



**APPRAISAL REPORT
PROPERTY LOCATED AT:**

307 MAIN STREET
CROMWELL, CONNECTICUT

PREPARED FOR:

ERIC SUTULA
FIRST NIAGARA BANK, N.A.
195 CHURCH STREET
NEW HAVEN, CT 06510

PREPARED BY:

ALDIERI ASSOCIATES, INC.
78 MAPLE STREET
P.O. BOX 796
BRISTOL, CONNECTICUT 06011-0796

AS OF:

AUGUST 23, 2016



78 Maple Street
PO Box 796
Bristol, CT 06011-0796
860-589-3355 SeSe

September 1, 2016

Eric Sutula
First Niagara Bank, N.A
195 Church Street
New Haven, CT 06510

RE: Property Located At:
307 Main Street
Cromwell, Connecticut

Dear Mr. Sutula:

At your request, we have inspected the above referenced property, and have completed the necessary analyses required to form an opinion as to the market value of the fee simple interest of the subject as of August 23, 2016, the date of our inspection.

The subject property consists of a triangular shaped parcel of land which has 162 feet of frontage along the westerly side of Main Street, located in downtown Cromwell. The site is level, contains no wetlands, and has all public utilities available. There is paved parking for 14 cars, but some spaces appear to extend onto the abutting parcel to the west based upon the GIS display. The legal description refers to easements and agreements, but no additional details could be found. IT IS AN ASSUMPTION THAT SAID PARKING IS ON SUBJECT LAND OR USE CONTINUES WITH THE PROPERTY VIA SOME TYPE OF DOCUMENTED EASEMENT OR LONG TERM AGREEMENT. The property is located in an AE flood zone.

The parcel is improved with a two-story on slab, wood frame, 3,420+/- square foot commercial building which is utilized as a pizza restaurant on the first level and office space above. The second level is walk-up. Construction features include wood framing, brick, drivit and vinyl siding walls, and a gable roof with asphalt shingles. Condition of improvements appears above average. The lower level restaurant and one small office are currently leased, however, the lower level tenant is negotiating to purchase the property, and the office lease is year to year. A fee simple interest is being determined given the use of this appraisal (purchase financing for majority owner occupancy). No set purchase price has been determined. Highest and best use is continued commercial/office utilization.

The appraisal report that follows sets forth the assumptions and limiting conditions, identification and pertinent facts about the subject property, appropriate market and income data, the results of our investigations, and the reasoning leading to our conclusions. It has been prepared in conformance with the Uniform Standard of Professional Appraisal Practice (USPAP), and the standards of the Appraisal Institute. The report also conforms to the requirements of the Comptroller of the Currency Administrator of National Banks (OCC) under the Title XI FIRREA as well as Banking Circular BC-225. This appraisal has been prepared for First Niagara Bank, N.A. for loan underwriting and/or credit decisions by the bank or its participants. This appraisal may not be used or relied upon by anyone other than the client, for any purpose whatsoever, without the express written consent of the appraisers.

Based upon an analysis of the real estate market, and after considering all of the pertinent facts, the property being appraised is estimated as having a market value, as of August 23, 2016, of:

TWO HUNDRED EIGHTY THOUSAND (\$280,000) DOLLARS

Respectfully submitted,
ALDIERI ASSOCIATES, INC.



Michael John Aldieri, MAI
CT Cert. No. CG017
General Certified Appraiser
Expires 4/30/2017



David J. Aldieri
CT Cert. No. CG018
General Certified Appraiser
Expires 4/30/2017

*78 Maple Street
PO Box 796, Bristol, CT 06011-0796
Tel. 860-589-3355 Fax. 860-585-0751
aldieri.com*

SUMMARY OF SALIENT FACTS

Property Location:	307 Main Street Cromwell, Connecticut
Owner of Record:	307 Main Street Cromwell LLC
Legal Description:	Cromwell Land Records Volume 1053, Page 100
Map Reference:	Assessor's Map 53, Block 59, Parcel 18
Zone:	DC-Downtown Cromwell
Assessment:	\$200,170 - 70% of MV \$285,960 - 100% of MV
Annual Tax Burden:	\$6,732 which converts to \$1.96 per square foot of GBA. (2015 Grand List)
FIRM:	09007C0107G; Zone AE; Map Dated 8/28/2008
Building Description:	<p>The subject property consists of a triangular shaped parcel of land which has 162 feet of frontage along the westerly side of Main Street, located in downtown Cromwell. The site is level, contains no wetlands, and has all public utilities available. There is paved parking for 14 cars, but some spaces appear to extend onto the abutting parcel to the west based upon the GIS display. The legal description refers to easements and agreements, but no additional details could be found. IT IS AN ASSUMPTION THAT SAID PARKING IS ON SUBJECT LAND OR USE CONTINUES WITH THE PROPERTY VIA SOME TYPE OF DOCUMENTED EASEMENT OR LONG TERM AGREEMENT. The property is located in an AE flood zone.</p> <p>The parcel is improved with a two-story on slab, wood frame, 3,420+/- square foot commercial building which is utilized as a pizza restaurant on the first level and office space above. The second level is walk-up. Construction features include wood framing, brick, drivit and vinyl siding walls, and a gable roof with asphalt shingles. Condition of improvements appears above average. The lower level restaurant and one small office are currently leased, however, the lower level tenant is negotiating to purchase the property, and the office lease is year to year. A fee simple interest is being determined given the use of this appraisal (purchase financing for majority owner occupancy).</p>
Land to Bld. Ratio:	2.8:1
Coverage Ratio:	18%
Highest and Best Use:	Continued commercial use (restaurant and office)
Date of Valuation:	August 23, 2016
Date of Inspection:	August 23, 2016
Date of Report:	September 1, 2016
Interest Appraised:	<p>Fee simple interest</p> <p>Lower restaurant is being purchased for owner occupancy and single office unit lease is year to year.</p>

SUBJECT PHOTOGRAPHS

Client/user: First Niagara Bank, NA



VIEW OF SUBJECT BUILDING FROM PARKING LOT LOOKING SOUTHERLY



VIEW OF EAST SIDE OF SUBJECT BUILDING

SUBJECT PHOTOGRAPHS

Client/user: First Niagara Bank, NA



VIEW OF WEST SIDE OF SUBJECT BUILDING



VIEW OF SOUTH SIDE OF SUBJECT BUILDING

SUBJECT PHOTOGRAPHS

Client/user: First Niagara Bank, NA



VIEW OF MAIN STREET LOOKING NORTH



VIEW OF MAIN STREET LOOKING SOUTH

SUBJECT PHOTOGRAPHS

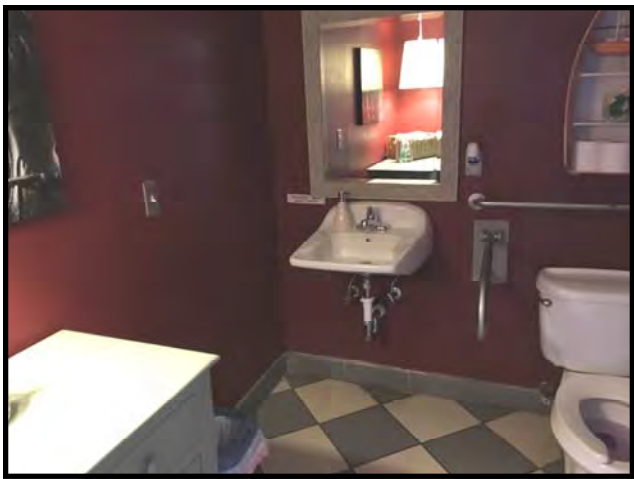
Client/user: First Niagara Bank, NA



VIEW OF PARKING LOT

SUBJECT PHOTOGRAPHS

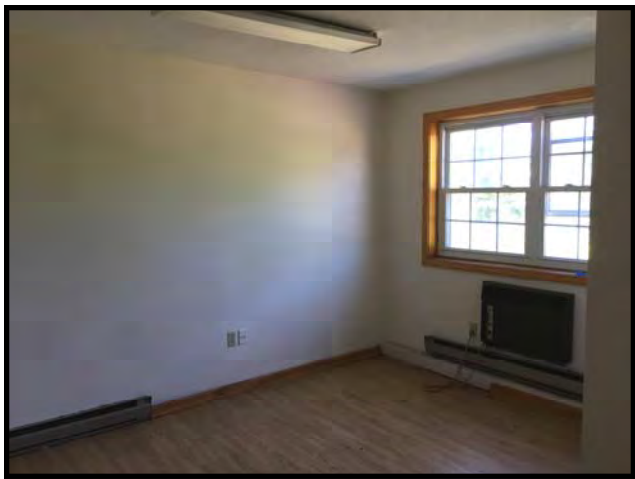
Client/user: First Niagara Bank, NA



INTERIOR VIEWS



INTERIOR VIEWS



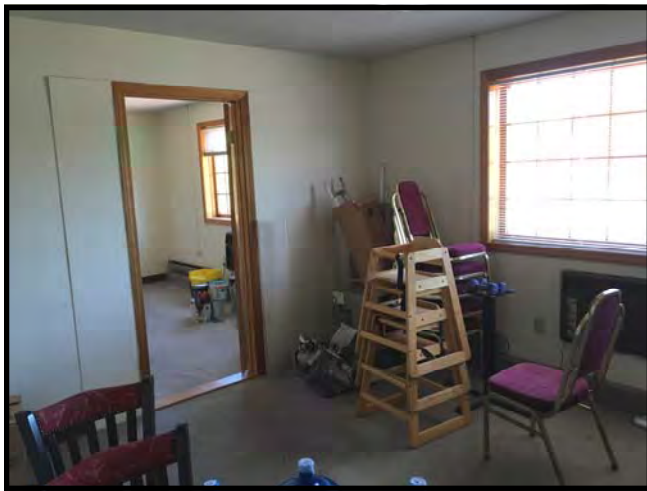
INTERIOR VIEWS

SUBJECT PHOTOGRAPHS

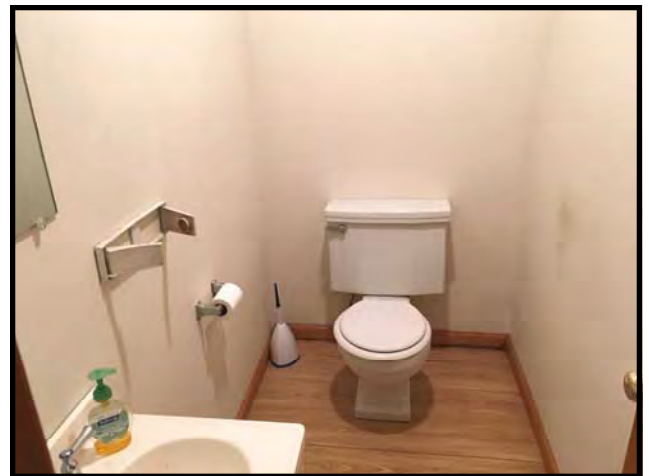
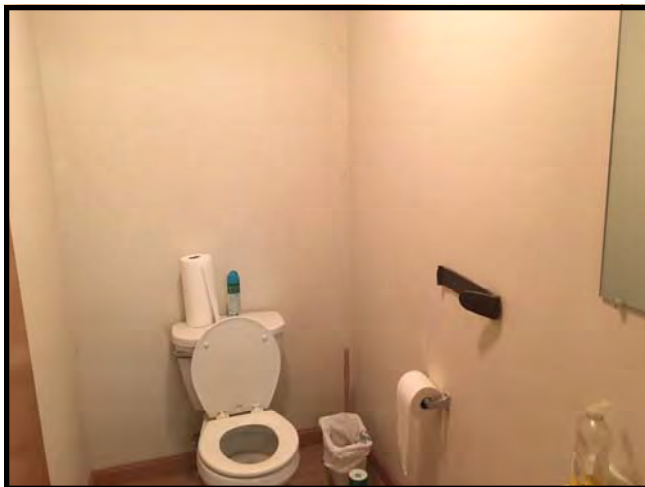
Client/user: First Niagara Bank, NA



INTERIOR VIEWS



INTERIOR VIEWS



INTERIOR VIEWS

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
4. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
5. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
7. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
8. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions.
9. Possession of this report does not carry with it the right of publication, nor may it, or any part thereof, be used by anyone but the client without the previous written consent of the appraisers.
10. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property
11. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's firm or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or MAI designation. Further, the appraiser or firm assumes no obligation, liability or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all assumptions and limiting conditions of the assignment.
12. The market value estimate assumes that the subject building conforms to all applicable local and state fire and building codes. While no apparent code violations were observed, the appraisers are not qualified to make said determination. The client and any interested parties are urged to obtain a building inspection report by a qualified and licensed individual.

ASSUMPTIONS CONCERNING ASBESTOS AND HAZARDOUS WASTE

The estimate of market value contained in this appraisal report is based upon the specific assumption that the subject property is not affected by asbestos. Further, it is specifically based upon the assumption that the subject grounds and improvements are not contaminated by hazardous waste. Determination of whether or not the subject property is affected by asbestos or other environmental contaminants is outside the scope of the appraisers' abilities. The fact that the appraisers have ignored any affect upon value of possible contaminants does not mean that the subject property is not affected by these items. The client is strongly urged to retain the services of an environmental consultant or similar specialist. It must be noted that if these or other contaminants are found at the subject property the estimated market value of the subject property would be materially affected. The existence of the contaminants may well have a significant downward influence upon market value. A reasonable estimate of the negative change in market value would be the cost to remove the contaminant, plus the cost to restore the condition of the land or building, plus an economic reward for entrepreneurial effort.

ASSUMPTIONS REGARDING AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.

SCOPE OF APPRAISAL

As part of this appraisal, the appraisers have made a number of independent investigations and analyses, and have relied on data retained in our office files which is updated regularly. The investigations undertaken and the major data sources used are listed below:

Site Description and Analysis

1. Physically inspected and photographed the subject site on August 23, 2016.
2. Reviewed the applicable Inland Wetlands Map on file at the Cromwell Town Hall.
3. Reviewed the applicable Flood Hazard Insurance Map.
4. Reviewed the Assessor's Map pertaining to the subject property.
6. Reviewed additional maps and information available on-line (Cromwell GIS).

Improvement Description & Analysis

1. Reviewed assessor's records pertaining to the building.
2. Inspected the exterior and interior of the subject building on August 23, 2016.

Sales Comparison Approach

Obtained data on improved property sales by researching transactions recorded at the town halls of various communities throughout Central Connecticut. Reviewed copies of the sale properties' street cards and deed instruments, and attempted to verify transaction data by contacting relevant parties in the transaction such as the buyer, seller, real estate agent, or lawyer. Initial survey for sales data included Conn-comp, Commercial record Online, Expresscomps and MLS.

Income Capitalization Approach

Reviewed comparable rental and lease data retained in our office files which has been accumulated through our appraisal assignments. Questioned local brokers, developers, and owners of similar type properties regarding leases consummated in the subject's vicinity. Employed an appropriate method of income analysis, and applied market derived variables and criteria, reflective of the current market conditions and attitudes of potential investors and lending institutions.

This appraisal report has been prepared in conformance with the Uniform Standard of Professional Appraisal Practice (USPAP), and the standards of the Appraisal Institute. The appraisers consider themselves competent, having appraised "similar" properties in the subject area.

IDENTIFICATION OF PROPERTY

Property Location: 307 Main Street
Cromwell, Connecticut

Owner of Record: 307 Main Street Cromwell LLC

Legal Description: Cromwell Land Records
Volume 1053, Page 100

Map Reference: Assessor's Map 53, Block 59, Parcel 18

Zone: DC-Downtown Cromwell

The subject property is a 0.22 acre parcel of land improved with a 3,420 square foot, two-story commercial building.

PURPOSE AND FUNCTION OF REPORT

The purpose of this appraisal is to estimate the Market Value of the fee simple interest of the property. The date of our inspection was August 23, 2016.

The value estimate made herein reflects real property terms only, and does not include personal property such as kitchen equipment, freezers, coolers etc., or business value or good will.

This appraisal has been prepared for First Niagara Bank, N.A. for loan underwriting and/or credit decisions by the bank or its participants. This appraisal may not be used or relied upon by anyone other than the client, for any purpose whatsoever, without the express written consent of the appraisers.

DEFINITION OF MARKET VALUE

Market Value - As defined in the Agencies' appraisal regulations, is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- . Buyer and seller are typically motivated;
- . Both parties are well informed or well advised, and acting in what they consider their own best interests;
- . A reasonable time is allowed for exposure in the open market;
- . Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- . The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (1.)

DEFINITION OF LEASED FEE ESTATE

"An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others, usually consists of the right to receive rent and the right to repossession at the termination of the lease."

DEFINITION OF FEE SIMPLE INTEREST

"Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government."

PERSONAL PROPERTY

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

BUSINESS ENTERPRISE VALUE

A term applied to the concept of the value contribution of the total intangible assets of a continuing business enterprise such as marketing and management skill, as assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases, and operating agreements.

- From: (1.) _____
(1.) As defined by the Board of Governors of the Federal Reserve System in accordance with Title XI of FIRREA
- (2.) The Dictionary of Real Estate Appraisal, 5th Edition, published by the Appraisal Institute.

LEGAL DESCRIPTION

Current Owner: 307 Main Street Cromwell LLC
 Previous Owner: Sheikh Ali and Shamim Sheikh et. Al.
 Date Transferred: October 21, 2004
 Legal Reference: Volume 1053, Page 100
 Cromwell Land Record
 Consideration: \$305,000

The property has not sold in the past three years and is not publically listed for sale. The current tenant is negotiating to purchase the building. He does have a written option dated July 25, 2014 to purchase at \$370,000 including equipment which is valued at \$15,000. The tenant stated that he believes the stipulated price is high and plans to negotiate a new price.

ASSESSMENT DATA AND TAX BURDEN

A summary of the assessment for the subject property is as follows:

BREAKDOWN	70% Assessment	100% Assessment
TOTALS:	\$200,170	\$285,960

Last Revaluation: October 2012
 Current Grand List: 2015
 Current Tax Rate: 33.63 Mills - Town rate is 31.38 mills plus 2.25 fire = 33.63 mills
 2014 Tax Rate: 33.63 Mills
 2013 Tax Rate: 33.28 Mills
 2012 Tax Rate: 32.85 Mills
 % Increase from Previous: 0%
 Indicated Tax Burden: \$6,732 which converts to \$1.96 per square foot of GBA.

