

*Pratt & Whitney
Southington, CT.*

*Environmental Property Acquisition
Real Estate Review*

*Prepared for: William P. Lynott
LandBank*

*Prepared by: Kyle Cascioli
Barrett Associates, Inc.*

March 23, 1998

Acquisition Report Outline

1. *Subject Property Feature - Benefit Analysis*
2. *Regional and State Economic Analysis*
3. *State and Enterprise Zone Economic Incentives Analysis*
4. *Assessment of Political Climate*
5. *Competitive Market Analysis*
6. *Central Connecticut Commercial Regional Market Profile*
7. *Southington Sub-Market Character Profile*
8. *Financial Transaction Analysis*
9. *Transaction Summary*

Regional and State Economic Analysis

The New England region has benefited greatly from the nation's economic growth. With regional unemployment at all time lows, this potentially *labor-constrained* economic market continues to experience exponential growth in both the service and trade industry sectors.

The Connecticut economy is on track to continue to parallel the unprecedented service and trade sector growth of both the region and the nation. A constrained labor market is applying upward pressure on wages, which potentially could inhibit growth at the state level; however, significant reductions in the State's corporate tax rate should compensate for the increased cost of labor.

New England:

- *National pay growth in 1996 outpaced the national average gain of 3.7% for the second consecutive year. Average annual pay increases grew to 4.4%, up from 4.0 in 1995*
- *Annual pay growth "varied widely by industry." Finance/Real Estate (FIRE) led the way at 8.3%. FIRE was followed by Wholesale trade at 4.9%. Manufacturing was tied with Construction for third at 4.7%, with retail pay increases following at 3.6%*
- *At \$40,826, the average pay for manufacturing is at a 12.67% premium over the national average of \$36,235*
- *The hourly compensation rate was more than \$2.00 higher than the US average of \$17.97, and was the highest among the four census regions in 1996*
- *Unemployment rate has remained below that for the nation since February, 1995*
- *Non-Farm employment gain of 154,000 jobs (1997), an increase of 2.4% compared with national average of 2.7%*

Connecticut:

- *Total compensation employment cost for private industry workers for the twelve month period from September 1996 - September 1997, rose at rate equivalent to 81.25% of that of the national average for the same period*
- *Of the six New England region's states, Connecticut was second only to Massachusetts in job growth by state. Massachusetts and Connecticut accounted for for 75% of the region's job growth during calendar 1997, with Connecticut accounting for 30.5% of that growth*
- *Of the 25 metropolitan areas in the region, Waterbury was third in relative job growth during 1997 at 4.2%. It should be noted that the subject property is located equidistant between Hartford and Waterbury, with no big block competitors identified south of the subject property in the Hartford MSA competitive property analysis*
- *The State had the second highest pay level in the US behind New York, and at \$36,579 was at a 26% premium over the national average of \$28,945 in 1997*
- *Per Capita income rose 5% to \$29,588 for the period December 1994 through December 1995*
- *Governor Rowland has cut taxes by \$1.2 billion, including a 33% corporate tax reduction*
- *State's corporate tax rate being reduced from 9.5% in 1998 to 7.5% in 2000*
- *The State's unemployment rate has dropped 1.3% during the period December 1996 through December 1997*
- *Since 1977 the State has stayed at or below the United States average for unemployment*

Connecticut's Economic Incentives

The state of Connecticut is very proactive with regard to promoting *Economic Growth* as evidenced by the major benefits identified below. And efforts to reposition this property can only be enhanced, given that it is domiciled in a *State Enterprise Zone*.

State Economic Incentives

- *Corporate tax rate reduction has been legislated, and will be reduced from 10% to 7.5% by the year 2000*
- *Additional Urban Jobs Program benefits outside of the Enterprise Zone are available at the discretion of the Commissioner of Economic and Community Development - Mr. Chet Camarata*
- *A 100% property tax abatement on new and used machinery for five years*
- *Sales and Use tax exemptions on newly acquired machinery and materials*
- *A 100% property tax credit toward corporate tax liability for computers and data processing equipment*
- *General Tax credits available for the following: Apprenticeship Training, Employee Training, Research & Development, Child Day Care, Clean Alternative Fuel, and Neighborhood Assistance*
- *State Development Authority issue Tax exempt bonds up to \$10 million dollars subject to federal tax regulations, issue general obligation bonds, and can make low interest loans with flexible terms and conditions*
- *Utility assistance - specialized reduced rate structure manufacturers, including funding toward improvements for energy conversion during build-out*
- *Labor training financial assistance*

Assessment of Political Climate

As evidenced by the data points enumerated below: The State of Connecticut's *Political Agenda* would appear to be very "business friendly," and to have broad *bipartisan* support.

- *At 37, the state's 86th Governor, republican John G. Rowland (Waterbury native) is youngest Governor in history of the state, and the Nation's youngest governor*
- *The State's surpluses have totaled nearly \$600,000,000 since 1995. An agenda of spending restraint and income tax cuts has characterized Rowland's "business friendly" administration*
- *The Governor also is empathatic to manufacturing, and has put on his agenda the creation of a "manufacturing resource center" to enhance vocational training with regard to manufacturing technologies*
- *The State has two Democratic Senators, Chris Dodd and Joe Lieberman. The New York Post describes Lieberman as "respected by Republicans and Democrats alike. Additionally, the New York Times endorsed his re-election in 1994 saying, "In only one term, he (Lieberman) has influenced the course of Federal legislation for the benefit of Connecticut and the nation*
- *In the House of Representatives, the State has six Congresspersons, two Republicans and four Democrats, one of which, Democratic Congresswoman Barbara Kennelly, is from Hartford*
- *In the State legislature, Southington has two representatives, Republican Angelo Fusco and Democrat Thomas Colapietro. Fusco, is a member of the Disabled American Veterans, and is employed in the plant engineering department of the Pratt & Whitney overhaul and repair division in Cheshire, and lives in Plantville. State Senator Colapietro is retired from the Delco Chassis Division of General Motors (a subject property competitor) where he was employed as a set-up operator for 29 years*

Competitive Market Analysis

In spite of its presently *soft* condition, the Central Connecticut and greater Hartford industrial real estate market may be stabilizing, and close to *flattening out*.

However, given the project's mass, site and facility constraints, and the industrial market's competitive depth for functionally obsolete "*Big Block*" industrial properties, this repositioning equation may be less a function of the market's recovery, and more of a function of the demand for *highly specialized production facilities*, that can fully utilize this subject properties intrinsic industrial value.

