the B-1 Zone:

### Permitted Principal Uses

1. Commercial Schools and Art Studios.  
Finance companies and similar services.
2. Banks-Savings and loan companies.
3. Trade schools; driving schools.
4. Commercial parking lots; need not be enclosed.
5. Eating and drinking places, excluding drive-in restaurants.
6. Public buildings; office buildings
7. Retail business
8. Buildings with mixed uses subject to section 61 of the City of Middletown Zoning Regulations.

**ZONING ANALYSIS**, continued

The following Area and Setback Requirements for the B-1; Central Business Zone as set forth under the City of Middletown Zoning Regulations.

**Minimum Size of Lot**

Minimum Net Lot Area:	No Standard
Minimum Lot Width:	No Standard
Maximum Lot Coverage:	No Standard

**Minimum Yard Dimensions**

Front:	No Standard
Side:	No Standard
Rear:	No Standard
Maximum height:	12 stories
Parking:	Off-Street and off-street loading shall be provided in accordance with the provisions of Section 40.
Source:	<b>Middletown Zoning Regulations</b>

ZONING ANALYSIS, continued

Given the gross area of 0.15 acres or 6,530 square feet and the frontage shown on the Assessor's Map, under the Site Description Section of this report, the subject is capable of meeting the physical requirements of the Middletown Zoning Ordinance.

A copy of the deed and a description of land for the subject property may be found in the Addenda Section of this report.

34 Ferry Street, Middletown, Connecticut

Field Card Specifications - City of Middletown

Assessor's Identification:	Map 22 Block 17-37, Lot 29
Class:	B-1 Central Business District
Lot Size:	0.15± acres with a 45.5 foot frontage on the northerly side of Ferry Street.
Lot Square Footage:	Total: 6,530±
Subject Building Square Footage:	5,162±
Mix:	3-story six-family frame apartment building

## DESCRIPTION OF IMPROVEMENTS

The three-story frame with vinyl siding exterior building was constructed in 1900 circa. According to assessor's office records, the subject building comprises roughly 5,162 square feet gross building area above grade, or 1,786 sq ft on each of the first and second floors and 1,590 sq ft on the upper floor. The 5,162 square foot building is built on a full and unfinished basement.

Interior finishes include hardwood floor and linoleum and/or vinyl tile cover; combination of painted drywall and/or plaster ceilings throughout. Mechanical systems include individual (newer) gas-fired hot water type boilers with baseboard distribution; six 30 gallon gas hot water heaters; 200 Amps main electric panels with circuit breaker and 100 Amps distribution to the units.

Moreover, according to the current subject property owner/manager, since the acquisition date on October 31, 1986, the improvements have received various upgrades and/or rehabbing; hence, the premises have been partially remodeled as well as rehabbed, both exterior and interior, and appear to have been adequately remodeled as to its mechanical components. Items such as remodeling of kitchens and bathrooms; new plumbing and electrical have been completed in various stages and to varying degrees.

As a result, the improvements are in average to somewhat good (i.e. mechanical components) and in average overall condition (i.e. interior) with an effective age of 30 year to 35 years. The remaining economic life of the building is estimated to be 25 – 30 years. The subject building above grade (usable) space of approximately 5,162 square feet is subdivided into six apartments rental units of average, i.e. typical overall finish and condition.

Each floor comprises two apartments; there are six apartments of various size, layout and finish-condition.

It should be noted here that the City of Middletown Assessor's Office records list the subject property as 5-units multi-family dwelling comprising 2-3-room (1-br) apartments and 3-4-room (2-br) apartments. However, based on our inspection on December 15, 2004 and based on information provided by the current subject property owner/manager, the subject property comprises six (6) apartments of various size, layout and finish-condition. Thus, for our purpose and to maintain consistency throughout the report, the subject property comprises six (6) apartments in approximately 5,162 sq ft gross building area. The units mix is as follows:

**DESCRIPTION OF IMPROVEMENTS, continued**

<b>34 Ferry Street, Middletown, CT Units Mix</b>			
<b>Unit #</b>	<b>Rooms/BR</b>	<b>Sq Ft ±</b>	<b>Comments</b>
1E	5/3	860	
1W	5/3	860	
2E	5/3	860	
2W	5/3	860	
3E	4/2	780	
3W	3/1	600	
<b>GLA 4,820± sq ft; Common Area 342± sq ft; GBA 5,162± sq ft</b>			

To visualize the subject building, the reader should refer to the photographs of the subject property section. The significant elements of the subject building are as follows:

**Unit Mix**

**Ground Floor**

Two apartments of 5-room (3-bedroom and 1-bath) each

**Upper Floors**

Two apartments of 5-room (3-br) each of various finish-condition and of similar layout and size; one apartment of 4-room (2-br) and one apartment of 3-room (1-br).

**Foundation**

Concrete block and brick over concrete footings.

DESCRIPTION OF THE IMPROVEMENTS, continued

Upper Floors, continued

Frame	Frame with vinyl siding exterior. It should be noted here that the vinyl siding along the westerly side is somewhat uneven and/or partially damaged; this is the result of a fire in years past which affected the property adjoining to the north and known as 40 Ferry Street, whereby the intense heat caused the vinyl siding to bend and twist to some extent. Thus, replacement of the same is anticipated for the somewhat near and/or distant future.
Floor Structure	Concrete
Floor Cover	Combination of hardwood, or subflooring, or linoleum and/or vinyl tiles throughout.
Ceiling	Combination of painted drywall and/or plaster ceiling throughout
Interior	Frame with combination of painted drywall and/or panelling and drywall throughout
Fenestration	Double hung windows with aluminum screens and aluminum storms
Exterior Walls	Frame with vinyl siding
Walls height	9 feet on each floor
Baths	One (full) bath per unit for a total of six baths, older to semi-modern decor and average condition overall. These are three fixture baths.
Plumbing	Mixed copper and brass. PVC, copper and galvanized piping for waste lines.
Electrical	Upgraded to 200 Amperes service with 100 Amperes per unit distribution. Circuit breaker type.

DESCRIPTION OF IMPROVEMENTS, continued

Heating and Hot water	Six (newer) gas fired hot water type boilers baseboard type. Six gas hot water tanks.
Fire Protection	Battery back-up smoke detectors throughout
Doors	Pedestrian safety steel doors to the front and rear sides; solid wood core doors to the interior.
Roof	According to Mr. McInvale newer (2003); gable roof with asphalt shingle cover; however, we could verify this information as of the appraisal date.
Air Conditioning	None
Miscellaneous:	The subject property is improved with two story enclosed frame porches of roughly 392 sq ft to the front. Three story open frame porches of 432 sq ft to the rear. Each eating size kitchen is equipped with stove and refrigidaire.
Condition:	<p>The overall condition of the improvements is considered average for the mechanical components; somewhat average for the apartments.</p> <p>The condition of the mechanical, electrical, plumbing, heat and hot water services is considered to be adequate.</p> <p>Your appraiser did not notice any sign of ground contamination; however, since the subject is a commercial (apartment) building, <b>an environmental survey should be conducted to determine the presence or lack of it, of any possible contaminant(s), if desired.</b></p>

## HIGHEST AND BEST USE

Highest and best use is defined as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.”  
(The Dictionary of Real Estate Appraisal, Third Edition, Appraisal Institute, 1993)

In evaluating the highest and best use of the subject property, the Appraiser has considered the uses legally permitted under the current zoning, the surrounding neighborhood uses, and the market conditions under which this appraisal is made. The Appraiser has given consideration to the subject property as vacant and as improved.

As vacant, the size of the property limits its development potential. In any event the use of the site for commercial purpose, i.e. apartment building which is market supported will be the highest and best use.

The highest and best (interim) use of the subject property is for commercial residential apartment building units. The location is convenient along the city's northeasterly fringes of the central business district.

### Marketing Time

The marketing time for the subject property, if marketed at the final market value estimate, is 3 - 6 months.

## HIGHEST AND BEST USE

### Conclusion

The maximally productive use of the subject property is as improved for commercial (apartment) multi-family facility. This is an established use in a somewhat established and well defined neighborhood, to the northeast of the Central Business District of Middletown.

The location is accessible to the highway and is convenient to services of all kinds in the immediate area.

It is therefore your appraiser's opinion that the highest and best (interim) use for the subject improvements in "as is" condition is for its continued use as commercial (apartment) multi-family facility.

However, due to a possible revitalization plan of the neighborhood, as envisioned by the City of Middletown, the highest and (future) best use may be different due to the business zone classification of B-1 Zone District in the neighborhood and due to market demand. In any event, for our purpose, the highest and best use is considered "as is" and as improved, that is a six-family apartment rental building.

