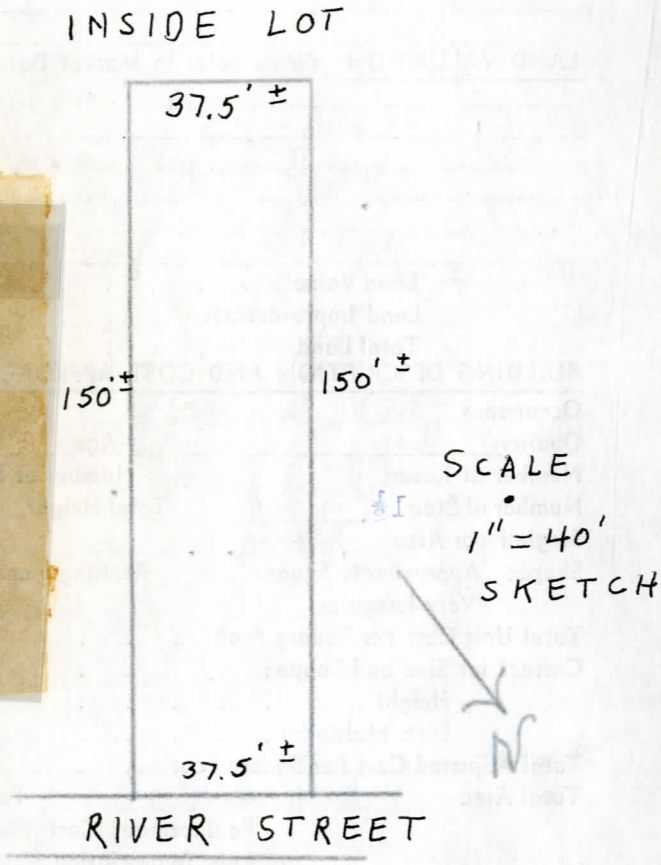
APPRAISAL REPORT

Owner Edward Hajj
Owners' Address #44 River Street Danbury, Connecticut
Property Appraised Known as #44 River Street, Danbury, Connecticut being Redevelopment Parcel 7 Block 6 (or Tax Parcel 10 SW side of River Street together with the small industrial building thereon.

Recording Information Vol. 308 Pg. 406 Betty Kernick Howley et al to Edward Hajj. 5/15/56 R. S. $12.65 Price of $11,500 confirmed.

Assessment:		Tax Rate	40
Land	$ 2,160		
Building Improvements	8,070	Taxes	$409.20
Total Assessment	$10,230		

Photographs and/or Sketch



Market Value (Appraisers Final Valuation)

Land	$ 3,000
Land Improvements	
Building Improvements	15,000
Total	$18,000

Certification: I certify that I inspected the property on February 24, 1960 and that this appraisal has been made in accordance with standards of ethics and practice of The American Institute of Real Estate Appraisers.