From the competitive data supplied by the local broker, and *primary research* conducted through the *Connecticut Economic Research Center (CERC)*, it would appear that there have been ongoing and recent attempts in the Connecticut industrial marketplace to *sub-divide* and *multi-tenant* these distressed "*Big Block*" properties. Please refer also to the ***Pratt & Whitney Site Geographic Market Competitor Map*** attached to the back of this report section.

As such, the cost-benefit analysis of undertaking the "*sub-division*" or "*block-busting*" of this subject property is more a function of the *lease rates* being achieved by similar "*block-busting*" competitors in this local *alternative industrial real estate space* marketplace. More information is needed, and has been requested from broker -see the attached *request for additional information* sent to Henry Reusch.

The competitive property data has been formatted, and a determinant of market condition that I find relevant is the ***Lease Sales Multiplier*** (Please refer to the "***Pratt & Whitney Competitive Property Comparison Spreadsheet*** attached to the back of this report section.)

As you can see from the spreadsheet, there are twenty comparable competitive properties capable of either satisfying the demand for *intermediate to large* blocks of industrial space, or becoming a "*block buster*" competitor in the *alternative space* marketplace. Additionally, the *lease sales multipliers* are in many cases extremely low. That is, once leased at a market rent, the investment property can quickly pay for itself.

For example, the intermediary has referenced that a ***Chicago*** investor has within the last year, invested/speculated by acquiring 1.7 million dollars worth of product, including the subject property's primary competitor - ***the Bristol Business Center***.

If you refer to the spreadsheet, you will note that the ***Bristol Business Center*** was purchased at a *lease/sales multiplier of .95!* Much like a *price/earnings ratio*, this property will quickly pay for itself, once the project matures to market occupancy levels. Other market considerations aside, it would be surprising to see the Hartford industrial investment market get much *softer* than it presently is.

A less obvious competitive threat in the *alternative commercial space market* for large blocks of "*Back-Office*" space comes from Hartford's high *office vacancies*. With the overall suburban and downtown CBD vacancy rate for *Class A* space hovering in the twenty percent range, the demand for inexpensive back-office space *alternative space* should be relatively insignificant.

In closing, the Hartford industrial market *may* have *bottomed-out*. With investment values exceedingly low relative to replacement cost, the real question is when will the market turn, and what does the future hold for manufacturing growth in Central Connecticut?

Unfortunately, we still need more information. And given the depth of competitive properties identified thus far, I feel the need to visit the subject property, and inspect the Hartford industrial marketplace firsthand.

P&W Acquisition - Request for additional information

Priority A:

1. *Identify the top three Industrial and Office REIT's with significant inventory in the Central CT/Hartford MSA Area? Are any of the competitive properties identified in your transaction package owned by REITS?*
2. *Of the sixty million square feet of industrial product inventory in the Hartford MSA, what percentage falls into facilities under 500,000 SF. What is the vacancy rate in the 500,000 SF and under facility size marketplace? What is the vacancy rate for the above 500,000 SF marketplace?*
3. *The "Sentry Market Report" referred to the sale of the "Thermos" facility in Norwich, which was vacant for ten years. Please give some background history on this facility, the transaction, and the user/purchaser.*
4. *What was the cause(s) for the "negative absorption" spike in the Hartford "industrial market trend-line" in 1995?*
5. *What is the SF inventory - by product type - of both industrial and office space in the Southington sub-market of the Hartford MSA?*
6. *How healthy is the Hartford MSA industrial "build-to-suit" marketplace? Transactions aside, how active is the market? What is the average regional lead-time for contemporary industrial "build-to-suit" projects in months? How quickly have you seen a "build-to-suit" brought to the market?*
7. *How many of these kinds of speculative industrial "block-busting" redevelopments have you seen attempted in the Hartford MSA? Please identify and advise as to the status of these comparable projects.*
8. *What was the percentage of office "build-out" in the recent "Firestone" transaction?*

Priority B:

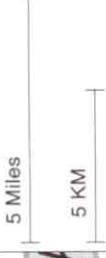
1. *Where are the nearest factory outlet and auto malls located in conjunction to Southington?*
- 2.
3. *How many lanes are there on State Highway #229 from Southington to Bristol?*
4. *Are there any "duty free trade zones" associated with Bradley International Airport in Hartford?*
5. *Does the site have any significant visibility to Interstate #84?*