Based upon a review of tax comparables, the current assessment does appear in line with similar properties in the community, and is close to current market value.

COMMUNITY DATA*The Town of Cromwell, Connecticut*

The Town of Cromwell is situated within the center of the State of Connecticut and is the northernmost town within Middlesex County. The town is located on the west bank of the Connecticut River and is bounded to the north by the Town of Rocky Hill, to the west by the Town of Berlin, and to the south by the City of Middletown.

Accessibility to the Town of Cromwell is considered excellent to include access to interstate transportation systems, limited access highways and Connecticut routes. Interstate Route 91 traverses the western portion of town in a north/south direction and provides access to Berlin Road (CT Route 372) via a full interchange at Exit 21. Interstate Route 91 also intersects with Connecticut Route 9 in the northwest portion of town at Exits 22N and 22S. Connecticut Route 9 is a limited-access highway that extends in a north/south direction and traverses the eastern portion of town.

Several Connecticut routes also traverse the Town of Cromwell including Connecticut Route 3 (Shunpike Road), Connecticut Route 99 (Main Street) and Berlin Road (CT Route 372). Connecticut Routes 3 and 99 both extend in a north/south direction and provide access to the City of Middletown to the south and Town of Rocky Hill to the north. Additionally, Connecticut Route 372 traverses the southern section of the Town of Cromwell in an east/south direction and extends west to Berlin and east to the intersection with Main Street in the east end of town.

Cromwell consists of a suburban bedroom community with an estimated population of approximately 14,005 persons as of the 2010 Census. The 2000 population was 12,871, the 1990 population was 12,286. Projections for 2020 are 14,853. Population growth has continued to increase over the past decade due to the location of the town within the central portion of the state. Cromwell provides good access to employment centers within the Greater Hartford and Greater New Haven areas and is well serviced by interstate route transportation systems and limited access highways in the area.

Population Trends

	Cromwell	Connecticut	Middlesex County
Projected Population, 2020	14,853	3,702,469	170,518
Population, 2000	12,871	3,405,565	155,071
Population, 2010	14,005	3,574,097	165,676
Population, 2010-2014	14,077	3,592,053	165,534

Other Demographic Characteristics

	Cromwell	Connecticut	Middlesex County
Land Area	12.45 sq. mi.	4842.33 sq. mi.	369.3 sq. mi.
Population Density	1130.68 pop/sq. mi.	741.8 pop/sq. mi.	448.24 pop/sq. mi.
Median Age	44.5 ±1.7	40.3 ±0.1	43.9 ±0.2
Total Households	5,501 ±252	1,356,206 ±2,983	66,372 ±735
Median Household Income	\$80,028 ±\$5,886	\$69,899 ±\$520	\$77,931 ±\$2,128
Poverty Status	4.5% ±1.8%	10.5% ±0.2%	6.9% ±0.7%

Housing Stock

	Cromwell	Connecticut	Middlesex County
Demolitions	0	1,230	51
Total Assisted Units	452	172,556	6,786
Housing Permits	19	6,077	302
Housing Units Built Before 1950	18.6%	29.7%	25.2%
Total Units	5,823 ±291	1,490,381 ±481	75,081 ±292
Median Home Value	\$242,800 ±\$8,934	\$274,500 ±\$980	\$288,300 ±\$3,287
Owner Occupied Housing Units	4,546 ±234	913,043 ±4,507	50,004 ±761
Owner Occupied Housing Units (% of Total)	82.6% ±6.0%	67.3% ±0.0%	75.3% ±1.0%
Detached Units	3,331 ±247	882,955 ±3,612	53,769 ±692
Detached Units (% of Total)	57.2% ±3.3%	59.2% ±0.2%	71.6% ±0.9%

COMMUNITY DATA

The Town of Cromwell is considered to benefit from its social, economic, governmental and environmental influences. Transportation to and from the town is excellent, given the availability and access to Interstate Route 91, Connecticut Route 9 and several Connecticut routes that traverse the town. The town has a growing population base and a solid employment base that has continued to expand over the past decade. Cromwell is well suited to support additional population and commercial growth, given the available land area and the benefit of adequate governmental influences.

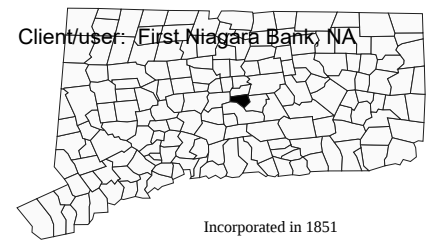
Please refer to additional community data contained on the following two pages.

Cromwell, Connecticut

CERC Town Profile 2016 *Produced by The CT Data Collaborative*

Town Hall
41 West Street
Cromwell, CT 06416
(860) 632-3410

Belongs To
Middlesex County
LMA Hartford
Middlesex County Economic Dev. Region
Midstate Planning Area



Demographics

Population (2010-2014)

	Town	County	State
2000	12,871	155,071	3,405,565
2010	14,005	165,676	3,574,097
2014	14,077	165,534	3,592,053
2020	14,853	170,518	3,702,469
'14 - '20 Growth / Yr	1.4%	1.1%	0.9%

	Town	County	State
Land Area (sq. miles)	12	369	4,842
Pop./Sq. Mile (2010)	1,131	448	742
Median Age (2010-2014)	45	44	40
Households (2010-2014)	5,501	66,372	1,356,206
Med. HH Inc. (2010-2014)	\$80,028	\$77,931	\$69,899

Age Distribution (2010-2014)

	0-4	5-14	15-24	25-44	45-64	65+	Total
Town	704 5%	1,405 10%	1,294 9%	3,741 27%	4,496 32%	2,437 17%	14,077 100%
County	7,709 5%	19,197 12%	20,247 12%	38,519 23%	52,454 32%	27,408 17%	165,534 100%
State	194,338 5%	452,157 13%	489,981 14%	892,275 25%	1,032,223 29%	531,079 15%	3,592,053 100%

Race/Ethnicity (2010-2014)

	Town	County	State
White	11,574	141,166	2,508,360
Black	1,056	8,048	365,871
Asian Pacific	506	4,527	145,842
Native American	0	44	1,105
Other/Multi-Race	498	5,313	282,094
Hispanic (Any Race)	790	8,726	512,795

	Town	County	State
Poverty Rate (2010-2014)	4.5%	6.9%	10.5%

Educational Attainment (2010-2014)

	Town	County	State
High School Graduate	3,012 28%	677,887 28%	
Associates Degree	669 6%	180,321 7%	
Bachelors or Higher	4,253 40%	908,551 37%	

Economics

Business Profile (2014)

Sector	Units	Employment
Total - All Industries	461	7,130
23 - Construction	34	359
31-33 - Manufacturing	18	418
44-45 - Retail Trade	46	1,184
62 - Health Care & Social Assistance	55	1,663
72 - Accommodation And Food Services	50	1,035
Total Government	14	628

Top Five Grand List (2014)

	Amount
Covenant Home Inc.	\$222,672,870
Algonquin Gas Transmission LLC	\$17,780,610
Infinity Cromwell Prop Ltd Partership	\$10,469,170
Connecticut Light & Power	\$9,413,200
Main Street Equilty	\$8,507,680
Net Grand List (SFY 2013-2014)	\$1,255,940,643

Major Employers (2014)

Walmart	Adelbrook Behavioral & Developmental
Stop and Shop	Covenant Village
Haven Health Care	

Education

2013-2014 School Year

	Grades	Enrollment
Cromwell School District	PK-12	1,946

Connecticut Mastery Test Percent Above Goal (2013)

	Grade 3		Grade 4		Grade 8	
	Town	State	Town	State	Town	State
Reading	67.1%	56.9%	82.3%	62.7%	83.9%	76.3%
Math	73.6%	61.6%	75.3%	65.4%	67.6%	65.2%
Writing	72.7%	60.0%	68.5%	63.1%	74.3%	67.3%

Pre-K Enrollment (PSIS)

	2011-2012
Cromwell School District	27

Rate of Chronic Absenteeism (2012-2013)

	All	K - 3	4 - 8	9 - 12
Connecticut	11.5%	8.9%	9.0%	16.9%
Cromwell School District	4.5%	0.0%	4.1%	10.3%

4-Year Cohort Graduation Rate (2013-2014)

	All	Female	Male
Connecticut	87.0%	90.0%	84.0%
Cromwell School District	91.0%	93.0%	88.0%

Cromwell, Connecticut

CERC Town Profile 2016



Client/user: First Niagara Bank, NA

Connecticut
Economic
Resource Center

Government

Government Form: Council - Manager

Total Revenue (2014)	\$48,369,004	Total Expenditures (2014)	\$46,709,360	Annual Debt Service (2014)	\$3,266,877
Tax Revenue	\$38,862,600	Education	\$29,649,940	As % of Expenditures	7.0%
Non-tax Revenue	\$9,506,404	Other	\$17,059,420	Eq. Net Grand List (2014)	\$1,794,452,347
Intergovernmental	\$7,973,832	Total Indebtedness (2014)	\$26,320,000	Per Capita	\$127,149
Per Capita Tax (2014)	\$2,746	As % of Expenditures	56.3%	As % of State Average	88.0%
As % of State Average	101.7%	Per Capita	\$1,865	Moody's Bond Rating (2014)	-
		As % of State Average	80.5%	Actual Mill Rate (2014)	30.75
				Equalized Mill Rate (2014)	21.60
				% of Net Grand List Com/Ind (2014)	17.6%

Housing/Real Estate

Housing Stock (2010-2014)

	Town	County	State
Total Units	5,751	74,832	1,486,995
% Single Unit (2010-2014)	57.0%	71.0%	59.0%
New Permits Auth (2014)	23	228	5,329
As % Existing Units	0.4%	0.3%	0.4%
Demolitions (2014)	1	33	1,240
Home Sales (2013)	98	1,186	26,310
Median Price	\$242,800	\$288,300	\$274,500
Built Pre-1950 share	18.6%	25.2%	29.7%
Owner Occupied Dwellings	4,546	50,004	913,043
As % Total Dwellings	82.6%	75.3%	67.3%
Subsidized Housing (2014)	428	6,493	168,655

Distribution of House Sales (2013)

	Town	County	State
Less than \$100,000	2	109	3,417
\$100,000-\$199,999	35	280	7,522
\$200,000-\$299,999	28	387	6,031
\$300,000-\$399,999	18	216	3,380
\$400,000 or More	15	194	5,960

Labor Force

Place of Residence (2014)

	Town	County	State
Labor Force	7,909	92,018	1,885,100
Employed	7,474	86,839	1,760,400
Unemployed	435	5,179	124,700
Unemployment Rate	5.5%	5.6%	6.6%

Connecticut Commuters (2014)

Commuters Into Town From:	Town Residents Commuting To:		
Middletown	823	Hartford	1,165
Cromwell	733	Cromwell	733
New Britain	440	Middletown	681
Hartford	393	Rocky Hill	356
Meriden	301	East Hartford	272
Rocky Hill	209	Farmington	260
Newington	198	Berlin	220

Place of Work (2014)

	Town	County	State
Units	461	5,092	114,608
Total Employment	7,130	67,677	1,653,545
2011-'14 AAGR	37.3%	21.8%	29.5%
Mfg Employment	418	9,218	159,607

Other Information

Crime Rate (2014)

	Town	State
Per 100,000 residents	2,306	2,167

Distance to Major Cities

	Miles
Hartford	11
Providence	66
New York City	93
Boston	99
Montreal	276

Residential Utilities

Electric Provider
Eversource Energy (800) 286-2000
Gas Provider
Eversource Energy (800) 989-0900
Water Provider
Municipal Provider Local Contact
Cable Provider
Comcast Middletown (800) 266-2278

Library (2014)

	Town
Circulation per Capita	7.13
Internet Use per Visit	0.07

Families Receiving (2014)

	Town
Temporary Family Assistance (TFA)	20

Population Receiving (2014)

	Town
Supplemental Nutrition Assistance Program (SNAP)	356

Demographics

Based on ZIP Code: **06416**

Population

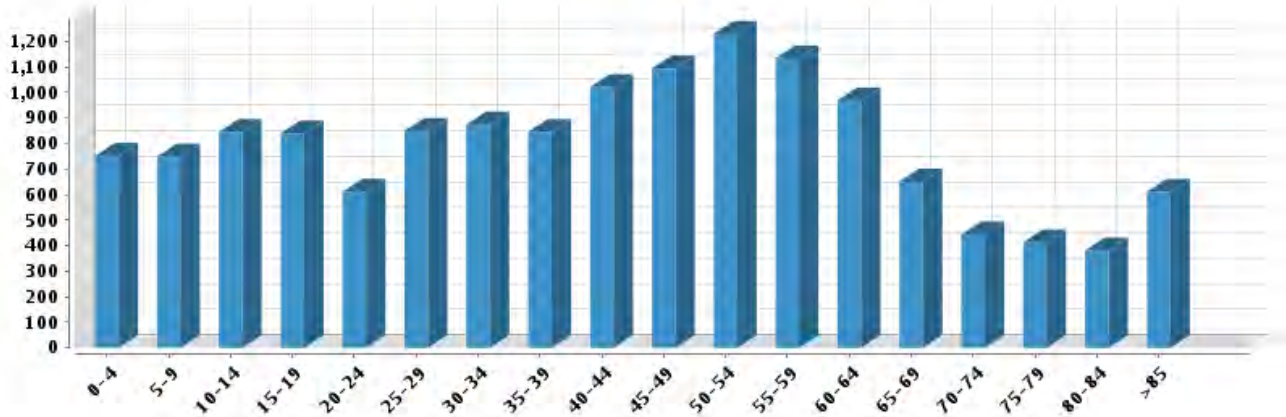
Summary

Estimated Population: **14,310**
 Population Growth (since 2010): **2.2%**
 Population Density (ppl / mile): **1,232**
 Median Age: **42.87**

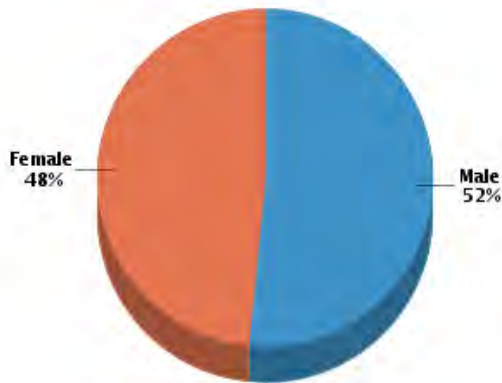
Household

Number of Households: **5,775**
 Household Size (ppl): **2**
 Households w/ Children: **1,645**

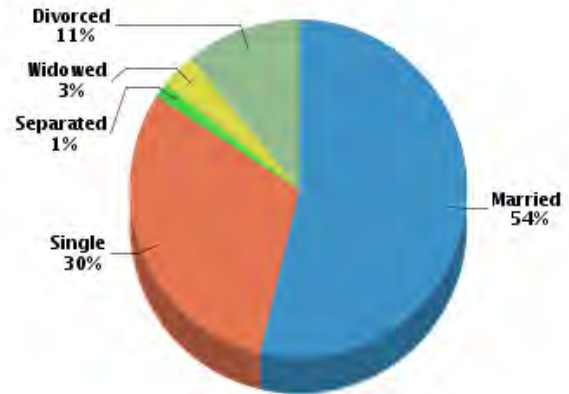
Age



Gender



Marital Status



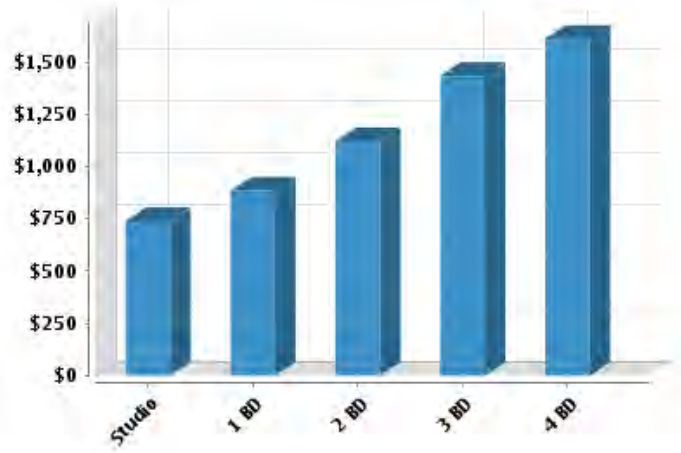
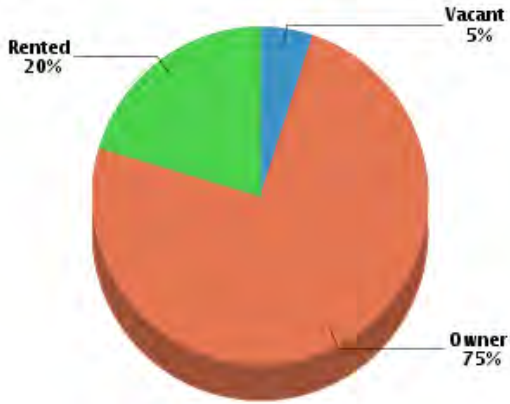
Housing

Summary

Median Home Sale Price: **\$170,000**
 Median Dwelling Age: **27 years**
 Median Value of Home Equity: **\$382,557**
 Median Mortgage Debt: **\$190,498**

Stability

Annual Residential Turnover: **13.94%**
 5+ Years in Residency: **49.39%**
 Median Years in Residency: **4.93**