## **VALUATION PREMISE**

There are three generally recognized approaches to value, which may be used in estimating the value of real estate. The Eleventh Edition of The Appraisal of Real Estate describes them as follows:

### **Cost Approach**

"The Cost Approach is based on the understanding that market participants relate value to cost. In the cost approach the value of a property is derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation (i.e., deterioration and obsolescence) in the structures from all causes. Profit for coordination by the entrepreneur is included in the value indication. This approach is particularly useful in valuing new or nearly new improvements and properties that are not frequently exchanged in the market. Cost approach techniques can also be employed to derive information needed in the sales comparison and income capitalization approaches to value."

### **Income Capitalization Approach**

"In the Income Capitalization Approach, the present value of the future benefits of property ownership is measured. A property's income streams and its resale value upon reversion may be capitalized into a present, lump-sum value."

### **Sales Comparison Approach**

"The Sales Comparison approach is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property market. Using this approach, an appraiser produces a value indication by comparing a subject property with similar properties, called comparable sales. The sale prices of the properties that are judged to be most comparable tend to indicate a range in which the value indication for the subject property will fall."

VALUATION PREMISE, continued

"An appraiser estimates the degree of similarity or difference between the subject property and comparable sales by considering various elements of comparison."

"All three approaches are applicable to many appraisal problems, but one or more of the approaches may have greater significance in a specific assignment. For example, the cost approach may be inappropriate in valuing properties with older improvements that suffer substantial accrued depreciation due to physical deterioration, functional obsolescence, and external obsolescence, which are difficult to estimate. The sales comparison approach cannot be applied to very specialized properties such as garbage disposal plants because comparable data may not be available. The income capitalization approach is rarely used to value owner-occupied residential interests, although it may be used with market support. Income capitalization can be particularly unreliable for commercial or industrial property where owner-occupants outbid investors."

The Cost Approach to Value will not be developed because of the type, i.e. small sized commercial apartment multi-family property on the site. Estimates of overall accrued depreciation on buildings of this age, layout and condition are difficult to assign; therefore for this reason the Cost Approach to Value will not be developed here.

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

## DIRECT SALES COMPARISON APPROACH

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

Adjustments are made for conditions of the sale, time, financing, location and physical differences. General market conditions at the time of sale may differ markedly from current conditions. An adjustment for time may be used to deal with this adjustment. The conditions of sale are also important.

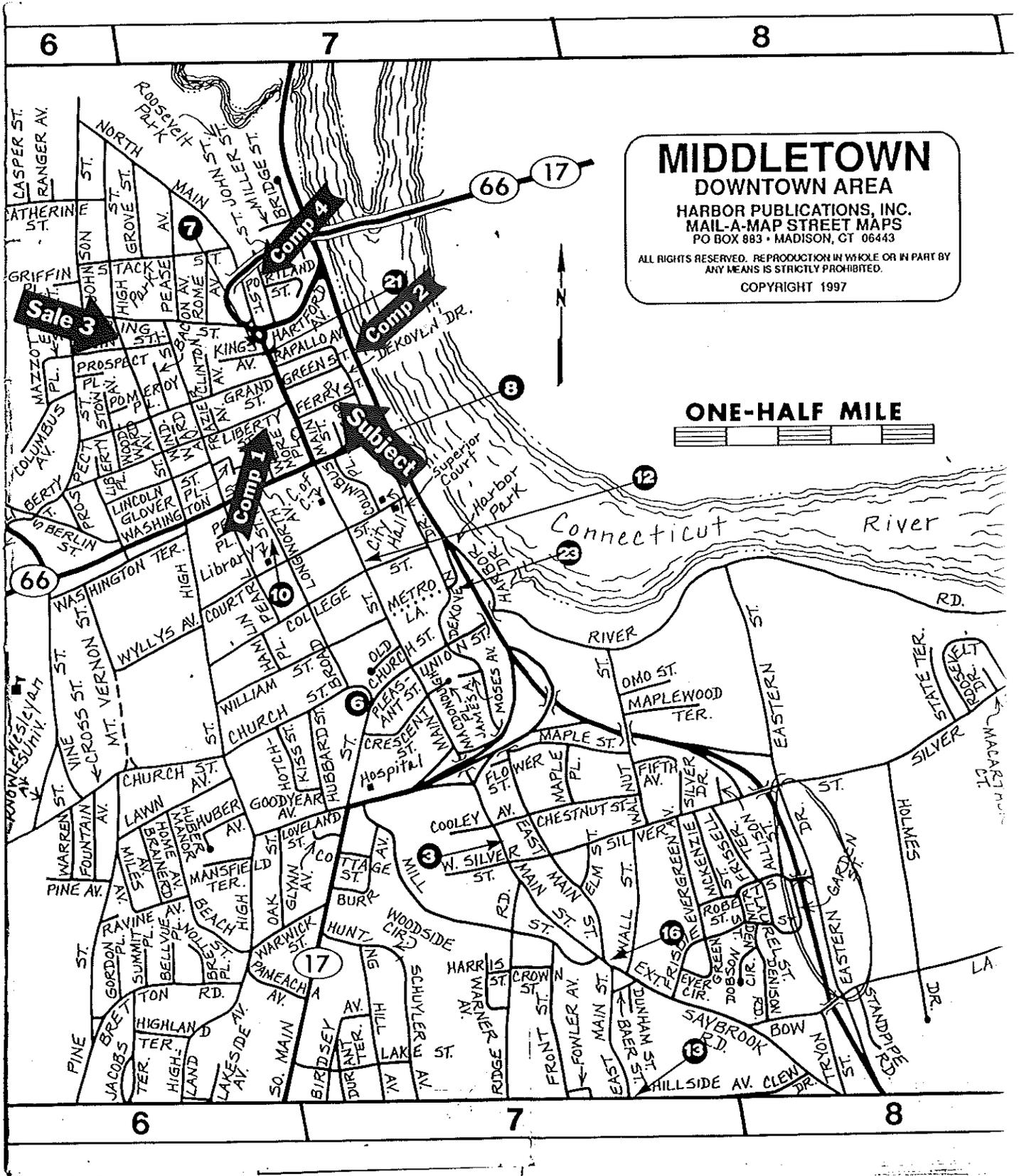
for Was the sale an arms-length transaction? Did the seller receive something of value the property besides cash? If the seller provided financing, was what he or she received equal to or less than "all cash"? Many of these questions are raised by our definition of value. In making comparisons the appraiser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

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

Adjustments are always made from the sale to the subject. If a sale has a superior characteristic, the adjustment is negative. If the characteristic is inferior to the subject, the adjustment is positive. The object is always the property being appraised and all the adjustments are an attempt to adjust the sale property to a property comparable to the subject.

Summaries of the sales used appear on the following pages.

# Comparable Sales



DIRECT SALES COMPARISON APPROACH, continued

Sale #1

34-36 Liberty Street, Middletown, CT



Lilly Long et al. to 34 Liberty Street, LLC

Volume 1355, Page 652

Warranty Deed dated March 3, 2003

Sale price: \$210,000

Building size: 4,440 square feet

Site size: 6,970± square feet (0.16 acre±)

Land to building ratio: 1.6 to 1

Sale price per Unit: \$30,000

Age: 1900 circa

DIRECT SALES COMPARISON APPROACH, continued

Sale No. 1, continued

This is the sale of a very good comparable 7-family apartment building situated less than 1/4 mile to the northwest of the subject property and within the subject's market area. The property consists of a 2.5-story frame structure with vinyl siding exterior. There is on-site parking and adequate open space. Slightly superior location; slightly superior condition to the subject.

*Financing:* At market

*Remarks:* This is a very good comparable and it's a somewhat recent sale as well. However, adjustments will be applied for site size/parking (larger), and for building size, i.e. number of units and for building condition.

Finally, a slight upward adjustment will be applied for time of sale (market conditions).

DIRECT SALES COMPARISON APPROACH, continued

Sale #2

329 DeKoven Drive, Middletown, CT



Carole Ketelson to Emin Kolenovic et al.  
Volume 1353, Page 157  
Warranty Deed dated February 18, 2003

Sale price:	\$260,000
Building size:	6,978 square feet
Site size:	10,454 $\pm$ square feet (0.24 acres $\pm$ )
Land to building ratio:	1.5 to 1
Sale price per Unit:	\$32,500
Age:	1907-1927

DIRECT SALES COMPARISON APPROACH, continued

Sale No. 2, continued

*Improvements:* This sale consists of two front and back, 3-story masonry and 2-family frame dwelling comprising an apartment building of 8 units comprising an aggregate GBA of 6,978 sq ft, more or less, above grade. Location is considered to be similar to the subject as to neighborhood composition-use and curb appeal. Similar condition-type to the subject as to building's mechanicals and overall condition.