Pratt Whitney Competitive Property Comparison

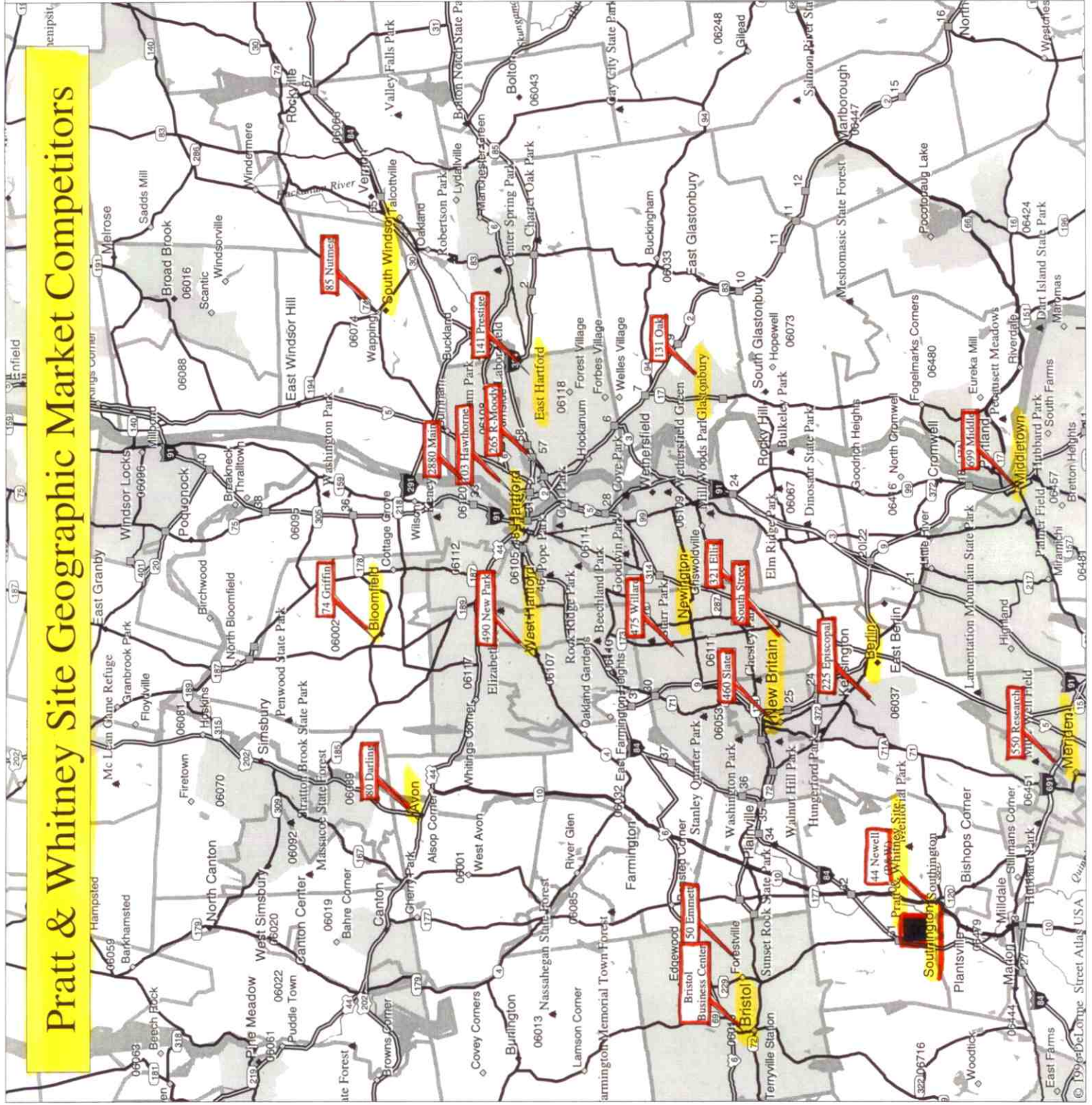
Subject	Geo-Sub Market	Land (acres)	Building (Sq.Ft.)	Year Built	Land/Bldg. Coverage %	Sq.Ft. Available	Percent Occupied	Sales SF (asked)	Sales SF (actual)	Lease Rate SF	Lease/Sales Multiplier(asked)
	SW MSA	53.00	831,568	1942	36%	831,568	0%	\$13.22	\$3.80	\$3.00	4.41
131 Oak	SE MSA	15.00	200,957	1945	31%	200,957	0%	?	?	\$15.00	?
85 Nutmeg	NE MSA	5.02	109,295	1969	50%	109,295	0%	\$20.12	?	\$5.00	4.02
80 Darling	NW MSA	22.00	174,438	1976	18%	174,438	0%	\$24.65	\$14.61	\$7.04	3.50
74 Griffin	NW MSA	28.00	449,350	1986	37%	449,350	0%	\$26.15	?	\$3.95	6.62
50 Emmett	SW MSA	12.00	207,000	1942	40%	207,000	0%	\$14.00	?	\$5.00	2.80
225 Episcopal	SW MSA	25.00	212,000	1908	19%	212,000	0%	\$11.79	?	\$3.93	3.00
103 Hawthorne	MSA	5.00	470,000	?	216%	450,000	4%	\$2.12	?	\$2.00	1.06
2880 Main	MSA	5.00	118,000	1940	54%	118,000	0%	\$8.89	\$6.77	\$1.75	5.08
490 Park	W MSA	4.70	102,000	1920	50%	102,000	0%	\$19.12	?	\$15.00	1.27
460 Slater	SW MSA	17.00	112,000	?	15%	112,000	0%	?	?	?	?
475 Willard	S MSA	108.00	600,000	1966	13%	600,000	0%	\$6.67	\$5.50	\$3.25	2.05
141 Prestige	E MSA	7.20	100,000	1972	32%	100,000	0%	\$14.00	?	\$3.00	4.67
265 Rev-Moody	MSA	9.00	104,000	?	27%	104,000	0%	\$57.69	\$30.76	?	?
85 S Satellite	?	?	100,000	?	?	100,000	0%	?	\$23.50	?	?
South Street	SW MSA	90.00	580,000	1917	15%	580,000	0%	\$9.48	\$4.58	\$2.75	3.45
88 Longhill	?	?	?	?	?	?	?	?	\$13.45	\$2.75	?
550 Research	S MSA	25.19	320,000	1969	29%	143,000	55%	?	?	?	?
699 Middle	S MSA	38.00	264,000	1970	16%	?	?	?	?	?	?
45 Newell	P&W MKT	46.40	500,000	1965	25%	500,000	0%	\$60.00	?	\$3.50	17.14
Bristol B-Ctr	SW MSA	182.00	1,200,000	1967	15%	800,000	33%	\$3.58	\$3.58	\$3.75	0.95

Pratt & Whitney Site Geographic Market Competitors

Mag 11.00
 Sat Mar 21 04:24 1998
 Scale 1:250,000 (at center)



- Major Connector
- State Route
- Primary State Route
- Interstate/Limited Access
- US Highway
- County Seat
- State
- Small Town
- Large City
- Park/Reservation
- Locale
- Exit
- Population Center
- Land
- Water
- River/Canal
- Zipcode Boundary



Real Estate Services



The SiteFinder™ is a computer database of Connecticut's available commercial and industrial properties which was developed through the cooperation of Connecticut realtors and the CERC. Database searches are available free of charge to brokers, DECD regional managers, company representatives, and clients of other economic development agencies.

A selection of properties from the database will be featured here in the *Real Estate Services* portion of our website. To request a search of the SiteFinder™ database please complete and submit a [Site Search Form](#).