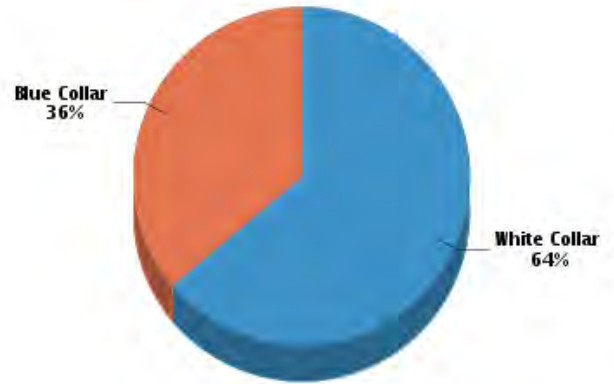


Quality of Life

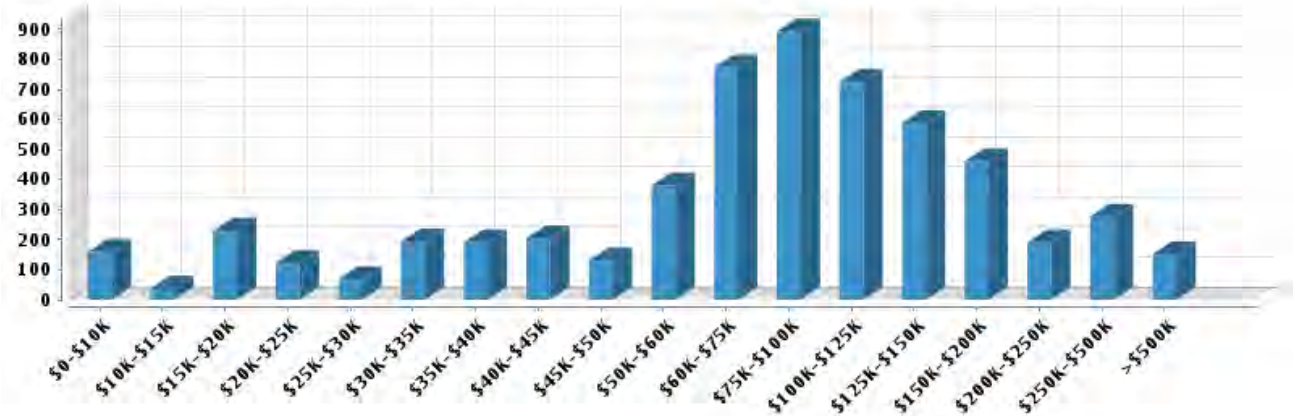
Workers by Industry

Agricultural, Forestry, Fishing:	92
Construction:	297
Manufacturing:	548
Transportation and Communications:	149
Wholesale Trade:	256
Retail Trade:	2,680
Finance, Insurance and Real Estate:	303
Services:	3,434
Public Administration:	194
Unclassified:	30

Workforce



Household Income



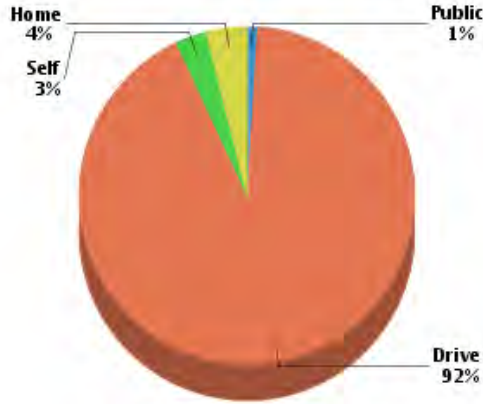
Average Household Income:

\$103,514

Average Per Capita Income:

\$42,580

Commute Method



Median Travel Time: **19.39 min**

Weather

Client/user: First Niagara Bank, NA

January High Temp (avg °F):	36.6
January Low Temp (avg °F):	20.8
July High Temp (avg °F):	84.9
July Low Temp (avg °F):	63
Annual Precipitation (inches):	86.76

Education

Educational Climate Index (1)



Highest Level Attained

Less than 9th grade:	186
Some High School:	491
High School Graduate:	3,053
Some College:	2,011
Associate Degree:	815
Bachelor's Degree:	2,215
Graduate Degree:	1,743

(1) This measure of socioeconomic status helps identify ZIP codes with the best conditions for quality schools. It is based on the U.S. Census Bureau's Socioeconomic Status (SES) measure with weights adjusted to more strongly reflect the educational aspect of social status (education 2:1 to income & occupation). Factors in this measure are income, educational achievement and occupation of persons within the ZIP code. Since this measure is based on the population of an entire ZIP code, it may not reflect the nature of an individual school.
 (2) Powered by Onboard Informatics. Information is deemed reliable but not guaranteed. Copyright © 2014 Onboard Informatics. All rights reserved.

Schools

Radius: **1.00 mile(s)**

Local Businesses

Radius: **1.00 mile(s)**

Eating - Drinking

	Address	Phone #	Distance	Description
Spada's Cafe	307 Main St	(860) 635-4043	0.04	Restaurants
Melilli Cafe & Grill LLC	307 Main St	(860) 632-0227	0.04	Restaurants
Wall Street Bar & Grill	1 Wall St	(860) 316-2749	0.09	Bars
Mitchell's On Main	317 Main St	(860) 613-0770	0.09	Restaurants
Abc Trattoria & Pizza LLC	316 Main St	(860) 635-4338	0.1	Restaurants - Italian
Scotty B's	1 Wall St	(860) 788-3920	0.1	Bars
Tea Roses Tea Room	322 Main St	(860) 632-1400	0.11	Tea Rooms
Sam's Food Stores	265 Main St	(860) 632-7258	0.21	Convenience Stores
Dairy Plus	72 West St	(860) 635-3237	0.64	Grocers - Retail
Snack Mart Convenience Store	88 West St	(860) 632-0515	0.81	Convenience Stores

Shopping

Courtesy of Michael Aldieri, Connecticut MLS

The data within this report is compiled by CoreLogic from public and private sources. If desired, the accuracy of the data contained herein can be independently verified by the recipient of this report with the applicable county or municipality.

Aldieri Associates, Inc.

Neighborhood Profile

Generated on 08/24/2016

	Address	Phone #	Distance	Description
Mc Neil's Pharmacy	319 Main St	(860) 635-4048	0.1	Pharmacies
World Wide E-Commerce LLC	321 Main St	(860) 358-9179	0.1	Computers - Dealers - Used
Computer Systems Intergration	327 Main St	(860) 612-1047	0.12	Computer And Equipment Dealers
Cats Meow Of Cromwell	326 Main St	(860) 788-7691	0.12	Gift Shops
Big Deals Plus Size Cnsgmnt	336 Main St # B	(860) 635-3325	0.14	Consignment Shops
Bartolotta Florist	379 Main St	(860) 635-4222	0.42	Florists - Retail
Hit Or Miss	140 Main St	(860) 344-9638	0.54	Women's Apparel - Retail
Computer Seraph Consultin	10 Strongs Ave	(860) 342-0774	0.96	Computer And Equipment Dealers
Scovill Landscaping & Garden	18 Hillside Rd	(860) 635-2639	0.96	Garden Centers

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NEIGHBORHOOD DATA

Geographic Location: The property being appraised is geographically in the extreme south east portion of Town of Cromwell, in the downtown section, located about 1/2 mile east of Route 9 expressway and 1/2 mile west of the Connecticut River.

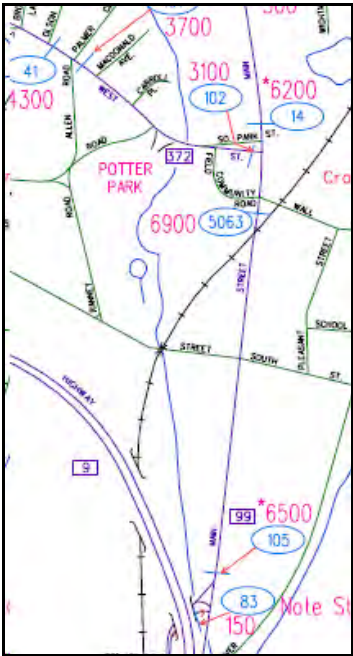
Neighborhood Boundaries: The subject neighborhood can be described as the area south of Grace Lane, north of South Street, east of Ranney Street and Allen Road, and west of River Street.

Neighborhood Mix: The subject neighborhood is mixed use in nature, typical of the downtown section of a rural community. Uses include mixed apartment and office over retail, small retail and office buildings, restaurants, churches, some light industrial and automotive type uses, scattered residential, town ball fields, and the police department headquarters. Users are typical of a downtown area and include salons, consignment, pizza restaurants, professional office users etc.

Compatibility: The subject improvements are considered to be compatible with surrounding uses. The improvements are modern and in above average condition; they represent neither an over or under improvement to the neighborhood. Most buildings in the neighborhood are in average to good condition.

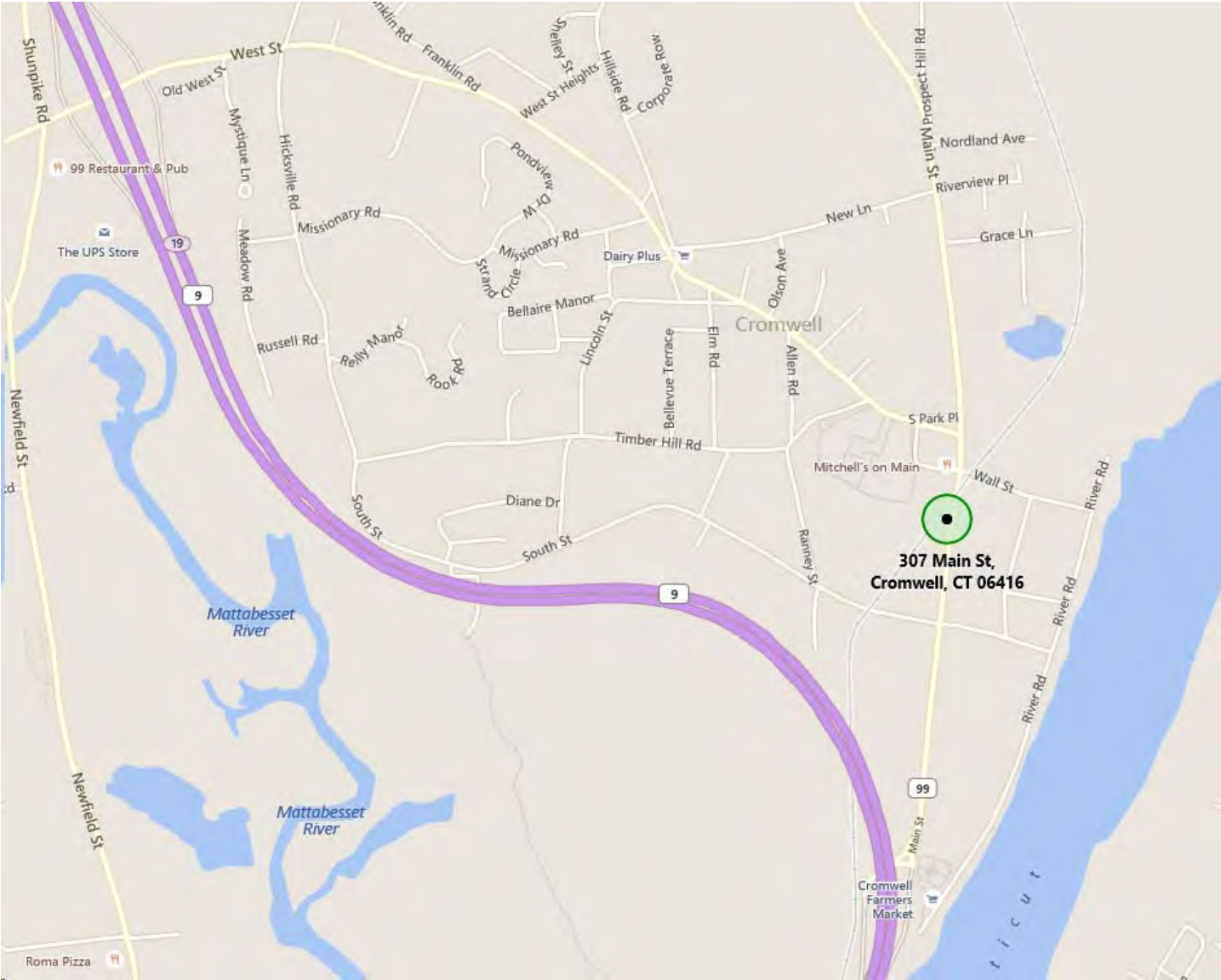
Local Roadways: Main Street (Route 99) is a State maintained, two lane road south to north from Route 9 to Rocky Hill. Traffic volume in the area of the subject is roughly 6,500 vehicles per day. The street is paved and has one to two lanes of traffic in each direction. There are curbs, storm water sewers and street lights and sidewalks in the vicinity of the subject property. Route 372 is located just north.

Proximity to Highways and Services: Access to surrounding areas and communities is considered as being good due to the close proximity of several major roadways to include Routes 9, 3, and 372, and 99, as well as Interstate 91. Entrance and exit ramps to Route 9 expressway are located 3/4 mile south. All services and goods are located within 1 to 2 miles of the subject neighborhood. More modern / national retailers are located along Route 3.

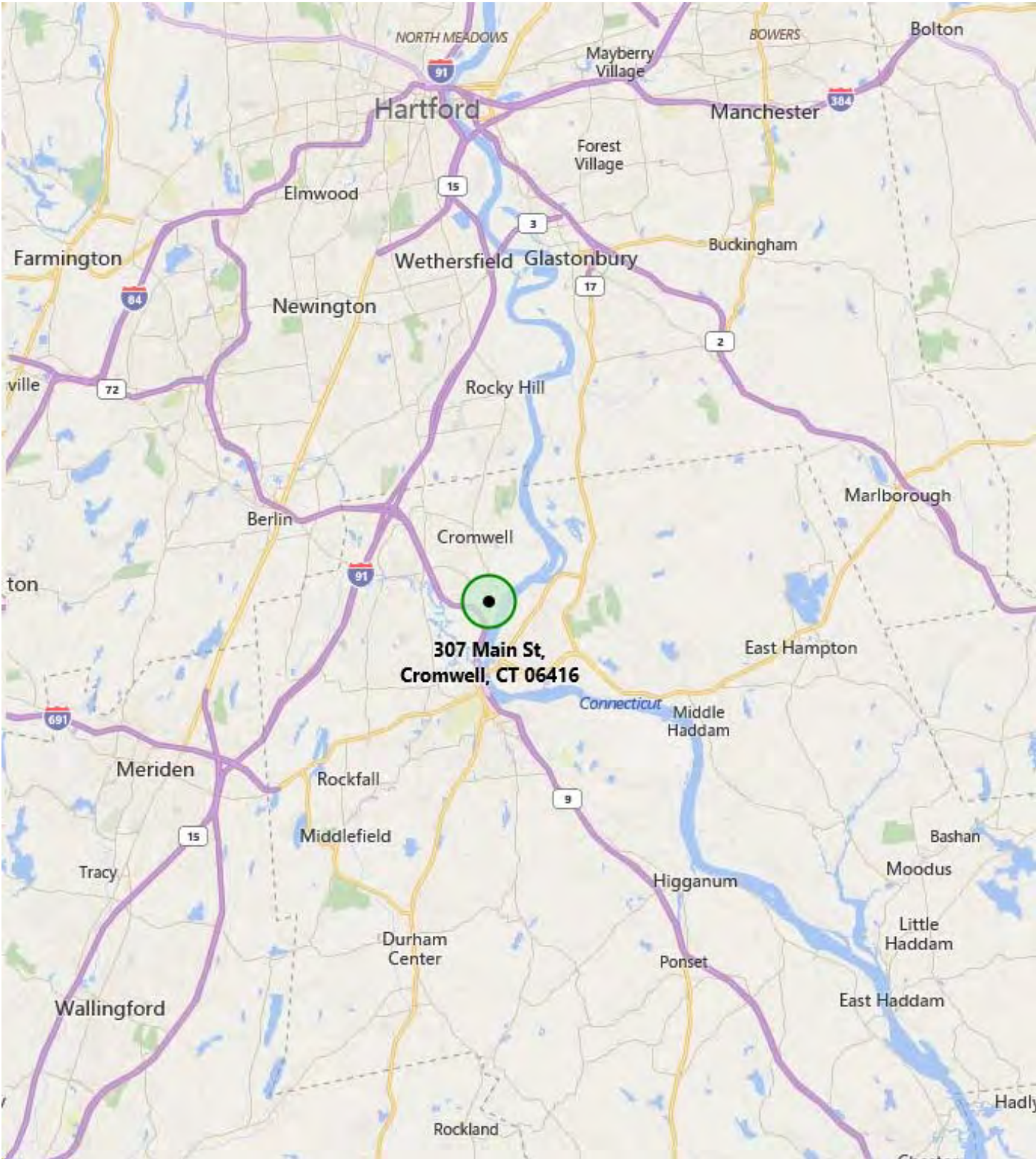


Conclusion: In summary, the subject property is compatible with the surrounding properties in the neighborhood, and represents neither an over or under improvement. There are no known negative neighborhood influences that would adversely affect the value or marketability of the subject, and no major change in land use is anticipated over the next ten years. The area is typical of a downtown neighborhood in a suburban/rural community. The area is not prime commercial, and the commercial users / businesses service primarily the local residents. The attraction to office users would be ease of access to Route 9 expressway located within a 3/4 mile drive.

LOCATION MAP



LOCATION MAP



AERIAL VIEW OF NEIGHBORHOOD



ZONING DATA

The property is situated in the **DC - Downtown Cromwell Zoning District** .

3.1 DOWNTOWN CROMWELL DISTRICT (DC)

3.1.A Purpose.

1. Provide general guidelines as well as specific criteria for the appropriate development of an area of town whose pattern of development was established many years ago, before zoning was adopted in town.
2. Where appropriate, encourage high density, pedestrian-oriented commercial development of a type consistent with the historic character of the area. Encourage the use of architectural and site design elements that are compatible with existing structures in the center of the Downtown Cromwell District, and which promote pedestrian-oriented businesses (such as placing the building as close to the street as possible; using attractive doorways and display windows; putting parking spaces behind the building, etc.).
3. Where appropriate, encourage high density, pedestrian-oriented multi-family development of a type compatible with the historic character of the area. Encourage the use of architectural and site design elements that are compatible with existing structures in the center of the Downtown Cromwell District (such as placing the building relatively close to the street; putting parking spaces behind the building, etc.).
4. Where appropriate, permit high density, single-family residential development of a type consistent with the character of the existing neighborhood in the R-15 District to the east of the District;
5. Encourage the use of architectural and site design elements that are consistent with the existing pattern of single-family development in the area (such as placing the house relatively close to the street; narrow side yards, etc.) and are typical of house design during the early part of the 20th century (open porches across the front of the house; detached garages behind the house, etc.);
6. Facilitate the maintenance and upgrading of the neighborhood;
7. Encourage the appropriate development of vacant and underutilized lots; and
8. Lessen the adverse effects of existing inappropriate and incompatible uses.