*Financing:* At market;

*Remarks:* This sale consists of a residential 8-unit masonry and frame apartment building within the subject's market area; thus, it's considered a very good comparable. Units mix is 8 (2-br) for a total of 32 rooms.

However, it is your appraiser's opinion that adjustments are needed, and will be applied, for site size/LBR (larger), for building size, i.e. number of units and similarly to Sale 1 for market conditions (time of sale).

DIRECT SALES COMPARISON APPROACH, continued

Sale #3      576-578 High Street, Middletown, CT



Salvatore Fazzino et al. to 576 High Street, LLC  
Volume 1333, Page 282  
Warranty Deed dated October 31, 2002

Sale price:	\$179,600
Building size:	4,284 square feet
Site size:	7,840 $\pm$ square feet (0.18 acres $\pm$ )
Land to building ratio:	1.8 to 1
Sale price per Unit:	\$35,920
Age:	1927 circa

DIRECT SALES COMPARISON APPROACH, continued

Sale No. 3, continued

*Improvements:* This sale consists of a 3-story brick apartment building of 5 units comprising an aggregate GBA of 4,284 sq ft, more or less, above grade. Location is considered to be similar to the subject as to neighborhood composition and curb appeal. Superior condition-type to the subject as to building's composition, i.e. brick exterior and overall condition.

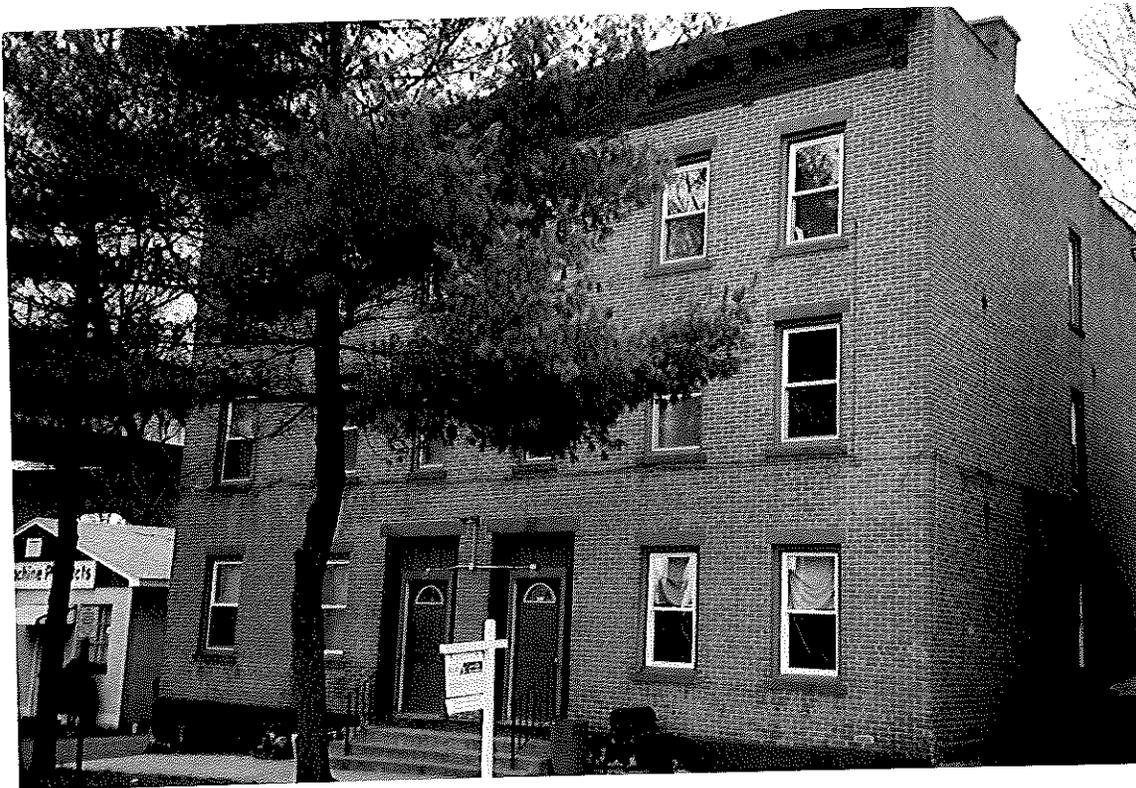
*Financing:* At market

*Remarks:* This sale consists of a residential 5-unit brick apartment building within the subject's market area; thus, it's considered a very good comparable. Units mix is 1 (2-br) and 4 (1-br) for a total of 16 rooms.

It is your appraiser's opinion that adjustments are needed, and will be applied for site size/parking (larger), for location, for building condition-type and similarly to Sales 1 and 2 for market conditions (time of sale).

DIRECT SALES COMPARISON APPROACH, continued

Sale #4 42-44 St. John's Street, Middletown, CT



George Nowsch to Michael Long  
Volume 1311, Page 548  
Warranty Deed dated June 6, 2002

Sale price:	\$180,000
Building size:	5,076 square feet
Site size:	6,970 $\pm$ square feet (0.16 acres $\pm$ )
Land to building ratio:	1.4 to 1
Sale price per Unit:	\$30,000
Age:	1920 circa

DIRECT SALES COMPARISON APPROACH, continued

Sale No. 4, continued

*Improvements:* This sale consists of a 3-story brick exterior apartment building of 6 units comprising an aggregate GBA of 5,076 sq ft, more or less, above grade. Location is considered to be similar to the subject as to neighborhood composition-use and curb appeal. Slightly superior condition-type to the subject as to building's overall condition.

*Financing:* At market

*Remarks:* This sale consists of a residential 6-unit brick apartment building within the immediate subject's market area; thus it's considered a very good comparable as to functional utility. Units mix is 6-4-room (2-br) for a total of 24 rooms.

It is your appraiser's opinion that similarly to the other three sales utilized an upward adjustment will be applied for market conditions (time of sale). Further adjustment is applied for building condition-type (slightly superior).

DIRECT SALES COMPARISON APPROACH, continued

Adjustments

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

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

Adjustments were necessary for market conditions (time of sale); however, no adjustments were necessary for Conditions of Sale or Financing. An adjustment for zoning was also not necessary because the highest and best use for the subject property and the comparable sales is (apartment building) commercial.

Location:

An upward adjustment for location was made if the sale property was on a side street or in a location deemed to be inferior as to neighborhood composition/curb appeal.

Parcel Size:

Parking availability and customer convenience in use are functions of the parcel size. Sales are adjusted upward or downward when deemed appropriate.

Condition of Improvements:

With no exception the comparables are of similar age and vintage to the subject property and have effective ages somewhat similar to the subject's property. Downward or upward adjustments are made when deemed appropriate.

**DIRECT SALES COMPARISON APPROACH**, continued

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

Sales Summary					
	Subject	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4
Date of Sale	-	3/03	2/03	10/02	6/02
Property Size (SF)	5,162	4,440	6,978	4,284	5,076
Sale Price (\$)	-	210,000	260,000	179,600	180,000
Land Area (Acres) ±	0.15	0.16	0.24	0.18	0.16
Land-to-Building Ratio	1.3	1.6	1.5	1.8	1.4
Building Age	1900 circa	1900 circa	1907-1927	1927 circa	1920 circa
Financing	-	At Market	At Market	At Market	At Market
Sale Price/Unit *	-	30,000	32,500	35,920	30,000
* Of Building, to include the land					

**DIRECT SALES COMPARISON APPROACH, continued**

Adjustment Grid				
	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4
Address	34-36 Liberty Street, Middletown	329 DeKoven Drive, Middletown	576-578 High Street, Middletown	42-44 St. John's Street, Middletown
Sale Price Per Unit (\$)	30,000	32,500	35,920	30,000
<i>Property Interest</i> Fee Simple	1.00	1.00	1.00	1.00
<i>Financing</i> Conventional or Cash	1.00	1.00	1.00	1.00
<i>Conditions of Sale</i> Arm's Length	1.00	1.00	1.00	1.00
<i>Market Conditions</i> Typical	+5% Mar 03	+5% Feb 03	+8% Oct 02	+9% Jun 02
Multiplier Adjusted Sale Price (\$)	1.0500 31,500	1.0500 34,125	1.0800 38,794	1.0900 32,700
Other Adjustments				
Location	-5%	+0%	-10%	+0%
Physical Characteristics *	-5%	+0%	-10%	-5%
<i>Building Size</i>	+5%	+5%	+0%	+0%
<i>Building Condition</i>	-5%	+0%	-5%	-5%
<i>Basement</i>	+0%	+0%	+0%	+0%
<i>Availability of Parking</i>	-5%	-5%	-5%	+0%
Economic Characteristics	0%	0%	0%	0%
Use	+0%	0%	0%	0%
Non-Realty Components	0%	0%	0%	0%
Sum of Other Adjustments (\$)	-10% (\$3,150)	+0%	-20% (\$7,759)	-5% (\$1,635)
Indicated Value of Subject (\$)/unit	28,350	34,125	31,035	31,065
* Physical Characteristics is Sum of the Items (Building Size, Building Condition, Basement, and Availability of Parking) Below.				