For a summary listing of the available properties currently featured here, please choose from the following selections:

- [Industrial properties](#)
- [Development sites](#)



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Industrial Properties	
<p><u>Profile 1</u></p> <p>Address: 75 Aircraft Road</p> <p>Town: Southington</p> <p>County: Hartford</p> <p>Type: Manufacturing</p> <p>Size: 830,000 s.f. on 53 acres</p> <p>Notes: Former Pratt & Whitney facility</p>	<p><u>Profile 2</u></p> <p>Address: South Street</p> <p>Town: New Britain</p> <p>County: Hartford</p> <p>Type: Manufacturing</p> <p>Size: 580,000 s.f. on 89 acres</p> <p>Notes: Former New Britain Machinery facility</p>
<p><u>Profile 3</u></p> <p>Address: 550 Research Parkway</p> <p>Town: Meriden</p> <p>County: New Haven</p> <p>Type: Ind/Whse</p> <p>Size: 320,000 s.f. on 25 acres</p> <p>Notes:</p>	<p><u>Profile 4</u></p> <p>Address: 699 Middle Street</p> <p>Town: Middletown</p> <p>County: Middlesex</p> <p>Type: Industrial</p> <p>Size: 260,000 s.f. on 38 acres</p> <p>Notes: North & Judd facility</p>

<p><u>Profile 5</u> Address: Norwich Avenue & Route 12 Town: Taftville County: New London Type: Industrial Size: 294,000 s.f. on 56.7 acres Notes:</p>	<p><u>Profile 6</u> Address: 45 Newell Street Town: Southington County: Hartford Type: Industrial Size: 500,000 s.f. on 46.4 acres Notes: Former overhaul & repair facility</p>
<p><u>Profile 7</u> Address: 225 Episcopal Road Town: Berlin County: Hartford Type: Mfg/Whse/Dist Size: 800,000 s.f. on 164 acres Notes: 190,000 s.f. available for lease</p>	<p><u>Profile 8</u> Address: 32 Henry Street Town: Bethel County: Fairfield Type: Industrial Size: 356,000 s.f. on 17 acres Notes: Shepard's warehouse</p>
<p><u>Profile 9</u> Address: 475 Willard Avenue Town: Newington County: Hartford Type: Industrial Size: 616,400 s.f. on 108.7 acres Notes:</p>	<p><u>Profile 10</u> Address: Moosup Pond Road Town: Plainfield County: Windham Type: Industrial Size: 535,000 s.f. on 80 acres Notes: Good expansion potential</p>
<p><u>Profile 11</u> Address: 780 James P. Casey Road Town: Bristol County: Windham Type: Industrial Size: 731,714 SF for lease Notes:</p>	<p><u>Profile 12</u> Address: 21 Black Rock Turnpike Town: Fairfield County: Fairfield Type: Industrial Size: 225,516 s.f. on 36 acres Notes: 50' high bay clearance</p>

Profile 13

Address: 812-939 Barnum Avenue

Town: Bridgeport

County: Fairfield

Type: Industrial

Size: 900,000 s.f. on 28 acres

Notes: Enterprise/Foreign Trade Zone

Development Sites

<u>Profile 1</u> Address: 1584 Highland Avenue Town: Cheshire County: New Haven Type: Industrial Site Size: 47.8 acres (unimproved) Notes:	<u>Profile 2</u> Address: Hopmeadow Street Town: Simsbury County: Hartford Type: Two Industrial Sites Size: 10.6 acres & 22 acres (both unimproved) Notes: Non-contiguous parcels
<u>Profile 3</u> Address: 140 Southfield Avenue Town: Stamford County: Fairfield Type: Commercial Waterfront Site Size: 3.45 acres (unimproved) Notes: 150' frontage on Stamford Harbor	<u>Profile 4</u> Address: Louisa Viens Drive Town: Killingly County: Windham Type: Industrial Site Size: 72 acres (unimproved) Notes:
<u>Profile 5</u> Address: U.S. Route 6 Town: Brooklyn County: Windham Type: Commercial Site Size: 14.6 acres (unimproved) Notes:	<u>Profile 6</u> Address: Cross Road Extension Town: Waterford County: New London Type: Industrial/Commercial Site Size: 15 acres (unimproved) Notes:
<u>Profile 7</u> Address: Conn. Route 99 (Main Street) Town: Cromwell County: Middlesex Type: Industrial Site Size: 110 acres (unimproved) Notes:	<u>Profile 9</u> Address: 600 Derby Avenue (Route 34) Town: West Haven County: New Haven Type: Industrial/Office Site Size: 70 acres Notes:

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Central Connecticut Commercial Regional Market Profile

The Central Connecticut area's economy is greatly indexed to the greater Hartford metropolitan economy, and as the historic center for the State's manufacturing base, the central region has disproportionately lost manufacturing jobs when compared with both the New England region and average for the State. This is reflected by the abundance of available, functionally obsolete, "Big Block," single-user industrial facilities in the Central Connecticut state area. Additionally, Hartford's heavy dependence upon the insurance industry has resulted in a *soft* office market, which is presently hovering near a 20% vacancy rate. This is a region that continues to experience structural economic change and is plainly in transition.

- *Includes the towns of Berlin, Bristol, Burlington, New Britain, Plainville, Plymouth, and Southington*
- *The 1993 average regional housing cost was \$132,000*
- *The regional labor force totaled 118,101 in 1995*
- *1989 regional per capita income was \$17,081 1989*
- *The Central Connecticut regional population totaled 224,815 in 1994*
- *The region provides commuter airline services from Plainville's Robertson Airport, and a full range of passenger and cargo services at Bradley International Airport in Hartford*
- *The region is home to Central Connecticut State University, which is renowned for its "Institute for Industrial & Engineering Technology" in downtown New Britain (a nearby competitive market). Through IIEC, CCSC provides technical manufacturing and production resources to the entire state*
- *The region is home to two community colleges: Briarwood College and Tunxis Community College*
- *Industry "clusters" include: HealthCare, Insurance, Manufacturing, and telecommunications*
- *Major Companies include: Corbin Hardware, ESPN Broadcasting, Fansteel, General Electric EDC, Honeywell, IMO Industries, Johnson & Johnson, Russwin*

*Hardware, Superior Electric, The Barnes Group, The Stanley Works, and UTC
Otis Elevator corporations*

- *Region's economic base is characterized by the State as "Diversified from being the historic center of Connecticut's manufacturing activities to being the center of robust modern businesses such as health care, insurance, and telecommunications"*

Southington Sub-Market Commercial Character Profile

All available market, demographic, and other secondary research data support the assumption that Southington is a typical Central Connecticut middle class township, located in a secondary market with an historic dependence on - and affinity for - large, economically paternal oligopolies such as *Pratt & Whitney*. The City may view this facility as their greatest economic resource with regard to *job creation*, and may be very helpful in the marketing of this property to space users of a type similar to the property's historic, and only tenant/space user.

The probability is high that the City would resist all efforts to redevelop this site to alternative use, including but not limited to any "*block-busting*" repositioning strategy. The status of communication between the city and LandBank is unknown at this time.