3.1.B Bulk Requirements.

Zone	Minimum		Minimum Yards				Maximum	
	Lot Area	Frontage	Front	Side	Aggregate Side	Rear	Building Coverage	Building Height
DC	5,000 square feet	70 feet	10 feet	10 feet	25 feet	20 feet	100 percent	40 feet

ZONING DATA

All uses except residential/farm require site plan approval. Those uses allowed via site plan approval include:

SERVICE RELATED USES
•Animal hospital or veterinarian office
•Cemetery
•Day-care center, including an adult day-care center
•Dry cleaning establishment
•Funeral home
•Personal service establishment (hair, nails, tailoring, tanning)
•Pet store, pet grooming and pet training
•Self-service automatic laundry establishment. Such establishment shall be permitted to provide on-site washing as an accessory service
•Service establishment (repair, rental and/or service) of any item which is allowed to be sold in the zone except automobiles, trucks and trailers

OFFICE RELATED USES
•ATM, walk-up
•Bank or savings and loan (State or Federally association chartered)
•General or business office
•Medical or dental office or clinic

FOOD/HOSPITALITY RELATED USES
•Outdoor service accessory to a sit-down restaurant, including the placement of seating and tables out of doors and food service
•Restaurant, Sit-down (excludes fast-food restaurant and drive-in window).

RECREATION/AMUSEMENT USES
•Athletic club
•Interior recreational uses including but not limited to a theater, billiard parlor, bowling alley
•Playground or recreation areas operated by a governmental unit
INSTITUTIONAL USES
•Club, lodge or fraternal organization (private and operated for the benefit of the members and not for gain)
•Museum
OTHER USES
•Nurseries and sale of produce and plants (Commission shall approve areas for outside display)
•Retail store
•Public utilities

HOUSING USES
•Assisted living facility, congregate housing, continuing care retirement community, or a nursing facility
•Caretakers quarters
•Multi-family dwelling units
•Rear lot
FOOD / HOSPITALITY RELATED USES
•Bed and breakfast inn
•Hospital
•Hotel, which may include an accessory sit-down restaurant (but not a fast-food restaurant or any drive-in facilities), banquet hall and/or conference center
•Restaurant, Sit down with the accessory Sale of Alcoholic Beverages for on-site consumption
INSTITUTIONAL USES
•Government Services
•Public services, including ambulance service, fire station, library, police station, post office and terminal for public vehicles (including repair or storage)
•Place of Worship/Church

ZONING DATA

Based upon a review of the applicable zoning regulations, an inspection of the subject property and a review of the assessor's map, it is our opinion that the subject improvements and their current use are legally permitted but non conforming. It appears that parking requirements are not met and side and rear yard requirements are not met.

Legend

- A-15 Residential
- A-25 Residential
- A-40 Residential
- AA Active Adult Housing
- LB Local Business
- BP Business Park
- HB Highway Business
- DC Downtown Cromwell
- IND Industrial
- ID Institutional Development
- RPD Riparian Protection District
- Water
- Right of Way



SITE DESCRIPTION

The following description is based upon our inspection of the property and a review of the Assessor's map, as well as information available on-line via the Cromwell GIS site.

Land Area:	Approximately 0.22 acres
Shape:	Triangular
Frontage:	162 feet along westerly side of Route 99
Average Depth:	40+/- Feet
Topography:	Generally level at street grade.
Wetlands:	None noted
F.I.R.M.:	09007C0107G; August 28, 2008; Zone AE (with 100 year flood plain)
Available Utilities:	Public water and sewers; natural gas; electricity; telephone service; cable television service.
Site Improvements:	<p>The property is accessible via two curb cuts from the west side of Main Street. There is paved parking for about 14 cars. Condition of paving is above average. Some spaces appear to extend onto the abutting parcel to the west based upon the GIS site. The legal description refers to easements and agreements, but no additional details could be found. IT IS AN ASSUMPTION THAT SAID PARKING IS ON SUBJECT LAND OR USE CONTINUES WITH THE PROPERTY VIA SOME TYPE OF DOCUMENTED EASEMENT OR LONG TERM AGREEMENT.</p> <p>The building is located along the southern boundary, close to lot lines. Additional landscaping includes curbing, walkways, some lawn areas and landscaping, and an out door dining patio.</p>
Land to Bld. Ratio:	2.8:1
Coverage Ratio:	18%
Easements/ Encroachments:	None adverse noted in deed. Legal description includes a vague reference to "all rights, privileges, easements agreement" etc. No additional information could be found by appraisers.
Functional Utility:	Below average / irregular configuration and limited parking for use.

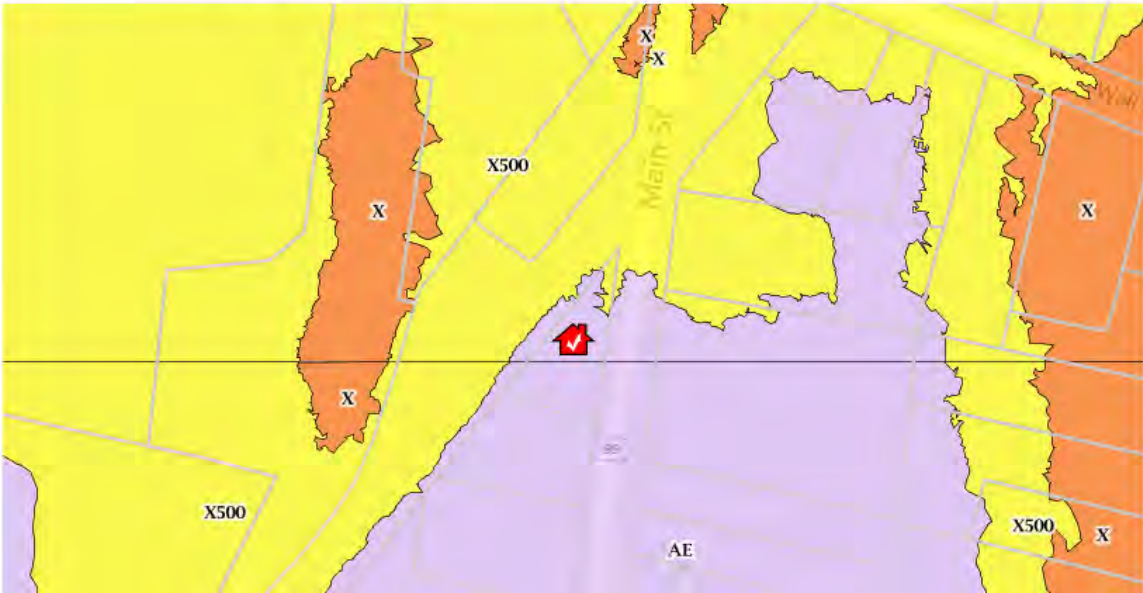
This office has no information pertaining to the environmental status of the subject site. Our on-site inspection of the property revealed no evidence of contamination, however, a true environmental evaluation is out of the scope of our professional expertise, and we suggest that the services of a professional engineer or environmental auditor be employed if there is concern. This appraisal and the value estimated herein assume the site is free and clear of any hazardous or toxic materials or contaminants.

ASSESSOR'S MAP



FLOOD MAP

Report Date:	08/24/2016	County:	Middlesex
Flood Zone Code:	AE	Community Name:	Cromwell
Flood Zone Panel:	090123-09007C0107G	Special Flood Hazard Area (SFHA):	In
Panel Date:	08/28/2008	Within 250 feet of multiple flood zone:	Yes (X500,X,AE)
Flood Code Description:	Zone AE-An area inundated by 100-year flooding		
SFHA Definition:	The land area covered by the floodwaters of the base flood is the Special Flood Hazard Area (SFHA) on NFIP maps. The SFHA is the area where the NFIP's floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies. The SFHA includes Zones A, AO, AH, A1-30, AE, A99, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1-30, VE, and V.		



BUILDING DESCRIPTION

Based upon a review of the Assessor's records, our inspection, and information provided by the property owner, the following summary description is provided.

NOTE: the following information is deemed reliable but is not guaranteed.

Type Use:	Commercial - Office space over restaurant
Stories:	Two-story
Gross Building Area:	3,420 Sq.Ft.
Actual Age:	Built in 1957
Effective Age:	17+/- years
Construction:	Wood-frame construction.
Exterior Walls:	Combination of brick, drivit, and vinyl siding. Lower level wall height is 12'
Roof:	Gable style roof with asphalt shingles over plywood sheathing.
Foundation/Floors:	Reinforced concrete footings, concrete foundation walls; reinforced concrete slab flooring.
Windows:	Storefront windows are insulated glass in metal framing. Other windows are fixed pane, double hung and slider type.
Exterior Doors:	Main entrance doors are glass and metal frame. Other exterior doors are metal. Interior doors are wood.

Mechanical Systems

Electrical:	Multi-phase, multi-wire main service. The tenant reports at least two meters, with each floor having 200 amp service.
HVAC:	The lower level has gas fired FWA heat and central air-conditioning, and a mini-split air conditioning unit. The upper level has electric baseboard heat and wall air conditioning units.
Plumbing:	The facility includes a total of 4 lavatories. There are two 2-fixture lavatories on each floor. Lower level lavatories are handicap accessible.
Sprinklers:	None
Other:	Security and fire alarm system.

BUILDING DESCRIPTION

Interior Finish

Ceilings: First floor ceilings are 2' x 4' acoustical panels suspended in aluminum grids. Upper level space has painted sheetrock ceilings.

Walls: Walls in the finished areas are painted sheetrock, and wood panel wainscot. Trim is wood.

Floors: Ceramic tile, laminate, and carpet.

Interior Quality: Quality and appeal of the restaurant is average to above average. The office has fair to average quality, with some rooms requiring freshening up.

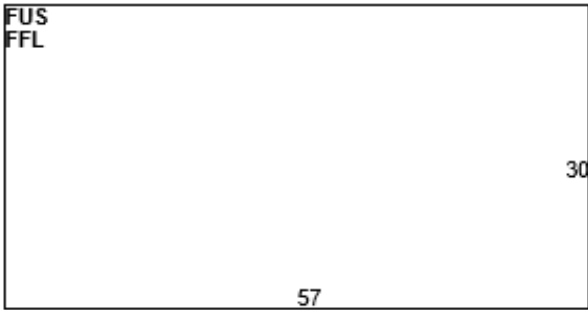
Interior Layout

The first floor is utilized as an restaurant and has a main entrance, a secondary front entrance, and a side entrance. There is an open dining room, two lavatories, cashier/waiting area, and full service kitchen. The second level is walk-up with stairs at each end of the building. There is a central hallway that accesses 7 offices and the two lavatories.

Functional Utility: Good for first floor / fair for second due to walk-up access and significant number of stairs to climb due to first floor wall height.

Remaining Economic Life: 25± years

Condition: The subject has been adequately maintained over the years and is in average to above average physical condition.



HIGHEST AND BEST USE

Highest and Best Use is defined as "**that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value.**"

In determining the Highest and Best Use of the property being appraised, consideration is given to several factors including location, zoning regulations, neighboring land uses, physical characteristics of the site and existing improvements, and the demand for various types of real estate within the local market.

In appraisal theory, it is necessary to estimate the Highest and Best Use of the property both "as if vacant" and "as improved", as sometimes existing improvements do not meet the criteria for the most appropriate use of the site, but still have contributory value to the property.

The subject property consists of a triangular shaped parcel of land which has 162 feet of frontage along the westerly side of Main Street, located in downtown Cromwell. The site is level, contains no wetlands, and has all public utilities available. There is paved parking for 14 cars, but some spaces appear to extend onto the abutting parcel to the west based upon the GIS display. The legal description refers to easements and agreements, but no additional details could be found. IT IS AN ASSUMPTION THAT SAID PARKING IS ON SUBJECT LAND OR USE CONTINUES WITH THE PROPERTY VIA SOME TYPE OF DOCUMENTED EASEMENT OR LONG TERM AGREEMENT. The property is located in an AE flood zone.

The parcel is improved with a two-story on slab, wood frame, 3,420+/- square foot commercial building which is utilized as a pizza restaurant on the first level and office space above. The second level is walk-up. Construction features include wood framing, brick, drivit and vinyl siding walls, and a gable roof with asphalt shingles. Condition of improvements appears above average. The lower level restaurant and one small office are currently leased, however, the lower level tenant is negotiating to purchase the property, and the office lease is year to year. A fee simple interest is being determined given the use of this appraisal (purchase financing for majority owner occupancy).

As Vacant: The subject site triangular shaped, contains 0.22 acres and has 162 feet of frontage along a public street. Topography is level and there are no wetlands. All public utilities are available. Located in the DC-Downtown Cromwell Zoning district, numerous commercial, retail and office uses are promoted. However, the small size and triangular shape limits development significantly. It appears that the highest and best use as vacant is eventual commercial development of a small one-story commercial building, or use of the parcel with abutting land for a larger commercial development. Office utilization does not appear financially feasible due to low market rental rates relative to current construction/development costs.

As Improved: The preceding analysis indicated that the most appropriate use of the site would be for eventual commercial development with a small building. As described in the building description section of this report, the property is in fact improved with a multi-tenant, two-story 3,420 square foot commercial/office building. The improvements have been adequately maintained, are in above average physical condition, do not suffer physical inadequacies, and are functionally adequate. The improvements contribute significant value to the site, and nothing would justify their demolition or conversion at this time. Based upon our analysis, the Highest and Best Use as improved is continued multi-tenant commercial / office utilization, specifically a restaurant on the lower level and offices above.

REASONABLE EXPOSURE TIME

The market value estimate contained within this report is based upon a reasonable exposure time of 9 months. In other words, the property would have had to been aggressively marketed for a period of 9 months prior to the date of appraisal in order to have achieved a price within the applicable market value range. The most likely purchaser would be a local restaurant business owner purchasing for majority owner-occupancy.

THE APPRAISAL PROCESS

The estimate of a property's market value involves a systematic process in which the problem is defined; the work necessary to solve the problem is planned; and the data required is obtained, analyzed and interpreted into an estimate of value. In this process, three basic approaches are used by the appraiser. The Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach.

In the Cost Approach, depreciation is deducted from the cost new of the improvements and this figure is added to the land value to indicate the value of the whole property. Generally, land value is obtained through sales comparison. The reproduction cost new of the improvements is estimated based on current prices for component parts of the building less depreciation, which is computed by analyzing the disadvantages or deficiencies of the existing building as compared to a new building.

The Sales Comparison Approach is used to estimate the value of the land as though vacant and/or the property as improved. The appraiser gathers data on sales of comparable properties and analyzes the nature and conditions of each sale, making logical adjustments for dissimilar characteristics. Typically, a common denominator is found. For land value, the unit of comparison is usually price per square foot or price per acre. For improved properties, it may be price per square foot, price per unit, or a gross rent multiplier. The Sales Comparison Approach produces a good indication of value when sales of similar properties are available.

The Income Capitalization Approach is predicated on the assumption that a definite relationship exists between the amount of income a property can earn and its value. In other words, value is created by the expectation of benefits to be derived in the future. In this approach, the anticipated annual net income of the subject property is processed to produce an indication of value. Net income is the income generated before payment of any debt service. Income is converted into value through capitalization, in which net income is divided by a capitalization rate. Factors such as risk, time, interest on the capital invested, and recapture of the depreciating asset are considered in selecting the capitalization rate. The appropriateness of this rate is critical, and it may be developed in various ways.

The final step in the valuation process is the reconciliation or correlation of the value indications. In the reconciliation, the appraiser considers the relative applicability of each of the approaches used, examines the range of the value indications, and gives most weight to the approach that appears to produce the most reliable solution to the appraisal problem. The purpose of the appraisal, the type of property, and the adequacy and reliability of the data are analyzed; also considered in assessing the reliability of each approach to value. To apply the three approaches to value, information pertaining to the fair market value of the subject property must be derived from the market because the appraiser seeks to anticipate the actions of buyers and sellers in the market.

All three approaches to value were considered in the valuation of the subject property, however, the Cost Approach is not deemed reliable and was not utilized.

INCOME CAPITALIZATION APPROACH

This approach will estimate the value of the subject property by means of an income analysis and will consider several factors to include current leases for the subject, and estimated market rental rates which could be achieved. Also considered are the expenses currently being realized by the property owner and the net income which will be achieved in future years.

The method of analysis utilized herein will consist of a Yield Capitalization Analysis which converts a single year's net income into a value estimate. A more detailed discussion of the rationale of this type of analysis will be included prior to the actual calculations.

In order to more clearly understand the process within this segment of the report, the data will be included and analyzed as follows:

- 1. Discussion of Current Rental Rates*
- 2. Rental Survey*
- 3. Estimate of Market Rent*
- 4. Income and Expense Analysis*
- 5. Application of Yield Capitalization Analysis*

Current Occupancy

The restaurant is currently leased to the potential buyer. A five year lease commenced on August 1, 2014. The rental rate is \$21,000 annually for years 1 and 2 (\$12.35/SF), \$21,848 in year 3 (\$12.85/SF), and \$22,285 annually for years 4 and 5 (\$13.10/SF). The lease is modified gross. The tenant pays all expense except taxes, building insurance, and structural repairs. The space was leased as is, and was reportedly in below average condition. Given the fee simple valuation, market rent will be applied.

There is one small room on the second floor rented . The rate is not known and the lease is year to year. A market rent will be applied.

Rental Survey

The following table includes information compiled in a recent survey of restaurant and office space in the subject market area . While it is presented in summary format, more details are retained in our office files.

INCOME CAPITALIZATION APPROACH**Analysis of Market Rent- Office Space**

In an attempt to estimate the current market rental rates for the subject property (2nd floor office space), a survey of rental rates was conducted within competing/comparable areas of Cromwell. The appraisers could not find truly comparable “closed transaction” rental data in the community. There were numerous availabilities which clearly demonstrate the health of the office market in the community.

Located below is a summary of the results of the rental survey.

Note: The information was compiled from the appraisers' investigations which included numerous discussions with owners, rental agents and lessees in the area. The information is generally believed to provide a reasonably accurate indication of conditions and terms.