**DIRECT SALES COMPARISON APPROACH**, continued

The indicated values on a per unit basis range from \$28,350 to \$34,125 with intermediate values of \$31,035 and \$31,065.

The average figure of \$31,000 per unit (rounded) appears most reliable, since all four sales are considered to be good comparables to the subject property. The value range represents the value of the subject "as is" and considers its location, as noted.

This figure is multiplied by the subject's 6 units for a value indication of \$186,000.

The market value "AS IS" of the subject property, derived by Direct Sales Comparison, is estimated, as of December 15, 2004, to be \$185,000.

<b>Estimate of Value by the Direct Sales Comparison Approach</b>	<b>\$185,000</b>
--	------------------

**(ONE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS)**

## INCOME APPROACH

The Income Capitalization Approach is based on the principle of anticipation, in which an investor purchases an income-producing property based on its earning power, or the income it could generate. This approach is based on the investment concept that the larger the income stream a property can generate, the greater the value of the property. In purchasing a property, the investor/purchaser is exchanging present day dollars for an income stream to be received in the future.

In this report the Direct Capitalization technique will be applied. Direct Capitalization converts an estimate of the first year of stabilized income expectancy into an indication of value by dividing the year's stabilized income estimate by the appropriate capitalization rate.

To arrive at an estimated market value of the fee simple interest subject property, the following steps will be undertaken:

1. Estimate the gross income and terms under which the subject would be rented, based on analysis of the current rents the property is generating, if any, along with comparable market rental data;
2. estimate an allowance for vacancy and credit loss;
3. ascertain the expenses that will be applied to the property's income stream;
4. determine the net operating income (NOI) imputed to the real estate;
5. derive an overall capitalization rate based on market data;
6. capitalize the NOI into an estimate of market value.

## INCOME APPROACH, continued

The Income Approach to value is developed using a Direct Capitalization Approach to evaluate the subject property from an investor's point of view. The first step in processing this approach is to estimate an income stream for the subject property which currently is 100 percent rented, i.e. tenants occupied.

We have attempted to select rental properties, i.e. apartment buildings that provide the most reliable estimate of the subject's market rent, as of the date of valuation. Each rental is compared to the subject property.

### Market Rent

The subject property, as of the effective date of this report, was 100 percent tenant(s) occupied or 6-units from the total of 6-units were occupied, i. e. rented. However, in order to process the Income Approach to value, we must assume that the improvements at the subject property are vacant and available for rent on the open market. The market rent (i.e., that rental which a property will command on the open market) is estimated from rental data on similar (generally) properties and processed into an estimate of value.

### Comparable Rents

Your appraisers have researched comparable rentals in Middletown; these are the properties and rents most comparable to the subject in your appraiser's opinion.

INCOME APPROACH, continued

Comparable Rents, continued

Rental No. 1

98 Liberty Street  
Middletown, Connecticut

Number of Units: 6  
Stories: 3

Rental-

4 room, 1-bedroom units: \$575 per month  
4 room, 2-bedroom units: \$675 per month  
5 room, 2-bedroom units: \$700 per month

Comments: Rent includes heat, hot water, and parking. Older three story wood frame apartment building; garden - flat apartments. Similar condition; slightly superior location.

Rental No. 2

34-36 Liberty Street  
Middletown, Connecticut

Number of Units: 7  
Stories: 3

Rental -

2 room, 1-bedroom unit: \$475 per month  
4 room, 2-bedroom units: \$600 per month  
3-room, 2-bedroom units: \$550 per month

Comments: Tenants pay for heat, hot water, and electric. Adequate on site parking. 3-story frame building built in 1900 circa; slightly superior location and condition.

INCOME APPROACH, continued

Comparable Rents, continued

Rental No. 3

329 DeKoven Drive  
Middletown, Connecticut

Number of Residential Units: 8  
Number of Stories 2 and 3

Rental-

4 room, 2-bedroom units: \$600 per month (average)

Comments: Rent does not include electricity; heat and hot water are also not included in the rent. This three story masonry apartment building was constructed in 1917 circa. Some of the apartments have been rehabilitated over the past few years. Similar location and condition-type to the subject property.

Rental No. 4

576-578 High Street  
Residential building  
Middletown, Connecticut

Number of Units: 5  
Number of Stories 3

Rental-

3 room, 1-bedroom units: \$625 per month  
4 room, 2-bedroom units: \$700 per month

Comments: Rent includes appliances only. This three story brick apartment building was constructed in 1927. Average to above average overall condition. Superior location and condition-type to the subject.

INCOME APPROACH, continued

Comparable Rents, continued

Rental No. 5

160 Washington Street  
Middletown, Connecticut

Number of Units: 12  
Number of Stories: 3

Rental-

2 room, 1-bedroom unit: \$500 per month  
3 room, 1-bedroom units: \$550-\$600 per month  
4 room, 2-bedroom units: \$650-\$700 per month

Comments: Rent includes heat, hot water, and parking. This older three story wood frame apartment building contains twelve (12) "garden flat" apartments. Superior location, similar condition-type to the subject.

Rental No. 6

42-44 St. John's Street  
Middletown, Connecticut

Number of Units: 6  
Number of Stories: 3

Rental-

4 room, 2-bedroom units: \$650 per month

Comments: Similar location; slightly superior condition.  
The above rent does not include utilities; appliances and parking are included. This brick apartment building contains six (6) "garden flat" apartments. Similar location and condition-type to the subject.

INCOME APPROACH, continued

Comparable Rents, continued

Rental No. 7

27-31 Spring Street  
Middletown, Connecticut

Number of Units:	12
Number of Stories	3

Rental-

3 room, 1-bedroom units:	\$550 per month
4 room, 2-bedroom units:	\$700 per month

Comments: Rents include heat and hot water; appliances are included and there is no parking. This older brick twelve family building is situated within the subject's market area; similar location; slightly equal condition-type to the subject.

Rental No. 8

75 Hillside Avenue  
Middletown, Connecticut

Number of Units:	12
Number of Stories	3

Rental-

3 room, 1-bedroom, 1-bath units:	\$600 per month
4 room, 2-bedroom, 1-bath units:	\$750 per month

Comments: Superior location and condition. The above rents do not include heat and hot water; one parking space per unit. This three story wood frame vinyl siding exterior apartment building is located in the southeast quadrant of Middletown. The unit mix is 4 - 3-room (1-br) units and 8 - 4-room (2-br) units. There are a total of 16 parking spaces available.

INCOME APPROACH, continued

Comparable Rents, continued

Rental No. 9

54 Grove Street  
Middletown, Connecticut

Number of Units:	6
Number of Stories	3

Rental-

4 room, 2-bedroom, 1-bath units:	\$600 per month
4 room, 2-bedroom, 1-bath unit:	\$625 per month
4 room, 2-bedroom, 1-bath units:	\$625 per month
4 room, 2-bedroom, 1-bath units:	\$650 per month

Comments: Slightly superior location; similar condition. The above rents include heat, hot water and appliances; no on site parking. Three story brick building built in 1940 consist of six units of 4 room (2 br) each.

INCOME APPROACH, continued

The comparable rental data included in the preceding pages of this report have been verified through the management entity and/or the owners of the buildings.

The ratio of leased apartments to tenancy-at-will units is about even, in the experience of your appraiser, and within any block or immediate neighborhood, the number of month-to-month tenants may exceed tenants with leases.

The above comparable data is deemed to be comparable (generally) to the subject in terms of location, type of building, overall building condition, and functional utility.

These comparables are multi-family rental buildings located in the subject neighborhood and/or in somewhat similar neighborhoods like the subject, with somewhat similar characteristics, generally, of those found on Ferry Street; most of these comparables are cold flats with appliances (stove/refrigerator), and parking; however, they consist generally of two and/or three bedroom units.

Factors such as location, apartment size, building condition, modernization, age of building, and amenities (such as parking, yard space) have been considered when making comparisons. The number of rooms, type of space, age of building, and utilities, if any, included in the rent.

The rental information presented above dates from December 2003 to the effective date of this appraisal.

The highest rent produced by each comparable rental property has been used in order to establish how much rent the market is willing to pay for units such as the subject has to offer. Your appraiser has used these rents because below market rents are common in Middletown, for various reasons, but usually due to landlord-tenant relationships.

