BENNETT FRANKLIN REAL ESTATE SERVICES

APPRAISAL REPORT
1294 Chapel Street
New Haven, CT 06511

Prepared For
Alpha Realty Advisors
2945 Townsgate Road, Suite #110
Westlake Village, CA 91361

Effective Date of Valuation
October 23, 2024

Effective Date of Market Conditions
October 23, 2024

October 29, 2024

Alpha Realty Advisors
2945 Townsgate Road, Suite #110
Westlake Village, CA, 91361

Re: Appraisal Report

1294 Chapel Street, New Haven, CT, 06511
Bennett Franklin Appraisal Report # BF 11965
Alpha Realty Advisors File Number: 6723217619
Alpha Realty Advisors Job ID: B2355728

To Whom It May Concern:

At your request, for the benefit of Alpha Realty Advisors (the client) we have inspected the property located at 1294 Chapel Street, New Haven, CT, 06511. The subject property contains approximately 0.27 acres. The subject property is improved with a two-story office building that contains approximately 6,950 square feet that is partially owner - related entity occupied and partially tenant occupied; the property is utilized in conjunction with the owner related entity's non-profit/small business incubator business development program / business that they operate from the property. The site is improved with an asphalt paved driveway and parking area (20+/- spaces), storm drains, fencing, shrubs, etc.

The subject property was inspected and photographed on October 23, 2024. The purpose of our inspection and the accompanying analysis is to provide our opinion of the 'as is' market value and insurable value of the subject property as of October 23, 2024. The intended use of the appraisal is for loan underwriting and-or credit decisions by the client and-or participants/affiliates. The intended users of the report are Alpha Realty Advisors / client and / or its affiliates.

The analysis and conclusions within this Appraisal Report are based upon field research, data collected from market participants and public records. The scope of this assignment includes applicable methods of valuation. It is our determination that this appraisal does not result in a misleading or confusing report. It is understood that the client is aware of the scope of this appraisal and is familiar with the subject property and/or the subject property type.

The accompanying report has been made in accordance with the minimum standards set forth in Title XI of the Financial Institutions Reform, Recovery Act (FIRREA) as amended and the Uniform Standards of Professional Appraisal Practice. Included in the report is a description and analysis of the real estate, all pertinent data, valuation methodology, supporting relevant exhibits, and addenda to the report.

As indicated we have inspected the subject property and we have conducted market research respective to similar properties in the market area. In accordance with the definitions, certifications and limiting conditions as set forth in this Appraisal Report, it is our conclusion that the opinion of value determined in this appraisal report is well supported. Based upon the analysis completed it is our opinion that the "as is" Market Value of the Fee Simple interest in the subject property, as of October 23, 2024 is:

One Million One Hundred Sixty Thousand Dollars
$1,160,000

Thank you for contacting us for this assignment. If you have any questions concerning our valuation and analysis we may be reached at (413) 526-0800.

Jerome Franklin
CT- Certified General Real Estate
Appraiser License #894,
Expires April 30, 2025

Robert Harrington
CT- Certified General Real Estate
Appraiser License #1529,
Expires April 30, 2025

TABLE OF CONTENTS

Summary of Property Details

Location:	1294 Chapel Street, New Haven, New Haven County, CT, 06511
Ownership:	Greater New Haven Business and Professional's Association, Inc.
Parcel ID:	NHVN-000269-000016-000100
Unique ID:	297 0215 009000
Legal Description:	Volume 1018, Page 96
Property Rights Appraised:	Fee Simple
Value Appraised	Market Value and Insurable Value
Date of Report:	October 29, 2024
Date of "As Is" Valuation:	October 23, 2024
Land Area:	The property contains approximately 0.27 acres.
Zoning:	Business A (BA - General Business)
Improvements:	The subject property is improved with a two-story office building that contains approximately 6,950 square feet that is partially owner - related entity occupied and partially tenant occupied; the property is utilized in conjunction with the owner related entity's non-profit/small business incubator business development program / business that they operate from the property.
Highest and Best Use of the Site:	HBU as vacant is for development in an allowed commercial / mixed-use capacity (retail/service provider on the ground floor with upper level apartments) at the highest possible density allowed by zoning based on market demand.
Highest and Best Use as Improved:	HBU as improved is for continued use in an office / service provider related capacity.
Type of Value:	Market Value and Insurable Value

VALUE INDICATIONS

Market Value Conclusion(s)	**As Is-Market**	**Insurable Value**
Land Value:	N/A	
Cost Approach:	N/A	
Sales Comparison Approach:	$1,190,000	
Income Approach:		
Direct Capitalization	$1,120,000	
Reconciled Value(s):	**$1,160,000**	**$1,110,000**

Description of the Appraisal Report
This valuation is an Appraisal Report, which can be used by financial institutions and individuals subject to Title XI of the Financial Institutions Reform Recovery Act (FIRREA) and the Uniform Standards of Professional Appraisal Practice (USPAP). This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses. In consideration of the subject property type and the client's knowledge of the subject's market area it is our determination that this Appraisal Report is appropriate.

Purpose of the Appraisal
The purpose of our inspection and the accompanying analysis is to provide our opinion of the 'as is' market value and insurable value of the subject property as of October 23, 2024.

Intended Use and Intended User
The intended use of the appraisal is for loan underwriting and-or credit decisions by the client and-or participants/affiliates. The intended users of the report are Alpha Realty Advisors/client and / or its affiliates.

Competency Statement
Based on our knowledge of the subject property and the real estate market that it competes within, we have the knowledge and experience to complete this assignment in accordance with the competency rule in the Uniform Standards of Professional Appraisal Practice (USPAP).

Contingent and Limiting Conditions
We assume no responsibility for matters legal in nature, nor do we render any opinion as to the title, which is assumed to be marketable.

Any sketches, plats, maps, or other exhibits in this report are included to assist the reader in visualizing the property and we assume no responsibility for their accuracy. We have made no survey of the property.

We are not required to give testimony or appear in court because of having made this appraisal report, with reference to the property in question, unless arrangements have been previously made thereof in writing.

We assume that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. We assume no responsibility for such conditions or for engineering which might be required to discover such factors.

We have assumed that the subject site will or has met all acceptable standards with regard to any existing Federal or State hazardous waste material laws.

Information, estimates and opinions furnished to us and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy can be assumed by us.

The distribution of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

The Americans With Disabilities Act of 1990 requires, in some instances, retrofitting of buildings to maximize accessibility by persons with disabilities. Assumptions regarding cost of compliance by the owner (s) with this civil rights act, which became effective on January 26, 1992, have not been made in arriving at the opinion of value set forth herein. Please contact the undersigned in this regard if such additional work will be required for present purposes.

Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by anyone but the client without the previous written consent of the appraiser and the client; nor shall it be conveyed by anyone including the client, to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser, or a firm with which he is connected.

We have complied with the appraisal standards as promulgated by the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

We who were involved in this assignment worked in tandem and have experience in the valuation of properties similar to the subject and are competent in the valuation of such properties.

We certify that we are appropriately licensed or certified to appraise the subject property in the State in which it is located.

Certification Statement

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- No photographs have been altered in this report.
- The appraisers have not performed prior services associated with the subject property in the three-year period immediately preceding the agreement to perform the assignment.
- Jerome Franklin certifies that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. Jerome Franklin certifies that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Jerome Franklin has made an exterior inspection of the subject property.
- Robert Harrington has made an inspection of the subject property.

Jerome Franklin
CT- Certified General Real Estate Appraiser
License #894, Expires April 30, 2025

Robert Harrington
CT- Certified General Real Estate Appraiser
License #1529, Expires April 30, 2025

Qualifications of Jerome Franklin

Education

Bentley College - MBA, 1992
Western New England College - BSBA, 1989
Appraisal Institute courses attended and successfully completed
 Real Estate Appraisal Principles – 110,
 Real Estate Appraisal Procedures - 120
 Basic Income Capitalization - 310
 Standards of Professional Practice, Part A - 410, Part B – 420, Part C - 430
 Advanced Income Capitalization - 510
 Highest & Best Use and Market Analysis - 520
 Advanced Sales Comparison and Cost Approaches – 530
 Report Writing and Valuation Analysis – 540
 Advanced Applications - 550
 Passed Appraisal Institute General Comprehensive Examination

Business Experience

Bennett Franklin Real Estate Services, Partner, East Longmeadow, MA
Independent Real Estate Appraiser / Consultant / Broker, Springfield, MA
Crowley Real Estate Appraisers, Inc. Springfield, MA, Real Estate Appraiser
United States Navy, Electrical Technician

Licenses
Massachusetts Certified General Real Estate Appraiser License #5219
Connecticut Certified General Real Estate Appraiser License #894
Massachusetts Licensed Real Estate Broker #9018019
New York Certified General Real Estate Appraiser License #46000046409
Vermont Certified General Real Estate Appraiser License #080.0095482

Current and Past Memberships
Member National Council of Housing Market Analysts (NCHMA)
General Associate Member of the Appraisal Institute; Candidate for MAI designation
Member of the Greater Springfield Board of Realtors
Member of the Massachusetts Board of Realtors and National Association of Realtors
Springfield Planning Board (Chairman)
Springfield Taxicab Commission
Better Homes of Springfield, Board of Directors
Western Massachusetts Council, Boy Scouts of America, - Executive Board

Client List Available Upon Request

Qualification of Robert Harrington

Education

Union College-BA, 1998

Appraisal courses attended and successfully completed
- Basics of Real Estate Appraisal
- Uniform Standard of Professional Appraisal Practice
- Appraising Income Properties
- Residential Sales and Income Approach
- Residential Market Analysis and Highest and Best Use
- Advanced Income Property Appraising
- Basics of Real Estate Appraising

Business experience

Independent MA Cert. Gen. R.E. Appraiser, East Longmeadow, MA
General Contractor-Massachusetts
Cleaner Image, Co-owner, Framingham, MA

Licenses

MA Cert. Gen. R.E. Appraiser Lic. #75351
CT Cert. Gen. R.E. Appraiser Lic. #1529

Client List Available Upon Request

Scope of Work

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	An interior and exterior inspection of the subject property has been made, and photographs taken.
Information Sources:	The following description is based on our property inspection, [assessment records, property deeds, associated legal documents, survey data, etc.] research of local assessor's offices, planning departments, collectors offices, regional data sources, conversations with brokers, managers, investors and owners familiar with similar properties as well as information provided by the property owner and/or representatives of the property owner.
Additional Information:	We have conducted research of property characteristics of the subject (site and improvements). We have researched if there are adverse site and property conditions. We have reviewed income and expense information when and if provided. We have reviewed lease agreements when and if provided. We have reviewed agreements for sale when and if provided.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	An 'as vacant' and 'as improved' highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value
<u>Valuation Analyses</u>	
Cost Approach:	A cost approach was not applied as the actual age and condition of the improvements makes the depreciation difficult to accurately measure. In addition, market participants typically do not place emphasis on this approach to value for a property such as the subject.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop an opinion of value via this approach and this valuation method reflects typical market behavior for this property type.

Income Approach:	An income approach was applied as while the subject property type is often owned by an entity that occupies the property in the conjunction with the operation of a business, the subject property type is in some instances owned by an investor, who leases / rents the improvements to a tenant. In addition, market participants in some cases place some emphasis on this approach to value.
Hypothetical Conditions:	• None
Extraordinary Assumptions:	• None
Information Not Available:	• None

"As Is" Value

The "as is" value is considered to represent the value of the property in its current condition as of the effective date of the appraisal. It represents the most probable price that a proposed purchaser would pay for the subject considering all of the costs and risks inherent in its future ownership.

Effective Date of the Appraisal Report

The subject property was inspected and photographed on October 23, 2024. At the request of the client we are to provide our opinion of the 'as is' market value and insurable value of the subject property. Our "as is" valuation of the subject property is as of October 23, 2024.

Personal Property

The opinion of value provided in this report concerns the real estate only and does not include the valuation of any other personal property such as furniture, licenses or goodwill of the owner or the tenants.

Property Rights Appraised

The subject property is currently occupied by an entity that is reportedly related to the ownership and some tenants at will and reportedly there are no long term leases encumbering the property. Thus, we have appraised the fee simple interest in the subject property. The fee simple interest is defined as follows.

> *"absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.*"[1]

Identification of the Real Estate

The property which is the subject of this appraisal report is located at 1294 Chapel Street, New Haven, New Haven County, CT, 06511. The property is also noted at the New Haven Assessors Office on Map 269, Block 16, Lot 100.

[1] The Appraisal of Real Estate, Appraisal Institute, 10th Edition, 1992, p. 122

Definition of Market Value

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

(1) buyer and seller are typically motivated;

(2) both parties are well informed or well advised, and acting in what they consider their own best interest;

(3) a reasonable time is allowed for exposure in the open market;

(4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."[2]

Insurable value

Per the client's request, we will provide the insurable value of the subject property. The insurable value is defined as:

The…"value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and non-insurable items. Sometimes cash value or market value but often entirely a cost concept."[3].

Ownership of Property / Sales History

Greater New Haven Business and Professional's Association, Inc. was granted ownership of the subject property from RL1, LLC for $1,136,000 as noted in Volume 1018, Page 96. The deed is dated June 4, 2021 and recorded in the New Haven Clerk's Office. To our knowledge there have been no transfers of the subject property in the past three years; the property is reportedly not actively listed for sale or encumbered with a purchase and sale agreement.

There are typical utility easements crossing the subject property. After a review of the legal description contained in the deed it is our opinion that there are no easements or restrictions that are considered to adversely impact the subject property. Please reference Limiting Conditions and Assumptions.

Our research unveiled the deed mentioned above which is considered adequate for the purposes of this appraisal report. Further title analysis is beyond the scope of this appraisal, and we recommend that a complete title search be conducted by a qualified individual. A copy of the deed is in the addendum.

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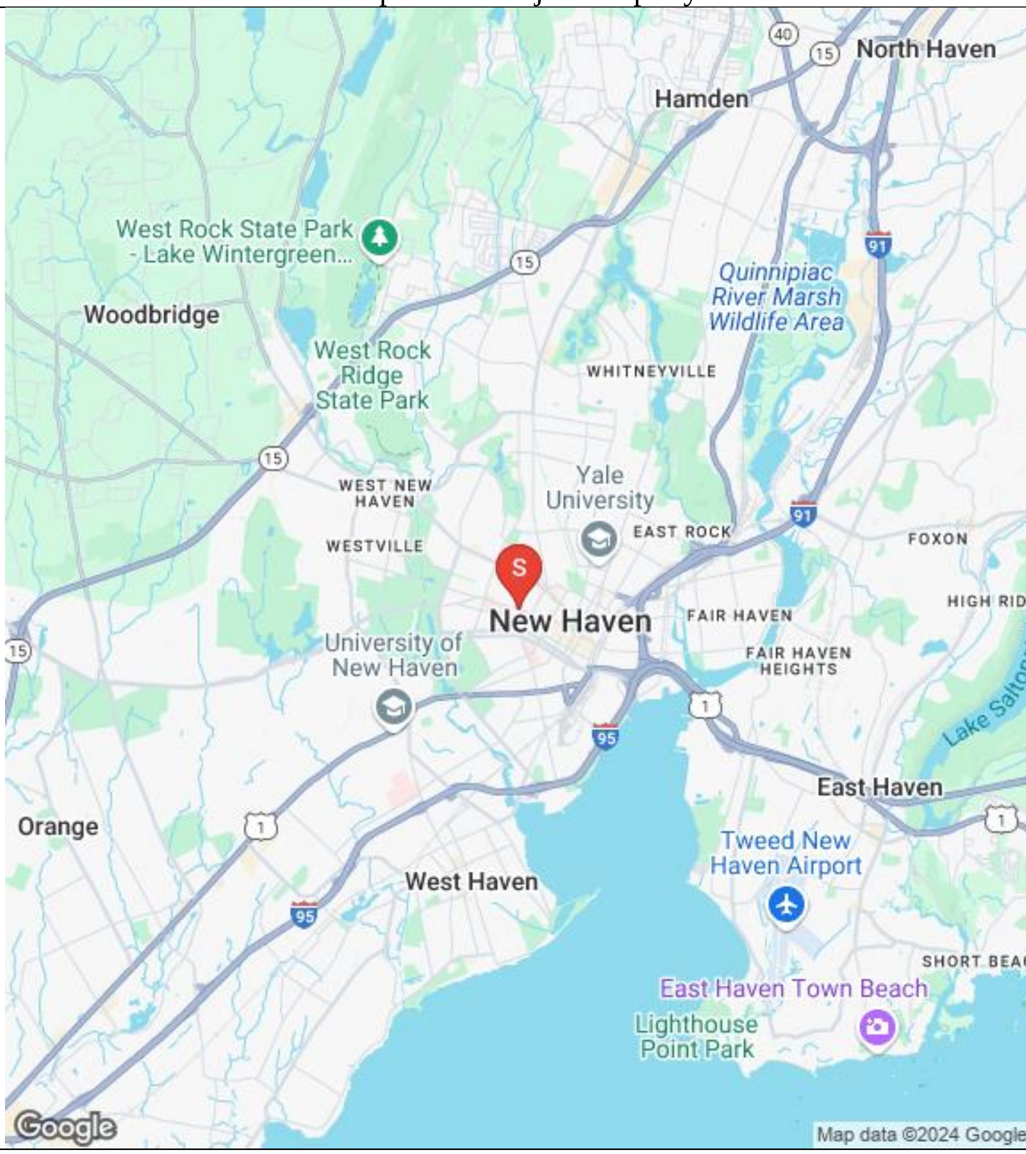
[2] Interagency Appraisal and Evaluation Guidelines, Office of the Comptroller of the Currency, Treasury (OCC); Board of Governors of the Federal Reserve System (FRB); Federal Deposit Insurance Corporation (FDIC); Office of Thrift Supervision, Treasury (OTS); and National Credit Union Administration (NCUA), Federal Register / Vol. 75, No. 237 / Friday, December 10, 2010

[3] The Dictionary of Real Estate Appraisal, 4th Addition, 2002, Pg. 147

New Haven Community Analysis

The City of New Haven covers an area of 19 square miles in southern/central New Haven County. New Haven is bordered by North Haven and Hampden on the north, East Haven on the east, West Haven and Woodbridge on the west and New Haven Harbor/Long Island Sound on the south. New Haven is traversed by U.S. Highway Routes 5 and 1, Interstate 91, Interstate 95, State Highway Routes 63, 10, 34, 17, and 80. The majority of commercial and retail properties in New Haven are located along these roadways. New Haven is a densely populated City with a population estimate of 134,023 residents as of as of April 1, 2020, according to the US Census Bureau, which is a slight increase from the 2010 US Census population estimate of 129,779; the population per square mile is approximately 7,171 residents in New Haven (2020) compared to approximately 1,430 per square mile in New Haven County (2019-most recent data).