STREET	TOWN	AREA (sf)	RENTAL RATE	TERM	COMM.DATE	STRUCTURE	COMMENTS	PROP. TYPE
160 West Street	Cromwell	1,000	\$12.50	asking	asking 8/2016	Modified Gross	Tenant pays utilities and cleaning. This office unit is located in a 30,000 SF, multi-building Class B office complex. Rental rate as is. Condition is average to above average. Adequate parking.	0
26 Shunpike Road	Cromwell	1,200	\$13.50	asking	asking 8/2016	Modified Gross	Tenant pays utilities and cleaning. This office unit is located in a 8,700 SF, two-story Class B office building. Rental rate as is. Condition is above average. Adequate parking.	0
40 Country Squire Road	Cromwell	1,600	\$10.50	asking	asking 8/2016	Modified Gross	Tenant pays utilities and cleaning. Lower level office space in a 3,200 SF building constructed in 2008. Rental rate as is. Owner will amortize any TI costs. Condition is above average. Adequate parking.	0
332 Main Street	Cromwell	1,500	\$10.00	asking	asking 8/2016	Modified Gross	Tenant pays utilities and cleaning. Lower level office space in two-story commercial building renovated in past decade. Rental rate as is. Condition is above average. Adequate parking in rear.	0

INCOME CAPITALIZATION APPROACH

Analysis of Market Rent- Restaurant Space

In an attempt to estimate the current market rental rates for the subject property (first floor restaurant space), a survey of rental rates was conducted within the extended market area. As lease transactions for restaurant space is more limited than typical commercial space, the survey was extended in geographic scope and time frame.

Located below is a summary of the results of the rental survey.

Along *Main Street in Middletown* there are several small restaurant users (1,545 to 3,200 SF) located in a three building, modern shopping center. Rental rates for the restaurant users ranges from \$13.44/SF to \$16.00/SF NNN. The space included some restaurant fit-up at time of lease, but most tenants completed the majority of the TI. These leases expire between 2017 and 2020. Parking is adequate.

Along *Mountain Road in the center of Suffield* there are two small restaurant users (1,200 to 2,000 SF) located in a multi-building, 30,000 SF modern community center. Rental rates for the restaurant users ranges from \$14.50/SF to \$16.50/SF NNN. Tenants completed the majority of the TI. These leases expire between 2017 and 2019. Parking is adequate.

At the new 12,000 SF *Center Point Plaza at 1 Willowbrook Road in Cromwell*, the owner is advertising a 1,899 SF unit approved for restaurant use available for lease at \$18.00/SF NNN. The building is new, modern, with good parking. The price includes no more than a \$10/SF TI allowance.

At *690 Washington Street in Middletown*, a 2,000 SF restaurant is available for lease at \$14.50/SF modified gross (tenant pays utilities, cleaning, rubbish and CAM) The building is one-story, masonry in average condition. Parking is adequate. The price includes no TI allowance.

At *650 South Main Street in Middletown*, a 1,200 SF unit approved for restaurant use within a 5,200 SF commercial building is available for lease at \$13.50/SF NNN. The building is one-story, masonry in above average condition. Parking is adequate. The price includes no more than a \$10/SF TI (typical TI).

At *2620 South Main Street in Waterbury*, near the Naugatuck town line, a 5,700 SF free standing restaurant building is available for lease at \$12.00/SF NNN. The building is one-story, masonry in average condition. Parking is adequate. The price is "as is".

Farmington Avenue (Route 6), Bristol, CT - This is a family restaurant located along heavily traveled Route 6. In 2012, a lease was renewed at a rental rate of \$15.11 per square foot, on a NNN basis. The site is adequate in size and provided adequate parking and good exposure. The facility is of average quality and average condition. There is a large dining room and a supporting kitchen, there is no significant bar or lounge area.

INCOME CAPITALIZATION APPROACH

Analysis of Market Rent

The office rents illustrated range from \$10.00 to \$13.50/SF modified gross. All rents are askings, and it is possible that a slightly lower rent could be negotiated. Locations of the rentals is generally similar. Quality and interior fit-up of the rentals is slightly superior, as is access. The subject space is on the second level and the stair case is long (12' high walls). Also, the rentals have similar to superior parking. Overall, downward adjustments are required. Based upon an analysis of the rental data, the subject office space is estimated to have a market rental rate of \$8.50 to \$9.50/SF modified gross, with the single most likely figure being \$9.00/SF [tenant pays utilities and cleaning only]. The rental rate assumes one or two tenants only.

The restaurant rents illustrated range from \$12.00 to \$18.00/SF NNN. It regards to the askings, and it is possible that a slightly lower rent could be negotiated. Locations of the rentals is similar to superior. Quality and interior fit-up of the rentals varies, but is generally similar. The rentals have similar to superior parking. Based upon an analysis of the rental data, the subject restaurant space is estimated to have a market rental rate of \$13.00 to \$14.00/SF NNN, with the single most likely figure being \$13.50/SF NNN. The market rent applied to the subject space is modified gross, with the tenant paying utilities, cleaning, and rubbish removal. The rental rate must be adjusted upward for exclusion of taxes (+\$3/SF allocated base upon subject use), insurance (+\$0.60/SF), and CAM (\$1.00/SF). The adjusted rate is about \$18.00/SF modified gross. This rate is considerably higher than the current lease, but recall the space was leased in 2014 as is, which was below average condition. The tenant (potential buyer) spent significant money to improve the space.

Considering these factors, and after adjusting for the quality, condition, and the appeal of the property, it is our conclusion that the subject commercial space could achieve an average rental rate

RESTAURANT SPACE:	\$18.00 PER SQUARE FOOT MODIFIED GROSS
2ND FLOOR OFFICE SPACE:	\$9.00 PER SQUARE FOOT MODIFIED GROSS

Structure:	Modified Gross - tenant pays all utilities, cleaning and rubbish removal
Free Rent:	None included
Fit-up Allowance:	Rate reflects space as is.

INCOME CAPITALIZATION APPROACH**Vacancy and Credit Loss**

There is limited availability of fit-up restaurant space for rent in the subject community. Street side commercial space is also limited in the neighborhood. However, there is an abundance of Class B and C office space in Cromwell and the extended market area. Given the subject office space location on the second floor of the building, and its overall appeal, the appraisers feel that a 18% vacancy rate is reasonable for that space. For the restaurant space, a vacancy rate of 3% to 5% is reasonable. The weighted average (based upon the rental rate) is about 8%.

Considering the subject's unit mix and overall features, and the current market conditions it is our estimate that the subject complex will realize a stabilized vacancy rate of 8% or less throughout the holding period. This rate also include an allowance for normal rental delinquency and credit loss.

Potential Rental Income

<u>No. of Units</u>	<u>SF</u>	<u>Rate</u>	<u>Annual Rent</u>
Office Space:	1,700 SF	x \$9.00/SF	= \$15,300
Restaurant Space:	1,700 SF	x \$18.00/SF	= <u>\$30,600</u>
Potential Gross Income:			\$45,900

Calculation of EGI

Effective Gross Income equals Potential Rental Income x Stabilized Occupancy.

Then: \$45,900 x 92% = \$42,228

No historic EGI figures are known for the property.

INCOME CAPITALIZATION APPROACH**Operating Expense Analysis**

In an attempt to estimate the expenses which are associated with the operation of the subject facility, the appraisers requested two years of historical operating expenses.

THE CLIENT WHICH IS THE POTENTIAL BUYER WAS UNABLE TO SECURE ANY USEFUL INFORMATION FOR THE OWNER. MARKET EXPENSES WILL BE APPLIED.

The appraisers have relied primarily upon market typical expenses based upon appraisal assignments of numerous comparable apartment and mixed use complexes throughout Central Connecticut as well as data from various expense publications.

Stabilized Income and Expense Forecast

EXPENSES	FORECASTED (APPRAISERS)
Gross Income(EGI)	\$42,228
EXPENSES	
Management/ Leasing	\$2,500 (6%)
RE Taxes	\$6,900 (\$2.02/SF)
Insurance	\$2,000 (\$0.60/SF)
Utilities	\$500 (\$0.15/SF)
Bld. Repairs/Maintenance	\$1,700 (\$0.50/SF)
Grounds/CAM	\$3,400 (\$1.00/SF)
Prof. Fees/Misc	\$1,500 (\$0.45/SF)
Reserves	\$1,500 (\$0.45/SF)
TOTALS	\$20,000 (\$5.88/SF - 47% EGI)
NOI	\$22,228

\$/SF expense based upon 3,400 SF NRA

INCOME CAPITALIZATION APPROACH

Operating Expense Analysis

Management/Leasing

The amount deducted for management represents the typical fee in the amount of 6% of rents collected which is associated with engaging a firm to handle management functions, including leasing.

Real Estate Taxes

This expense covers the yearly real estate taxes payable to the Town of Cromwell. Applied taxes are the current taxes increased 2%.

Insurance

The amount deducted for insurance represents the actual cost for fire, extended coverage, and liability protection. The appraisers have included an expense of \$2,000 or \$0.60/SF. Observed insurance premiums for small commercial buildings has ranged from \$0.45 to \$0.75/SF in suburban towns.

Utilities

The cost of all common electricity for lighting is the responsibility of the owner. Tenants pays heat and lights and water and seer charges are paid by the restaurant. The appraiser have included a nominal expense of \$500.

Building Repairs and Maintenance

The cost associated with repairing and/or upkeeping the subject building. The appraiser have included an expense of \$1,700 or \$0.50/SF. Observed annual expense for building repairs varies considerable, but considering the design, HVAC type, windows etc., \$1,700 per year appears adequate.

Common Area Maintenance, Grounds Maintenance, Snow Removal

There is a paved parking lot, minimal lawn area, and sidewalks which must be maintained. There is a stairwell that requires cleaning, but building cleaning is minimal. Rubbish is paid by tenants. The appraisers estimate a total expense of \$3,400 or \$1.00/SF.

Professional / Miscellaneous Fees

The amount deducted for fees paid to hired legal and accounting firms for yearly tax returns, budgets, contracts, as well as evictions. The reasonable cost of accounting and legal support is estimated to be \$1,500.

Reserve For Replacement

The amount deducted each year and set aside for replacement of short-lived items such as the heating system, roofing, and repair of major items such as exterior siding/repainting, windows, etc. Given the effective age and condition of the subject facility, a reserve of \$1,500 or \$04.5/SF appears reasonable.

INCOME CAPITALIZATION APPROACH

Operating Expense Analysis

The applied subject expenses total \$5.88/SF of NRA or about 47% of EGI. Both figures are reasonable as they exclude most utilities, janitorial and rubbish removal. These items would bring the figure close to \$9.00/SF, which is typical of gross lease properties. The data below shows expenses of \$8.43 to \$9.08/SF or 52.78% to 57.83% of EGI. Regardless, the appraisers are confident in the expense forecast applied.

RealtyRates.com MARKET SURVEY - 3rd Quarter 2016*						
Nationwide - Class A & B Neighborhood, Community & Strip Retail Centers						
	2ndQ 2016		1stQ 2016		% Change	
	Anch	Un-Anch	Anch	Un-Anch	Anch	Un-Anch
Operating Data						
Income						
Asking Rent	\$18.67	\$18.15	\$18.56	\$18.08	0.6%	0.4%
Effective Rent	\$16.73	\$16.34	\$16.67	\$16.28	0.4%	0.4%
Other Income	\$0.84	\$0.82	\$0.83	\$0.81	0.4%	0.4%
Total Income	\$17.57	\$17.16	\$17.51	\$17.10	0.4%	0.4%
Vacancy Rate	7.1%	6.8%	7.2%	6.9%	-1.5%	-1.5%
Effective Gross Income (EGI)	\$16.33	\$15.99	\$16.25	\$15.91	0.5%	0.5%
Expenses						
Total Expenses	\$8.94	\$8.43	\$8.92	\$8.41	0.3%	0.3%
Expense Ratio	54.78%	52.75%	54.88%	52.84%	-0.2%	-0.2%
Net Operating Income (NOI)	\$7.38	\$7.55	\$7.33	\$7.50	0.7%	0.7%
Investment Data						
Avg Sale Price	\$93	\$94	\$91	\$93	1.4%	1.5%
Overall Cap. Rate (OAR)	8.0%	8.0%	8.0%	8.1%	-0.7%	-0.8%
Gross Rent Multiplier (GRM)	5.53	5.75	5.48	5.69	1.0%	1.1%
Effective Gross Income Multiplier (EGIM)	5.67	5.88	5.62	5.82	0.9%	1.0%

*2nd Quarter 2016 Data

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RealtyRates.com MARKET SURVEY - 3rd Quarter 2016*						
Nationwide - Class A & B Office Buildings						
	2ndQ 2016		1stQ 2016		% Change	
	CBD	Suburb	CBD	Suburb	CBD	Suburb
Operating Data						
Income						
Asking Rent	\$24.49	\$21.24	\$24.39	\$21.22	0.4%	0.1%
Effective Rent	\$20.11	\$17.41	\$20.02	\$17.39	0.4%	0.1%
Other Income	\$1.01	\$0.87	\$1.00	\$0.87	0.4%	0.1%
Total Income	\$21.11	\$18.28	\$21.03	\$18.26	0.4%	0.1%
Vacancy Rate	13.6%	14.1%	13.5%	14.1%	0.3%	0.0%
Effective Gross Income (EGI)	\$18.24	\$15.70	\$18.18	\$15.68	0.4%	0.1%
Expenses						
Total Expenses	\$10.17	\$9.08	\$10.16	\$9.06	0.2%	0.2%
Expense Ratio	55.76%	57.83%	55.87%	57.80%	-0.2%	0.0%
Net Operating Income (NOI)	\$8.07	\$6.62	\$8.02	\$6.61	0.6%	0.1%
Investment Data						
Avg Sale Price	\$96	\$79	\$95	\$79	1.0%	0.6%
Overall Cap. Rate (OAR)	8.4%	8.4%	8.5%	8.4%	-0.4%	-0.5%
Gross Rent Multiplier (GRM)	4.75	4.55	4.73	4.53	0.6%	0.5%
Effective Gross Income Multiplier (EGIM)	5.24	5.05	5.20	5.03	0.6%	0.5%

*2nd Quarter 2016 Data

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INCOME CAPITALIZATION APPROACH

Capitalization Rate

A simple Band of Investment and a Mortgage Equity Analysis using the Akerson format is considered as an appropriate method of developing an overall capitalization rate.

An overall rate derived by a simple Band of Investment is calculated as follows:

Where:

Loan Ratio:	75%
Loan Term :	20 Years
Loan Interest Rate:	5% (anticipated over 10 years)
Mortgage Constant:	.079
Equity Dividend:	11%

Thus :

$$\begin{array}{rcl}
 .75 & \times & .079 & = & .05925 \\
 .25 & \times & .11 & = & \underline{.02750} \\
 & & & & .08675 & \rightarrow 8.7\%
 \end{array}$$

*After reviewing the returns achievable in alternative investments (i.e. stocks, bonds, mutual funds, etc.), and considering the illiquidity of a real estate investment and the associated risks involved, an **equity dividend rate of 11%** was selected as being reasonable for the subject property over the next ten years. The rate reflects the presence of the restaurant as part of this mixed-use facility. At this time, yields on 5 to 10 year treasury bonds are about 1.07% to 1.49%, while “A” rated corporate bonds are typically yielding between 1.51% to 2.48 (5 to 10 year terms), and “A” rated municipal bonds are yielding between 0.72% and 1.64%. The Prime Rate is at 3.50%.

US Treasury Bonds	
Maturity	Yield
3 Month	0.22
6 Month	0.35
2 Year	0.68
3 Year	0.79
5 Year	1.07
10 Year	1.49
30 Year	2.21

Corporate Bonds	
Maturity	Yield
2yr AA	0.78
2yr A	0.87
5yr AAA	0.68
5yr AA	1.38
5yr A	1.51
10yr AAA	2.06
10yr AA	2.27
10yr A	2.48
20yr AAA	2.91
20yr AA	3.42
20yr A	3.63

INCOME CAPITALIZATION APPROACH

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2016*											
PERMANENT FINANCING											
	Apt.	Golf	Health Senior Housing	Ind.	Lodging	RV/Camp Mfg Hsg MH Park	Office	Restaurant	Retail	Self Storage	Special Purpose
Spread Over Base**											
Minimum	0.70%	1.20%	1.35%	1.05%	1.26%	1.05%	1.05%	2.30%	0.75%	1.05%	1.81%
Maximum	6.69%	12.09%	8.06%	6.69%	11.59%	8.81%	6.69%	11.52%	8.06%	6.69%	12.00%
Average	2.72%	5.67%	3.49%	3.11%	3.81%	4.08%	3.37%	4.76%	3.25%	4.22%	4.85%
Interest Rate											
Minimum	2.51%	3.01%	3.16%	2.86%	3.07%	2.86%	2.86%	4.11%	2.56%	2.56%	3.62%
Maximum	8.50%	13.90%	9.87%	8.50%	13.40%	10.62%	8.50%	13.33%	9.87%	9.87%	13.81%
Average	4.53%	7.48%	5.30%	4.92%	5.62%	5.89%	5.18%	6.57%	5.06%	5.06%	6.66%
Debt Coverage Ratio											
Minimum	1.10	1.20	1.12	1.15	1.00	1.15	1.15	1.15	1.05	1.15	1.15
Maximum	1.96	2.25	2.30	2.15	2.95	2.05	2.25	2.25	2.25	2.55	2.10
Average	1.43	1.56	1.54	1.49	1.57	1.40	1.70	1.66	1.41	1.65	1.70
Loan-to-Value Ratio											
Minimum	50%	50%	50%	50%	50%	50%	50%	50%	50%	90%	50%
Maximum	90%	80%	90%	90%	80%	90%	90%	75%	90%	50%	80%
Average	73%	67%	71%	70%	67%	70%	73%	64%	71%	69%	65%
Amortization (Yrs.)											
Minimum	15	15	15	15	15	15	15	15	15	40	15
Maximum	40	40	40	40	40	40	40	30	40	15	40
Average	26	21	25	25	22	25	30	21	25	28	22
Term (Yrs.)											
Minimum	3	5	3	3	5	5	3	3	3	3	3
Maximum	40	30	25	30	30	30	30	15	10	10	20
Average	20.50	9.00	13.65	11.46	7.80	9.15	8.00	7.45	6.20	6.10	7.85
** 10-Year Treasury											

*2nd Quarter 2016 Data

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INCOME CAPITALIZATION APPROACH

Financing Criteria

According to discussions with several local lenders, financial institutions would be willing to loan on a property such as the subject. Current interest rates are quoted between 4.5% and 5.25%, with 0 to 1 point, applicable fee, and initial loan to value ratios of 60% to 75%. The rates are variable, adjusted every 5 years.