- *Population 39,000 (1995)*
- *1995 Per Capita Income of \$30,290*
- *1.8 % projected annual growth 1995 - 2005*
- *Land area 36 square miles located 18 miles from Hartford*
- *1995 average residential property sales price of \$127,097*
- *1995 percent of graduates attending four year College - 57.2%*
- *1995 Unemployment Rate of 5.1% (1995 average for State was 5.6%)*
- *City's top three industry segments are service at 40.2%, retail at 32.2%, and manufacturing at 12.3%. The State's average for service, trade (?), and manufacturing is 30%, 22%, and 17% respectively*
- *The City is home to Briarwood College, one of the Central Connecticut region's two community colleges*
- *Founded in 1779, the community has a rich manufacturing history, and was home to the first "carriage bolt machine."*
- *City is "Central Connecticut Region's top generator of tourism dollars." Tourist attractions include "Lake Compounce" family theme park, Mt. Southington Ski Area, the "Great Unconformity" rock formations, and the "Bradley Barnes Museum*

Financial Transaction Analysis

Three potential financial case scenarios were established for this subject property acquisition evaluation. All three case scenarios assume a **Triple Net NNN** lease format (**expenses estimated at \$2.50 SF**), and support similar base assumptions with the exception of the investment *holding* period, the project's *leasing* forecasts, and *cash-flow* disbursements with regard to anticipated "building improvements."

For purposes of this financial review, the landlord is assumed to have non-recoverable property expenses of \$180,000 annually during *Lease-up* attributable to low occupancy. All models assume a 9.5% interest rate (25 year term), a partial land sale for \$1,000,000 in year two, and contemplate final reversion at the end of the investment holding period at a market capitalization rate of 11%.

First Case:

This three year holding period, *multi-tenant*, financial scenario profiles the local sales listing broker's (*Colliers Dow & Condon*) *optimistic* assumptions that a 300,000 SF tenant can be located and installed in the project within nine months of acquisition. The report further estimates that the "like market" rate for this subject property falls in the range of \$2.75 to \$3.50 per SF. This scenario further assumes that the project's "lead" tenant can be "built-out" in the space for \$3.19 per square foot. I have "*backed out*" the \$3.19 per SF tenant finish amortization from the original scenario provided by Stuart Minor (LandBank principal) to arrive at an "*as-is*" condition - subject property - market base SF lease rate for use in these analyses. This pure *market base rent* is estimated at \$2.62 per square foot. All lease assumptions assume a seven-year primary term, and the cost to amortize \$13.60 per SF of *tenant finish leasehold improvements* at a ten-percent discount rate is \$2.69 per SF. As such, all models assume a "*turn-keyed*" lease rate of **\$5.31 SF**.

It's my opinion that the "repositioning horizon" for a project of this size - given the present competitive conditions in the Hartford MSA industrial marketplace - is four to eight years from the date of acquisition. Furthermore, I believe that there will be considerable expense involved in both ***separately metering and redistributing power*** within this facility for anticipated ***multi-tenant use***. As such, *all three financial case scenarios* have a \$2,077,000 cost in addition to the original \$1,000,000 assumption, bringing the total cost of building improvements to \$3, 077,500.

Also, it is my opinion that the ***ratio of office space to open space*** for this project's prospective tenant space users will be closer to **30%**. Therefore, all three financial case scenarios assume a weighted ***tenant improvement budget of \$13.60 SF***. This further assumes that the average cost per SF of *office* and *open space* tenant finish construction is \$22 and \$10 respectively.

Please refer to the ***P&W (first case) Financial Spreadsheet Analysis*** attached to the back of this report section.

Second Case:

This financial scenario assumes a five-year holding period. This scenario also contemplates a *multi-tenant repositioning strategy*, and Lease-up is forecasted to include four tenants ranging from 150,000 SF to 300,000 SF. A 150,000 SF *lead-tenant* is anticipated to be in place and paying rent by the 18th month, with tenants of 300,000 SF, 150,000 SF, and 200,000SF anticipated to occupy in months 30, 42, and 54 respectively.

This "model run" further assumes that the expense involved in both *separately metering and redistributing power* within this facility, will be incurred in the year of lease commencement. Additionally, the *power redistribution cost* is *proportionate* to the size of the individual tenant as a percentage of total forecasted occupancy, and is *pro-rated* by year of tenancy during the investment holding period.

Please refer to the ***P&W (second case) Financial Spreadsheet Analysis*** attached to the back of this report section.

Third Case:

This conservative financial scenario assumes a seven-year holding period.

This analysis takes into account the contemporary *softness* of the Hartford MSA's industrial marketplace. With a large inventory of *ready-to-go* "Big Block" industrial space, this scenario reflects a more "*market-driven*" approach, whereby limited *multi-tenant* building re-configuration construction improvements are made prior to the consummation of a lease with the project's "*lead tenant.*"

This *Lease-up* is forecasted to begin in year four (month 37) with a 300,000 SF "lead tenant," and to be followed by consecutive annual leases to single users of 150,000 SF, 150,000 SF, and 100,000 SF respectively.

Please refer to the ***P&W (third case) Financial Spreadsheet Analysis*** attached to the back of this report section.

Please refer to the ***Transaction Summary*** section of this report for final analysis and recommendation.

P&W Acquisition - Request for additional information

Priority A:

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Priority B:

- 1. Where are the nearest factory outlet and auto malls located in conjunction to Southington?*
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- 3. How many lanes are there on State Highway #229 from Southington to Bristol?*
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- 5. Does the site have any significant visibility to Interstate #84?*