Map of the Subject Property



The housing market is dominated by renters based on US Census Bureau Statistics, which indicate approximately 71% of the housing stock in New Haven is renter occupied compared to the 29%+/- of the housing units being owner occupied. There has been a large amount of new housing developed in New Haven in the past several years with most being associated with multi-unit housing in an around the CBD and the Yale Campus. Between the beginning of 2018 and through the end of 2022, there were between 4 and 16 new single family home building permits issued annually; during this same time period there were between 286 and 722 housing units located in multi-family structures permitted for development annually in New Haven. The annual number of permits issued for housing in multi-family structures during the noted time period are: 456 units in 2018, 695 units in 2019, 722 units in 2020, 286 units in 2021, and 491 units in 2022. In 2023, there were 8 single family home building permits issued in New Haven and 553 new housing units permitted for development at multi-unit properties and through August of 2024, there have been six new single family home permits issued and another 536 units permitted for development in multi-unit projects ranging from duplexes to 280+ unit develompents. It is apparent that the pace of development in New Haven has remained strong over the past several years with a heavy emphasis on multi-unit projects.

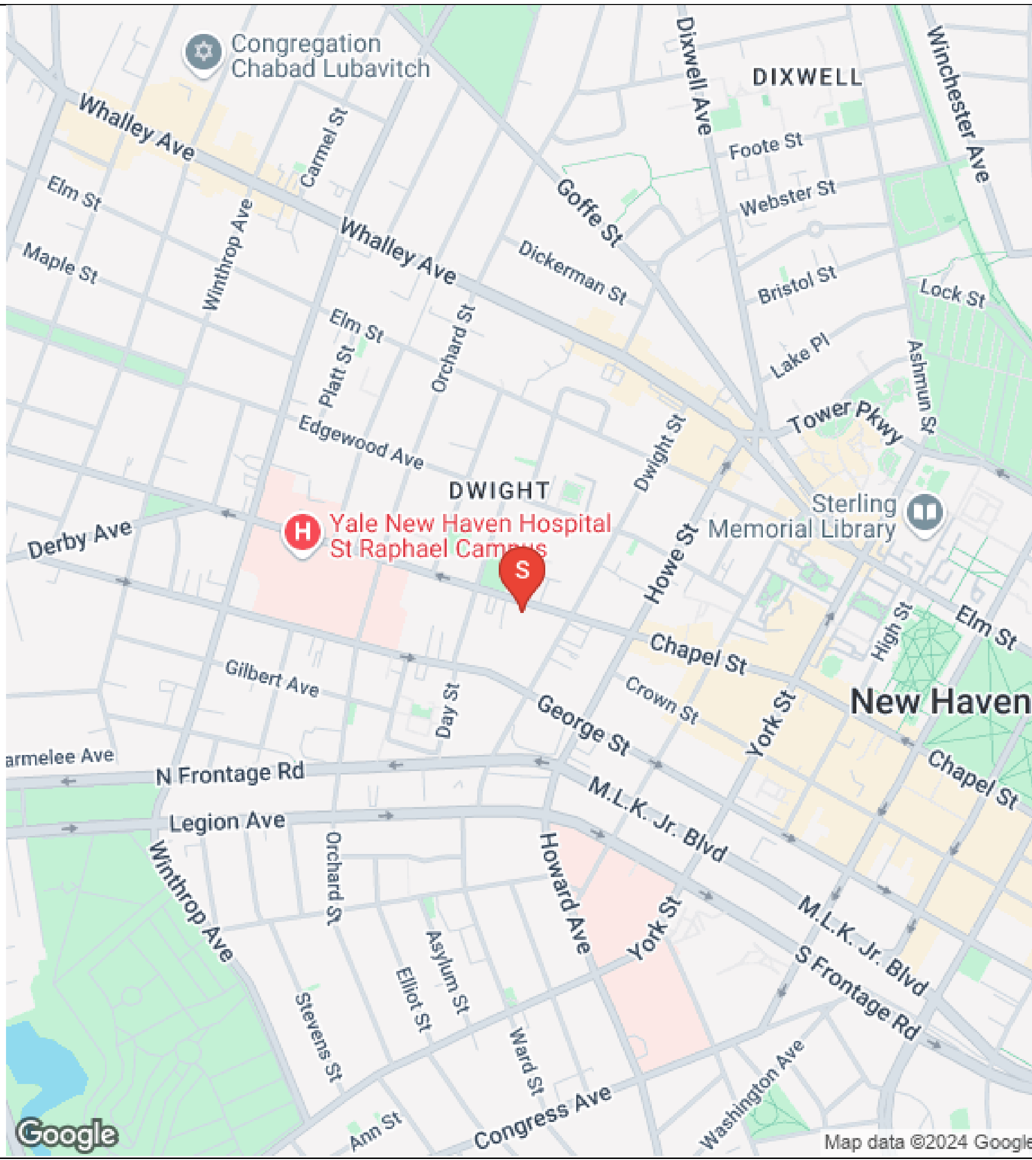
New Haven is the home to a variety of industries and major corporations spanning the spectrum of the medical, health care, service, and research development. The economic base of New Haven is diverse with the Educational Services Industry providing 25,944 jobs (100+/- employers) and the Health Care and Social Assistance Industry providing 16,187 jobs (400+ employers) being the two leading employment industries. The next two leading employment sectors in the private market are the Administration and Support Services Industry, which provides 5,456 jobs (150+ businesses/employers) and the Accommodation and Food Services Industry, which provides 4,391 jobs at 400+ businesses. The Government Industry provides 13,859 jobs.

The five major employers in New Haven include: Yale-New Haven Health System, Yale University, Southern Connecticut State University, Knights of Columbus, and AstraZeneca Alexion. According to filings at the Secretary of State's office as of August 2023 there were 12,146 actively registered businesses in New Haven. According to the Connecticut Division of Employment and Training, as of September 2024, there was a 3.1% unemployment rate in New Haven. This rate indicates that the City of New Haven is operating at a slightly higher level of unemployment than the New Haven Labor Market Area (LMA), which had a rate of 2.4%, and the State, which had a 2.5% rate for the same period. The average median household income in New Haven between 2018 and through 2022 (US Census Bureau information in 2022 dollars) is noted in the amount of $54,305 versus a median household income in the South Central Connecticut Planning Region of $83,617 for the same time period.

Yale University is continually undertaking new projects to enhance their campus and the general outlook for the community in the future would be one of stabilized growth within the downtown sector and around the Yale campus. The City has taken and maintained a positive / pro-business stance as evidenced by the number of incentives and allowed / approved development in the recent past. However, as has been the case in the past, developments outside of the CBD and away from the Yale Campus are anticipated to remain somewhat stagnant.

Neighborhood of Subject Analysis

The subject property is located on the southerly side of Chapel Street in the 'Dwight' Neighborhood, which is located in the westerly-central portion of the City of New Haven, CT. Chapel Street is a moderately traveled roadway that provides one-way / westerly travel past the subject property; according to the a CT DOT Traffic Study, recorded in 2023 and updated in September of 2024, approximately 5,600 cars that travel past the subject property along Chapel Street on a daily basis. The neighborhood of the subject property is defined by Howe Street and the heart of the CBD to the east, Whalley Avenue to the north, North Frontage Street to the south, and Sherman Avenue and Ella T. Grasso Boulevard to the west.



The neighborhood of the property is densely developed with a mix of property uses that include retail, office, and service provider uses, multi-family homes, mixed use properties, religious uses, municipal uses, etc.

Some of the specific uses in the neighborhood of the subject property include Glory African Hair Braiding, Immanuel Missionary Baptist Church, APHN (A Place to Nourish Your Health), Howard K. Hill Funeral Home, Cuvin K. Council Funeral Home, Achievement First Amistad Academy, Unity Square Community Center, Dux Market, Grimes Center (Pain Management), St. Regis Health Center, and others.

Based on all available information, it is likely that the immediate neighborhood will remain a moderately / heavily traveled and densely developed commercial and mixed use area with limited new development due to the lack of available land area in the neighborhood of the subject property that could accommodate such uses. However, as has occurred in the past, there is the potential of updating and repurposing older, less functional properties and the potential of razing existing improvements to allow for new developments.

Site Characteristics

SITE	
Location:	The subject property is located on the southerly side of Chapel Street in the 'Dwight' Neighborhood, which is located in the westerly-central portion of the City of New Haven, CT.
Current Use of the Property:	Office
Site Size:	0.27 acres; 11,761 square feet.
Shape:	The site is irregularly shaped.
Street Access:	The subject property has Average access due to its proximity to main roadways and the highway system.
Street Frontage:	Chapel Street - 83+/- feet. The subject is not a corner lot.
Visibility:	Considered having Average visibility due to its location along a primary roadway in a heavily traveled location.
Topography:	The subject property is primarily level and at street grade.
Soil Conditions:	Based on our inspection and review of available mapping software and inspection, the site appears to have adequate soil conditions to support development.
Utilities:	Electricity: Electric Company Sewer: Municipal Sewer Water: Municipal Water Natural Gas: Natural Gas Company (Available at Street) Underground Utilities: The site is serviced by underground utilities. Adequacy: The subject's utilities are typical and adequate for the market area.

Site Improvements:

- Street lighting: Yes
- Sidewalks: Yes
- Curb & Gutter: Yes
- The site is improved with an asphalt paved driveway and parking area (20+/- spaces), storm drains, fencing, shrubs, etc.

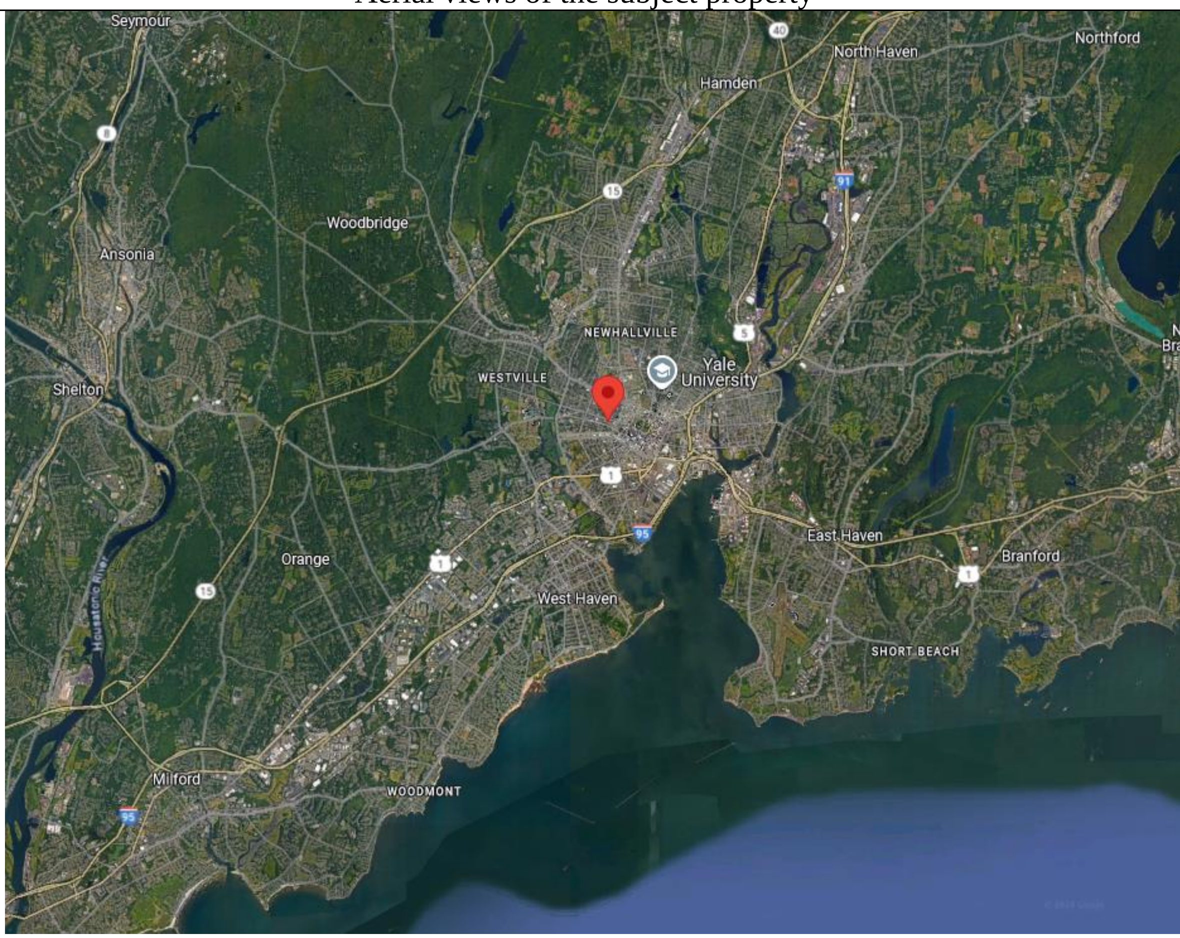
Environmental Issues: There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

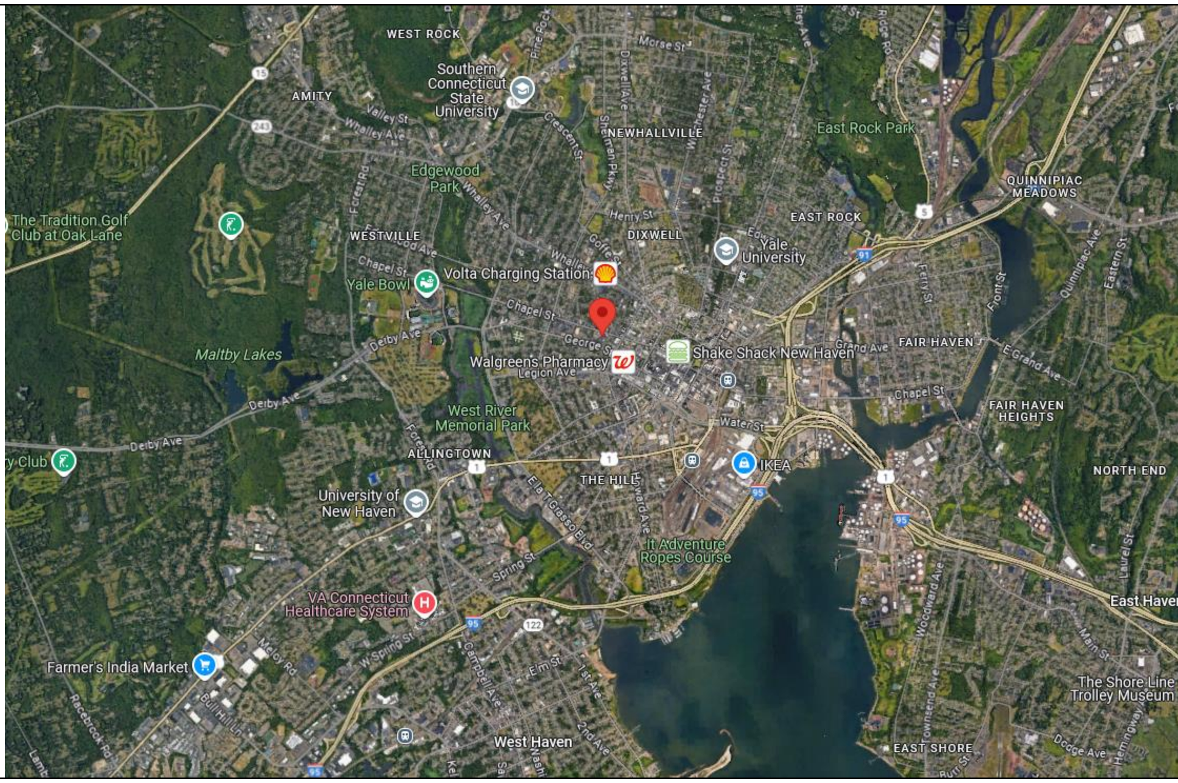
Encumbrance / Easements: There are typical utility easements crossing the subject property. After a review of the legal description contained in the deed it is our opinion that there are no easements or restrictions that are considered to adversely impact the subject property. Please reference Limiting Conditions and Assumptions.