For purposes of analysis, an initial APR of 5.0% was utilized, with an amortization of 20 years and initial loan to value ratio of 75%.

The following assumptions were considered:

1. A typical holding period would tend to be 10 years.
2. A 75% mortgage can be obtained at an average interest rate 5.0% over ten years; a 20 year amortization schedule was felt reasonable.
3. A typical investor would seek an equity yield rate of 15%.
4. No change in NOI or increase in value was applied.

Refer to the following for calculations in the derivation of a capitalization rate:

MORTGAGE-EQUITY CAPITALIZATION RATE DERIVATION			
MORTGAGE RATIO	75.00%	<--	LOAN TO VALUE RATIO
INTEREST RATE	5.00%	<--	ANNUAL NOMINAL RATE
FULL LOAN TERM	20	<--	NUMBER OF YEARS
EQUITY YIELD RATE	15.00%	<--	ANNUAL RATE
HOLDING PERIOD	10	<--	NUMBER OF YEARS
ANNUAL VALUE CHANGE RATE	0.00%	<--	TOTAL % PER YEAR
TOTAL VALUE CHANGE RATE	0.00%		TOTAL % OVER HOLDING PERIOD
ANNUAL INCOME CHANGE RATE	0.00%	<--	TOTAL % PER YEAR
TOTAL INCOME CHANGE RATE	0.00%		TOTAL % OVER HOLDING PERIOD
BASIC RATE (WITHOUT VALUE OR INCOME CHANGES)	0.08294101		
COMPOSITE CAP RATE WITH "J" FACTOR	0.08294101	ROUNDED TO:	8.29%
COMPOSITE CAP RATE WITH "CR" FACTOR	0.08294101	ROUNDED TO:	8.29%
COMPOSITE CAP RATE WITH "CA" FACTOR	0.08294101	ROUNDED TO:	8.29%
MONTHLY LOAN CONSTANT	0.00653935739		
ANNUALIZED LOAN CONSTANT	0.07919466671		
PERCENT OF LOAN PAID OFF DURING HOLDING PERIOD	0.3777648173		
SINKING FUND FACTOR AT EQUITY YIELD RATE	0.04325206252		
REVERSIONARY FACTOR AT EQUITY YIELD RATE	0.24716470612		
ANNUITY FACTOR AT EQUITY YIELD RATE	5.01876662163		
"J" FACTOR	0.32569125254		
"CR" FACTOR	1		
"CA" FACTOR	0.33631956322		
CALCULATIONS			
	0.750 x	0.079 =	5.94%
	0.250 x	0.150 =	3.75%
Adjust for amortization:	0.378 x	0.049 x .75 =	-1.40%
Adjust for change in value and change in income:		Basic rate =	8.29%
			0.00%
		Adjusted Rate:	8.29%

INCOME CAPITALIZATION APPROACH

The two methods used to derived capitalization rates indicate a reasonable range of for the cap rate between 8.3% and 8.7%.

RealtyRates.com Market Survey 3rd Quarter 2016 reports neighborhood, community strip retail centers with overall cap rates in the range of 8.0% with suburban office at 8.4%. It is reasonable that a slightly higher rate would be applicable to the subject, a mixed-use facility located within the CBD of Cromwell.

Considering the location and nature of the subject property, and further considering the local sales and published data, as well as those rates derived on the previous pages, a figure of 8.5% is considered reasonable.

$$\text{Value} = \text{NOI} / \text{cap. rate}$$

Then:

$$\begin{aligned} \$22,228 \text{ (NOI) capitalized @ } 8.5\% &= \$261,505 \\ \text{Rounded: } & \$260,000 \end{aligned}$$

VALUE INDICATED VIA INCOME CAPITALIZATION APPROACH:	\$260,000
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SALES COMPARISON APPROACH

The Sales Comparison Approach is one of the three approaches used by an appraiser in the valuation of a property. A value indication is derived by comparing the subject property to similar properties which have recently sold, are under contract, or are available for sale. The underlying premise of the Sales Comparison Approach is that the Market Value of a property is directly related to the prices of competing, comparable properties.

The properties being analyzed are compared to the subject property. Elements of comparison include: 1. Property Rights Conveyed 2. Financing terms 3. Date of Sale (market conditions) 4. Conditions of Sale (motivational factors) 5. Location 6. Physical characteristics (site and improvements) 7. Income-producing characteristics 8. Other characteristics (zoning, etc.).

All of the principles of real estate appraisal are relevant to the Sales Comparison Approach as they reflect the dynamics of the real estate market.

In developing the Sales Comparison Approach, the use of an appropriate unit of comparison is very important. The unit of comparison selected depends upon the type of property being appraised. Some types of real estate can be analyzed with several units of comparison. The results of each application are then correlated into one value estimate or a value range.

Once the market data has been researched and verified, the relevant units of comparison have been selected, the appraisal makes a comparison between the sales and the subject property based upon the elements of comparison. The sales are then adjusted to reflect any dissimilarities which affect market value.

Adjustments for property rights conveyed, financing, conditions of sale (motivation), and date of sale are typically made to the total sales price. The adjusted price is then converted into a unit price and adjusted for the other elements of comparison such as location and physical characteristics. Based upon the comparative analysis, the appraiser then estimates a value indication for the subject property.

The subject facility will be somewhat unique in that it includes restaurant space on the ground floor level with office space above. An thorough survey was conducted of the extended market area for mixed use restaurant property sales. One sale in Bristol was found and utilized.

As a secondary analysis, a survey of small restaurant sale was conducted in the extended market area, including Middlesex, New Haven and Hartford Counties. Four sales were found and used to establish an allocation of value for the restaurant space. Next a contribution of value was given to the office space based upon an income analysis.

The data illustrated is the best available. The appraisers survey and research was extensive, and additional data was analyzed although not included within this report.

SALES COMPARISON APPROACH**Mixed Use Sale No. 1**

Address: *417 Broad Street
Bristol, Connecticut*

Grantor: Robert Pachesea

Grantee: Jose Nugra

Date of Sale: February 24, 2014

Sales Price: \$250,000

Unit Price: \$82.16/SF

Reference: Volume 1960, Page 1153
Bristol Land Records

Land Data: 0.25 acres / 200 feet of frontage at corner of Emmett Street and Broad Street / Level topography / no wetlands but in flood plain / all public utilities / parking for 25 cars on paved lot

Zone: BG - General Commercial

Building Size: 3,048 Square Feet

Land to Bld. Ratio: 3.5:1

Description: The sale property is geographically situated in the east central portion of Bristol, just south of Route 72, near the Forestville section of town. Neighborhood is mixed use and includes restaurant, retail, office, banks as well as light industrial and office. Traffic count is 20,000 cars per day. Access to services and highways is good.

This is a mixed use building with apartment space over a full service restaurant built in 1920. The building is 1.5 stories with 75% of the space devoted to restaurant use. The building is wood frame with masonry and vinyl siding walls, a full unfinished basement, combination gable and flat roof, gas heat and a/c in the restaurant, fixed pane and casement windows. The second level is walk-up Overall condition was average.

Financing: \$100,000 3rd party financing.

Comments: The property was listed for sale at \$289,900. The equipment was also purchased for additional consideration. Purchased for owner use as a family restaurant.



SALES COMPARISON APPROACH**Restaurant Sale No. 1**

Address: *1 Wall Street
Cromwell, Connecticut*

Grantor: Martin and Helen Duffy

Grantee: Peter and Maria Groeper

Date of Sale: March 14, 2013

Sales Price: \$265,000

Unit Price: \$104.21/SF

Reference: Volume 1451, Page 209
Cromwell Land Records

Land Data: 0.29 acres / 81 feet of frontage along northerly side of Wall Street / Level topography / no wetlands but in flood plain / all public utilities / parking for 40+ cars on rear paved lot

Zone: DC

Building Size: 2,543 Square Feet

Land to Bld. Ratio: 5:1

Description: The sale property is geographically situated in the south east central portion of Cromwell which is the original downtown section. Neighborhood is mixed use and includes restaurant, retail, office, residential as well as light industrial. Traffic count is 6,500 cars per day. Access to services and highways is good.

This is a one story restaurant/bar building facility constructed in 1850 and subsequently renovated. The building is wood frame with masonry and vinyl siding walls, a full unfinished basement, gable roof with asphalt shingles, gas heat and a/c, fixed pane windows. Overall condition was average.

Financing: Records indicate bank financing for purchase and renovations.

Comments: The property was listed for sale for a number of years prior to the sale. Last price was the sale price. The equipment was also purchased for additional consideration. Purchased for owner use as a sports bar and restaurant.



SALES COMPARISON APPROACH**Restaurant Sale No. 2**

Address: *25 Shunpike Road
Cromwell, Connecticut*

Grantor: Martin and Sharon Dykas

Grantee: Peter and Maria Groeper

Date of Sale: December 14, 2015

Sales Price: \$400,000

Unit Price: \$183.99/SF

Reference: Volume 1543, Page 344
Cromwell Land Records

Land Data: 0.55 acres / 119 feet of frontage along west side of Route 3/ level topography / no wetlands /all public utilities / parking for 30 cars on rear paved lot

Zone: HB

Building Size: Two buildings - 2,174 Square Feet

Land to Bld. Ratio: 11:1

Description: The sale property is geographically situated in the south central portion of Cromwell along Route 3, just west of Route 9 and south of Route 372. The neighborhood is prime commercial. Traffic count is 18,400 cars per day. Access to services and highways is good.

The site is improved with two one-story on slab restaurant buildings constructed around 1929 and subsequently renovated and converted. The buildings are wood frame with vinyl siding walls, gable and hip roofs with asphalt shingles, gas heat and a/c, fixed pane and casement windows. Overall condition was good. One building is operated as an ice cream shop and the other is operated as a "gourmet to go" restaurant.

Financing: No seller financing is reported.



SALES COMPARISON APPROACH**Restaurant Sale No. 3**

Address: *73 Quinnipiac Street
Wallingford, Connecticut*

Grantor: 73 Quinnipiac Street LLC

Grantee: Ram-Leela LLC

Date of Sale: July 28, 2015

Sales Price: \$210,000

Unit Price: \$146.44/SF

Reference: Volume 1521, Page 755
Wallingford Land Records

Land Data: 0.07 acres / 40 feet of frontage along north side of Quinnipiac Street/ level topography / no wetlands /all public utilities / parking for 2 cars on front paved lot (town parking on lot to the west)

Zone: CA6

Building Size: 1,434 Square Feet

Land to Bld. Ratio: 2:1

Description: The sale property is geographically situated in the downtown portion of Wallingford, just west of Route 5. The neighborhood is typical of an old downtown area, improved with a mix of retail, office, apartments, restaurants etc. The Amtrak station is located within 100 feet. Traffic count is about 9,000 cars per day. Access to services and highways is good.

The site is improved one- story on slab restaurant buildings constructed around 1910 and subsequently renovated. The buildings are wood frame with vinyl siding walls, flat composition roof , gas heat, a/c wall units, fixed pane and casement windows. Overall condition was average.

Financing: Cash - No seller financing is reported.

Comment: The property was purchased by the abutter who owns a liquor store. He will operate the building as a pizza restaurant.



SALES COMPARISON APPROACH**Restaurant Sale No. 4**

Address: **253 East Street (Route 10)
Plainville, Connecticut**

Grantor: 253 East Street Assoc. LLC
 Grantee: A1 Sofa LLC
 Date of Sale: August 4, 2015
 Sales Price: \$600,000
 Adjusted Sale Price: \$567,000
 Adjusted Unit Price: \$129.07/SF
 Reference: Volume 581, Page 51
 Plainville Land Records



Land Data: 0.47 acres with 156+ feet of frontage along the west side of East Street (Route 10); a depth of approximately 185 feet. The site is generally level at street grade and is fully cleared and developed with the restaurant facility and supporting parking areas which can accommodate 50 vehicles. Additional site improvements include storm water drainage, asphalt curbing, a sign, and minimal landscaping. The site is not encumbered by wetlands nor is it situated in a flood hazard zone. Public utilities are available however the site is served by a private well.

Zone: GC - General Commercial
Building Size: 4,393 Square Feet
Land to Bld. Ratio: 4.66:1

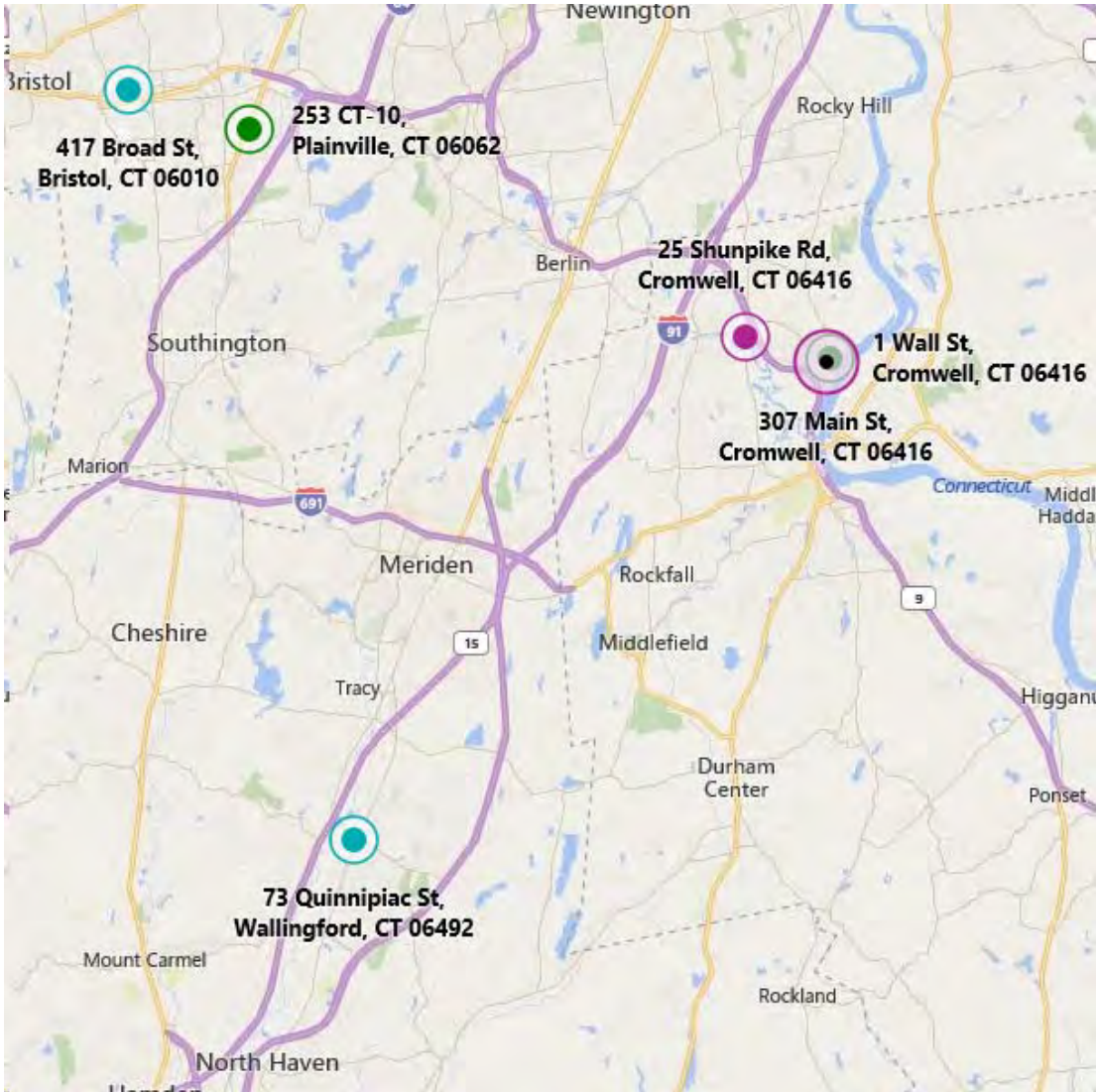
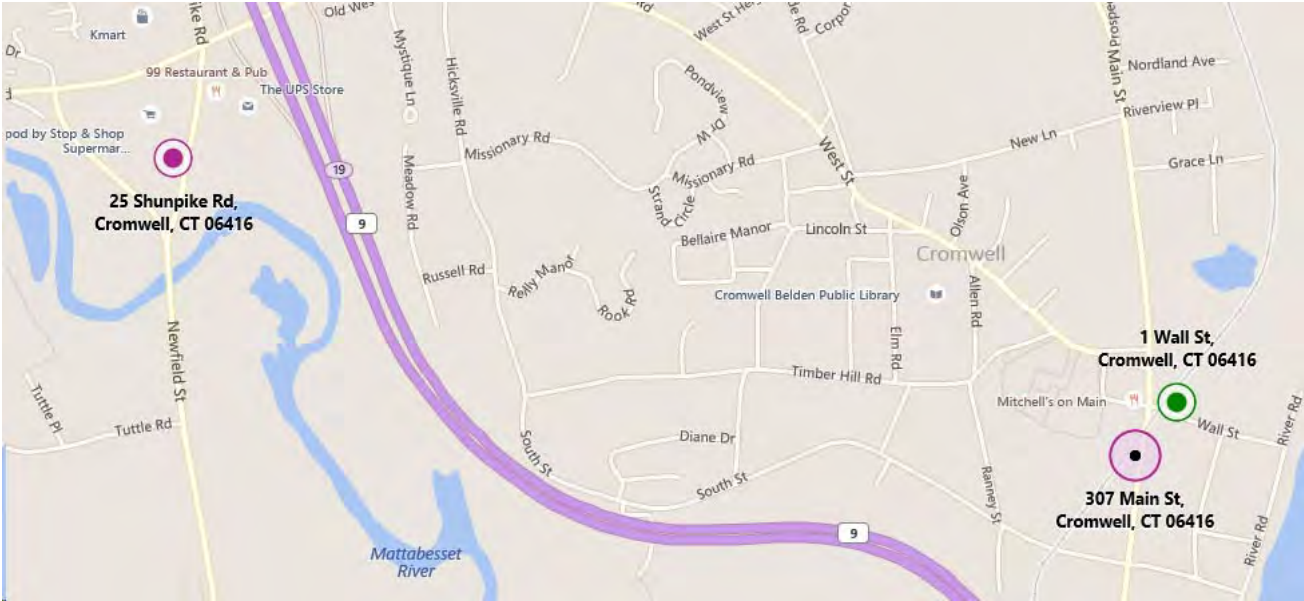
Description: The sale property is geographically situated in the southern portion of the town of Plainville, along the west side of Route 10 (East Street), 3/4 of a mile north of the Southington town line. U.S. Route 10 is the main traffic artery traversing the town in a generally north to south direction; it is along this street that the significant commercial developments in the town are located. Improvements along this street are essentially commercial in nature and consist of various types of facilities including retail strip plazas, community shopping centers, free standing retail outlets, professional and medical offices, restaurants, fast food establishments, automotive repair and gasoline service stations, lending institutions, convenience stores, and similar types of improvements.