The highest rents are usually the result of recently negotiated arm's length agreements and best reflect current market rents.

**INCOME APPROACH**, continued

**Potential Gross Income:**

The income of the subject is based on six (6) rental units. According to the current property owner. The six apartments at the subject rent from a low of \$475/month to a high of \$750/month; the highest rents being a Section 8 program; to this extent, there are two (2) Section 8 program rentals, or apartments 2-E and 2-W.

<b>34 Ferry Street, Middletown; Stabilized Rent Roll As of December, 2004</b>		
Apt # 1E	\$700. Month	\$8,400. 3-bedroom
Apt # 2E	\$750.00	\$9,000. 3-bedroom
Apt # 3E	\$550.00	\$6,600. 2-bedroom
Apt # 1W	\$650.00	\$7,800. 3-bedroom
Apt # 2W	\$700.00	\$8,400. 3-bedroom
Apt # 3W	475.00	\$5,700. 1-bedroom
Totals: \$3,825/month x 12 = \$45,900 yearly		

Based on the comparable (residential) contract and/or open market rents, based on the condition (average overall) of the subject property and based on location, it is our opinion that the subject actual and stabilized rents compare generally to open market price levels. In this case, then we can base the property income on the actual and stabilized rental rates.

INCOME APPROACH, continued

**Vacancy and Collection Loss**

It's anticipated that the market for properties like the subject will experience fairly sustained economic activity, thus stable and/or increasing market demand albeit slight. Nevertheless, a prudent investor will estimate the first year's vacancy-collection loss rate to be 6%. The somewhat higher rate reflects the higher risk of leasing a small sized multi-tenant facility. In surveying local property owners and managers, many reported low vacancy rates between 5-10%.

**Operating Expenses**

As previously reported, a 6% vacancy and collection loss rate seems appropriate due to the rental rates utilized, due to the type of units in the subject, due to the location, and due to the average overall condition for the subject.

**Calculating:**

Total Stabilized Gross Rental Income	\$45,900 yearly
Less Vacancy and Collection Loss (6%)	<u>2,754 yearly</u>
Effective (Stabilized) Gross Income (EGI)	\$43,146 yearly

Where applicable and when the expenses could be obtained, the actual expenses are used. The remaining expenses were estimated. The following expenses would be the responsibility of the lessor.

Reserve for Replacement: Considering the somewhat average overall condition of the subject premises, the reserve for replacement is based on 5% of the Effective Gross Income (EGI).

Management: The management expense is based on 6% of the EGI. The management expense is average for a multi-tenant building.

Repairs & Maintenance: Repairs and maintenance is based at \$0.75 per square foot of GBA. This expense covers routine repairs and maintenance.

Taxes: 2003 Grand List tax liability is \$2,514.

Insurance: The lessor would be responsible for liability insurance. The expense is estimated to be \$400/unit, or \$2,400 annually.

Heat and Hot Water: Tenants

**INCOME APPROACH**, continued

**First Year Operating Expenses (Actual and Stabilized)**

ITEM	AMOUNT (\$)	COMMENTS
<b>FIXED CHARGES</b>		
Real Estate Taxes	2,514	Actual (Rounded)
Insurance	2,400	Est; \$400/unit average
<b>Total</b>	<b>4,914</b>	<b>\$819/unit annual (rounded)</b>
<b>VARIABLE CHARGES</b>		
Heat/Hot Water (gas)	0	Tenants
Management (6% of EGI)	2,600	Market rate
Water/Sewer	2,464	Actual; \$650/quarter
Electricity	900	Common areas only; estimated \$75 monthly average
Trash Collection	1,620	Est.; \$135/month
Supplies/Miscellaneous	1,500	Estimated; \$125/month average
Repairs and Maintenance	3,872	\$0.75/sq ft GBA
Accounting and Legal	1,079	2.5% of EGI; estimated
Advertising	780	Estimated; \$65/month average
Reserves for Replacement	2,157	5% EGI; estimated
<b>Total (variable)</b>	<b>17,097</b>	
<b>Total Expenses</b>	<b>22,011</b>	<b>51.0% of EGI</b>
<b>Stabilized EGI</b>	<b>43,146</b>	
<b>NET INCOME TO LAND AND BUILDING</b>	<b>21,135</b>	<b>49.0% of EGI</b>

INCOME APPROACH, continued

Analysis of Operating Expenses

The estimated expenses are 51.0% (rounded) of estimated effective gross rental income (\$43,146). This figure exceeds market parameters of 40% to 45% of EGI; however, the data appears reliable for properties of this type, with conservative stabilized rental income and with an occupancy factor estimated at 94%. Expenses are based on actual and estimated expenses.

The individual expense items are consistent with expenses for this type of property, with the current market condition, as of the appraisal date, and with the estimated competitive rental rates utilized.

## INCOME APPROACH, continued

### Capitalization Rate

The rate at which this income is capitalized is developed from various factors that influence the rate. The investor's anticipated return on his equity, for example, is estimated with regard to industry expectations, and is also compared to competitive rates available for other types of investments, such as Treasury bills or high quality bonds. Debt service must be considered, and the rate at which financing costs are recovered makes up another component of the capitalization rate. The annual debt service is dependent on the term of the mortgage and its interest rate.

The subject property will be evaluated by direct capitalization and at an overall rate. The basic valuation formula for this is:

$$\text{Value} = \text{Income} / \text{Rate}$$

The overall rate will be determined using the Ellwood mortgage-equity capitalization analysis, incorporating equity build-up and change in value, if any. Basically, this formula posits that the overall capitalization rate is the weighted average of the mortgage and equity components of value, including credit for equity build-up over the holding period and for any change in value (appreciation or depreciation) during this period. The rate at which the property is capitalized is dependent on the rates available for competitive investments and on the mortgage rates available for property of this type. While commercial mortgage financing has been scarce during recent years, money is gradually becoming available. A property such as this would require a mortgage rate in the range of 8.75 to 9.75%, according to a survey of local bankers. For the purpose of this appraisal, the mortgage rate is assumed to be 9.50%. The mortgage itself is assumed to be a 20-year mortgage (amortization term) at 70% of value, payable monthly, with a balloon payment due at the end of five years. These terms are typical of today's commercial mortgage notes.

The other main component of the capitalization rate is based on the investor's equity expectations—his or her return on the equity position. Yield expectations vary considerably in today's market. Conversations with local brokers suggest that most investors want high yields, say 9 to 12 per cent. On the other hand, historically low rates tend to make such high yields possible only at great risk, or by buying property at greatly reduced prices. Alternative investments, often much safer than real estate investments, are yielding from 6.15% (Corporate Aaa Bonds) to 7.18% (Corporate Baa Bonds) to 6.95% (Interim-grade Bonds) to 3.55% (5-year treasury securities), to 4.45% (10-year treasury securities), to 4.90% (30-year treasury securities) to 9¼-12¼% (active Junk Bonds). All rates have been taken from *U.S. Financial Data, the Federal Reserve Bank of St. Louis, MO*, December 6, 2004.

INCOME APPROACH, continued

Capitalization Rate, continued

Real estate investments are often equated with junk bond issues when considering rates of return. Even so, the spread between 8 to 11% rates that are available and the 9% to 12% or more being sought by investors is still considerable. So what equity yield seems appropriate? Considering the riskiness of real estate as an investment at this time, (i. e., it is more risky than Corporate Aaa Bonds) it is felt that an equity yield rate of 12.0% is appropriate for use here.

Also to be considered is the leveraged position of the investor. By using financing as leverage, which is the assumption here, the investor's risk is reduced somewhat, allowing a more conservative equity yield rate. Consequently, the equity yield rate is estimated somewhere between the 8% available through paper investments and the 12% or more sought by investors/speculators.

As for property appreciation, it remains uncertain. Typically, it is not possible to predict the degree, or even the direction, of most real estate value changes in the near future.

Although there is fairly sustained economic and market activity, considering the uncertainties in the market place at this time and the type of property appraised, that is a small apartment building facility situated in a mix-use and somewhat unstable location, you appraiser feels that no value appreciation is a reasonable assumption. Consequently, no value increase is factored for our analysis.

All of these components can be processed into a capitalization rate, as shown on the following page.