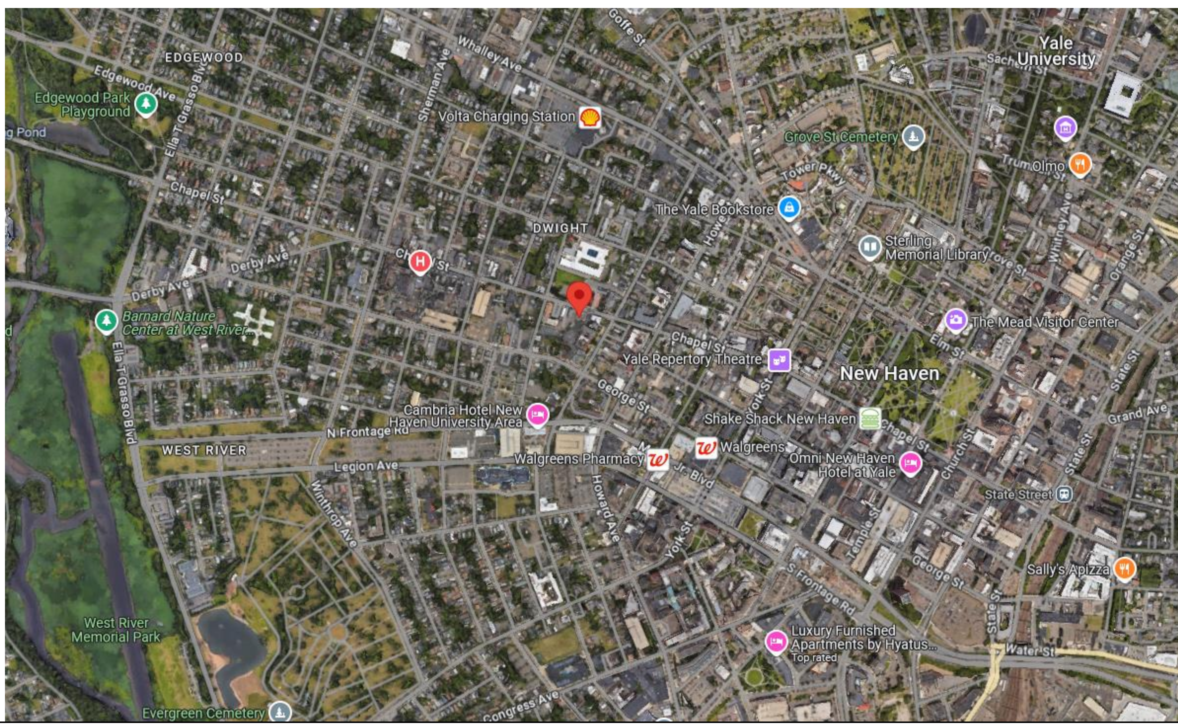
Site Comments: The site has average utility due to the topography and amount of street frontage.

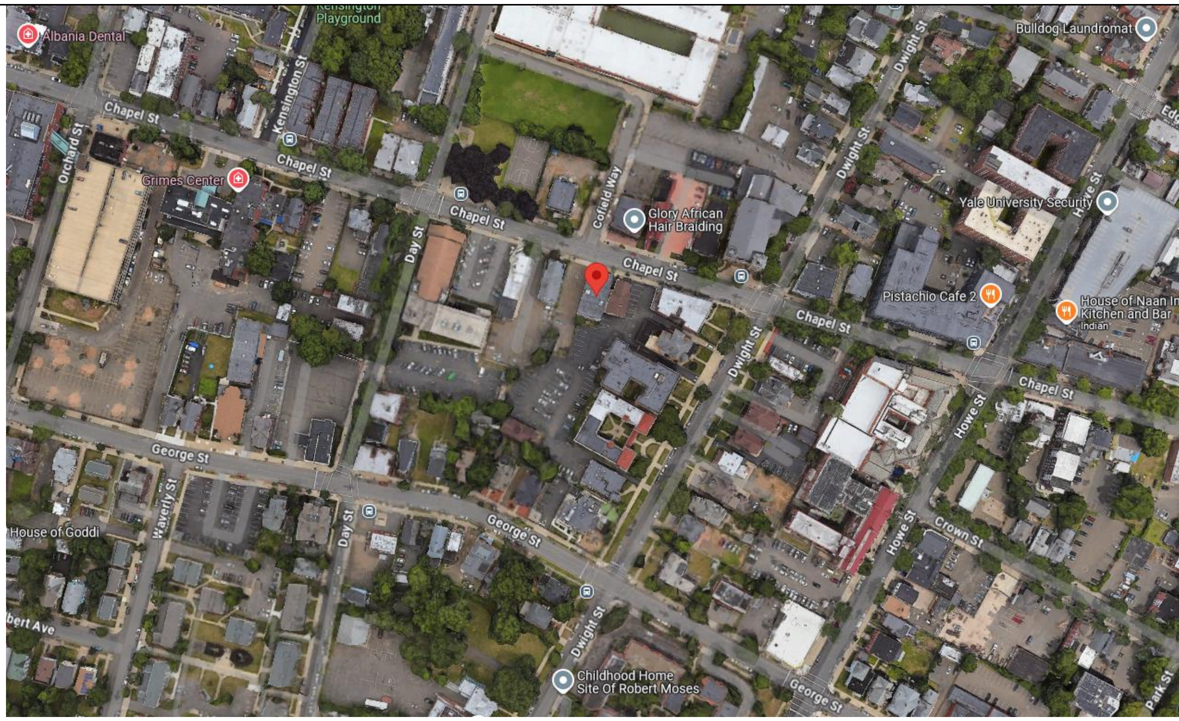
Wetlands/Watershed: No wetlands were observed during our site inspection.

Aerial views of the subject property




WEST ROCK
Southern Connecticut State University
AMITY
NEWHALLVILLE
East Rock Park
Edgewood Park
QUINNIPIAC MEADOWS
The Tradition Golf Club at Oak Lane
WESTVILLE
DIXWELL
EAST ROCK
Yale University
Volta Charging Station
Yale Bowl
Walgreens Pharmacy
Shake Shack New Haven
FAIR HAVEN
Maltby Lakes
West River Memorial Park
FAIR HAVEN HEIGHTS
ALLINGTOWN
THE HILL
IKEA
NORTH END
University of New Haven
VA Connecticut Healthcare System
East Haven
Farmer's India Market
The Shore Line Trolley Museum
West Haven
EAST SHORE


EDGEWOOD
Yale University
Edgewood Park Playground
Volta Charging Station
Grove St Cemetery
Trum Olmo
The Yale Bookstore
DWIGHT
Sterling Memorial Library
Barnard Nature Center at West River
The Mead Visitor Center
Yale Repertory Theatre
New Haven
Cambria Hotel New Haven University Area
Shake Shack New Haven
WEST RIVER
Walgreens Pharmacy
Walgreens
Omni New Haven Hotel at Yale
State Street
Sally's Apizza
West River Memorial Park
Luxury Furnished Apartments by Hyatus...
Evergreen Cemetery


Albania Dental
Chapel St
Orchard St
Kensington St
Grimes Center
Cofield Way
Glory African
Hair Braiding
Day St
Dwight St
Bulldog Laundromat
Yale University Security
Howe St
Pistachio Cafe 2
House of Naan Indian
Kitchen and Bar
Indian
George St
Waverly St
House of Goddi
Crown St
Childhood Home
Site Of Robert Moses
Park St


Subject
46.64
51.29
82.71
122.83
244.07
169.1
50.07
31.88
96.18
176.08
144.97
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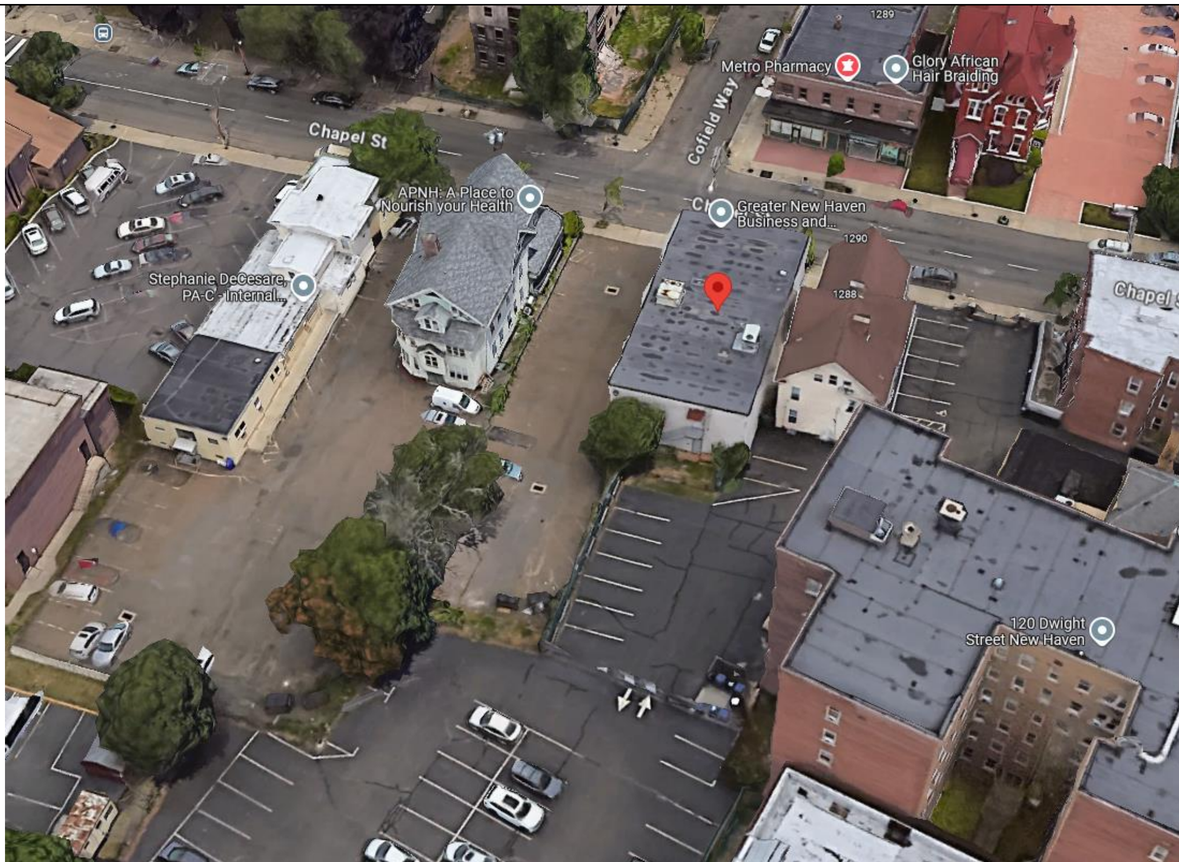
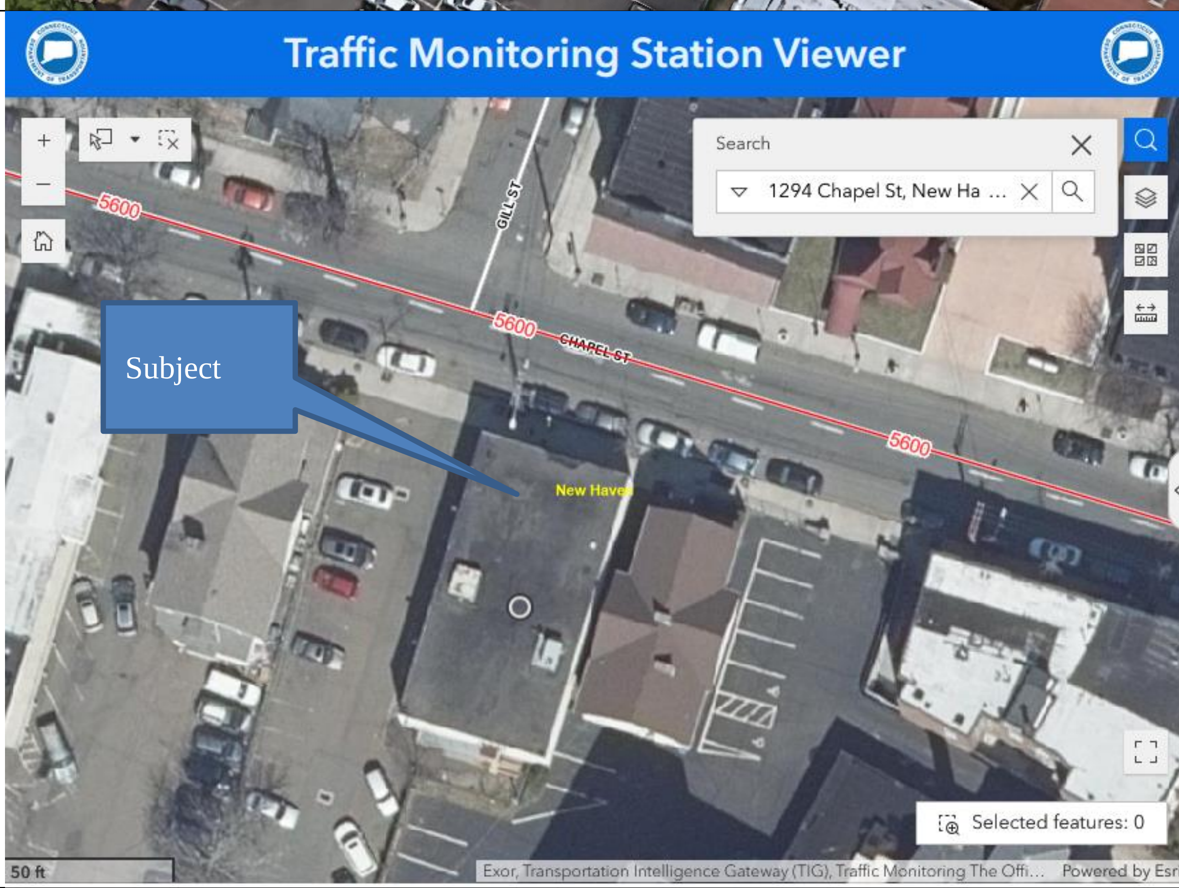

Chapel St
Metro Pharmacy
Glory African Hair Braiding
Coffeld Way
APNH: A Place to Nourish your Health
Greater New Haven Business and...
Stephanie DeCesare, PA-C - Internal...
120 Dwight Street New Haven