The restaurant has a gross building area of 4,393 square feet not including the basement level. The building features wood-frame construction with a combination of stucco, wood clapboard, and vinyl exterior siding. There are insulated windows in anodized metal frames. The roof is flat and has a rubberized membrane and built-up composition finish, with a facade of asphalt shingles. The facility has gas fired warm air heat and central air-conditioning throughout. This is a fully equipped restaurant and bar with a full unfinished basement. The interior finish includes ceramic tile, commercial grade carpeting, quarry tile, and laminate flooring, painted sheetrock and wood panel walls, and ceilings that vary from exposed wood, to suspended acoustic panels, to painted sheetrock or plaster. The facility has received periodic upgrades and remodeling and was in average condition at the time of sale.

Financing: Seller provided \$480,000 financing due in 2030. The MLS data indicates that some seller financing was available, with an interest rate slightly below conventional bank rates. A \$33,000 downward adjustment has been made for cash equivalency.

Comments: The property had operated as Aquaterra Restaurant in the recent past. It had been listed for sale on and off for several years, and was most recently listed for sale at price of \$799,000 in June of 2015.

LOCATION MAPS



SALES COMPARISON APPROACH

Adjustment Process

The sales were compared to the subject property and adjusted for several factors which influence value. Elements of comparison included property rights transferred, financing terms, date of sale, location, and physical characteristics of the properties and improvements.

ATYPICAL FINANCING

The transaction price of one property may differ from another identical property, given favorable financing arrangements by the specific seller. However, aggressive financing by outside sources if made available to the buyer for multiple purchase alternatives typically does not impact sale price. For example, below market interest rates or higher loan-to-value ratios that are readily available for a pool of competing properties would not impact a specific sale price, although it may drive overall prices upward.

PROPERTY RIGHTS CONVEYED/FINANCIAL CONSIDERATIONS

Purchasing decisions regarding investment properties are lease specific and closely related to occupancy. Existing leases which are below current market rates could substantially impact value adversely, while the opposite holds true for leases which are above market. Also, a property which is vacant or has low occupancy will typically sell for less than a facility which is leased-up.

MOTIVATION

It is not unusual to find bank owned properties or real estate held by persons under financial duress to sell below "market prices". Conversely, persons such as an abutter or developer who is accumulating land may sometimes pay a premium.

MARKET CONDITIONS

When market conditions are changing fairly rapidly and with noteworthy price appreciation/depreciation observed, care must be taken to make appropriate adjustments to impacted sales.

LOCATION

When analyzing the location of a commercial building, several factors are important; proximity to a quality customer and employee base, proximity to other retail businesses; highway access; visibility along commercial roadways etc. It is also desirable to be located within a upper-middle income residential area where property values are stable to growing.

BUILDING SIZE

Large buildings or complexes typically sell for a lower price per square foot than smaller complexes, all other things considered equal.

SITE/LAND TO BUILDING RATIO

Consideration must also be given to site characteristics such as topography, on-site parking, access/egress, landscaping, signage, excess land, the availability of public utilities, etc.

AGE/CONDITION

Physical characteristics of the improvements have a direct relation to the price per unit of a sale. Age and condition, building quality, and the general appearance of the property are all related. Typically, newer buildings command higher unit prices, minor differences in age have less impact upon value

QUALITY/ APPEAL and USE/DESIGN & UTILITY

Item related to quality construction, layout, design, interior fit-up all impact sale price and should be considered in the adjustment process.

SALES COMPARISON APPROACH

Adjustment Grid - Restaurant Sales

The four cited sales were used for a comparison of the subject's first floor restaurant space to a help establish an allocation of value for that area.

Located on the following page an adjustment grid for the sales listed previously. The comments of the grid describe how the comparable sales compare to the subject, with the type (+ or -) of adjustment made. The final adjusted price per sq. ft. was derived utilizing the quantitative adjustments in the proper order of importance (i.e. financing, motivation, market conditions etc.).

An adjustment was made to Sale No. 4 for favorable seller financing (see sale write-up). The adjustment was \$33,000 and is reflected in the sale price per square foot of \$129.06. A separate adjustment was not made on the grid as the adjustment is reflected in the price per square foot. No adjustments were required for motivation or date of sale. Sale Nos. 1, 2 and 4 required downward adjustments for superior LTB and/or parking. The adjustments considers both. Sale No. 3 only has 2 parking spaces, but town parking is located next door. The town parking partially offset the adjustment, although a +10% adjustment was required. Sale Nos. 2, 3 and 4 have superior locations, and adjustments ranging from -10% to -15% were required. Sale No.4 was adjusted upward 10% for larger size. Adjustments for effective age/ condition of -5% to +7% were made to the sales. Sale Nos. 1 and 3 have inferior quality/appeal and were adjusted upward 5% to 15%.

SALES ADJUSTMENT GRID 2 - RESTAURANT SALES

SUBJECT	Sale No. 1				Sale No. 2				Sale No. 3				Sale No. 4				
307 Main Street Cromwell, CT	1 Wall Street Cromwell, CT				25 Shunpike Road Cromwell, CT				73 Quinpiac Street Wallingford, CT				253 East Street Plainville, CT				
Category	Sale Price	\$265,000		Adjusted	Sale Price	\$400,000		Adjusted	Sale Price	\$210,000		Adjusted	Sale Price	\$567,000		Adjusted	
	Price/SF	\$104.21		Price/SF	Price/SF	\$183.99		Price/SF	Price/SF	\$146.44		Price/SF	Price/SF	\$129.07		Price/SF	
		% Adj	\$ Adj		% Adj	\$ Adj		% Adj	\$ Adj	% Adj	\$ Adj		% Adj	\$ Adj		% Adj	\$ Adj
Atypical Financing:	None atypical	0%	\$0.00	\$104.21	None atypical	0%	\$0.00	\$183.99	None atypical	0%	\$0.00	\$146.44	see abv adj price	0%	\$0.00	\$129.07	
Motivation:	None atypical	0%	\$0.00	\$104.21	None atypical	0%	\$0.00	\$183.99	None atypical	0%	\$0.00	\$146.44	None atypical	0%	\$0.00	\$129.07	
Financial Consideration	None atypical	0%	\$0.00	\$104.21	None atypical	0%	\$0.00	\$183.99	None atypical	0%	\$0.00	\$146.44	None atypical	0%	\$0.00	\$129.07	
Market Conditions	Current - August 2016	03/14/13	0%	\$0.00	\$104.21	12/14/15	0%	\$0.00	\$183.99	07/28/15	0%	\$0.00	\$146.44	08/04/15	0%	\$0.00	\$129.07
Location	Average	Similar	0%	\$0.00	\$104.21	Superior	-15%	-\$27.60	\$156.39	Superior	-15%	-\$21.97	\$124.47	Superior	-10%	-\$12.91	\$116.16
Site /LTB Ratio/Parking	0.22 ac / 2.8:1 / 4 cars per 1k SF	0.29 ac / 5:1 / 16 cars per 1k SF	-10%	-\$10.42	\$93.79	0.55 ac / 11:1 / 15 cars per 1k SF	-15%	-\$23.46	\$132.93	0.7 ac / 2:1 / 2 cars total (town parking)	10%	\$12.45	\$136.92	0.47 ac / 4.6:1 / 11 cars per 1k SF	-10%	-\$11.62	\$104.55
Building Size (SF)	1720 SF restaurant	2,543	0%	\$0.00	\$93.79	2,174	0%	\$0.00	\$132.93	1,434	0%	\$0.00	\$136.92	4,393	10%	\$10.45	\$115.00
Age	1950s / renov	1850	see below	see below		1929	see below	see below		1910	see below	see below	1950s	see below	see below		
Condition	Abv. avg.	Average	7%	\$6.57	\$100.35	Good	-5%	-\$6.65	\$126.29	Average	7%	\$9.58	\$146.51	Avg. to abv. avg.	-3%	-\$3.14	\$111.86
Design/Other	Lower level restaurant	1 sty	0.00%	\$0.00	\$100.35	1 sty	0.00%	\$0.00	\$126.29	1 sty	0.00%	\$0.00	\$146.51	1 sty	0.00%	\$0.00	\$111.86
Quality/Appeal	Abv. avg. (restaurant)	Inferior	15%	\$14.07	\$114.42	Similar	0.00%	\$0.00	\$126.29	Sl. inferior	5%	\$6.85	\$153.35	Similar	0.00%	\$0.00	\$111.86
			0.00%	\$0.00	\$114.42		0.00%	\$0.00	\$126.29		0.00%	\$0.00	\$153.35		0.00%	\$0.00	\$111.86
			0%	\$0.00	\$114.42		0%	\$0.00	\$126.29		0%	\$0.00	\$153.35		0%	\$0.00	\$111.86
				\$114.42				\$126.29				\$153.35			\$111.86		
				Adjusted Price /SF	\$114.42			Adjusted Price /SF	\$126.29			Adjusted Price /SF	\$153.35			Adjusted Price /SF	\$111.86

CORRELATION AND FINAL VALUE ESTIMATE

VALUE INDICATED VIA COST APPROACH:	Not reliable
VALUE INDICATED VIA SALES COMPARISON:	\$290,000
VALUE INDICATED VIA INCOME CAPITALIZATION:	\$260,000

The reconciliation process involves weighing the relative significance, applicability, and defensibility of each of the value indicators. The approach which is considered the most appropriate in the appraisal is given the most emphasis in the final value estimate. In this instance only the two most reliable approaches to value were applied. The spread between the high and low value indicators is fairly significant, 12%, but is reasonable for a property of this nature.

The subject property would likely be purchased for majority owner occupancy (i.e. continued use of the lower level as a restaurant). This component contributes significantly more to the overall value. Additional rental income from the upper level would be a secondary consideration. Given the extensive research completed, the appraisers feel it is prudent to give more emphasis to the sales comparison approach.

Conclusion

Based upon an analysis of the real estate market, and after considering all of the pertinent facts, the property being appraised is estimated as having a market value, as of August 23, 2016, of:

TWO HUNDRED EIGHTY THOUSAND (\$280,000) DOLLARS

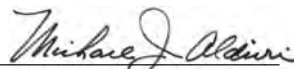
Estimate of Marketing Time


Based upon conversations with respected local real estate professionals including brokers and developers as well as considering historical data, it would seem reasonable to assume that the marketing period for sale of the subject would be about 9 months assuming an aggressive and knowledgeable real estate firm were retained.

CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. The statements of fact contained in the report are true and correct to the best of the appraiser's knowledge.
2. The reported analyses, opinions, and conclusions in the report are limited only by the assumptions and limiting conditions set forth, and are the personal, unbiased, professional analyses, opinions, and conclusions of the appraiser.
3. The appraiser has no present or prospective interest in the subject property and has no personal bias or interest with respect to the parties involved. Nor does the appraiser have a bias with respect to the property that is the subject of this report or to the parties involved with the assignment.
4. The appraiser's compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions on the report or on the use of the report. Also, the appraiser's compensation is not contingent the development of a pre-determined value or direction in value that favors the cause of action of the client, the amount of the value opinion, the attainment of a stipulated result, of the occurrence of a subsequent event directly related to the intended use of this appraisal.
5. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Ethics and Standards of Professional Conduct of the Appraisal Institute, which include the Uniform Standards of Professional Practice.
6. Use of the report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. As of the date of this report. Michael J. Aldieri is certified has completed the continuing education program of the Appraisal Institute.
8. The subject property was most recently physically inspected by David Aldieri on August 23, 2016. Michael J. Aldieri, MAI did not make an inspection.
9. No one provided significant professional assistance in preparing the report.
10. The appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.
11. This property has not been appraised by Aldieri Associates within the past three years. Additionally, we have performed no other services in any other capacity, regarding the property that is the subject of this report with the three-year period immediately preceding acceptance of the assignment.


Michael John Aldieri, MAI
CT Cert. No. CG017
General Certified Appraiser
Expires 4/30/2017


David J. Aldieri
CT Cert. No. CG018
General Certified Appraiser
Expires 4/30/2017

QUALIFICATIONS OF THE APPRAISER

MICHAEL JOHN ALDIERI, MAI

EDUCATION

BENTLEY COLLEGE, Waltham, MA
Bachelor of Science Degree in Economics-Finance May, 1985;
Deans List Student

AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS (now known as Appraisal Institute)

Successfully Completed:

- Principles of Real Estate Appraising - Course 1A1
- Basic Valuation Procedures - Course 1A2
- Capitalization Theory and Techniques Part A - Course 1BA
- Capitalization Theory and Techniques Part B - Course 1BB
- Case Studies in Real Estate Valuation - Course 2-1
- Real Estate Investment Analysis - Course 6
- Valuation Analysis & Report Writing
- Standards of Professional Practice

Recent Seminars Attended (Sampling):

- Residential Subdivision Seminar
- Discounted Cash Flow Analysis Seminar
- Uniform Commercial and Industrial Appraisal Form Seminar
- Non-Residential Demonstration Appraisal Report Seminar
- Attacking & Defending an Appraisal in Litigation
- Eminent Domain & Condemnation Appraisal
- Appraisal Office Management
- How Many Approaches to Value Are There Anyway?
- Supporting Sales Comp. Grid Adj.
- Partial Interest Valuation
- Feasibility Analysis, Market Value & Investment Timing
- Marketing and Valuation of Historic Properties
- Business Practices & Ethics
- USPAP
- Real Estate Agency in CT
- Title Searching
- Real Estate Financing Today
- The Truth About Mold
- Internet Search Strategies for Real Estate
- Cost Approach - Appraising Commercial Prop.
- Professional Guide to the URAR
- Current Trends in the Assessment of R.E.
- Analyzing Distressed Properties
- Small Hotel/Motel Valuation
- The Emerging Market to Market Valuation For Financial Regulators
- Appraising Convenience Stores
- Residential Design & Functional Utility
- Commercial Real Estate - Understanding Investment

WORK EXPERIENCE:

5/85 - Present: ALDIERI ASSOCIATES, INC.

Principal and Real Estate Appraiser. Responsible for appraising commercial, industrial, and residential properties to determine value for purchase, sale, mortgage and loan purposes. Has qualified as an "Expert Witness" in State Court. Currently a licensed real estate salesperson (Lic.# 007519) and licensed and certified (#RCG17) real estate appraiser within the State of Connecticut.

ASSOCIATION MEMBERSHIPS

MAI - Member of the Appraisal Institute (#9900)
Member of the Greater Hartford Board of Realtors

OTHER

- Director of the Connecticut Chapter of the Appraisal Institute (1995-1997).
- Served on the regional experience review committee for the Appraisal Institute.
- Former Co-chair of the Candidate Guidance Committee.
- Former Director of Bristol Boys & Girls Club
- Former Director of Bristol Preschool & Child Care Center
- Former Director of The Greater Bristol Chamber of Commerce, Inc.

Aldieri Associates, Inc.

Real Estate Appraisers and Consultants

QUALIFICATIONS OF THE APPRAISER

David J. Aldieri

EDUCATION

Boston College, Chestnut Hill, MA - 1989 *Magna Cum Laude* graduate of the Carol School of Management with a Bachelor of Science Degree in Finance.

David has successfully completed eight courses sponsored by the Appraisal Institute and well as 30+ seminars sponsored by the Appraisal Institute, the National Association of Realtors, and others.

STATE CERTIFICATION AND LICENSES

Currently certified as a general appraisal by the State of Connecticut (#RCG18). Has been certified since 1992.

WORK EXPERIENCE

Following graduation, David was employed by The Connecticut Bank and Trust Company as a staff Commercial Appraiser II. Responsibilities included the feeing and reviewing of commercial appraisals, as well as in house valuation analyses.

From May 1991, David has been employed by Aldieri Associates, Inc. He became an owner in the firm in 1996. Duties include the appraisal of commercial, industrial and multi-family real estate, including land, for mortgage purposes, litigation, investment decisions etc. David has testified in the State of Connecticut Court system as an expert witness. *Since 1991, the appraiser has completed over 2,500 commercial narrative appraisal reports of real property within the State of Connecticut.* Secondary duties include information technologies director and financial officer of the firm.

OTHER

- Current Board Member of Main Street Community Foundation and serve on investment, technology and scholarship committees.
- Past Board Member of Bristol Boys and Girls Club of Bristol, and Family Center Inc.
- Past President of the Bristol Rotary Club
- Past Treasurer of the Bristol Rotary Club
- Past Treasurer of the Karl Schwartz Bristol Rotary Scholarship Inc.
- Past Finance Board Member of Saint Matthew Parish.
- Served on various committees of other non-profit organizations including United Way and Bristol Hospital.