Pratt Whitney (first -case)
Southington, Connecticut

Year	% of \$	of row #	0	1	2	3	4	5	6	7	8	9	10	Total
1		Purchase Price/Land Value	\$ (3,150.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,150.0)
2		Income/Expense:												
3		Income Net	\$ -	\$ 796.5	\$ 2,389.5	\$ 3,186.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,372.0
4		Operating Expenses and Taxes	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (540.0)
5		Net Operating Income	\$ (180.0)	\$ 616.5	\$ 2,209.5	\$ 3,006.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,832.0
6	-2.00%	Capital Reserve	\$ -	\$ (15.9)	\$ (47.8)	\$ (63.7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (127.4)
7		Capital Improvements (Construction):												
8		Tenant Improvements	\$ -	\$ (2,040.0)	\$ (4,080.0)	\$ (2,040.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,160.0)
9		Building Improvements	\$ -	\$ (3,077.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,077.5)
10		Remediation O&M	\$ -	\$ (2,340.0)	\$ (570.0)	\$ (170.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,080.0)
11			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15		Total Capital Improvements (Construction)	\$ -	\$ (7,457.5)	\$ (4,650.0)	\$ (2,210.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,317.5)
16		Points/Fees:												
17	-1.00%	Brokerage Fees (sale)	\$ -	\$ -	\$ (10.0)	\$ (257.8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (267.8)
18	-6.00%	Brokerage Fees (lease)	\$ -	\$ (47.8)	\$ (143.4)	\$ (191.2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (382.3)
19	0.00%	Financing - Land/Construction Points	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	-5.00%	Asset Management/Managing Mem. Fee	\$ -	\$ (27.8)	\$ (85.3)	\$ (159.3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (252.3)
21	0.00%	Design/Engineer Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22		Development Fee	\$ -	\$ (50.0)	\$ (50.0)	\$ (50.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (150.0)
23	2.00%	Professional Fees (Account, Legal, etc.)	\$ (31.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31.5)
24		Underwriting Fees	\$ (63.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (63.0)
25	5.00%	Remediation Management Fee	\$ -	\$ (117.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (117.0)
26	1.00%	Acquisition Fee	\$ (31.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31.5)
27		Total Points/Fees	\$ (126.0)	\$ (242.5)	\$ (268.6)	\$ (658.3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,295.4)
28	1.00%	Closing Costs	\$ (31.5)	\$ -	\$ (10.0)	\$ (257.8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (299.3)
29	0.00%	Interest Construction Period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30		Environmental Insurance (all)	\$ (1,200.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,200.0)
31		Site Investigation	\$ (100.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100.0)
32		Site Management	\$ -	\$ (20.0)	\$ (20.0)	\$ (20.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (60.0)
33		Security	\$ -	\$ (10.0)	\$ (10.0)	\$ (10.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30.0)
34	1.00%	Contingency	\$ (31.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31.5)
35		Surplus Land Sale	\$ -	\$ -	\$ 1,000.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.0
36	11.00%	Projected Sales Office	\$ -	\$ -	\$ -	\$ 25,781.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,781.8
37		Sales Total	\$ -	\$ -	\$ (1,000.0)	\$ 25,781.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,781.8
38		Cash Flow/IRR Before Debt	\$ (4,819.0)	\$ (7,129.5)	\$ (1,796.9)	\$ 25,566.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,822.6
39		Financing:												
40	30.00%	Equity Balance	\$ 3,584.5	\$ 3,584.5	\$ 3,676.2	\$ 3,776.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	70.00%	Funding/Loan Balance	\$ 8,363.9	\$ 8,363.9	\$ 8,272.3	\$ 8,171.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	9.50%	Interest Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	25.00	Amortization (Years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44		Payment Made:	\$ -	\$ 886.2	\$ 886.2	\$ 7,361.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45		Interest	\$ -	\$ 794.6	\$ 785.9	\$ 776.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46		Principal (Equity)	\$ -	\$ 91.7	\$ 100.4	\$ 6,585.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	50.30%	Alter Debt Service Cash Flow	\$ (3,584.5)	\$ (886.2)	\$ (2,683.1)	\$ 18,206.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,052.5
48		Distribution - Landbank 25%	\$ -	\$ -	\$ -	\$ 4,551.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,551.6
49		Distribution - Investor	\$ (3,584.5)	\$ (886.2)	\$ (2,683.1)	\$ 13,654.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,500.9
50			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52		Cash-on-Cash Investor Group	\$ -	\$ -24.72%	\$ -74.85%	\$ 380.94%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 0.00%	\$ 181.36%

Notes/Assumptions:

a. All dollar figures represented in x,000's.

b. No accounting provided for depreciation, personal taxes, property taxes and security deposits.

c. Disposition Fee per Landbank - Project schedule provided by Landbank

d. All lease assumed to be NNN whereas, property taxes, insurance and common area maintenance to be paid for by the tenants

e. \$170K long term O&M provided from Net (NNN) sales purposes so as to pay for \$50K-\$170K-\$170K Capex sales price

f. Operating Expenses \$5.25/SF (NNN) - typical for this type of facility (see annual pro forma terms)

g. Operating Expenses and Taxes are estimated at \$2.50/SF (excluding janitorial)

h. Tenant Finish Construction is assumed to be 30% Office (\$22/SF), and 70% Open Space (\$10)

i. See financial summary for detailed explanation of pro-forma assumptions

BY ACCEPTING THIS ANALYSIS, THE BUYER RELEASES BOTH BARRETT ASSOCIATES AND LANDBANK FROM ANY LIABILITY WITH REGARD TO THIS ANALYSIS. THIS ANALYSIS IS FOR INFORMATION PURPOSES ONLY. THERE IS NO WARRANTY OR REPRESENTATIONS THAT THE SCENARIO OR THE INFORMATION REFLECTED HEREIN WILL ACTUALLY OCCUR. BARRETT ASSOCIATES AND LANDBANK RECOMMENDS THAT LEGAL, ACCOUNTING, TAX AND OTHER CONSULTING BE PURSUED BY THE BUYER PRIOR TO CLOSING.