Traffic Monitoring Station Viewer
Search
1294 Chapel St, New Ha ...
5600
CHAPEL ST
GILL ST
Subject
New Haven
Selected features: 0
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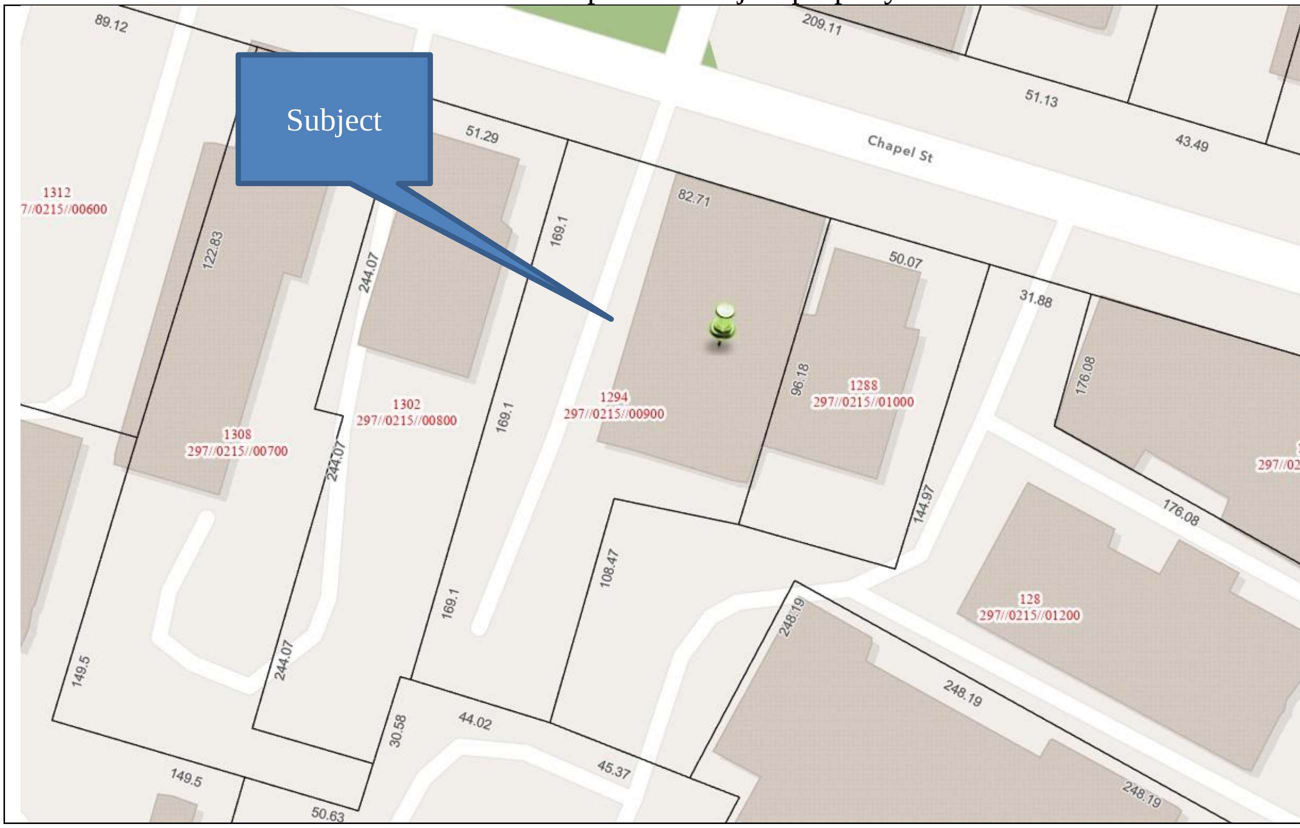
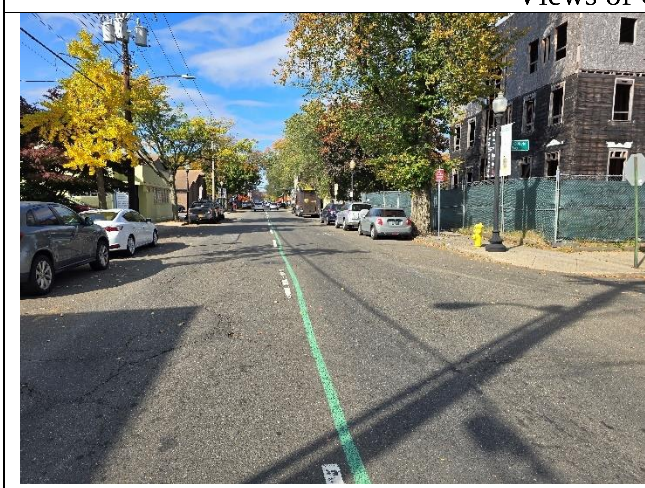
Exor, Transportation Intelligence Gateway (TIG), Traffic Monitoring The Offi...
Powered by Esri

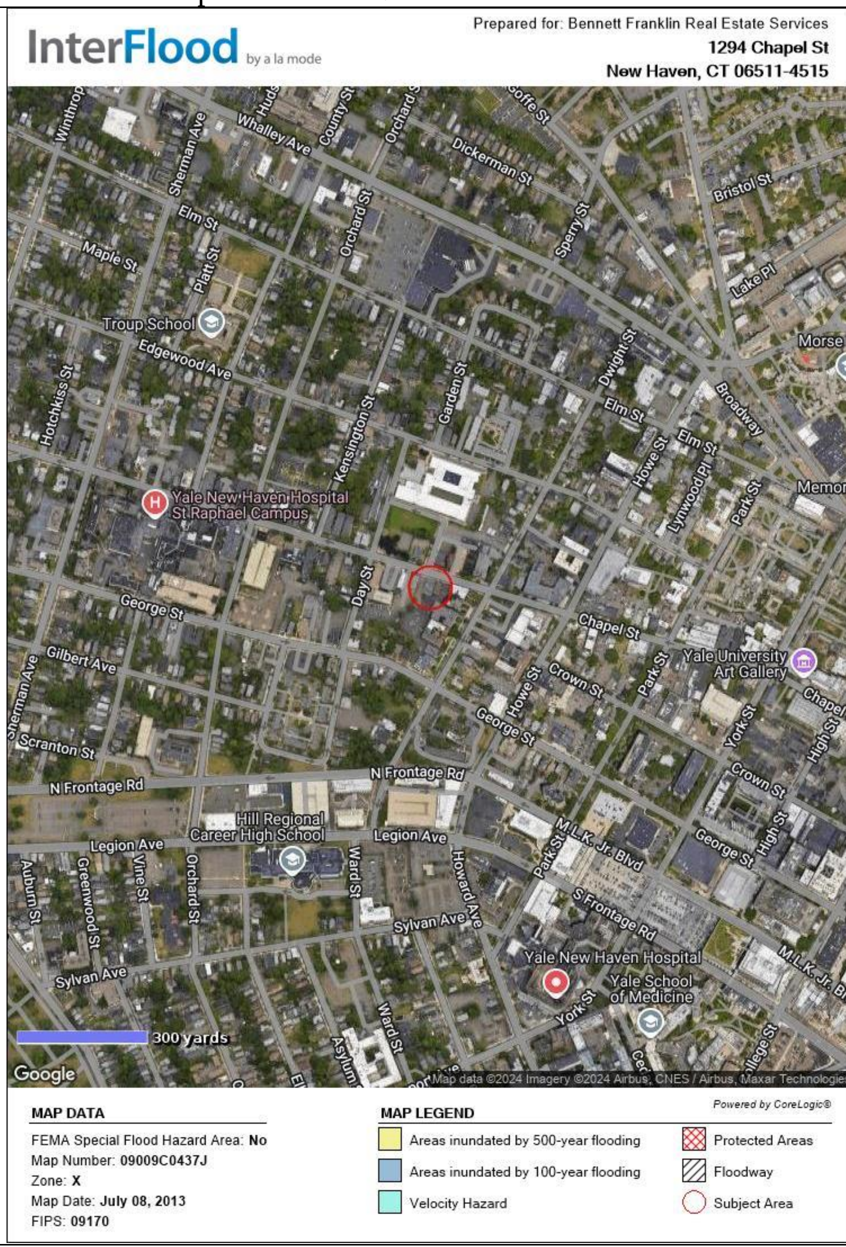
Assessors Map of the subject property



Views of Chapel Street



Flood Zone	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area. FEMA Map Number: 09009C0437J FEMA Map Date: July 8, 2013 Flood Zone C, X (unshaded) are minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.) The appraiser is not an expert in this matter and is reporting data from FEMA maps. A copy of the appropriate portion of the Flood Map is as follows.

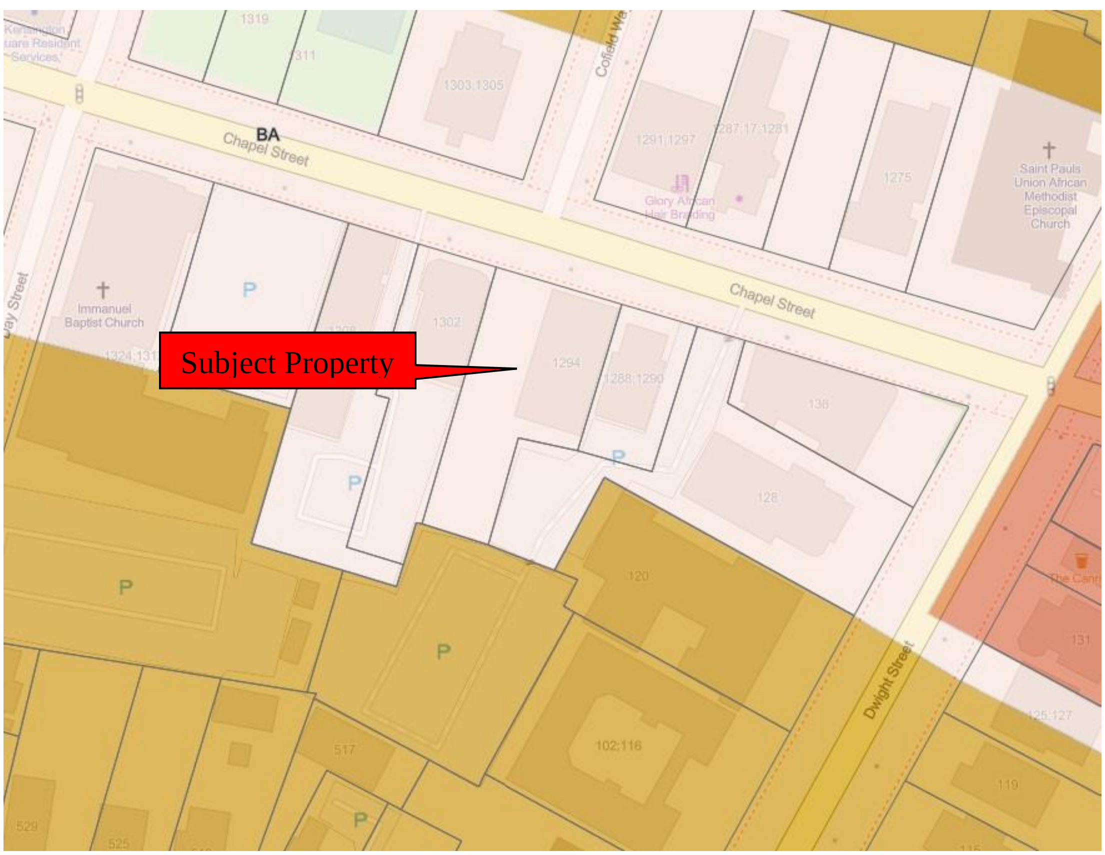


Zoning and Conformity

Zoning Code:	Business A (BA - General Business)
Zoning Description:	The BA district is intended to provide areas for concentrated retail uses that serve the needs of the immediate and greater neighborhoods; in addition to commercial uses (retail and service providers) there are many other uses allowed in this zone. Some of the allowed uses include multi-family homes, mixed use properties, bakeries, cannabis related establishments, food stores, personal service shops, daycare, general office, medical office, and others.
Current Use Legally Conforming:	The subject property is a legal and conforming use.

Minimum Land Area	Minimum Frontage	Minimum Setback Front Yard	Minimum Setback Side Yard	Minimum Setback Rear Yard	Maximum Building Height
2.0 to 1.0	None	None	None	None	None

Zoning Comments The subject property considered a legal and conforming use as it appears the property meets all of the requirements of the underlying IL zone. However, in the event that the property does not adhere to all of the requirements, the improvements predated the current zoning bylaws and therefore the property would be considered 'grandfathered'. A copy of the appropriate portion of the zoning map is below:



Improvements Description

Improvements Description - 1294 Chapel Street	
Building Identification:	1294 Chapel Street
Building Description:	Office
Construction:	Masonry and Steel
Construction Quality:	Average
Year Built:	1940
Effective Age:	20 years
Remaining Useful Life:	30 years
Condition:	Average
Utility/Floor Plan Layout:	Average / Average
Appeal/Appearance:	Average
Areas, Ratios & Numbers:	Number of Stories: 2.00 Gross Building Area: 6,950 Square Feet

FOUNDATION, FRAME & EXTERIOR - 1294 CHAPEL STREET	
Foundation:	Full Foundation
Structural Frame:	Masonry and Steel
Exterior:	Brick and Concrete Block
Windows:	Fixed Frame and Tilt-In
Roof Type/Cover:	Flat / Rubber Membrane (Reportedly New)

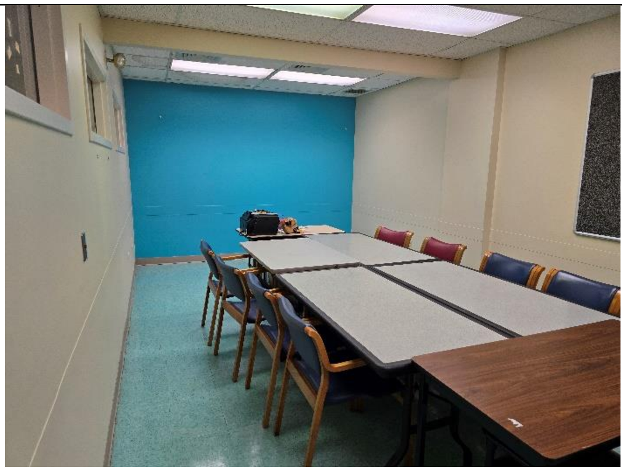
BUILDING IMPROVEMENTS - 1294 CHAPEL STREET

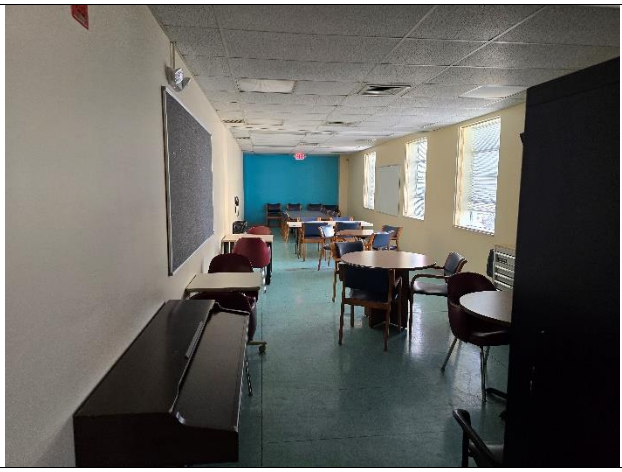
Building Description:	The subject property is improved with a two-story masonry and steel frame building on a full foundation; the building has a brick and concrete block exterior, fixed frame and tilt-in windows, and a flat roof that is covered with a rubber membrane that is reportedly about 12 to 18 months old. The interior of the building is divided into a main entry and front stairwell area with the first floor being divided into a mix of open office spaces, private office spaces, a conference room / training room, and two restrooms. The upper level is divided into a reception area and various (11+/-) small office spaces and two restrooms. The finishes in the building include commercial tile and carpet flooring, drywall walls, and droptile ceilings. This building has an average layout for this type of property.
Floor Cover:	Commercial Tile and Carpet
Walls:	Drywall.
Ceilings & Ceiling Height:	Droptile at 8-9+/-.
Lighting:	Florescent and Incandescent
Restrooms:	Two Per Floor (Four Total)

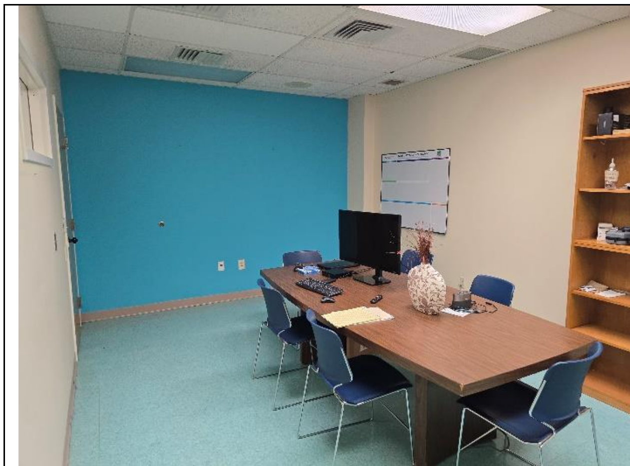
MECHANICAL SYSTEMS - 1294 CHAPEL STREET

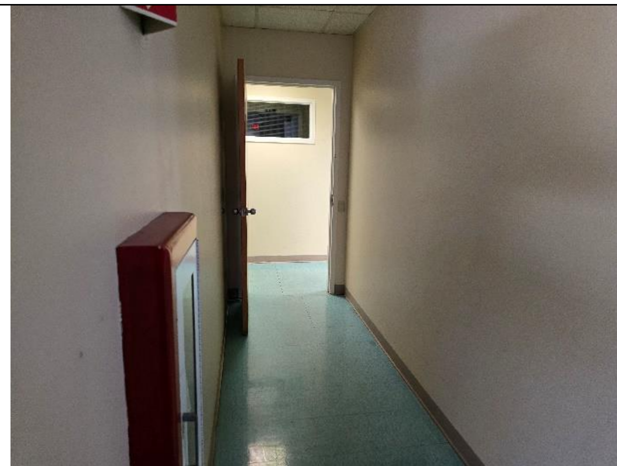
Heating:	Gas Fired HVAC (Two Units)
Cooling:	Central A/C
Electrical:	Adequate
Plumbing Condition:	Average
Sprinkler:	No

