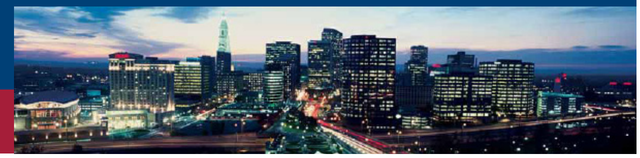
Greater Hartford Office Market Update

YEAR END 2011 MARKET REPORT



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CITY OF HARTFORD OVERVIEW

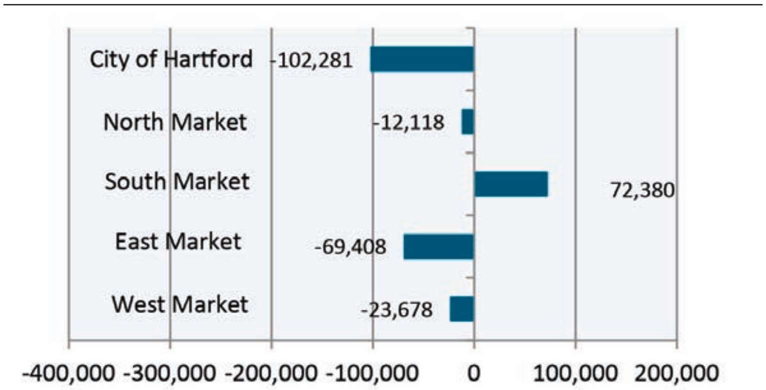
Ongoing uncertainty in the local, national, and international economies all contributed to 2011 being a less than memorable year for the commercial real estate market in the City of Hartford. The City ended 2011 with an overall vacancy rate of 27.63% and a Class A Vacancy Rate of 24.06%, or approximately 1,698,960 square feet. The largest vacancies in the City of Hartford continues to be the 550,000 square feet at Connecticut River Plaza, vacated by United Health Care in 2009 and 360,000 square feet at 777 Main Street a Class B building vacated by Bank of America in 2010. Hartford saw roughly 66,000 square feet of Class A office space added to the available inventory in the 4th quarter due in large part to the space offered by The Phoenix Companies. One American Row, owned and occupied by The Phoenix Companies, made available 62,000 square feet of Class A office space. For the year, the Hartford Class A Office market had negative absorption of 71,000 square feet in 2011.

Major lease transactions in Hartford's CBD included; UBS's lease for 48,000 SF at 10 State House Square, taking the top three floors of the tower; Hartford Healthcare's, the parent of Hartford Hospital and five other regional hospitals, lease of 22,000 SF at One State Street; Marsh & MacLennan's relocation from One State Street to 20 Church Street for approx. 25,000 SF; Waddell & Reed's lease of 5,700 SF at Constitution Plaza; Office Resources' lease for 4,900 SF for the former Sovereign Bank branch at 100 Pearl Street ; Hartford Financial Management's lease of 4,100 SF at One Constitution Plaza.

2011 was yet another year where the majority of leasing activity was either blend and extended or renewal and downsizing. The best example of a "blend and extend", that is renewing early and reducing overall occupancy costs, this year was Conning & Company's 55,600 SF early lease renewal and extension at One Financial Plaza. Both Gen Re and Accenture were full floor tenants at One Financial Plaza as we began 2011, and as we closed out the year they both renewed their leases and now share the same floor. Other renewals in the City included; American Express Travel's renewal of 21,500 SF at 242 Trumbull Street; Dechert LLP's 10,800 SF renewal at 90 State House Square; Business Lenders 9,870 SF renewal also at 90 State House Square.

Notable expansions in the City included Saint Joseph's College School of Pharmacy's 10,000 SF expansion at their downtown location at Hartford 21; CBT's renewal and expansion of approx. 14,400 sf at 10 State House Square; Vertis Investment Management's expansion of 8,900 SF at 100 Pearl Street; XL America's expansion of 5,900 SF at One Constitution Plaza.

2011 YTD ABSORPTION



* Please note that **Absorption** has been calculated based on the change in *vacant* square feet in the market from one period to the next.