Date of Appraisal March 16, 1960

Karl G. Hufnagel Jr.
Appraisers Signature

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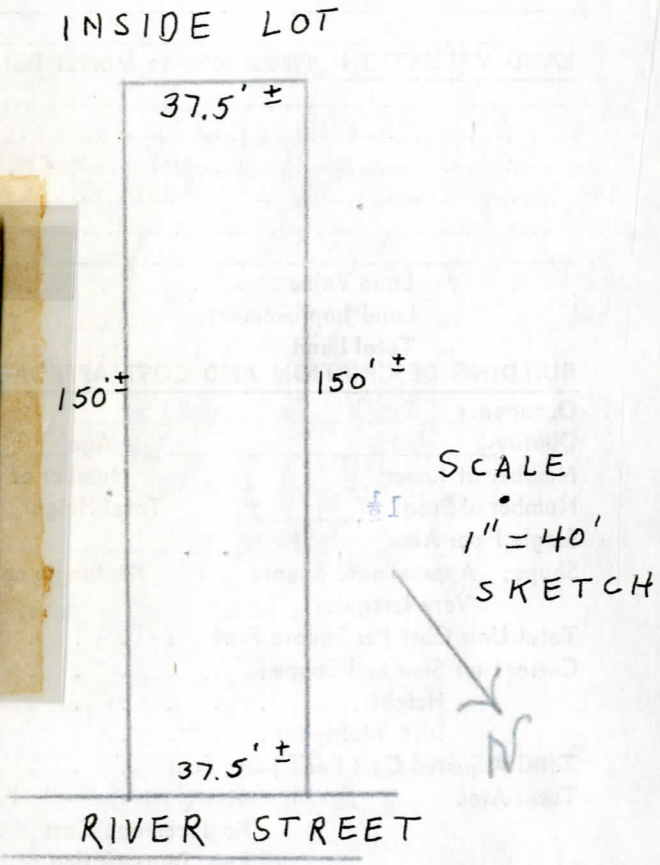

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NEIGHBORHOOD DESCRIPTION

Zoning Industrial

Boundaries Neighborhood boundaries coincide with the Redevelopment area which lies westerly of Main Street.

Character and Trend Neighborhood is a combination of old factories, warehouses, stores, and tenements and a few dilapidated dwellings. Residential occupancy is non-white. Trend is downward.

LAND DESCRIPTION

Size 37.5' ± x 150' ± Frontage 37.5' ± Area 5650 sq. ft.

Description Land is level over most of lot but rises to a steep bank at the very rear.

Utilities Sewer, water, gas, electricity, curbs, gutters, and sidewalks.

Land Improvements included in land value.

Highest and Best Use of Property As small factory or warehouse.

LAND VALUATION Please refer to Market Data - on page 4.

Based on a consideration of the comparables, I feel that the first 100' of depth of subject property at 75¢ per sq. ft. is worth $2,800. There are only approximately 20 additional feet of depth which is on the level. I add rear area at $500 making total land value of $3,300.

Land Value	$3,300
Land Improvements	incl.
Total Land	$3,300

BUILDING DESCRIPTION AND COST APPROACH

Occupancy Small Industrial Building Class D-Front portions C-Rear portion

Quality Low Age Front-over 50 Rear-10-15 Condition Fair

Number of Rooms 3 Buildings #1, 1 & 2 Number of Baths none Number of Lav. 1-2 Fix.

Number of Stories 1½, 1 & 2 Total Height 20' Average Story Height 10'

Single Floor Area 2,692 s.f. Total Area 4119 s.f.

Shape: Approximate Square ____ Rectangle or Slightly Irregular X Long Rectangle or Irregular ____ Very Irregular ____

		1½	1	2
Total Unit Cost Per Square Foot	(From Page 3)	$5.34	$4.77	$4.43
Correct for Size and Shape	1.12			
Height				
Dist. Multiplier	1.28		$1.43	
Total Adjusted Cost Per Square Foot		$7.64	$6.82	$6.35

Total Area see comments below Per Square Foot

Replacement Cost

Less Depreciation

Physical ____ Functional ____ Economic see comments below

Building Value By Cost Approach

Value of other Building Improvements (Depreciated) $17,350

Add Land Value (include land improvements) 3,300

TOTAL VALUE BY COST APPROACH $20,650

Comments:

1½ story metal clad	803 s.f.	1st floor 1205 s.f.	total @ $7.64
1 story frame	864 s.f.	864 s.f.	total @ 6.82
2 story cinder block	1025 s.f.	1st floor 2050 s.f.	total @ 6.35
	2692 s.f.	1st floor 4119	total