Subject Photographs

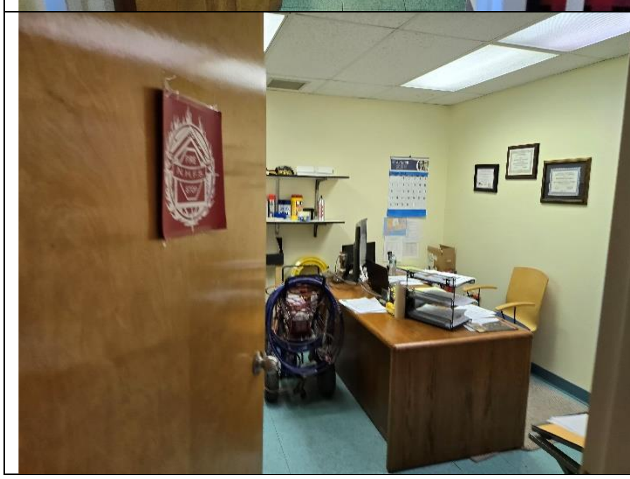


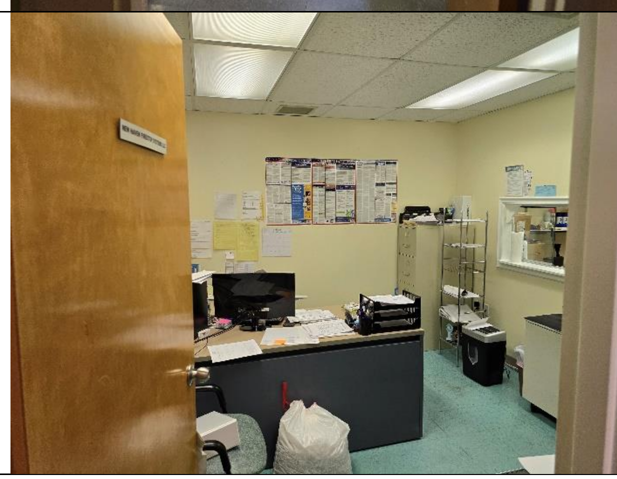


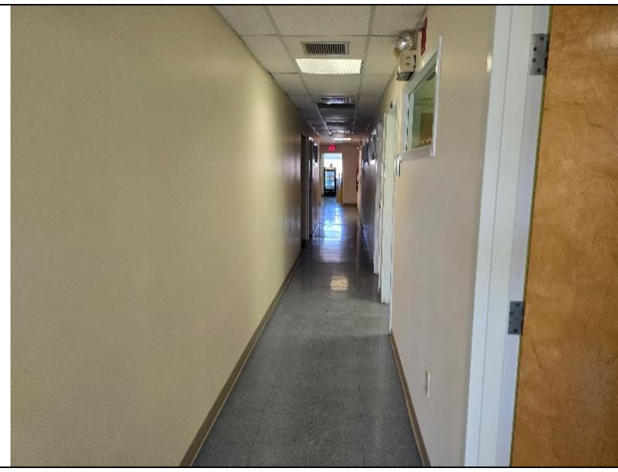





WHAT DRUGS DO TO THE BODY
WE

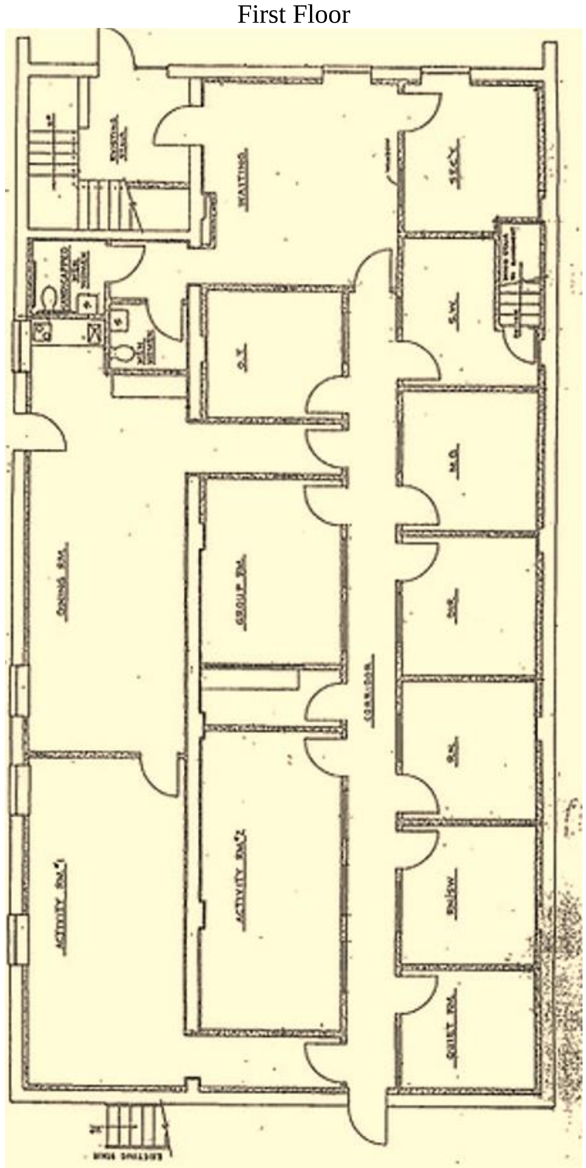




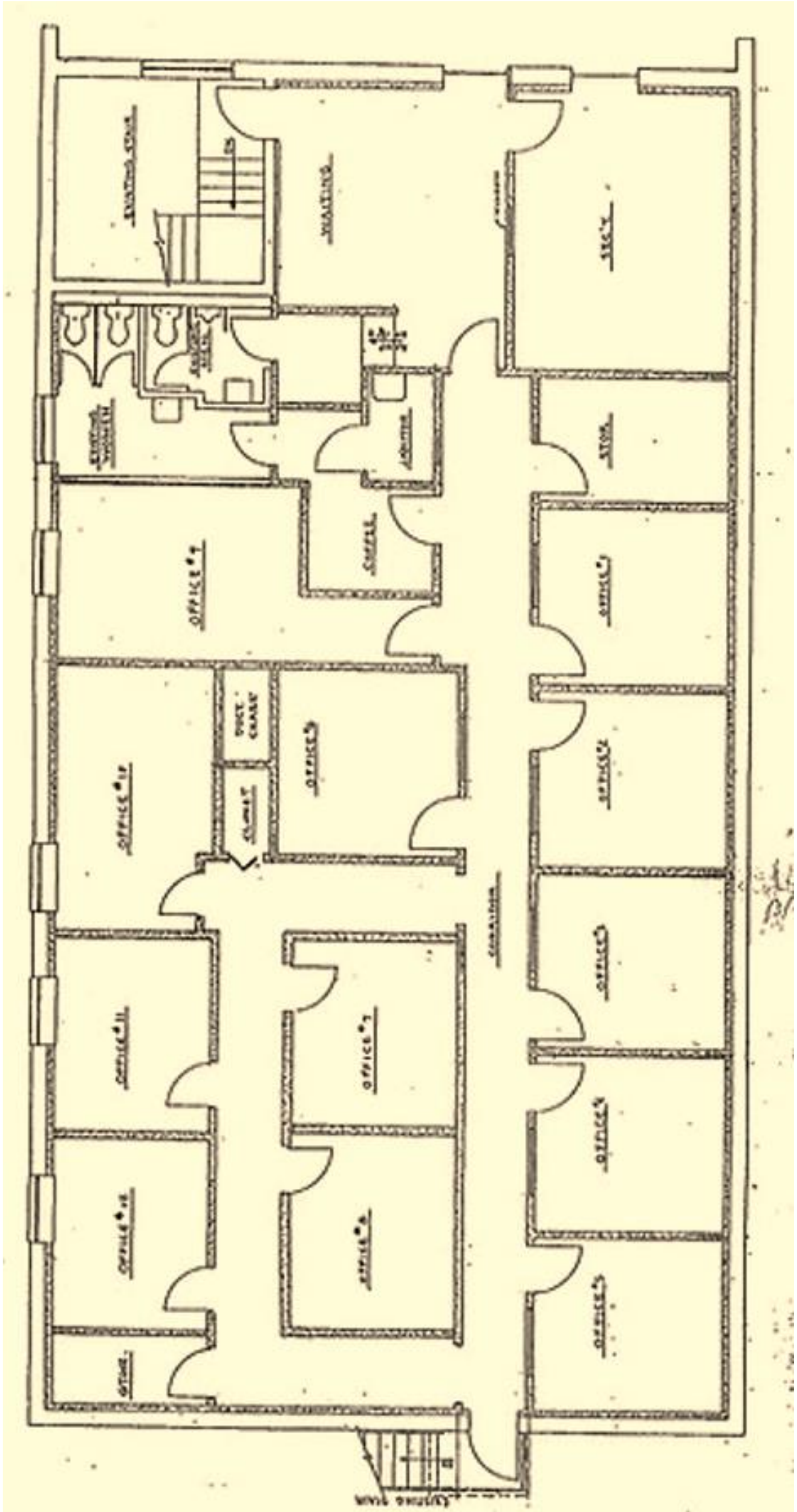


Building Sketch / Evacuation Plan (Not necessarily 100% accurate as some smaller offices have been combined to create a larger two-room office, but for the most part, the drawings are deemed to represent the general layout of the improvements)

First Floor



Second Floor



Parking	
Parking Type and Number of Spaces:	Type: Paved Open Air Lot Spaces: 20+/- Condition: Average

Overall Property Analysis	
Design & Functional Utility:	Overall, the subject property is considered to have average functional utility compared to competitive properties in the market area due to the layout and buildout of the improvements (i.e., typical general office/service provider layout and buildout).
Deferred Maintenance:	The property appears to be in average overall condition.
Capital Improvements:	The owner indicated they plan to upgrade one of the HVAC units, but this is not included in our valuation of the property.
Overall Property Comments:	The subject property is in an average/good location with improvements that are in average condition and the property is considered to have average utility.

Assessment and Taxes
Taxing Authority New Haven

Assessment Year 2024

Real Estate Assessment and Taxes

Tax ID	Land	Improvements	Other	Total	City Rate	Taxes
Map 269, Block 16, Lot 100	$73,710	$604,310	$0	$678,020	$38.50	$26,104

Comments

There has been nominal changes to the tax rate and assessments in the recent past. There are reportedly multiple years of back real estate taxes owed on the subject property; we spoke with the tax collector's office, who directed us to speak with the law firm handling the potential tax taking, who informed us that approximately $132,755.09 of back taxes, interest, and penalties are owed on the property and that this does not include lawyer fees. They would not divulge the amount of lawyers' fees anticipated as the 'case' is on-going.

Highest and Best Use

Highest and best use may be defined as

> the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.
>
> 1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
> 2. **Physically Possible:** To what use is the site physically adaptable?
> 3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
> 4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

Considering the land as vacant, its size, configuration, and zoning there are a few likely development options for the site 'as vacant'. The neighborhood of the subject includes a mix of retail, office, and service providers, some mixed-use properties, and some multi-family homes. In our opinion, based on the characteristics of the subject property site, along with the rental rates and demand for any of the noted allowed uses, we feel the site would likely be developed with retailer / service provider use or mixed use improvements and we feel the HBU as vacant is for development in an allowed commercial / mixed-use capacity (retail/service provider on the ground floor with upper level apartments) at the highest possible density allowed by zoning based on market demand.

Highest and Best Use as Improved

The subject property is improved with building and site improvements that are considered to be in overall average condition compared to other similar use properties in the market area; the property is considered to have average utility and the property is located in an average/good overall location. In our opinion, due to the layout and buildout of the improvements, we do not feel conversion of the existing improvements to another use would result in an increase in value for the property that would outweigh or offset the costs of the conversion. Therefore, the HBU as improved is for continued use in an office / service provider related capacity.

Market Analysis

Market conditions during the 12-24+/- months leading up to March / April 2020 were relatively stable, but with the onset of the COVID – 19 pandemic there was an increase in uncertainty in the market locally, regionally, nationally, and world - wide. Many businesses were forced to temporarily close and although many, if not most, reopened, there was definitely an increase in the overall vacancy rate as it pertains to most all segments of the real estate market. In the 12 to 24+/- since the on-set of the Pandemic with the introduction of several 'successful' vaccines market conditions 'normalized' somewhat with many sectors returning to similar levels as existed prior to the on-set of the Pandemic and some actually indicating and achieving levels that exceed those that existed prior to the on-set of the Pandemic. The multi-family market, the industrial / warehouse market, and the 'essential' net-leased retail market have all shown signs indicating these markets have returned to or improved to a level that exceeds pre-Pandemic conditions.

The general office market appears to remain operating at an overall inferior level to its pre-Pandemic level along with some tertiary retail properties that have yet to recover from the increased vacancies at these properties caused at least in part by the Pandemic and the forced closures and loss of business precipitated by the restrictions put in place to curb the spread of the virus.

Although there is definitely some angst and uncertainty impacting the market, much of which surrounds inflation concerns and some pundits proclaiming a recession is inevitable, based on our due diligence and conversations with area real estate professionals we have observed that there have been some sales of similar properties in the market area with typical marketing periods ranging from 6+/- to 18+ months.

There has been very limited new developments associated with general office use space as the existing stock of this property type appears to be more than adequately meeting the demands of the market. There has been some new medical office construction, some mixed -use construction, and some apartment construction and conversions associated with former office use properties, but for the most part, the existing stock of these types of properties has been able to continue to provide the needed space for a multitude of users.

Our research indicates there have been sales of similar use / somewhat similar properties in the market area that have sold in the past 12+/- to 24+/- months that indicate per square foot values ranging from $150+/- to $250+/- per square foot depending on the property's specific characteristics with the most influential being the property's location, condition, land area, utility (i.e. amount and type of interior buildout), building area (Economies of Scale), etc. Some of these properties were purchased for immediate occupancy, while others were updated and / or remodeled prior to occupancy.

Although the subject property type is often owner occupied either fully or at a minimum partially, we are familiar with some comparable properties in the market area and region that are leased to tenants that we feel indicate a reasonable basis for rental rate projection for the subject property. The most comparable properties in the region demand rental rates in the range of $15.00+/- to $30.00+/- per square foot typically on NNN, gross, modified, or net of utilities terms. The ranges associated with the rental rates are due to few primary factors that include the location of the property, the condition of the improvements, the amount and type of buildout at the property, the size of the space being leased (Economies of Scale), and land area associated with the property.

Although most of the sales were purchased for owner occupancy or at a minimum partial owner occupancy, which makes acquiring actual capitalization rate data difficult, if market rental rates, expenses, lending criteria, etc. are projected for the comparable sales in a similar manner as is done for the subject property in our income approach to value, implied capitalization rates in the range of 5%+/- to 9%+/- are apparent.

It is our opinion, based on the available market data, there is average to average / good demand for properties with similar characteristics in the market area and region.

Exposure Period and Marketing Time
We have considered the supply of similar properties in the region and we have discussed marketing times for similar properties with real estate brokers and investors. Additionally, we have investigated the marketing times for specific comparable properties that we are familiar with. Our opinion of value for the subject property is based on a number of factors that include its location and utility.

Our opinion of value assumes that the subject property would have been exposed to the market for approximately 6-18 months and is based upon market conditions and sales data which occurred prior to the effective date of appraisal. Properties that are offered at unreasonable pricing levels will most likely remain on the market for extended periods of time. Based on our understanding of the market and our due diligence effort, it is our opinion that if the subject property were offered for sale at a price near to our appraised value, the marketing period would be approximately 6-18 months.

Valuation Methodology
Three basic approaches may be used to arrive at an estimate of market value. They are:
1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach
The Cost Approach provides an estimate of the land as vacant combined with the depreciated cost of the site and building improvements.

Income Approach
The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach
The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation
The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied
A **cost analysis** was considered and was not developed because the actual age and condition of the improvements makes the depreciation difficult to accurately measure. In addition, market participants typically do not place emphasis on this approach to value for a property such as the subject.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop an opinion of value via this approach and this valuation method reflects typical market behavior for this property type.

An **income analysis** was considered and was developed because while the subject property type is often owned by an entity that occupies the property in the conjunction with the operation of a business, the subject property type is in some instances owned by an investor, who leases / rents the improvements to a tenant. In addition, market participants in some cases place some emphasis on this approach to value.

Sales Comparison Approach (As Is)
For all types of real estate valued via the sales comparison approach, it is necessary to determine the most correct element of comparison. In the valuation of similar properties, the regional market dictates that the value of a property such as the subject is determined based on the cost/value per square foot. This typically considers all usable interior building area divided into the verified sale price. We note that the recorded sale price may or may not represent the actual consideration paid, and as such, it is our responsibility to contact at least one of the parties involved in a sale transaction to determine the circumstances of the sale. This allows us to accurately reflect any adjustments to the recorded sale price such as real estate tax payments made by the buyer beyond customary adjustments, extraordinary costs such as hazardous waste removal costs to the buyer, corporate or individual tax payments/adjustments that may be part of the sale price. Other matters necessary to uncover include if personal property or good will is part of the sale price consideration, or if the property was sold under adverse conditions. All of these matters directly impact the per square foot comparative unit of measurement. Based on the foregoing, we have utilized the per square foot value of similar properties that have sold via arms-length transactions to arrive at an opinion of value of the subject property.