ALDIERI ASSOCIATES, INC. - PARTIAL LIST OF CLIENTS

Lending Institutions Currently Served

Farmington Bank
United Bank
People's United Bank
First Niagra Bank
T.D. Bank NA
Cournty Bank
Thomaston Savings Bank
Rockville Bank
Webster Bank
Bank of America
Liberty Bank
Ion Bank
Insurbank
Simsbury Bank
First Bristol Federal Credit Union
Windsor Federal Bank

Federal Government & State Agencies Served

City of Bristol
Connecticut Development Authority
Connecticut Housing & Financing Authority
Department of Housing & Urban Development (FHA)
Environmental Protection Agency, State of CT
Federal Home Loan Bank Board
F.D.I.C.
General Services Administration, Region I
Town of Plainville
Town of Plymouth
Town of Southington
Town of Burlington
United States Postal Service
United States Justice Department

STATE OF CONNECTICUT ♦ DEPARTMENT OF CONSUMER PROTECTION

Be it known that

MICHAEL JOHN ALDIERI
78 LARKSPUR LN
BRISTOL, CT 06010-2395

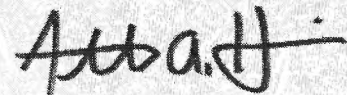
has been certified by the Department of Consumer Protection as a licensed

CERTIFIED GENERAL REAL ESTATE APPRAISER

License # RCG.0000017

Effective: 05/01/2016

Expiration: 04/30/2017



Jonathan A. Harris, Commissioner

STATE OF CONNECTICUT ♦ DEPARTMENT OF CONSUMER PROTECTION

Be it known that

**DAVID J ALDIERI
PO BOX 796
BRISTOL, CT 06011-0796**

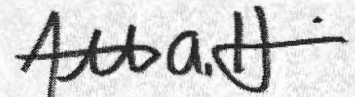
has been certified by the Department of Consumer Protection as a licensed

CERTIFIED GENERAL REAL ESTATE APPRAISER

License # RCG.0000018

Effective: 05/01/2016

Expiration: 04/30/2017



Jonathan A. Harris, Commissioner

ADDENDA

Legal Description
Engagement Letter

5132

WARRANTY DEED

To all People to Whom these Presents shall Come, Greeting:

KNOW YE, That We, Sheikh Ali and Shamim Sheikh, of the Town of Middletown, County of Middlesex and State of Connecticut, and Shah Laila and Shah Syed, of the Borough of Brooklyn, City of New York and State of New York,

for consideration paid of Three hundred five thousand dollars (\$305,000.00), and other good and valuable consideration, received to our full satisfaction of 307 Main Street Cromwell, L.L.C., a Connecticut Limited Liability Company with its principal place of business at 307 Main Street in Cromwell, Connecticut 06416,

do give, grant, bargain, sell and confirm unto the said 307 Main Street Cromwell, L.L.C., the following described real property, with WARRANTY COVENANTS;

A certain piece or parcel of land more particularly described on Schedule A attached hereto and made a part hereof.

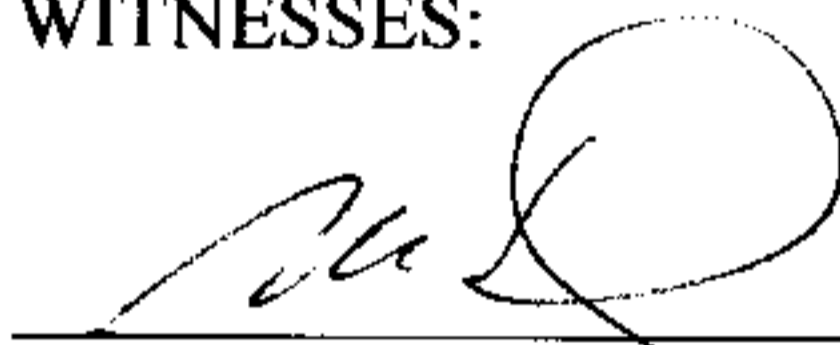
Being the same premises described in a Warranty Deed from 307 Main Street, LLC, to Shah Laila and Shah Syed and Ali Sheikh and Shamim Sheikh, dated May 4, 2004, and recorded in the Cromwell Land Records, at Volume 1018 at Page 138.

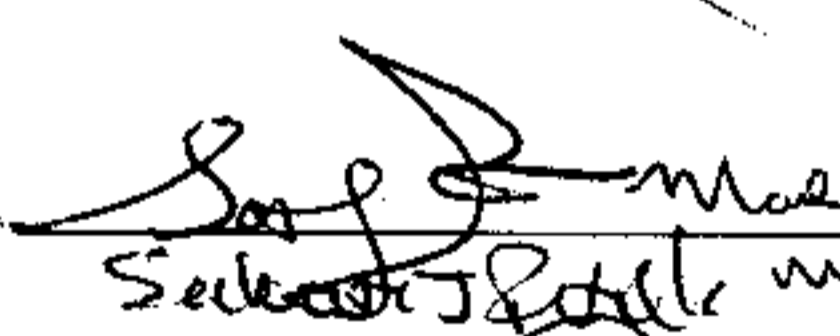
1. Said premises are subject to taxes due the Town of Cromwell and the Cromwell Fire District, on the List of October 1, 2003, which the Grantees herein assume and agree to pay as part consideration for this deed.


2. Any and all provisions of any municipal ordinance or regulation, any federal, state or local law, including, but not limited to, the provisions of any zoning, building, planning or inland wetland and water course rules and regulations governing the subject property, building lines and easements and restrictions as of record appear.

Signed this 21st day of October 2004.

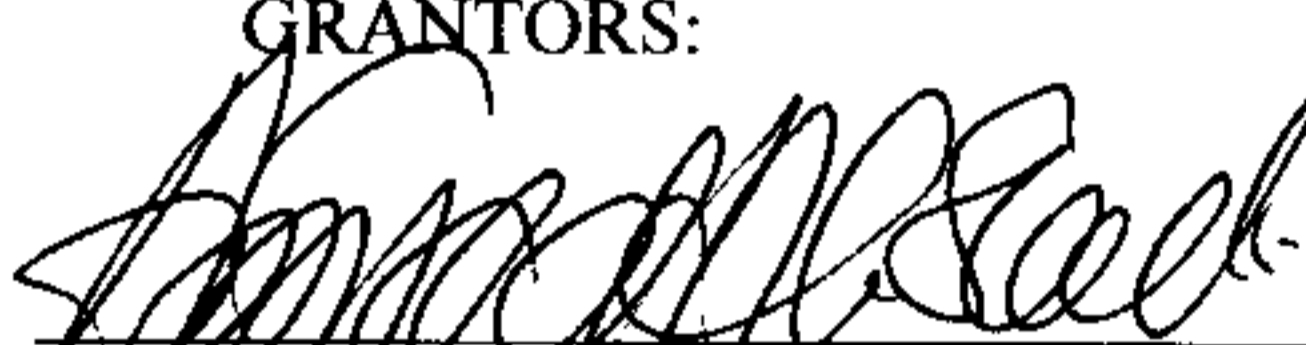
WITNESSES:









GRANTORS:

 (L.S.)

Sheikh Ali
 (L.S.)

Shamim Sheikh
 (L.S.)

Shah Syed

\$762.50 Conveyance Tax received

\$ 3,050.00 STATE


Town Clerk of Cromwell

VOL 1053 PAGE 102

Continuation Signature Page

Signed this 21st day of October 2004.

WITNESSES:

GRANTORS:

MOHAMMAD YOUSUF

Laila (L.S.)
Shah Laila

ILYAS KHAN

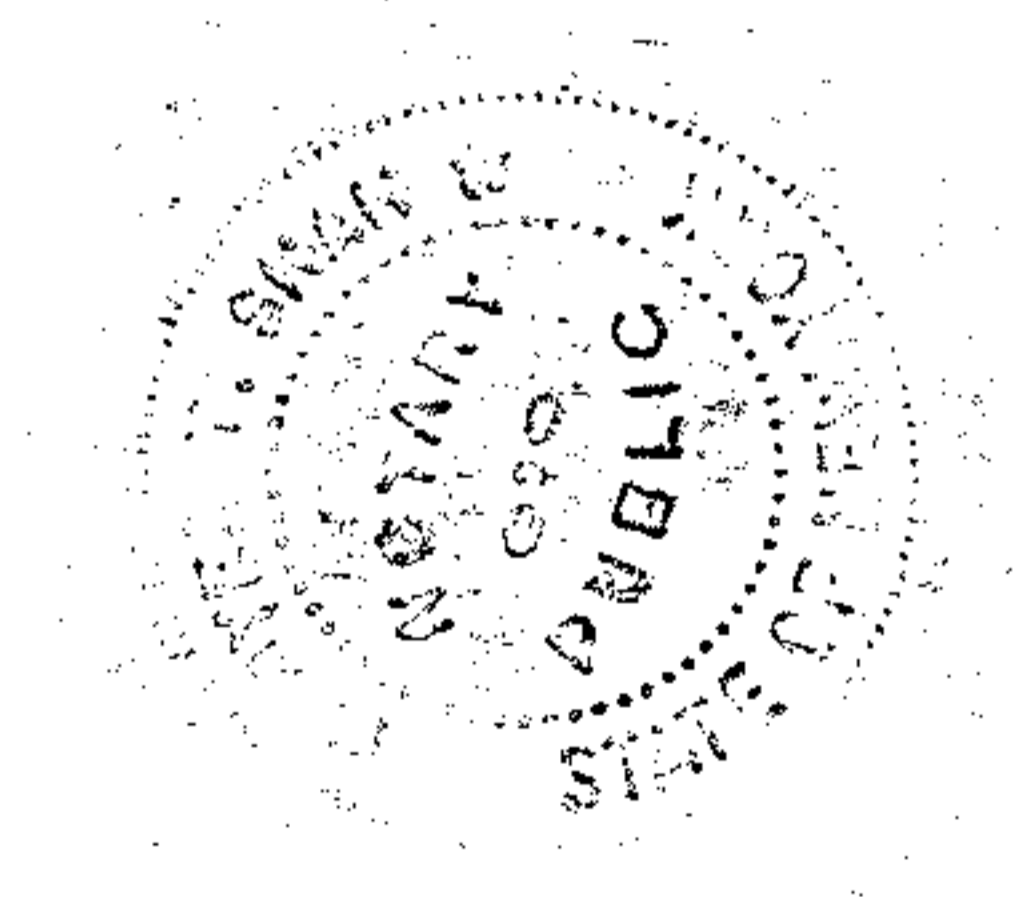
STATE OF NEW YORK }
COUNTY OF Kings } ss:

On this 21st day of October 2004, before me, personally appeared, Shah Laila, known to me to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same for the purposes therein contained, as her free act and deed.

In Witness Whereof, I have set my hand.
[Signature]

Commissioner of the Superior Court
Notary Public
My Commission Expires April 08, 2006

SYED T. SHAH
Notary Public, State of New York
No. 01SH6072696
Qualified in Kings County
Commission Expires April 08, 2006



SCHEDULE A

All that certain lot, piece or parcel of land, with the buildings and improvements thereon, situated in the Town of Cromwell, County of Middlesex and State of Connecticut, shown and designated as "The Red Wing Oil Company" on a map on file in the Office of the Town Clerk of said Cromwell entitled "Map Showing Boundary Line Agreed Upon by Mary K. Hamlin, et als, & The Red Wing Oil Company Main Street, Cromwell, CT., Scale 1"=20' Nov. 28, 1956 L. Norman Germain Civil Engineer & Land Surveyor 116 College Street, Middletown, Conn.", reference in which is hereby made. Said premises are more particularly bonded and described as follows:

Commencing at a bound stone in the westerly highway line of said Main Street, which highway line has been designated and established by the Connecticut Highway Department, and is shown on a map on file in the Office of the Town Clerk of said Cromwell, which point is 162.0 feet southerly from a Connecticut Highway Department monument located at the intersection of said westerly highway line of Main Street and the easterly right of way line of land now or formerly of the New York, New Haven and Hartford Railroad Company; thence westerly in a straight line making an angle of $74^{\circ}, 40'$ with said highway line of Main Street, 85.8 feet to a bound stone set in the said easterly right of way line of the said Railroad Company; thence northeasterly in a straight line along the said easterly right of way line making an angle of $74^{\circ} 37' 30''$ with the last described course, 162.0 feet to said Connecticut Highway Department monument located at the intersection of Main Street and said right of way line; thence southerly in a straight line along said westerly highway line of said Main Street, making an angle of $30^{\circ} 42' 30''$ with said right of way line 162.0 feet to the point or place of beginning.

Together with and subject to all rights, privileges, easements, restrictions, reservations, covenants, agreement, consents, drainage and riparian rights, utility line rights and all other encumbrances appurtenant to and affecting premises described above, appearing of record in the aforesaid land records.

Recorded Oct. 25, 20 04
 2:52 ^{AM} _{PM} Barbara A. DiBerto
 Cromwell Town Clerk



ENGAGEMENT LETTER

Client:	First Niagara Commercial	Lender:	First Niagara Commercial
Address:	239 Van Rensselaer Buffalo, NY 14210	Address:	239 Van Rensselaer Buffalo, NY 14210
Phone:	716-848-8449		
Fax:			
Email:			

SERVICE PROVIDER INFORMATION

Service Provider:	David Aldieri
Address:	P. O. Box 796 Bristol, CT 06011
Phone:	860-989-8930
Fax:	
Email:	davidaldieri@yahoo.com

LOAN INFORMATION

Document ID:	20160803-1743-1
Loan Number :	7112036673855
LockBox Combo:	
Job Manager Name:	Eric Sutula
Job Manager Email:	eric.sutula@fnfg.com
Job Manager Phone:	
Job Manager Phone Ext:	
Borrower Name:	N & O LLC
Order Date:	08/03/2016 7:36AM
Inspection Date:	
Due from Service Provider:	<u>09/07/2016 12:00PM</u>
Closing Date:	09/13/2016
Property Address:	307 Main Street CROMWELL, CT 06416
Loan Purpose:	Acquisition
Loan Classification:	Commercial
Sales Price:	XXXXXX
Property Type:	Retail- Restaurant
Occupancy:	Owner Occupied > 50%
Service:	APR-Commercial Appraisal
Requires 1004MC:	NO
Sub Loan Type:	n/a
Government Case Number:	n/a
Service Provider Fee:	\$2,800.00

DEFINITIONS

Project Name:	N & O LLC
Legal Description:	n/a
	n/a

Assessor's Parcel Number:	
Total Buildings size (sq. ft.):	9583
Site Size:	0.22
Number of Copies:	1
Number of Buildings:	1
Number of Stories:	2
Number of Units:	3
Number of Tenants:	3
Year Built:	1957
Year Last Renovated:	n/a
Parking Type:	On-Site
Site Description:	.22 acre DC zoned
Improvements Description:	Two story building with retail/restaurant on first level and two offices on second level.
Report Type:	Appraisal Report
Property Rights Appraised:	Fee Simple and Leased Fee
Appraisal Premise:	As Is
Scope of Work:	Sales and Income Approaches are required. The current restaurant tenant is the contract purchaser. There are two second floor office tenants.

CONTACT INFORMATION

Contact Name	Address	City	State	Zip	County	Phone Number (ext)	Alternate Phone Number (ext)	Email	Cell Phone	Contact Type
N & O LLC	307 Main St	CROMWELL	CT	06416	MIDDLESEX	2036673855		fabiolourenzoni@hotmail.com		Borrower

INSTRUCTIONS

You are required to make reasonable attempts to establish contact with the borrower/applicant/site contact within 36 hours of this engagement. Email the FNFG Appraisal Department job manager assigned to this project through CMS if you are not successful. Similarly, if access, information and property details are not provided to you in a timely fashion by the site contact, email the job manager who will address the issue immediately. When completed, please upload an electronic copy of your report CMS. Please do not mail hard-copies until instructed to do so by the First Niagara job manager. Be sure to upload any invoices in a separate document to avoid any delays in payment.

Unless otherwise stated, First Niagara Bank is unaware of any encumbrances to the subject property at this time; however in the event that this is not the case, it will be necessary for you to opine market value for any and all of the appropriate real property interests that may exist. In this scenario, the job manager must be notified before proceeding. Part of the scope of this assignment includes identifying if the subject property is impacted by a flood designation. Limitations to accuracy aside, should there be identification to the affirmative, the scope of this assignment must be increased to include the explicit enumeration of the insurable structures onsite, as well as separate analysis of Insurable Value. The intended users of the report, and those whom must be able to rely on its conclusions, will be First Niagara Bank, N.A., its successors, assigns, and other possible participants in the loan transaction. First Niagara Bank, N.A. is the client; strict confidentiality must be adhered to. All discussions regarding this assignment are to be held with the job manager.

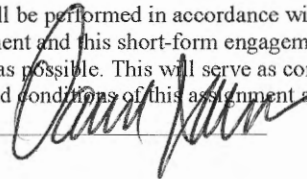
Should the appraisal report not be received by the due date, it is understood that you may incur a penalty of \$100 per day for each day the report is late. This penalty may be waived or reduced should circumstances beyond your control preclude delivery, provided you obtain approval from the job manager prior to the date of delivery. All requests to extend the completion date of this assignment must be submitted in writing. It is the understanding of First Niagara that your firm possesses a minimum of \$1,000,000 Errors and Omissions Insurance coverage, and that there are no claims pending. If either condition is not met, the job manager must be notified before proceeding. Furthermore, it is implied that you and those in your employ stand behind your work product and value conclusions. Thus, those performing this service are liable to the fullest extent for any claim made; exposure is not limited to the appraisal fee alone.

If you agree to proceed, please visit CMS. If applicable, additional scope items and/or details pertaining to the subject property or general assignment, such as plans and specifications, will be available there as well as within your engagement letter. Upon the assignment's completion an electronic copy of the report, together with all applicable electronic files involved in the analysis (ARGUS, EXCEL, etc.), must be uploaded in a similar fashion. Reports must be properly addressed and signed. Draft reports are not acceptable and will be rejected. If during First Niagara's review process subsequent revisions are necessary, they must be submitted within 24 hrs via the workflow platform.

On your invoice, please reference the subject property's identification, FNFG File #, and the borrower's name. Any questions pertaining to this assignment should be addressed with job manager.

ACCEPTANCE

The requested appraisal service will be performed in accordance with the terms and conditions of the Master Engagement Agreement and this short-form engagement letter. Please sign, date, and upload this document as soon as possible. This will serve as confirmation that you have received and accepted the terms and conditions of this assignment and those set forth by the Master Engagement Agreement.

A handwritten signature in black ink, appearing to read "Chris Miller", is written over a horizontal line. The signature is cursive and somewhat stylized.