INCOME APPROACH, continued

Capitalization Rate Calculation

*Mortgage-Equity Capitalization Using Band of Investment, with Equity Buildup Through Debt Reduction and Property Appreciation/Depreciation*

Mortgage Requirements

Mortgage	70.00%
Equity	30.00%
Mortgage Interest Rate	9.50%
Equity Yield Rate	12.00%
Term (Years)	20
Holding Period	5
Value Change (Appr./Depr.)	0.00%

Rate Calculation

Band of Investment

Mortgage Requirement	0.70	x	0.1119	=	0.0783
Equity Requirement	0.30	x	0.1200	=	0.0360
					<u>0.1143</u>

Equity Buildup through Debt Reduction

Less Credit for Equity Build-up	0.70	x	0.1055	x	0.1574	=	-0.0117
---------------------------------	------	---	--------	---	--------	---	---------

Equity Buildup through Appreciation/Depreciation

Less Credit for Change in Value	0.00	x	0.1574	=	-0.0000
					<u>0.1026</u>

Capitalization Rate: say, **10.25%**

**INCOME APPROACH**, continued

Having both the net operating income and the capitalization rate, the value of the properties by the direct capitalization technique is easily estimated.

The estimate of value by direct capitalization is now a simple matter of dividing the net operating income by the capitalization rate. Doing so—

\$21,135 divided by 0.1025 = \$206,195

**Value by Income Approach (Direct Capitalization):**                      **say, \$205,000**

## RECONCILIATION AND FINAL VALUE ESTIMATE

To summarize, the values indicated by the two approaches are as follows:

DIRECT SALES COMPARISON APPROACH:	\$185,000
COST APPROACH:	Considered but not used
INCOME APPROACH:	\$205,000

Of the three methods which could be used in determining the value of 34 Ferry Street, in Middletown, the market sales approach and income approach have the most weight. The reproduction cost method is difficult to predict and has not been utilized here

The market sales approach used four more recent sales which are deemed to be comparable after the necessary and proper adjustments, resulting in a value of \$31,000 on a per unit basis.

The Income Approach used the concept that an investor would buy the property for investment purposes. The buyer would look at the income that the building is producing or can produce and base what he would pay for the building, based on this information.

The Income Capitalization Approach used the concept that an investor would buy the property for investment purposes. The buyer would look at the income that the building is producing and base his price on the desired equity yield rate, given market financing terms.

In both approaches, the concept of substitution is prevalent. In the Income Approach paradigm, if an investor can get a better yield by investing in another property, there is no reason he would purchase the subject. Alternately, he could be indifferent between two investments if both forecast the same equity yield rate. In the Sales Comparison Approach paradigm, the same thinking prevails; the investor bases his purchase price on his desired equity yield rate.

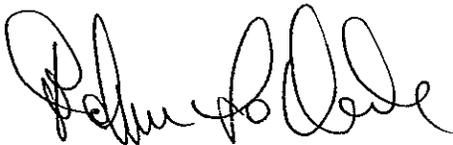
RECONCILIATION AND FINAL VALUE ESTIMATE, continued

Hence, we cannot ignore the conclusion of market value by the Market Sales Approach. For a small sized commercial property like the subject property, that is 100 percent tenants occupied, typically the conclusion of value by Market Sales Approach is given a lower weight and the conclusion of value by Income Capitalization Approach is given a higher weight. However, in this case the two value conclusions don't differ significantly.

The market value concluded assumes a marketing period of 3 - 6 months. Therefore, on the basis of the data presented in this report, and in the opinion of your appraiser, the market value "as is" of the property at 34 Ferry Street, Middletown, Middlesex County, Connecticut, as of December 15, 2004, is as follows:

**\$195,000 (as improved and "as is" on a site of 0.15± acres)  
(ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS)**

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John Lo Monte". The signature is fluid and cursive, with the first name "John" being the most prominent.

John Lo Monte, CCRA, GAA, CCIM  
Certified Commercial Real Estate Appraiser  
CT Certificate No. RCG377  
Expiration date 4/30/05

## APPRAISERS' CERTIFICATION

Property Appraised: 34 Ferry Street, Middletown, Middlesex County, Connecticut

Final Value of Estimate: \$195,000 (\$32,500/Unit)

Date of Appraisal: December 15, 2004

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

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

APPRAISERS' CERTIFICATION, continued

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

A handwritten signature in black ink, appearing to read "John Lo Monte". The signature is fluid and cursive, with the first name "John" being the most prominent.

John Lo Monte, CCRA, GAA, CCIM  
General Certified Commercial Appraiser  
CT Certificate No. RCG377  
Expiration Date: 4/30/05

## RESTRICTIONS ON DISCLOSURE AND USE

The Regulations and Standards of Ethics of The Appraisal Institute govern disclosure of the contents of this appraisal report.

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

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

## QUALIFICATIONS OF THE APPRAISER

### **JOHN LO MONTE, CCRA, GRI, CCIM, GAA**

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

State Of Connecticut General Certified Real Estate Appraiser.  
Certificate No. RCG377

MAI Candidate, The Appraisal Institute - Candidate No. M90-0955

#### REAL ESTATE EDUCATION

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

#### MEMBERSHIP

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

QUALIFICATIONS OF THE APPRAISER, continued

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

MEMBERSHIP, continued

State of Connecticut Licensed Real Estate Appraiser, Certificate No. RCG377

MAI Candidate The Appraisal Institute, Candidate No. M90-0955

National Association of Realtors, member since 1976

Connecticut Association of Realtors, member since 1976

Greater Hartford Board of Realtors, member since 1976

Realtors CID Member

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

Member of the Wethersfield Housing Partnership Committee since 1989

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

Board of Directors: Connecticut Association of Realtors

1989 and 1990 Conventions Chairman for the CCIM, Connecticut Chapter

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

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

EXPERIENCE

16 years at Carsan Realty of Hartford, Inc.

General Manager, from 1986 to 1989, of Carsan Realty of Hartford, Inc.  
In the past 16 years, over 65 million dollars of residential and commercial real estate transacted.

Qualified Expert Witness, State Superior Court, Federal Court

ADDENDA



planning  
zoning  
conservation  
economic development  
community development

# FAX COVER SHEET

Date: December 19, 2004

William Warner, AICP  
Director

For: John Lo Monte Real Estate Appraiser

James Sijperly  
Planning/Environmental

Fax Number: 860-635-3339

Kevin Kennedy  
Zoning/Wetlands

From: Michiel Wackers

Richard Kanney  
Economic Development

Fax Number: 860-344-3593

Michiel Wackers  
Community Development

Number of Pages: 7 (includes Cover Sheet)

Notes:

RE: Another appraisal job & Tax Assessor's cards

The City of Middletown has an additional appraisal request to be carried out in the North End:

38 Ferry Street- Four-Family building

This is a friendly situation, and the contact to gain access to the building is:

Michael Taylor  
Nehemiah Housing Corporation Executive Director  
33 Ferry Street  
Middletown CT 06457  
Tel. 860-347-7362  
Fax. 860-704-8533  
Email: [nehemiah.housing@snet.net](mailto:nehemiah.housing@snet.net)

The Department would like the appraisal by Dec 31, 2004.

I am still waiting to see if I can get any information about the other two properties but the I have not heard from the a few people. Please go ahead and contact the owner of those properties and see if you can get the information you need will continue on my end.

If you have any question you can contact Michiel Wackers at 860-344-3467 or email [michiel.wackers@cityofmiddletown.com](mailto:michiel.wackers@cityofmiddletown.com)

Sincerely,

  
Michiel Wackers  
Community Development Specialist

I will probably ~~see~~  
Send you another  
fax this afternoon.  
Michiel

WARRANTY DEED

WE, GARY R. DONAFRIO and JACQUELINE J. DONAFRIO, acting herein by their attorney-in-fact JOY DONAFRIO, under Powers of Attorney dated October 10, 1986, and recorded herewith in the Middletown Land Records, of the Town of Vestal, County of Broome and State of New York (referred to as "Grantors"), for consideration paid, grant to HUSTON McINVALE of the Town of Middlefield, County of Middlesex and State of Connecticut (hereinafter referred to as "Grantee"), with WARRANTY COVENANTS, the following:

\$132.00 Conveyance tax received  
 Anthony Amenta  
 Town Clerk of Middletown

A certain piece or parcel of land, with the buildings thereon, situated on the northerly side of Ferry Street, in the Town of Middletown, County of Middlesex, and State of Connecticut, known as Nos. 34-36 Ferry Street (formerly known as No. 32 Ferry Street), containing one-quarter of an acre, more or less, and more particularly bounded and described as follows:

- Northerly: by land now or formerly of Sebastiano and Carmela Pandolfo;
- Easterly: by land now or formerly of Salvatore and Sebastian Gallito;
- Southerly: by Ferry Street; and
- Westerly: by land now or formerly of Salvatore R. Saraceno and land now or formerly of Nicholas Boscarino and Lenora Topazio, partly by each;

Being the same premises conveyed to Grantors by Warrantee Deed of Keith R. Baudis dated June 26, 1985 and recorded in Volume 728, Page 125 of the Middletown Land Records.