Our due diligence effort included researching the New Haven area for sales data concerning the most recent transfers of similar properties in the area to arrive at an opinion of value of the subject property. The sales utilized were those properties which were considered to be most similar to the subject property and were selected based on their comparability and similarity in regard to critical characteristics such as date of sale, location, building area, condition of the improvements, land area, and utility. The sales were compared to the subject to provide a per square foot value for the subject property and they are outlined on the following pages.

Comparables
We have researched three comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comparable 1

Transaction

ID	14562	**Date**	5/10/2024
Address	27 Elm Street	**Price**	$1,525,000
City	New Haven	**Price Per SF**	$178.51
State	CT	**Transaction Type**	Closed Sale
Tax ID	Map 224, Block 292, Lot	**Financing**	Conventional
Grantor	27 Elm Street, LLC	**Property Rights**	Fee Simple
Grantee	Soul Of Elm, LLC	**Days on Market**	--
Legal Description	Volume 10680, Page 154	**Verification**	Broker

Site

Acres	0.31	**Topography**	Level
Land SF	13,504	**Zoning**	CBD
Road Frontage	60'+/- on Elm St.	**Flood Zone**	--
Shape	--	**Encumbrance or**	--
Utilities	Water, Sewer, Gas,	**Environmental Issues**	--

Improvements & Financial Data

No. of Buildings	1	**PGI**	
GBA	8,543	**EGI**	
No. of Stories	1	**Expense Ratio**	
Year Built	1833	**NOI**	
Ceiling Height	10+/-	**Cap Rate**	--
Condition	Average	**Utility**	Average/Good

Comments

This property is located on the northerly side of Elm Street in the easterly portion of the CBD of New Haven, CT. This neighborhood is heavily traveled and and developed with a mix of property uses that include primarily multi-story buildings that house ground floor commercial uses and upper level office and / or residential uses. This property is considered to be in a good overall location.

This property contains approximately 0.31 acres that is improved with a three story office building that contains approximately 8,543 square feet; the building, which has most recently been utilized as a multi-tenanted office / service provider use property, is reportedly divided into a series of office use spaces, common area hallways, restrooms, etc. The improvements were reportedly in average overall condition at the time of the sale. Site improvements include an asphalt paved driveway and parking lot that allows for on-site parking of about 25 to 30 cars.

Based on the layout and buildout of the improvements, which include an additional 2,000+/- square feet of finished lower level space that was not included in the gross building area of the property, this property is considered to have average/good utility.

Comparable 2

Transaction			
ID	14563	**Date**	10/11/2023
Address	251 Edwards Street	**Price**	$650,000
City	New Haven	**Price Per SF**	$180.56
State	CT	**Transaction Type**	Closed Sale
Tax ID	Map 221, Block 397, Lot	**Financing**	Conventional
Grantor	Atkins Family, L.P.	**Property Rights**	Fee Simple
Grantee	Esperanza Real Estate,	**Days on Market**	--
Legal Description	Volume 10594, Page 109	**Verification**	Broker

Site			
Acres	0.17	**Topography**	Level
Land SF	7,405	**Zoning**	RM-2
Road Frontage	50'+/- on Edwards St.	**Flood Zone**	--
Shape	--	**Encumbrance or**	--
Utilities	Water, Sewer, Gas,	**Environmental Issues**	--

Improvements & Financial Data			
No. of Buildings	1	**PGI**	$67,424
GBA	3,600	**EGI**	$64,053
No. of Stories	3	**Expense Ratio**	
Year Built	1900	**NOI**	$24,417
Ceiling Height	12-16+/-	**Cap Rate**	3.76%
Condition	Average+	**Utility**	Average

Comments

This property is located on the northerly side of Edwards Street on the northeasterly periphery of the Yale University Campus in the East Rock portion of New Haven, CT. This neighborhood is heavily traveled and and developed with a mix of property uses that include multi-family homes, office / service provider uses, mixed use properties, and some municipal and institutional uses. This property is considered to be in an average/good overall location.

This property contains approximately 0.17 acres that is improved with a three story office building that contains approximately 3,600 square feet; the building, which has most recently been utilized as a multi-tenanted office / service provider use property, was reportedly divided into eight tenant occupied office use spaces, common area hallways, restrooms, etc. at the time of the sale. The improvements were reportedly in average+ overall condition at the time of the sale. Site improvements include an asphalt paved driveway and parking lot that allows for on-site parking of about 10 cars.

Based on the layout and buildout of the improvements this property is considered to have average utility. This property was on the market for less than two months and sold above asking price ($599,000) due to multiple interested parties. The property was purchased for partial owner occupancy, reportedly.

Comparable 3

Transaction

ID	14565	**Date**	9/4/2024
Address	15 Edwards Street	**Price**	$1,395,000
City	New Haven	**Price Per SF**	$224.49
State	CT	**Transaction Type**	Closed Sale
Tax ID	Map 198, Block 402, Lot 1	**Financing**	Conventional
Grantor	Firehouse 19, LLC	**Property Rights**	Fee Simple
Grantee	Goatville Ventures, LLC	**Days on Market**	--
Legal Description	Volume 10733, Page 235	**Verification**	Broker

Site

Acres	0.15	**Topography**	Level
Land SF	6,534	**Zoning**	BA
Road Frontage	50'+/- on Edwards St. and	**Flood Zone**	--
Shape	--	**Encumbrance or**	--
Utilities	Water, Sewer, Gas,	**Environmental Issues**	--

Improvements & Financial Data

No. of Buildings	1	**PGI**	
GBA	6,214	**EGI**	
No. of Stories	2.25	**Expense Ratio**	
Year Built	1874	**NOI**	
Ceiling Height	8-9+/-	**Cap Rate**	--
Condition	Good	**Utility**	Average

Comments

This property is located on the corner of Edwards Street and Nash Street on the easterly outskirts of the of the Yale University Campus in the East Rock portion of New Haven, CT. This neighborhood is heavily traveled and and developed with a mix of property uses that include multi-family homes, office / service provider uses, mixed use properties, and some municipal and institutional uses. This property is considered to be in an average/good overall location.

This property contains approximately 0.15 acres that is improved with a two story office building that contains approximately 6,347 square feet; the building, which has most recently been utilized as a multi-tenanted office / service provider use property, was reportedly divided into a lobby, 10+/- office / commercial spaces and two restrooms on the first floor, 8 to 10 office / commercial use spaces and two restrooms on the second floor, and three offices on the third floor. The improvements were reportedly in good overall condition at the time of the sale and had been very well maintained. Site improvements include an asphalt paved driveway and parking lot that allows for on-site parking of about 8 cars.

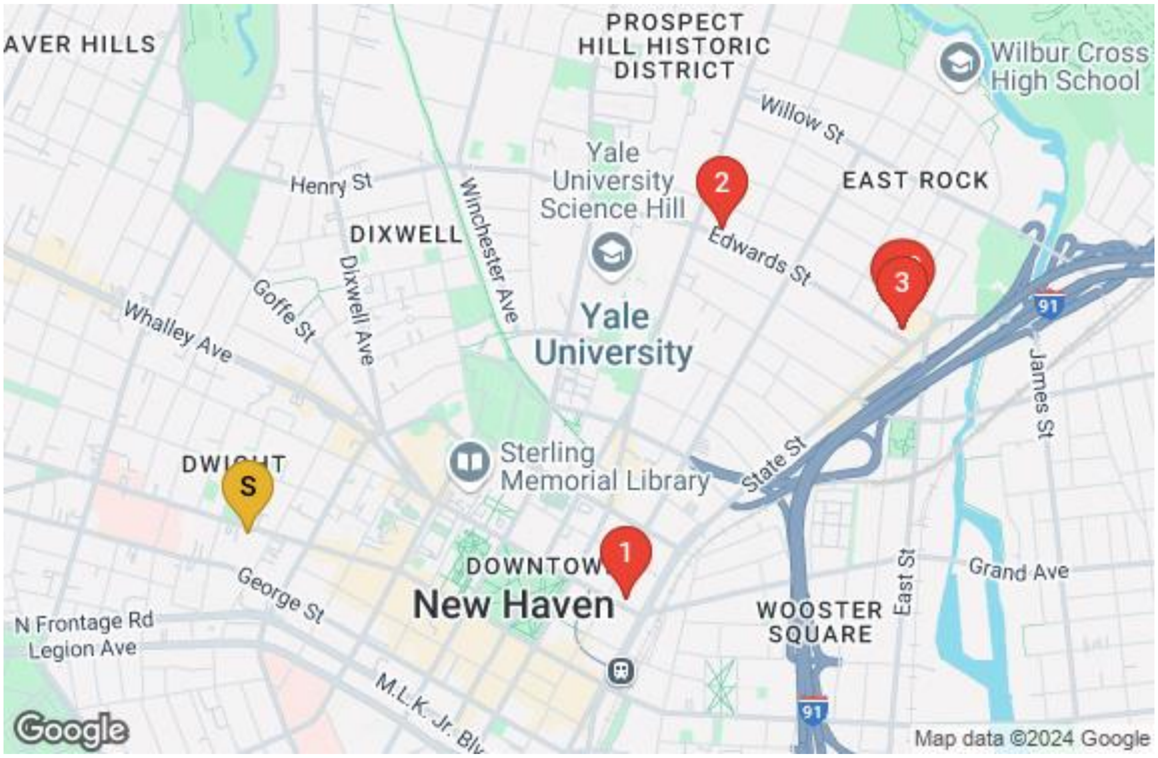
Based on the layout and buildout of the improvements this property is considered to have average utility. This property was on the market for less than three weeks and sold above asking price ($1,295,000) due to multiple interested parties.

Analysis Grid

The previously outlined sales have been analyzed and compared with the subject property. The below sales comparison grid displays the subject property, the comparables and the adjustments applied.

Analysis Grid		**Comp 1**	**Comp 2**	**Comp 3**
Address	1294 Chapel Street	27 Elm Street	251 Edwards Street	15 Edwards Street
City	New Haven	New Haven	New Haven	New Haven
State	CT	CT	CT	CT
Date	10/23/2024	5/10/2024	10/11/2023	9/4/2024
Price	$0	$1,525,000	$650,000	$1,395,000
GBA	6,950	8,543	3,600	6,214
GBA Unit Price	$0.00	$178.51	$180.56	$224.49
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%
Financing	Conventional	Conventional 0.0%	Conventional 0.0%	Conventional 0.0%
Conditions of Sale	Cash	Arms Length 0.0%	Arms Length 0.0%	Arms Length 0.0%
Adjusted GBA Unit Price		**$178.51**	**$180.56**	**$224.49**
Market Trends Through 10/23/2024	0.0%	0.0%	0.0%	0.0%
Adjusted GBA Unit Price		$178.51	$180.56	$224.49
Location	Average/Good	Good	Average/Good	Average/Good
% Adjustment		-5.0%	0.0%	0.0%
$ Adjustment		-$8.93	$0.00	$0.00
Acres	0.27	0.31	0.17	0.15
% Adjustment		0.0%	2.5%	2.5%
$ Adjustment		$0.00	$4.51	$5.61
GBA	6,950	8,543	3,600	6,214
% Adjustment		2.5%	-10%	0.0%
$ Adjustment		$4.46	-$18.06	$0.00
Condition	Average	Average	Average+	Good
% Adjustment		0.0%	-2.5%	-20.0%
$ Adjustment		$0.00	-$4.51	-$44.90
Utility	Average	Average/Good	Average	Average
% Adjustment		-5%	0%	0%
$ Adjustment		-$8.93	$0.00	$0.00
Adjusted GBA Unit Price		**$165.12**	**$162.50**	**$185.21**
Net Adjustments		-7.5%	-10.0%	-17.5%
Gross Adjustments		12.5%	15.0%	22.5%

Comparables Map



Analysis of Comparable Sales

The comparable sales represent the most similar properties that have sold in the general area in the last few years. As indicated earlier, the unit of comparison that we are using to determine our opinion of market value for the subject is the per square foot value. This index is typically the value indicator used for properties such as the subject. Each sale has differences in its specific characteristics that need to be analyzed and compared to the subject so that we can arrive at a final opinion of value via our Sales Comparison Approach. The characteristics that we identified and compared to the subject were the sale date, property rights conveyed, terms of financing, conditions of sale, location, land area, building area, condition of the improvements and utility. The differences are rated in comparison to the subject based on our opinion of each comparable sale's known characteristics. For purposes of this appraisal assignment, the differences are rated as similar, inferior or superior.

Date of Sale

In analyzing market conditions in this appraisal assignment, we have applied the best available means to measure the effect of changes in the market. The comparable Sales occurred within the past 12+/- months, so these sales are deemed overall similar to the subject property, and we have made no adjustments to the comparable sales.

Property Rights Appraised

We are appraising the Fee Simple interest in the subject property. The buyers of the comparable sales reportedly purchased the fee simple interest in these properties, which is deemed overall similar to the subject property.

Financing
The financing of each sale was considered to be at market rates and no adjustment is required to any of the sales for this element of comparison.

Conditions of Sale
All of the sales were properly exposed to the market and none of these transfers evidenced unusual sale adjustments or conditions. Thus, the Sales were not adjusted for this element of comparison.

<u>Sale 1</u> is located at 27 Elm Street, New Haven, CT. This property is located in a more heavily traveled and developed location than the subject property in the CBD of New Haven. As such, we have deemed this property to be in a superior location than the subject property and we have made a downward adjustment to this sale for this element of comparison.

This property has a similar land area as the subject property with a similar amount of room for on-site parking as the subject property, so we have made no adjustment to this sale for this element of comparison.

This sale has a larger / inferior building area than the subject property, which is based on the Economies of Scale Principle. This theory is based on the premise that when a product (in this case real property) with a larger number of units (square feet) is purchased/sold a lower / inferior per unit price typically results compared to the per unit value indicated by a purchase/sale of a product with a smaller number of units of the same product if all other variables are similar.

This property was considered to be in Average condition, which is overall similar to the condition of the subject property. This property was considered to have Average/Good utility due to the layout and build out of the improvements, which is deemed overall superior to the subject; this property has a multi-story office layout and buildout, which is similar to the subject property's layout and buildout, but this sale has additional finished basement space that is not included in the gross building area calculations, so we have made a downward adjustment to this sale for this characteristic.

Sale 1 is considered superior to the subject with regard to location and utility, inferior in regard to building area and similar in all other comparable fields. We feel the superior location and utility characteristics of this sale outweighed by the inferior building area characteristic. Thus, this sale is considered overall superior to the subject property and a value index adjustment of -7.5% is required.

<u>Sale 2</u> is located at 251 Edwards Street, New Haven, CT. This property is in an area that is similarly traveled and developed as the subject property location where our research indicates properties typically demand similar rental rates and / or sale as similar properties in the area of the subject property; as such, we have made no adjustment to this sale for this characteristic.

This property has a smaller land area than the subject property with an inferior amount of room for on-site parking than the subject property, so we have made an upward adjustment to this sale for this element of comparison.

This sale has a smaller / superior building area than the subject property, which is based on the Economies of Scale Principle. This property was considered to be in Average+ condition at the time of the sale, which is superior to the subject property. This property is considered to have Average utility due to the layout and build out of the improvements, which is overall similar to the subject property; this property and the subject property have similar layouts and buildouts, so we have made no adjustments for this characteristic.

Sale 2 is considered superior to the subject property in regard to building area and condition, inferior in regard to land area and similar in all other comparable fields. We feel the superior condition and building area characteristics of this sale outweigh the inferior land area characteristic. Thus, this sale is deemed overall superior to the subject property and a value index adjustment of -10.0% is required.

<u>Sale 3</u> is located at 15 Edwards Street, in New Haven, CT. This property is in an area that is similarly traveled and developed as the subject property location where our research indicates properties typically demand similar rental rates and / or sale as similar properties in the area of the subject property; as such, we have made no adjustment to this sale for this characteristic.

This property has a smaller land area than the subject property with an inferior amount of room for on-site parking and storage than the subject property, so we have made an upward adjustment to this sale for this element of comparison. This sale has a similar building area as the subject property.

This property was considered to be in Good condition at the time of the sale, which is superior to the subject property. The utility of this sale is considered to be Average due to the layout and build out of the improvements, which is overall similar to the subject property; this property and the subject property have similar layouts and buildouts, so we have made no adjustments for this characteristic.

Sale 3 is considered superior to the subject property in regard to condition, inferior in regard to land area and similar in all other comparable fields. We feel the superior condition characteristic of this sale outweighs the inferior land area characteristic. Thus, this sale is deemed to be overall superior to the subject property and a value index adjustment of-17.5% is required.