1205 x $7.64 = $9,206 less 50% depre. ($4,603) = $4,603

864 x $6.82 = $5,893 less 50% depre. ($2,946) = 2,947

2050 x $6.35 = $13,018 less 25% depr. ($3,255) = 9,763

Total Depreciation Bldg. Value $17,313

BUILDING DESCRIPTION — Component Part Check List

		Unit Cost		
		1½	1	2
1. FOUNDATION: Concrete ____ Conc. Post ____ Masonry X Wood Blocking ____ Other ____		.16	.16	.16
2. EXTERIOR WALL: Asbestos Siding ____ Brick Common ____ Brick Face ____ Conc. ____ Other ____ Conc. Block 2 Masonry & Steel Sash ____ Masonry Veneer ____ Metal Clad (1½(Metal Panel ____ Stone ____ Stucco ____ Tile, Clay ____ Tilt-up Conc. ____ Wood 1		.91	1.06	1.42
3. ROOF STRUCTURE: Conc. ____ Conc. & Tile ____ Wood Frame with Wood Sheathing X Other ____ (Divide Cost by Number of Stories)		.40	.61	.30
4. ROOF COVER: Asbestos Shingle ____ Built-up Composition 2 Composition Shingle ____ Other ____ Galv. Iron ____ Roll X Slate ____ Shakes ____ Tile ____ Wood Shingle ____ (Divide by Number of Stories) .09/1.5 .09/1 .14/2		.06	.09	.07
5. FRAME: Cast Iron Columns 2(1/3) Other ____ Conc. Reinf. ____ Steel Open ____ Steel Fireproofed ____ Wood X Decrease ____ % for bearing wall.		.20	.20	.20
6. FLOOR: Brick on Ground ____ Other ____ Conc. on Ground 2 Reinf. Conc. ____ Hardwood ____ Softwood M111		.60	.81	.43
7. FLOOR COVER: Asphalt Tile ____ Cork Tile ____ Hardwood on Conc. ____ Other ____ Linoleum ____ Marble ____ Rubber Tile ____ Slate ____ Softwood on Conc. ____ Tenazzo ____ Tile, Ceramic ____ Vinyl Tile ____		--		
8. CEILING: On Wood Structure X On Steel or Conc. Structure ____ Other ____		.18	.18	.18
9. INTERIOR CONSTRUCTION: Min. X Few ____ Ave. ____ Many ____ Single Res. ____ Other ____		.07	.07	.07
10. HEATING and COOLING: Forced Air ____ Furnace Floor or Wall ____ Gas Steam Radiators ____ Other ____ Gravity Furnace ____ Heaters ____ Hot Water Radiators ____ Radiant Floor ____ Steam with Boiler X Steam without Boiler ____ Combined Heat & Air Conditioning ____		.61	.61	.61
11. ELECTRICAL: Min. ____ Few ____ Ave. X Many ____		.20	.20	.20
12. PLUMBING: Min. X Few ____ Ave. ____ Many ____		.04	.04	.04
BASEMENT: Unit Cost 1.75 X Area 803 Divided by Total Area 1205		1.16	0	0
(1½ story only) Total Unit Cost / Square Foot Sprinkler system		.75	.75	.75
		$5.34	4.77	4.43
Porches: Area ____ X Unit Cost ____ Value ____				
Garage ____				
Outbuildings ____				
Lump Sum Additions ____				

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MARKET DATA APPROACH Please refer to Market Data Book for full details on the following transactions which I have considered in making my estimate of value.

A. LAND

Land 1, at $150 per front foot $1.50 per sq. ft. (100' depth) is on Rose Street close to Main and reflects Main St. influence. Sale is believed to be at higher than market value as it tied in as a rear access to purchaser's adjoining property which fronts on Main St. It is adjacent to Redevelopment area.

Land 2, at $40 per front ft., 30¢ per sq. ft. is on a 100' x 133' lot in an industrial zone and used for factory parking. It is somewhat less centrally located than subject area.

Land 19, at $52 per front ft., 15¢ per sq. ft. (300 foot average lot depth-total area 3.06 acres) is in a newer industrial section considerably further from the center, but within the city limits.