Said premises are conveyed subject to the following:

1. A sewer easement from Sebastiana Amenta to the City of Middletown dated December 14, 1935 and recorded July 27, 1937 in the Middletown Land Records, Volume 196, Page 159.
2. A boundary agreement between Carrie Johnson, Emma Lawrence and William Holoman dated November 19, 1948 and recorded November 19, 1948 in the Middletown Land Records, Volume 226, Page 376.
3. Rights of tenants currently in possession.
4. Any and all provisions of any ordinance, municipal regulation, or public or private law.
5. Taxes payable to the Town of Middletown and Fire District taxes on the Lists of October 1, 1985 and October 1, 1986 which the Grantee herein assumes and agrees to pay as part consideration for this deed.



# Commercial Property Record Card - MIDDLETOWN CT

**Property Location:** 34 Ferry St      **Account:** R07525      **Map Block No:** 22 17-37 29      **Class:** A      **State Class:** 111      **Printed:** Wed, Dec 15, 2004      **Card 1 of 1**

Assessment Information
<b>Appraised Value:</b> * Income: 106,900 Land: 28,000 Bldg: 78,900 <b>Prior</b> Total: 106,900      106,900 <b>Assessed Information:</b> Code: 800      Value: 74,830

Miscellaneous
<b>Deed Info:</b> 789/540 <b>Zoning:</b> B-1 <b>Routing No:</b> 22/664 <b>Neighborhood:</b> 120 <b>Living Units:</b> 5 <b>Census Trct:</b> 5416 <b>District:</b> 1

Previous Owner History		Deed	Date

Entrance Information			
Date	Time	ID Act	Entrance Code Sourc
			Tenant

Current Owner	
Mcinvale Huston 18 Oxford Drive Middlefield Ct 06455	

Notes

Sales History			
Book/Page	Date	Price	Type Validity

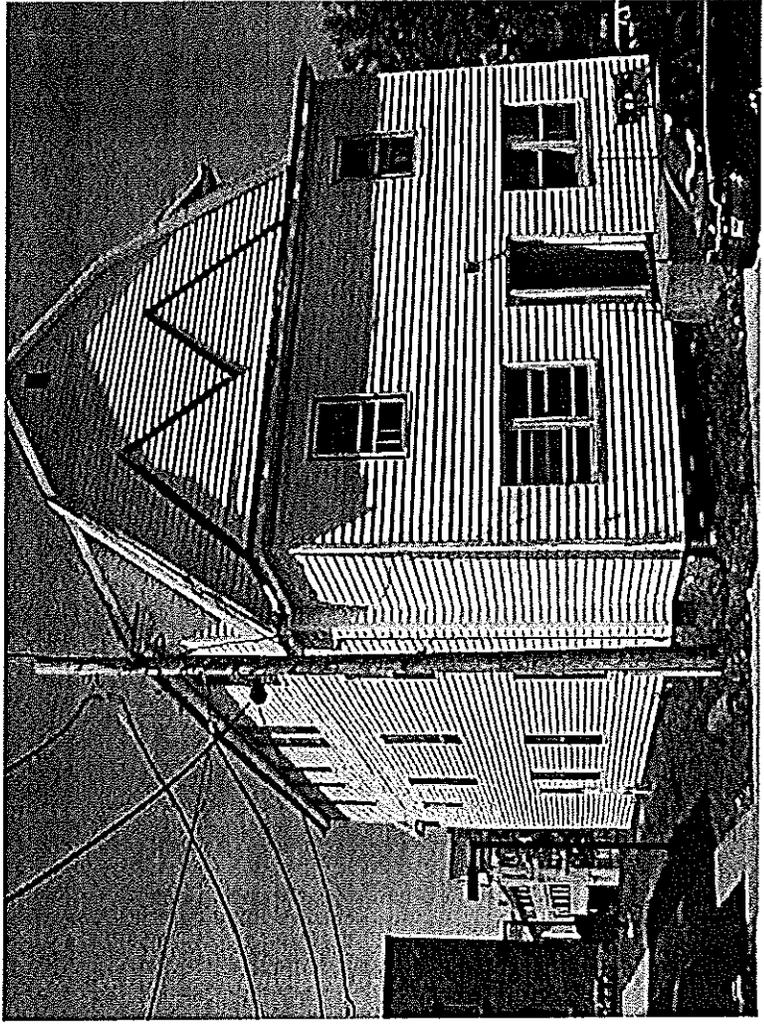
  

Permit Information			
Date	Permit #	Price	Purpose % Comp.

Land Information			
Type	Size	Grade	Influence Factor and % Value
Primary	A	0.15	0 28,000

**Total Acres for this Parcel**      0.15

Owner/Values: Includes all Land/Buildings/OBYS for this Parcel			
Current	Cost	Market	Income
Land:	28,000	0	28,000
Building:	78,900	0	78,900
<b>Total:</b>	<b>106,900</b>	<b>0</b>	<b>106,900</b>



Inspection witness by:



DATE 12/15/2004

CITY OF MIDDLETOWN

TAX SYSTEM REAL ESTATE NAME

MCINVALE HUSTON

BILL TYPE : REAL ESTATE

BILL NO : 200310008175 CARE OF :

ACCOUNT NO: R07525 ADDRESS : 18 OXFORD DRIVE

DISTRICT : 1 MIDDLEFIELD CT

06455

ESCROW :

VOLUME : 789 PROP. LOC.: 34 FERRY ST

PAGE : 540 MAP/BLK/LOT 22 17-37 29

ASSMNT: 74830 EXMPT: 0 COC AS: 0 COC EX: 0 NET: 74830

*** BILLED ***	DATE	PRINCIPAL	INTEREST	FEES	TOTAL
1ST INST. CITY	07/01/2004	1,047.62			1,047.62
1ST INST. DIST.	07/01/2004	209.53			209.53
2ND INST. CITY	01/01/2005	1,047.62			1,047.62
2ND INST. FIRE	01/01/2005	209.53			209.53
TOTAL BILLED		2,514.30			2,514.30
	PC 07/30/2004	1,047.62	0.00	0.00	1,047.62
	PF 07/30/2004	209.53	0.00	0.00	209.53
TOTAL PAYMENTS		1,257.15	0.00	0.00	1,257.15