Conclusion

The sales data presented indicates unadjusted price per square foot values of $178.51, $180.56, and $224.49, respectively. The adjusted values of the comparable properties range from $162.50 to $185.21 and the average is $170.94. All of the value indications have been considered and in our final analysis we relied upon the overall average adjusted per square foot value indicated by all of the sales ($171+/- per SF) and since the sales all required relatively similar amounts of overall adjustments, we feel placing equal reliance on all of the sales results in a credible opinion of value for the subject property. Thus, we have reconciled a per square foot value of $171.00. The "as is" market value of the subject property is calculated as follows:

As Is Market Value	
Indicated Value per Square Foot:	$171.00
Subject Size:	6,950 Square Feet
Indicated Value:	$1,188,450
Rounded:	$1,190,000
One Million One Hundred Ninety Thousand Dollars	

Income Approach (As Is)

It is our opinion that the typical purchaser of the subject would be an owner occupant who would occupy the subject property in conjunction with the operation of a business; however, the property potentially could be purchased / owned by a local investor who would look to lease the improvements to a tenant. As noted in our Market Analysis section of this report there is average to average/good demand for rental space similar to the subject in the New Haven area at this time. Based on the current market conditions and historical income and expense information from comparable properties as well as conversations with investors in properties similar to the subject they would anticipate stable income and expenses into the future. As such, it is noted that the typical method of analysis of the subject property would be via direct capitalization. We feel that direct capitalization is the most appropriate method to use to estimate the value of the property.

Direct Capitalization Analysis

The steps involved in capitalizing the subject's net operating income are as follows:

- Develop the subject's Potential Gross Income (PGI) through analysis of the subject's actual historic income and an analysis of competitive current market income rates.
- Estimate and deduct vacancy and collection losses to develop the Effective Gross Income (EGI).
- Develop and subtract operating expenses to derive the Net Operating Income (NOI).
- Develop the appropriate capitalization rate (R_o).
- Divide the net operating income by the capitalization rate for an estimate of value through the income approach.

Rent Roll

The following rent roll details the "as is" occupancy and rent status of the subject space.

Rent Roll									
Rent Roll Tenant/Unit Name	**Suite No.**	**Space Type**	**No. of Units**	**SF**	**% of Total**	**Lease Type**	**Contract Rent***	**Contract Rent/SF**	**Market Rent**
1294 Chapel Street		Office	1	6,950	100.0%	Gross	$0	$0.00	$21.00
		Totals	1	6,950	100.0%	Total	$0	#DIV/0!	
		Leased	0	0	0.0%	Total Commercial	$0	#DIV/0!	
		Owner Occupied	1	6,950	100.0%		$0	$0.00	

The owner of the subject property indicated that his business occupies the entire first floor and portions of the second floor with some single – room and double suites (two rooms combined) being rented to tenants for between $500+ and $900+ per month. The owner indicated that the tenants were typically small businesses that were 'incubated' by his business and rather than seeking other rental space to operate their businesses they would typically / often rent space at the subject property.

Comparable Rental Data

The following table contains comparable rental data from properties in the market area.

Location	SF	Lease Rate/ SF	Terms
1435 Chapel St., New Haven	1,397	$23.19	Net of utilities for first floor office use space in a three -story mixed use building.
97-107 Whitney Ave., New Haven	4,360+/-	$18.00	Net of Utilities for second floor office space in a multi-tenanted mixed use commercial building.
32 Elm Street, New Haven	1,550+/-	$19.35	Net of Utilities lease for third floor office use space in a converted residential to commercial use building. 3,500 square feet of garage / industrial space with two offices and two half-bathrooms; one overhead door and 14+/- foot high ceilings; situated on 0.12-acre site (12/2023).
47 Elm Street New Haven	1,135+/-	$24.00	Net of Utilities lease for second floor office use space in a multi-story mixed use commercial building.
770 Chapel Street, New Haven	2,000+/-	$22.00	Net of Utilities lease for street level commercial / service provider use space in a multi-story mixed use commercial building.
Ranges	**1,135-4,360+/-**	**$18.00-$24.00**	**Net of Utilities**

The comparable properties indicate a rental range of $18.00 to $24.00 per square foot for office / service provider use spaces on net of utilities terms. The range associated with the comparable properties is due to a few factors with the most notable being location, condition, size of the space, etc. Typically, properties that are in superior locations, better condition, associated with smaller sized units, and / or have a higher degree of interior buildout and / or with superior ceiling heights will indicate higher rental rates than properties that are in inferior locations, inferior condition, and / or associated with larger spaces with a lower degree of interior finish and inferior ceiling heights.

The subject property is considered to be in average condition, to have average utility, and to be in an average/good location with a good size land area for on-site parking compared to most alternative properties in the area. In our opinion, considering the characteristics of the subject property as they relate to the market data, we feel the market rental rate for the subject property is at or near $21.00 per square foot on net of utilities terms, which is within the middle of the range indicated by the comparable properties; our projected market rental rate for the subject property is based on the location, condition, size of the building area, land area, etc. of the subject property, which we feel would lend the property to be able to demand a rental rate at or near that which we projected. Our projected rental rate assumes the property is leased to either one entity or two entities (one on the first floor and one on the second floor) on net of utilities terms; obviously, if the property is rented / leased to multiple tenants and utility charges are included in the rent (gross terms), the rental rates charged would likely be $3 to $4+/- per square foot higher.

We have outlined our projected gross income for the subject property in the following table:

Potential Gross Income Summary

Potential Gross Income				
Potential Gross Rent			**Market**	**Market**
Owner Occupied Space	**SF**	**Units**	**Rent**	**Rent/SF**
Office	6,950	1	$145,950	$21.00
Owner Occupied Space Totals	6,950	1	$145,950	$21.00

Vacancy and Collection Loss

All leased properties are subject to potential loss of income due to vacancy or from credit factors such as non-payment or tenant/landlord disputes and a property such as the subject would be no exception. Although the vacancy and credit levels may increase and decrease from time to time, it is thought that the prudent buyer would be looking at potential rent losses in a specific range in an effort to estimate an accurate income potential. The income stream of the subject property has been projected based on market rental rates. The overall market for similar spaces in the region is average. The majority of the properties that are in the subject property market area with similar characteristics as the subject property indicate vacancy rates in the range of 0% to 10% over a typical 5 to 10 year holding period. The average vacancy rate in New Haven at the end of the 1st Quarter 2024 was about 17%, but most of this vacancy is associated with Class A assets (27%+/- vacancy) with Class B properties indicating an average vacancy rate of about 9%. The average current asking rental rates for these two classes of office space is about $24 per square foot on gross terms.

Properties with similar characteristics as the subject property will sometimes have extended periods of 100% occupancy. However, when and if a space does become vacant there is typically a marketing period needed for the property to be re-leased to a tenant. In our opinion considering the location, condition, comparable market data, and the specific characteristics of the subject property, a vacancy rate at or near 9.00% is reasonable for a typical five to ten year holding period. This anticipated vacancy rate is reasonable for the subject property considering the size, condition, location and property characteristics of the subject versus similar properties in the subject market. This rate is in – line with the most recent average rate indicated in the market for properties that are comparable to subject property.

Expenses

The proper analysis of expenses reflects typical expenditures experienced at similar properties presuming prudent management. As such, it is necessary to project expenses just as we have projected income and vacancy/credit loss levels. Typical rental terms for the subject are on a net of utilities basis. Thus, the owner is responsible for the real estate tax expense, insurance, major building and site maintenance, management, and reserves with most expenses being reimbursed by the tenant. An explanation of our projected owner's expenses for these line items is outlined on the following page(s).

Real Estate Taxes: Real estate taxes have been discussed in a prior section of this report. Based on our analysis we have projected the real estate tax expense at $26,104 annually.

Insurance: The reported cost for property insurance at comparable properties ranges from $0.50+/- to $1.00+/- per square foot. The cost is market sensitive and variable based on specific coverage, use of the property, etc. Based on the market costs at comparable properties we have projected an annual cost for this expense of $0.60 per square foot of total building area or $4,170 annually and this expense is considered reasonable.

Utilities: The reported cost for utilities (common area) at comparable properties ranges from $0.25+/- to $0.50+/- per square foot depending on the amount of common area, tenant uses, etc. Based on the market costs at comparable properties along with the layout and buildout of the subject property and the likely general office use tenancy at the property, we have projected an annual cost for this expense of $0.30 per square foot of total building area or $2,085 annually and this expense is considered reasonable.

Repairs/Maintenance: Typical costs include labor and related supplies and equipment, snowplowing, etc. The property is considered to be in average condition with on-going maintenance anticipated. Owners and managers of comparable properties noted this expense ranging generally from $0.50+/- to $1.50+/- per square foot. Considering the subject's usage and tenancy, site size, and this expense at comparable properties, we have projected an annual expense of $1.00 per square foot or ($6,950 annually).

Management/Administration: The administrative/management expense includes items such as marketing, employee salaries, wages, payroll taxes, office equipment supplies, telephone and computer usage, licenses, legal and accounting fees, etc. A facility such as the subject does not require full-time on-site personnel. Owners and managers of comparable properties noted this expense ranging from 2% to 6% of effective gross income. This expense at the subject is estimated at 4% ($5,313 annually) and is considered reasonable due to the location, condition, number of tenants at the property, and the demand for this type of space in the subject property market.

Reserves: It is necessary to set aside some allocation for major repairs and necessary replacement of room finishes, structural and mechanical systems, etc. which is typical in an investment in real estate. Some structural items tend toward controlled costs for repairs and replacement of capital items. Owners and managers of comparable properties that set aside appropriate reserves noted this expense ranging from $0.25 to $0.50+ per square foot or 1% to 10% of effective gross income. Considering the subject's size, usage and tenancy we have projected an annual cost for this expense of $0.25 per square foot ($1,738 annually) and this expense is considered reasonable. This cost is in line with market expectations and appears adequate considering the condition of the property and the maintenance completed at the subject to date.

Expense Summary		
Expense	Appraisal Amount	$/SF
Taxes	$26,104	$3.76
Insurance	$4,170	$0.60
Repairs/Maintenance	$6,950	$1.00
Management	$5,313	$0.76
Reserves	$1,738	$0.25
Totals	**$46,359**	**$6.67**

Expense Reimbursements

The subject property is projected to be leased on a net of utilities terms. Therefore, the owner of the property would not receive additional income in the form of reimbursements associated with these expenses.

Expense Reimbursements		
Expense	Reimbursed	Amount
Taxes	No	
Insurance	No	
Utilities	No	
Repairs/Maintenance	No	
Management	No	
Reserves	No	
	Total	$0

Selection of Capitalization Rate

Capitalization rates are a measure of performance and an indication of value; they reflect expectations for income growth and perceived risks. In general, lower initial capitalization rates indicate a greater expectation of future durability and growth in net income and lower overall risk. We have looked at national sources of capitalization rates which are outlined in the following table.

Capitalization Rate Source	Overall (Going In) Rates
Realty Rates Office Industrial	2nd Quarter 2024 Average 9.23%
The Builder Group Net Leased-Office	3rd Quarter 2024 Average 7.75%

The capitalization rates noted in the previous table are in the range of 7.75% to 9.23% for office use properties.

The rates at the lower end of the ranges tend to reflect properties in premier locations with long term leases to regional or national credit tenant while the rates at the higher end of the range are typically associated with older properties, with non-credit tenants on shorter leases that are in average to marginal locations.

There have been sales in the area of similar use properties that indicate buyers of this type of property (most often times owners that also occupy the property or at least some of the property) are purchasing comparable properties at values that would indicate implied capitalization rates in the range of 5.0%+ to 9.0%+/-. As these properties are typically purchased for at a minimum partial owner occupancy actual capitalization rate data is scarce; however, if market rental rates, expenses, and lending criteria are projected for the comparable sales in a similar manner that was done for the subject property, capitalization rates with the range of 5.0%+/- and 9.0%+/- are apparent. As such, based on the location of the subject property in New Haven it is our opinion that an investor in the subject property would employ a capitalization rate from within the average range indicated by the national surveys and within the implied range indicated by the comparable market data.

We projected a stabilized income at the subject, and we believe a potential investor would anticipate similar expectations of income from the subject. However, there is risk in the subject property from maintaining tenants and the owner's responsibility for continued holding costs such as utilities, taxes and insurance expenses, maintaining tenants at the projected rates, capital investment and the questionable liquidity of the asset. The capitalization rate we have selected considers these matters.

To support our capitalization rate selection, we also derived a capitalization rate for our analysis via the Simple Band of Investment Technique. We have based our analysis on an 70% loan to value ratio and a 20 year amortization period in this analysis. Average interest rates during the holding period for a loan on the subject property are estimated at approximately 6.50%. These characteristics are used as a basis for establishing the mortgage constant. Factors involved in equity returns include the reliability of the cash flow, the marketability of the investment product, the stability of the value and other considerations such as the potential for increased rental rates, etc. The selection of an appropriate equity rate should also be measured against alternative investment vehicles.

The yield rates most often looked to as a basis for investor expectations are noted in the following table:

Investment Alternatives	Rates as of 10/21/2024
Prime Rate	8.00%
US Treasury, 10 Year	4.19%
US Treasury, 20 Year	4.54%
US Treasury, 30 Year	4.49%

Source: Federal Reserve Board - http://www.federalreserve.gov/Releases/h15/Current/

Investment in US Treasuries and corporate bonds involve considerably less risk than an investment in commercial real estate. The investment requirements of the subject property that were revealed to us by local investors are greater than that of investment products such as US Treasury Bills.

This is due to a greater risk of the subject property as an investment versus other investment products. The local investors that we spoke with and based on the implied capitalization rates that have been employed by investors in the area, the noted desired return on equity from an investment in the subject property or a property similar to the subject property would range from 5%+/- to 15%+/-. In our analysis, we have used an equity dividend rate of 5.00% which was considered to be a reasonable rate of return on an investment in the subject property. We have projected a rate at the lower end of the range due to the location, condition, and perceived stability associated with the subject property due to its location and the market in which the property competes. In addition, based on the recent sales data and the implied rates associated with the comparable sales it is apparent that properties are trading at values that imply buyers are accepting / employing initial equity dividend rates at or in many cases below that which we have projected for the subject property. The table below details the Band of Investment calculations.

Capitalization Rate Calculations					
Capitalization Rate Variables					
Mortgage Interest Rate	6.50%				
Loan Term (Years)	20				
Loan To Value Ratio	70%				
Equity Dividend Rate	5.00%				
Band of Investment Analysis					
Mortgage Constant			Loan Ratio		Contributions
0.089468776		x	70.%	=	6.26%
Equity Dividend Rate			Equity Ratio		
5.00%		x	30.%	=	1.50%
			Band of Investment Capitalization Rate		**7.76%**

Based on the national surveys, the Band of Investment, and the implied capitalization rates indicated by the comparable sales, we determined that an overall capitalization rate of 7.75% would likely be employed by a typical investor in the subject property. This rate, which is within the lower end of the average range indicated by the national surveys, in line with the rate indicated via the band of investment technique, and within the middle of the ‘implied’ range indicated by the comparable sales (5%+/- to 9%+/-), is in our opinion reasonable and supportable for the subject property considering the location, condition, current market conditions, and the specific investment characteristics of the subject property.

Based on our analysis, our opinion of value for the subject property is calculated on the following page.

Income Capitalization Analysis					
Unit/Space Type	**Income**	**Method**	**Units/SF**	**Annual**	**% of PGI**
Office	$21.00	$/SF/Year	6,950	$145,950	100.0%
			Potential Gross Income:	$145,950	100.0%
			Expense Reimbursements:	$0	
		Vacancy & Collection Loss	9.00%	$13,136	
			Other Income:	$0	
			Effective Gross Income (EGI):	$132,815	91.0%

Expense	Amount	Method	Annual	$/SF
Taxes	$26,104	$/Year	$26,104	$3.76
Insurance	$0.60	$/SF	$4,170	$0.60
Utilities	$0.30	$/SF	$2,085	$0.30
Repairs/Maintenance	$1.00	$/SF	$6,950	$1.00
Management	4%	% of EGI	$5,313	$0.76
Reserves	$0.25	$/SF	$1,738	$0.25
		Total Expenses:	$46,359	$6.67
		Expense Ratio (Expenses/EGI):	34.90%	
		Net Operating Income (NOI):	$86,456	$12.44
		Capitalization Rate:	7.75%	
		Value (NOI/Cap Rate):	$1,115,557	$160.51
		Indicated Value:	$1,115,557	
		Rounded:	$1,120,000	$161.15

Income Approach to Value Conclusion

Based on the analysis detailed above, is our opinion that the "as is" Market Value of the Fee Simple interest in the subject property, as of October 23, 2024 is:

"As Is" Market Value

Rounded: $1,120,000

One Million One Hundred Twenty Thousand Dollars

Insurable Value

Worksheet Completed by:	**Franklin**		Date:	**10/23/2024**
Street Address:	1294 Chapel Street		City/Town:	New Haven
State:	CT		Zip Code:	06511
Building Identifier (bldg # or description):	Office		Building Type:	Office
Building Area Square Footage:	6,950		Construction Class:	D
Effective Age:	20	Years	Quality/Condition:	Average
Number of Stories:	2.0		Exterior Wall:	Brick and Concrete Block

*BUILDING**

* a “building” is defined as a structure (*regardless of size or economic utility*) that is separate and distinct; has at least two outside rigid walls and a fully secured roof; is principally aboveground (>50% of value); and, is permanently affixed to the real estate; this spreadsheet must be completed for each "building" located at the above-referenced property

Marshall & Swift Identifier

Description:		Class:	
Section:		Page:	

TOTAL BASE COST PER SQUARE FOOT:		$169.18	/SF
ADJUSTMENTS:			
	Sprinkler:		
	Heating & Cooling:	$22.94	
	Elevator:		
	Other:		
	Total:	$22.94	
TOTAL REPLACEMENT COST NEW:		$1,335,234.00	
MULTIPLIERS:			
	Height:	1.00	
	Stories:	1.00	
	Perimeter:	1.00	
	Local Multiplier:	1.00	
	Current Multiplier:	1.00	
TOTAL:		$1,335,234.00	
LESS PHYSICAL DETERIORATION:			
	Effective Age:	20	Years
	Estimated Life:	50	Years
	% Deterioration:	17%	
	EST. INSURABLE VALUE OF BUILDING:	$1,108,244.22	

The insurable value of this portion of the subject property has been rounded to $1,110,000.