Pratt Whitney (second-case)
Southington, Connecticut

Year	0	1	2	3	4	5	6	7	8	9	10	Total
1 Purchase Price/Land Value	\$ (3,150.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,150.0)
2 Income/Expense:												
3 Income Net	\$ -	\$ 398.3	\$ 1,593.0	\$ 2,787.8	\$ 3,717.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,496.1
4 Operating Expenses and Taxes	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (900.0)
5 Net Operating Income	\$ (180.0)	\$ (180.0)	\$ 218.3	\$ 1,413.0	\$ 2,607.8	\$ 3,537.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,416.1
6 Capital Reserve	\$ -	\$ -	\$ (8.0)	\$ (31.9)	\$ (55.8)	\$ (74.3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (169.9)
7 Capital Improvements (Construction):												
8 Tenant Improvements	\$ -	\$ (2,040.0)	\$ (4,080.0)	\$ (2,040.0)	\$ -	\$ (2,720.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,880.0)
9 Building Improvements	\$ -	\$ (1,000.0)	\$ (384.2)	\$ (789.3)	\$ (384.2)	\$ (519.3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,077.0)
10 Remediation O&M	\$ -	\$ (2,340.0)	\$ (570.0)	\$ (170.0)	\$ (100.0)	\$ (50.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,230.0)
11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 Total Capital Improvements (Construction)	\$ -	\$ (3,340.0)	\$ (2,994.2)	\$ (5,039.3)	\$ (2,524.2)	\$ (3,289.3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,187.0)
16 Points/Fees:												
17 Brokerage Fees (sale)	\$ -	\$ (10.0)	\$ -	\$ -	\$ -	\$ (321.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (331.5)
18 Brokerage Fees (lease)	\$ -	\$ (334.5)	\$ (669.1)	\$ (334.5)	\$ (446.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,784.1)
19 Financing - Land/Construction Points	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Asset Management/Managing Mem. Fee	\$ -	\$ (18.8)	\$ (56.3)	\$ (75.0)	\$ (100.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (250.0)
21 Design/Engineer Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22 Development Fee	\$ (31.5)	\$ (50.0)	\$ (50.0)	\$ (50.0)	\$ (50.0)	\$ (50.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (250.0)
23 Professional Fees (Account, Legal, etc.)	\$ (63.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31.5)
24 Underwriting Fees	\$ (31.5)	\$ (117.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (117.0)
25 Remediation Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26 Acquisition Fee	\$ (31.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31.5)
27 Total Points/Fees	\$ (126.0)	\$ (167.0)	\$ (413.3)	\$ (775.3)	\$ (459.5)	\$ (917.6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,858.7)
28 Closing Costs	\$ (31.5)	\$ (10.0)	\$ (10.0)	\$ -	\$ -	\$ (321.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (363.0)
29 Interest Construction Period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30 Environmental Insurance (all)	\$ (1,200.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,200.0)
31 Site Investigation	\$ (100.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100.0)
32 Site Management	\$ -	\$ (20.0)	\$ (20.0)	\$ (20.0)	\$ (20.0)	\$ (20.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100.0)
33 Security	\$ -	\$ (10.0)	\$ (10.0)	\$ (10.0)	\$ (10.0)	\$ (10.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (50.0)
34 Contingency	\$ (31.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31.5)
35 Surplus Land Sale	\$ -	\$ -	\$ 1,000.0	\$ -	\$ -	\$ 32,154.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.0
36 Projected Sales Office	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37 Sales Total	\$ -	\$ (1,000.0)	\$ (2,237.2)	\$ (4,463.4)	\$ (461.7)	\$ 31,058.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,154.5
38 Cash Flow/IRR Before Debt	IRR	\$ (4,819.0)	\$ (3,171.0)	\$ (2,237.2)	\$ (4,463.4)	\$ (461.7)	\$ 31,058.8	\$ -	\$ -	\$ -	\$ -	\$ 15,360.5
39 Financing:												
40 Equity Balance	\$ 2,560.8	\$ 2,560.8	\$ 2,626.3	\$ 2,688.0	\$ 2,776.5	\$ 2,862.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,956.6
41 Funding/Loan Balance	\$ 5,975.2	\$ 5,975.2	\$ 5,975.2	\$ 5,909.7	\$ 5,838.0	\$ 5,759.5	\$ 5,673.5	\$ -	\$ -	\$ -	\$ -	\$ 5,579.4
42 Interest Rate												
43 Amortization (Years)												
44 Payment Made:												
45 Interest	\$ -	\$ 633.1	\$ 633.1	\$ 633.1	\$ 633.1	\$ 633.1	\$ 633.1	\$ 633.1	\$ 633.1	\$ 633.1	\$ 633.1	\$ 6,331.0
46 Principal (Equity)	\$ -	\$ 567.6	\$ 561.4	\$ 554.6	\$ 547.2	\$ 539.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,766.4
47 After Debt Service Cash Flow	IRR	\$ (2,560.8)	\$ (633.1)	\$ (2,870.3)	\$ (5,096.6)	\$ (1,094.8)	\$ 30,425.7	\$ -	\$ -	\$ -	\$ -	\$ 18,170.1
48												
49 Distribution - Landbank 25%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,606.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,606.4
50 Distribution - Investor	IRR	\$ (2,560.8)	\$ (633.1)	\$ (2,870.3)	\$ (5,096.6)	\$ (1,094.8)	\$ 22,819.3	\$ -	\$ -	\$ -	\$ -	\$ 10,563.6
51												
52 Cash-on-Cash Investor Group												
Notes/Assumptions:												
a. All dollar figures represented in x ,000's.												
b. No accounting provided for depreciation, personal taxes, property taxes and security deposits.												
c. Disposition Fee per LandBank. Project Schedule provided by LandBank												
d. \$170K long term O&M deducted from NOI for sales purposes so true NOI = \$1,950K-\$170K=\$1780K/Cap= sales price												
e. Net income assumes \$5.31/SF Triple net (NNN) lease rates (seven year primary terms)												
f. Operating Expenses and Taxes are estimated at \$2.50/SF (excluding janitorial)												
g. Tenant Finish Construction is assumed to be 30% Office (\$22/SF), and 70% Open Space (\$10)												
h. See Financial Summary for detailed explanation on Pro-Forma Assumptions												
i.												

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Pratt Whitney (third-case)
Southington, Connecticut