\*\*\* TOTAL DUE NOW AS OF 12/15/2004

PRINCIPAL DUE : \$0.00

INTEREST DUE : \$0.00

LIEN DUE : \$0.00

FEES DUE : \$0.00

-----

TOTAL DUE : \$0.00

\*\*\* TOTAL BALANCE TO CLOSE ACCOUNT

PRINCIPAL BAL.: \$1,257.15

INTEREST BAL. : \$0.00

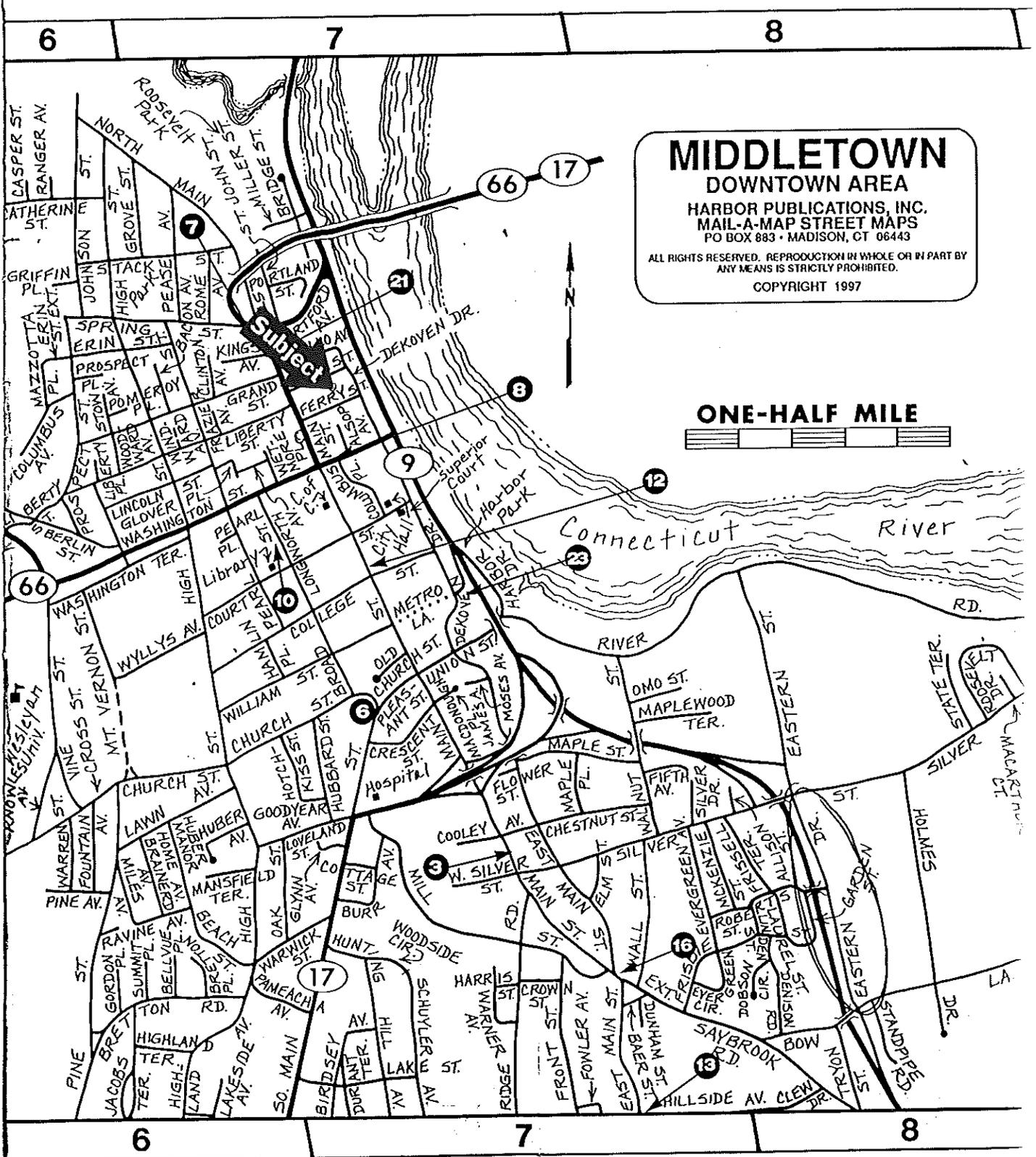
LIEN BAL. : \$0.00

FEES BAL. : \$0.00

-----

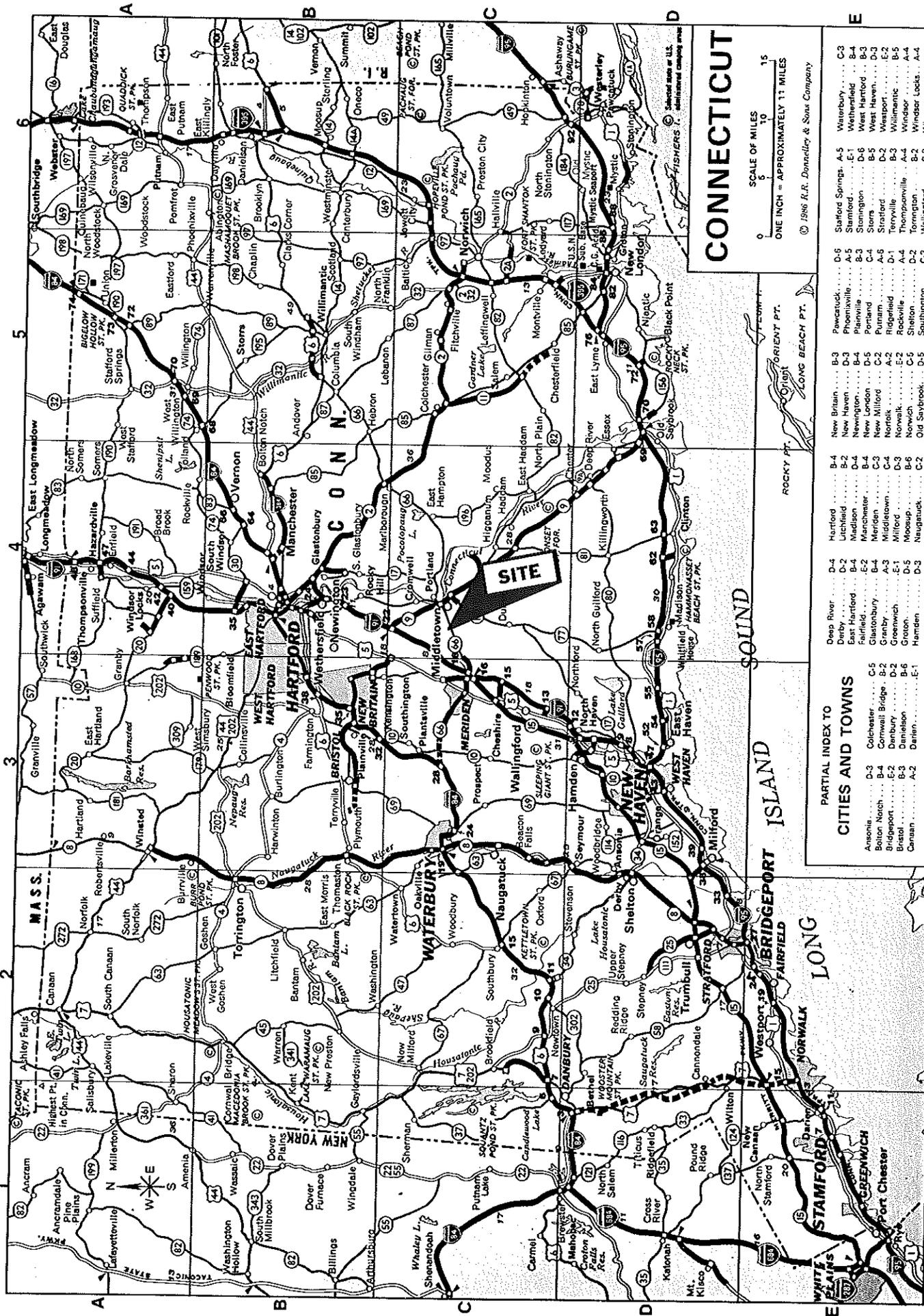
TOTAL BALANCE : \$1,257.15

# Location Map



**MIDDLETOWN**  
**DOWNTOWN AREA**  
HARBOR PUBLICATIONS, INC.  
MAIL-A-MAP STREET MAPS  
PO BOX 883 • MADISON, CT 06443  
ALL RIGHTS RESERVED. REPRODUCTION IN WHOLE OR IN PART BY  
ANY MEANS IS STRICTLY PROHIBITED.  
COPYRIGHT 1997

**ONE-HALF MILE**



# CONNECTICUT

SCALE OF MILES  
 0 5 10 15  
 ONE INCH = APPROXIMATELY 1.3 MILES

© 1986 R.R. Donnelly & Sons Company

## PARTIAL INDEX TO CITIES AND TOWNS

Deep River	D-4	Hartford	B-4	New Britain	B-3	Pawtucket	D-6	Stafford Springs	A-5	Waterbury	C-3
Danbury	D-2	Litchfield	B-2	New Haven	B-4	Phoenicia	A-5	Stamford	D-3	Wethersfield	C-3
Fairfield	E-2	Madison	B-4	Newington	D-2	Plainville	B-3	Stonington	E-6	West Hartford	B-3
Glastonbury	B-4	Manchester	C-3	New London	D-5	Pondville	C-4	Storrs	B-3	West Haven	D-3
Granby	A-3	Meriden	B-4	New Milford	C-2	Punnam	A-5	Stratford	D-3	Westport	D-3
Greenwich	B-2	Midlandtown	C-4	Norfolk	A-2	Ridgfield	D-1	Terryville	B-2	Williamantic	B-5
Hartford	D-3	Millford	D-3	Norwalk	E-2	Rockville	A-4	Thompsonville	A-4	Windsor	A-4
Hamden	D-5	Moscow	B-6	Norwich	C-5	Shelton	D-2	Torrington	C-3	Windsor Locks	A-4
Meriden	D-3	Naugatuck	C-2	Old Saybrook	D-5	Southington	C-3	Wallingford	C-3	Winsted	A-3
Meriden	D-3	Naugatuck	C-2	Old Saybrook	D-5	Southington	C-3	Wallingford	C-3	Winsted	A-3

STATE OF CONNECTICUT + DEPARTMENT OF CONSUMER PROTECTION  
Be it known that

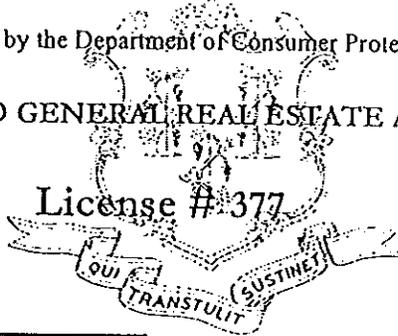
JOHN LOMONTE

PO BOX 290-0563  
WETHERSFIELD, CT 06129

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

CERTIFIED GENERAL REAL ESTATE APPRAISER

License # 377



Effective: 05/01/2004

Expiration: 04/30/2005

*Edwin R. Rodriguez*  
Edwin R Rodriguez, Commissioner