Land 30, at $49 per front ft. $.32 per sq. ft. represents a price being asked for an industrial lot of about 3/4 of an acre, (154' deep) not nearly as close to the center of Danbury and with some fill necessary, and a ditch problem as the pictures show.

Land 31, at $67 per front ft. $.50 per sq. ft. is the indication by the capitalization of a lease rent of the worth of a factory parking lot in an industrial zone, reasonably comparable in location. (133' average depth).

Based on a consideration of the above sales, River Street property in my opinion by comparison is worth $75 per front ft. for industrial purposes for 100 ft. depth. Broken down according to the 4-3-2-1 Rule this works out to 75¢ per sq. ft. for the first 100 ft., 56¢ per sq.ft. for the depth from 100 ft. to 200 ft., 38¢ for the depth from 200 ft. to 300 ft. and 19¢ for the depth from 300 ft. to 400 ft.

RENTAL DATA | **GROSS MULTIPLIER** | **INDICATED VALUE**

See Income Approach.

MARKET DATA APPROACH

B. BUILDINGS (Please refer to Market Data - Small Industrial in the addenda).

Subject property was purchased in May of 1956 for $11,500 (small ind. #2)

Owner put in new electrical system and repaired boiler and plumbing	2,800
Owner added sprinkler system	5,000
Owner's Total cost ($4.70 per sq. ft.)	$19,300

Other sales of interest are #1 (small industrial) at $4.39 per sq. ft. which might be compared with frame section of subject building, and #4 (small industrial) at $5.32 which may be compared with Masonry section of subject property. Also #8 (small industrial) at $4.58 per sq. ft. is of interest. If the sales other than subject property are considered in relation to subject property, it is indicative that owner's actual cost as shown above is fairly well bracketed.

Therefore my estimate of value by Market Data Approach is $19,000.

INCOME APPROACH Please refer to my list of industrial rentals in the Market Data Book. The following rentals in the Redevelopment area are particularly noted.

Nezeta Taylor	$.42
William Friel	.51
Viking Wire	.49

It is interesting to note that H. Yamin had property rented for $.73, and that it is now down to $.38 because of difficulty of renting due to present uncertainties. In my opinion, if property could be leased for a 10 year period it would bring 60¢ to 70¢ per sq. ft. In the following approach I use 60¢ per sq. ft. with 5% vacancy allowance (assuming a long term lease to a stable manufacturing or warehouse tenant).

4119 sq. ft. at 60¢ per sq. ft.		$2,471
Less 5% allowance for vacancies and lost rents		124
Gross Effective Income		$2,347
Less: Expenses		
Taxes	$409	
Insurance		
Fire & Lia.	270	
Water	16	
Structural Re.	150	
Management, commissions, etc.	94	
		939
Income Attributable to Property		$1,408
Less Interest on Land $3,300 x 8%	=	264
Income Attributable to Improvements		$1,144

Capitalized at 11% (8% interest plus 3% depreciation based on estimated 30-35 year remaining economic life.

	$10,400
Add Land	3,300
Total by income approach	$13,700
In Round Figures	$14,000

COMMENTS

Interest rate used above is based on the following estimate:

6% mortgage rate on 50%	= 3%
10% equity rate on 50%	= 5%
Interest rate	= 8%

NOTE: The 50% of value 6% mortgage loan is the most likely in this area. Equity requirements of from 10-13% are applicable. However since I am using straight line depreciation, vacancy allowance, and realistic economic life, I will use 10%.

COMMENTS

CORRELATION OF APPROACHES

Value by Cost Approach	$20,650
Value by Market Data Approach	19,000
Value by Income Approach	14,000

In my opinion the Income Approach should carry less weight in this type of property where an owner buys primarily to use for his own livelihood rather than as an investment. In an active city such as Danbury it is often a choice of an old property like this, or spending a great deal more for a piece of land and the erection of a new building, and properties like this more often than not sell for more than an investor would pay for them as an investment.

My final estimate of value is $18000.