Year	0	1	2	3	4	5	6	7	8	9	10	Total
1 Purchase Price/Land Value	\$ (3,150.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,150.0)
2 Income/Expense:												
3 Income Net	\$ -	\$ -	\$ -	\$ -	\$ 1,593.0	\$ 2,389.5	\$ 3,188.0	\$ 3,719.0	\$ -	\$ -	\$ -	\$ 10,889.5
4 Operating Expenses and Taxes	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ -	\$ -	\$ -	\$ (1,260.0)
5 Net Operating Income	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ (180.0)	\$ 2,209.5	\$ 3,008.0	\$ 3,539.0	\$ -	\$ -	\$ -	\$ 9,629.5
6 Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ (31.9)	\$ (47.8)	\$ (63.8)	\$ (74.4)	\$ -	\$ -	\$ -	\$ (217.8)
7 Capital Improvements (Construction):												
8 Tenant Improvements	\$ -	\$ (1,000.0)	\$ -	\$ -	\$ (4,080.0)	\$ (2,040.0)	\$ (2,040.0)	\$ (1,360.0)	\$ -	\$ -	\$ -	\$ (9,520.0)
9 Building Improvements	\$ -	\$ (2,340.0)	\$ (570.0)	\$ (170.0)	\$ (100.0)	\$ (50.0)	\$ (50.0)	\$ (50.0)	\$ -	\$ -	\$ -	\$ (3,077.0)
10 Remediation O&M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,330.0)
11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 Total Capital Improvements (Construction)	\$ -	\$ (3,340.0)	\$ (570.0)	\$ (2,247.0)	\$ (4,180.0)	\$ (2,090.0)	\$ (2,090.0)	\$ (1,410.0)	\$ -	\$ -	\$ -	\$ (15,927.0)
16 Points/Fees:												
17 Brokerage Fees (sale)	\$ -	\$ -	\$ (10.0)	\$ -	\$ -	\$ -	\$ -	\$ (200.9)	\$ -	\$ -	\$ -	\$ (210.9)
18 Brokerage Fees (lease)	\$ -	\$ -	\$ -	\$ -	\$ (669.1)	\$ (334.5)	\$ (334.5)	\$ (223.0)	\$ -	\$ -	\$ -	\$ (1,561.1)
19 Financing - Land/Construction Points	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Asset Management/Managing Mem. Fee	\$ -	\$ (15.0)	\$ (15.0)	\$ (15.0)	\$ (37.5)	\$ (66.3)	\$ (75.0)	\$ (87.5)	\$ -	\$ -	\$ -	\$ (301.3)
21 Design/Engineer Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22 Development Fee	\$ -	\$ (50.0)	\$ (50.0)	\$ (50.0)	\$ (50.0)	\$ (50.0)	\$ (50.0)	\$ (50.0)	\$ -	\$ -	\$ -	\$ (350.0)
23 Professional Fees (Account, Legal, etc.)	\$ (31.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31.5)
24 Underwriting Fees	\$ (63.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (63.0)
25 Remediation Management Fee	\$ -	\$ (117.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (117.0)
26 Acquisition Fee	\$ (31.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31.5)
27 Total Points/Fees	\$ (126.0)	\$ (182.0)	\$ (75.0)	\$ (65.0)	\$ (756.6)	\$ (440.8)	\$ (459.5)	\$ (561.4)	\$ -	\$ -	\$ -	\$ (2,666.3)
28 Closing Costs	\$ (31.5)	\$ -	\$ (10.0)	\$ -	\$ -	\$ -	\$ -	\$ (200.9)	\$ -	\$ -	\$ -	\$ (242.4)
29 Interest Construction Period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30 Environmental Insurance (all)	\$ (1,200.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,200.0)
31 Site Investigation	\$ (100.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100.0)
32 Site Management	\$ -	\$ (20.0)	\$ (20.0)	\$ (20.0)	\$ (20.0)	\$ (20.0)	\$ (20.0)	\$ (20.0)	\$ -	\$ -	\$ -	\$ (140.0)
33 Security	\$ -	\$ (10.0)	\$ (10.0)	\$ (10.0)	\$ (10.0)	\$ (10.0)	\$ (10.0)	\$ (10.0)	\$ -	\$ -	\$ -	\$ (70.0)
34 Contingency	\$ (31.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31.5)
35 Surplus Land Sale	\$ -	\$ -	\$ 1,000.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.0
36 Projected Sales Office	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,086.4	\$ -	\$ -	\$ -	\$ 20,086.4
37 Sales Total	\$ -	\$ -	\$ 1,000.0	\$ -	\$ -	\$ -	\$ -	\$ 20,086.4	\$ -	\$ -	\$ -	\$ 21,086.4
38 Cash Flow/IRR Before Debt	\$ (4,819.0)	\$ (3,732.0)	\$ 135.0	\$ (2,522.0)	\$ (3,585.4)	\$ (395.1)	\$ 364.7	\$ 21,348.7	\$ -	\$ -	\$ -	\$ 6,971.0
39 Financing:												
40 Equity Balance	\$ 2,565.3	\$ 2,565.3	\$ 2,630.9	\$ 2,702.7	\$ 2,781.4	\$ 2,867.5	\$ 2,961.8	\$ 3,065.1	\$ -	\$ -	\$ -	\$ 2,961.8
41 Funding/Loan Balance	\$ 5,985.7	\$ 5,985.7	\$ 5,920.1	\$ 5,848.3	\$ 5,769.6	\$ 5,683.5	\$ 5,589.2	\$ 5,485.9	\$ -	\$ -	\$ -	\$ 5,589.2
42 Interest Rate												
43 Amortization (Years)												
44 Payment Made:												
45 Interest	\$ -	\$ 634.2	\$ 634.2	\$ 634.2	\$ 634.2	\$ 634.2	\$ 634.2	\$ 634.2	\$ -	\$ -	\$ -	\$ -
46 Principal (Equity)	\$ -	\$ 568.6	\$ 562.4	\$ 555.6	\$ 548.1	\$ 539.9	\$ 531.0	\$ 521.2	\$ -	\$ -	\$ -	\$ -
47 After Debt Service Cash Flow	\$ (2,565.3)	\$ (634.2)	\$ (499.2)	\$ (3,156.2)	\$ (4,219.7)	\$ (1,033.3)	\$ (269.5)	\$ 20,714.5	\$ -	\$ -	\$ -	\$ 8,337.0
48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49 Distribution - Landbank 25%	\$ -	\$ (634.2)	\$ (499.2)	\$ (3,156.2)	\$ (4,219.7)	\$ (1,033.3)	\$ (269.5)	\$ 5,178.6	\$ -	\$ -	\$ -	\$ 5,178.6
50 Distribution - Investor	\$ (2,565.3)	\$ (634.2)	\$ (499.2)	\$ (3,156.2)	\$ (4,219.7)	\$ (1,033.3)	\$ (269.5)	\$ 15,535.9	\$ -	\$ -	\$ -	\$ 3,158.3
51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52 Cash-on-Cash Investor Group												
Notes/Assumptions:												
a. All dollar figures represented in x ,000's.												
b. No accounting provided for depreciation, personal taxes, property taxes and security deposits.												
c. Disposition Fee per LandBank. Project Schedule provided by LandBank												
d. \$170K long term O&M deducted from NOI for sales purposes so true NOI = \$1,950K-\$170K=\$1780K/Cap= sales price												
e. Net income assumes \$5,31/SF Triple net (NNN) lease rates (seven year primary terms)												
f. Operating Expenses and Taxes are estimated at \$2.50/SF (excluding janitorial)												
g. Tenant Finish Construction is assumed to be 30% Office (\$22/SF), and 70% Open Space (\$10)												
h. See Financial Summary for detailed explanation on Pro-Firma Assumptions												
i.												

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