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Opinion of Value via	"As Is"
Sales Comparison Approach	$1,190,000
Income Approach	$1,120,000

Sales Comparison Approach
The value of the subject property via the sales comparison approach is estimated from a number of sales that are considered comparable to the subject, (location comparison, recent sales, use comparisons, square foot sizes, etc.) and the sales are considered competitive to the subject. Qualitative and quantitative comparisons were made to the sales, which are supported from market data, and the per square foot values are consistent with the current market. The conclusion determined via the sales comparison approach is considered reasonable and reliable.

Income Approach
The income approach analysis we utilized reflects the methods used in the current market. The market data used is considered comparable and reliable. The income and expense data is considered adequate and of good quality. The method of capitalization of income is well supported, as it is often the method used by investors and purchasers of properties similar to the subject. There is adequate data available to determine a capitalization rate by comparison to other investments and risks associated with ownership of real estate. The conclusion determined via the income approach is considered reasonable and reliable.

Conclusion
It is our conclusion that the opinions of value determined from the approaches are well supported. In addition, it is our experience that potential buyers of the subject property would consider the values indicated via both approaches to be applicable in valuing the subject property. As such it is our opinion that the "as is" market value of the Fee Simple interest in the subject property, as of October 23, 2024 is:

One Million One Hundred Sixty Thousand Dollars
$1,160,000

(Equal Reliance on Both Approaches To Value)

Addenda

After Recording, Return To:

SUSMAN, DUFFY & SEGALOFF, P.C.
ATTORNEYS AT LAW
700 STATE STREET
SUITE 100
NEW HAVEN, CT 06511

Receipt # 182659
Instr # 2021-05426
Local Tax $ 5680
State Tax $0

VOL 10186PG 96
06/04/2021 10:25:23 AM
3 Pages
WARRANTY
Michael B. Smart City Clerk

WARRANTY DEED - STATUTORY FORM

TO ALL PERSONS TO WHOM THESE PRESENTS SHALL COME, KNOW YE, THAT:

RL1 LLC, a Connecticut limited liability company with an address of 1608 Union Avenue, Hewlett, NY, 11557,

5680.00
L

for the consideration of One Million One Hundred and Thirty-Six Thousand ($1,136,000.00) Dollars, grants to:

Greater New Haven Business and Professional's Association, Inc. a/k/a Greater New Haven Business and Professional Association, Inc., a Connecticut Non-Stock Corporation with an address of 192 Dixwell Avenue, New Haven, CT, 06511,

with WARRANTY COVENANTS, all that certain real property known as:

1294 Chapel Street, New Haven, Connecticut,

being more particularly described in Schedule A, attached hereto and made a part hereof.

Exempt 13
S

Said Premises are conveyed subject to:

1. Any and all provisions of any municipal, ordinance or regulation or public or private law with special reference to the provisions of any zoning regulations and regulations governing the said Premises.
2. Real property taxes on the current Grand List and any municipal liens or assessments becoming due and payable on or after the delivery of this Deed.
3. Such additional encumbrances, if any, as more particularly set forth in Schedule A attached hereto.

In all references herein to any parties, persons, entities or corporations, the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require.

(Signature Page to Follow)

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed on this June 2, 2021.

Signed, Sealed and Delivered in the presence of or attested by:

Witness Menachem Sandman

Witness Bayla Edelman

GRANTOR
RL1 LLC

By: Eyal Preis
Its Manager

STATE OF CONNECTICUT)
) ss: New Haven
COUNTY OF New Haven)

Personally appeared Eyal Preis, signer and sealer of the foregoing instrument, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained in the capacity therein stated, before me, on this June 2, 2021.

Notary Public/Commissioner of the Superior Court

Menachem Sandman
Commissioner of the
Superior Court
Juris Number: 431987

BK: 10186 PG: 97

Schedule A
Legal Description

All that certain piece or parcel of land, with the buildings and improvements thereon standing, situated in the City of New Haven, County of New Haven and State of Connecticut, known as Nos. 1294-1298 Chapel Street, bounded and described as follows:

NORTHERLY: by Chapel Street, 84 feet, more or less;

EASTERLY: by land now or formerly of Ellen N. Connell, 100 feet, more or less;

SOUTHERLY: by land now or formerly of Patrick H. Sisk and others, 38 feet, more or less;

EASTERLY AGAIN: by land now or formerly of Patrick H. Sisk and others, 70 feet, more or less;

SOUTHERLY AGAIN: by land now or formerly of Dennis A. Blakeslee and Clarence W. Blakeslee, 47 feet, more or less;

WESTERLY: by land now or formerly of William L. Konick, 170 feet, more or less.

Together with:

- The rights of Yale New Haven Hospital, Inc. as tenant pursuant to a Lease Agreement dated February l, 1987 as amended to date.
- A variance as granted by the New Haven Board of Zoning Appeals dated April 10, 2019 and recorded in Volume 9841 at Page 153 of the New Haven Land Records.

06/04/2021 10:25:23 AM
Michael B. Smart City Clerk
City of New Haven

BK: 10186 PG: 98

Alpha Realty Advisors

Dear Jerome Franklin ,

We are pleased to engage you for the appraisal services on this request. By accepting this assignment via Appraisal Firewall, our appraisal management software, you acknowledge acceptance of the Order Details Form within Appraisal Firewall and the following Engagement Terms.

Please include an executed copy of the engagement letter and a copy of your license/certification in your completed report. Or you may upload the signed terms separately by utilizing the Upload Signed Terms button within the Appraisal Firewall order.

On behalf of Alpha Realty Advisors (the client), this letter authorizes you to prepare an independent appraisal for the property described in this order assignment. Compliance with the terms of this letter is necessary to insure acceptance of the appraisal and prompt payment of your invoice.

Assignment/Bid Details:

Delivery Requirements: Upload one electronic copy of the completed appraisal report to the order within Appraisal Firewall.

Payment: Subsequent to satisfactory review. Fee will be based on bid proposed by appraisal vendor and approved by the client within the Appraisal Firewall order assignment.

Due Date will be based on turn time proposed by appraisal vendor and approved by the client within the Appraisal Firewall order assignment.

For property details and order requirements, please refer to the Print/Order Details form within the Appraisal Firewall order assignment.

Contact and Notification Requirements:

You agree to communicate with the property contact to arrange for inspection and request required information within 48 hours of engagement. Notify your appraisal coordinator via email to report the date of contact and the property inspection date. If you cannot make contact within two days, or do not receive the required documentation, notify the Appraisal Coordinator by sending a message within the Appraisal Firewall order.

If at any time you believe that delivery of the report may be delayed for any reason, you must notify the Appraisal Coordinator by sending a message within the Appraisal Firewall order.

Alpha Realty Advisors

Appraisal Requirements:

Reports must comply with FIRREA and USPAP, and contain sufficient information to permit satisfactory review.

I agree to the terms of this engagement letter, and the additional client specific and general requirements contained herein. Acceptance of the electronic award of this engagement in the Appraisal Firewall system constitutes acceptance by you of this engagement under the terms of this engagement letter.

Appraiser Acceptance:

Your inspection, communication, and appraisal report must comply with the Client Specific requirements that are defined in this engagement letter.

I agree to the terms of this engagement letter to meet the client specific requirements.

Date: 10/16/2024

Signature:

Printed Name: JEROME C. FRANKLIN

Two steps are required to fully execute this engagement letter: 1) please sign on the indicated section above, and 2) initial the Client Specific Requirements summary that appears on the following page. Full compliance with the Client Specific Requirements is required to ensure acceptance of your report and processing of your invoice.

Please include an executed copy of the engagement letter and a copy of your license/certification in your completed report. Please do not upload the executed engagement letter separately to Appraisal Firewall to confirm engagement.

Alpha Realty Advisors

Client Specific Requirements: **Initial:** ________

Notify the client immediately if any of the following scenarios become apparent during the completion of the appraisal assignment:

1. If there are state or local rent moratoriums/restrictions in place; if present, appraiser must analyze any potential impact on the value or marketability of the property.
2. Physical vacancy is greater than 20 percent.
3. The roof needs repairs or renovation, or the property requires repairs or renovations that exceed $25,000.
4. If physically possible, the appraiser should measure the improvements. If the GBA estimate varies from public record by more than 10 percent, the appraiser must reconcile the variance.
5. There are apparent health, safety and/or livability issues including, but not limited to, the presence of mold and/or other possibly hazardous substances, the presence of potential structural issues due to noted deflection, leaning, cracking, or other evidence, etc.
6. There is an apparent encroachment, easement, or other adverse external site condition that negatively impact the marketability and/or value of the subject property.
7. The current use is an illegal use, is permitted only by restrictive variance, or any other adverse zoning related issue that would negatively impact the marketability or market value; if legal non-confirming, provide information pertaining to its ability to be reconstructed if destroyed and if permitted only by variance, indicate whether said variance will transfer legally if the property is sold/transferred at a later date.
8. There are additional income generating components that are not permanent building improvements, including, but not limited to, billboards mobile homes, food trucks, cell towers, etc.
9. You are not granted full access to areas of the property you feel are critical to your valuation.
10. The improvements are occupied by marijuana-related uses or adult entertainment, or are located in a zone that permits marijuana-related uses
11. Either the property or tenant(s) reflect regulated or subsidized rent
12. If the value of the property consists significantly of land value
13. If the improvements reflect a specialized use, including restaurant, daycare, bank or other specific uses.

Alpha Realty Advisors

General Valuation Requirements:

Historical data reconciled and analyzed – You must fully comply with the USPAP requirements for analysis of the sales and listing history of the subject property. You must reconcile any variance(s) between the current appraised value, and all current sales/list prices or sales/listings within the last three years.

Historical Income – If applicable, historical operating statements and/or leases should be adequately acknowledged and discussed; a comparison and reconciliation should be made in regard to the current market and forecasted income.

Improvements sketch - The source of the unit and building square footages (GBA & NRA) must be identified and discrepancies from public record must benoted (see Client Specific Requirements). The conclusions should be verified against at least one independent source (Ex. Public record and/or listing). An improvement sketch or plan reductions that identifies the unit mix should be included in the report.

Photographs - Photos of the interior, exterior and street scenes are required, and must represent an accurate depiction of the subject property in termsof overall condition/quality. For multiunit properties, photos should be identified as being of a typical unit, upgraded unit or outdated/deferred unit. Any significant obsolescence must be identified and photographed.

Real Estate Taxes & Assessed Value - Actual taxes and delinquent taxes must be reported. For valuation purposes, the analysis should address whether the real estate taxeswould change (up or down) if the property was sold and the property should be valued accordingly (especially if the current market value significantly differs from the current assessed value).

1. Assessed value and property taxes must be stated as well as the basis for the appraiser's estimate of property taxes.
2. Presentation of the property tax rate and special assessment information
3. Know how the taxes are calculated in your jurisdiction and explain clearly to the reader

Inspection Requirements - The appraiser must clearly state the scope of the inspection

1. A Certified General Appraiser must inspect both interior and exterior of the property
2. The inspection must include the area/number of units that is sufficient to form a reasonable opinion of the interior condition and finishes, potential obsolescence, deferred maintenance and actual vacancy.
3. For apartment buildings, the inspection should include all vacant units and at least one of each unit type. For properties that contain 10 units or less, all attempts should be made to inspect the interiors of at least 50% of the units. For properties 10-30 units, the ratio is 35 percent; for properties 30 units or larger the ratio is 25 percent.

Improvements -

1. The description of the building and site improvements must include the quality, condition and pertinent physical characteristics, as well as obsolescence, illegal units/additions and/or potential

hindrances to marketability.

2. The appraiser must estimate the Effective Age and Remaining Economic Life of the improvements.
3. Identify personal property, FF&E, trade fixtures and intangibles. Provide a separate value allocation for each non-realty component.

Valuation Requirements

Approaches to Value - Sales Comparison and Income Approaches are required. Include the Cost Approach if required to produce credible results. Includereasoning if the cost approach is omitted.

Sales Comparison Approach - There must be an adequate level of data, including descriptions, photographs, map and adjustment grid. The conclusion must besupported by the data and analysis presented.

Income Approach -

1. There must be an adequate number of Comparable Rentals, with a preferred minimum of three per unit type.
2. A photo and map of Comparable Rentals and their relationship to the subject's location is required.
3. An adequate description and comparison of each Rental Comparable must be provided. The rental description should state the source of confirmation and/or data source and, if applicable, include phone numbers
4. Vacancy - There is no 5% standard estimate, investigate the market, seek opinions and use your judgment and skill acquired to estimate a reasonable estimate including both vacancy and the often-forgotten collection loss.
5. A detailed reconciliation is highly encouraged; Expense forecasts should be supported and the capitalization rate should be extrapolated and supported from both the market sales and from at least one other source, (Ex. Published data source)

Market Value Definition - All appraisals must provide be based on the definition of market value defined by the Federal Office of the Comptroller of theCurrency (OCC) and FIRREA.

Highest and Best Use - Analyze the Highest and Best Use as vacant and improved. Identify the ideal improvement. Provide pertinent zoning information, adetermination of the legal/non-conforming nature of the subject improvements and include analysis.

Insurable Value -

1. The appraiser must calculate the Insurable Value of the property.
2. Insurable value is defined as the current cost to replace the improvements including recurring soft costs

Additional Scope of Work Requirements - Each appraisal must contain a sufficient description of the property, market, property risk, market data, and conclusions, reflecting thecomplexity of the property and intended use of the report.

A copy of the current, relevant license for primary and contributing appraiser(s) must be included in the addenda. A copy of the engagement letter must be included in the addenda. **The primary appraiser, as designated by the client in the engagement letter must sign the report. Qualifications and licenses for all contributing appraisers must be included in the report.** Additional requirements include:

- The appraisal must conform to the Uniform Standards of Professional Appraisal Practice (USPAP), particularly Standards 1 and2 that govern the development and reporting of Real Property appraisals.
- The appraisal report shall make an affirmative statement that the appraiser is competent to complete this report in accordance with the competency provision in the USPAP. In the absence of an affirmative statement, the appraiser must disclose any lack ofknowledge and/or experience for this assignment and any necessary steps taken to comply with the competency provision in theUSPAP.
- Marketing/Exposure; analyze and report reasonable marketing and exposure periods for the subject property including thedisclosure of the assumptions used.
- Trends; analyze/report on current market conditions and trends that will affect projected income or absorption, to the extentthey affect the value of the subject property.
- Deductions and Discounts, "As Is" Value; analyze and report appropriate deductions and discounts for any proposed construction or any completed properties that are partially leased or leased at other than the market rents as of the date of theappraisal. All appraisals shall contain an "as is" market value, and an 'as-stabilized' value, if applicable.
- Appraiser Independence; include in the certification required by the USPAP an additional statement that the appraiser has actedin an independent capacity and that the appraisal assignment is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- Appraisal Report content (if appropriate); include supporting documentation so that the appraiser's logic, reasoning, judgment,and analysis supports the reasonableness of the market value(s) reported. The level of description shall enable the reader to ascertain the appraiser's rationale and shall provide detail and depth of analysis commensurate with the complexity of the realestate appraised.
- Legal Description; where available in the normal course of business, obtain and include a legal description of the real estatebeing appraised, in addition to the description required by USPAP.
- Personal Property, Fixtures and Intangibles; identify and separately value any personal property, fixtures or intangible items thatare included in the value estimate.
- Address the Cost, Sales Comparison, and Income Approaches and their applicability to the subject property. Develop those approaches that are required to provide a credible estimate of market value, and reconcile the approaches to an estimate that ismost relevant to the subject property.

STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION

CERTIFIED GENERAL REAL ESTATE APPRAISER

JEROME C FRANKLIN

License #	Effective	Expiration
RCG.0000894	05/01/2024	04/30/2025

SIGNED

1020185

STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION

CERTIFIED GENERAL REAL ESTATE APPRAISER

ROBERT J HARRINGTON JR

License #	Effective	Expiration
RCG.0001529	05/01/2024	04/30/2025

SIGNED