2012 MARKET FORECAST: CITY OF HARTFORD

We can expect little change in the market conditions we saw in 2011 as we move forward in 2012. Despite modestly improving unemployment numbers, job growth is still slow. Employers added a mere 7,500 jobs over the last 12 months, with unemployment dropping to 8.4%. However, most of these gains are in industry segments that do not translate to office space absorption. Tenants both large and small will continue to be aggressively pursued by landlords in the City, as competition among landlords for deals will continue to be to the tenants advantage and rents should remain flat and concession packages strong throughout the year. There may be a bright spot for Hartford landlords on the horizon in the form of real estate tax

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relief. While the mill rate has yet to be set, new values have been released and landlords should see real estate tax relief of as much as 20%. Class A Operating expenses of $14.00- $16.00, along with the added cost of parking, have long been a roadblock to tenants thinking about a move to the City. We are hopeful that a reduction in taxes can draw some interest from suburban tenants to move downtown.

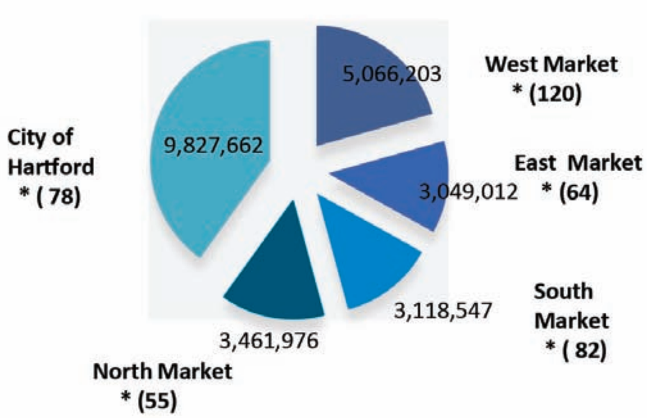
RM Bradley is forecasting negative absorption in the City of Hartford for 2012. With the majority of activity coming from existing tenants in the market, we anticipate the continued trend of downsizing to have a direct effect on absorption moving forward. As has been typical in a major election year, a lack of clarity in the political, economic and employment outlook continues to dissuade employers from adding jobs and thus taking more space.

SUBURBAN MARKET OVERVIEW

The East Market continues to have the lowest vacancy in the Greater Hartford area with a rate of 14.6%, despite negative absorption of over 69,000 square feet in the market this year (the highest of all the suburban markets). The majority of the negative absorption was seen from tenants downsizing and vacating space in the Glastonbury submarket, one of which was Patron's Mutual vacating 16,000 SF at 769 Hebron Avenue. Despite negative absorption, strong renewal activity took place in Glastonbury during 2011. Notable leases and renewals in the East Market were iStar's 13,000 SF renewal and First Financial's 6,747 SF lease at 180 Glastonbury Boulevard in Glastonbury. Also in Glastonbury, Rockville Bank leased 22,000 SF at 45 Glastonbury Boulevard and Bankers Bank leased 9,700 SF at 43 Western Boulevard. Open Solutions renewed and downsized their lease at 455 Winding Brook Drive and currently occupy 45,000 SF. 200 Glastonbury Boulevard saw RBC Wealth Management's renewal of their 4,934 SF lease and National Union Fire Insurance Company's renewal of their 8,375 SF lease. In East Hartford, Connecticut Children's Medical Center renewed and expanded their space by 11,400 SF at 60 Hartland Drive for a total of 40,812 SF.

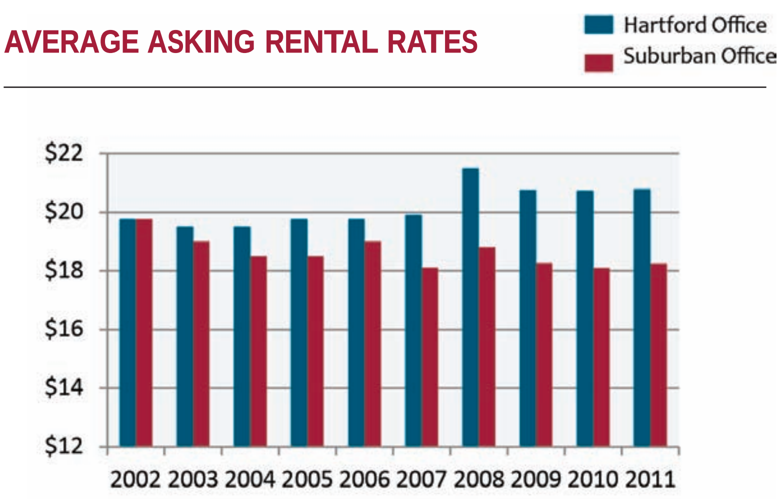
The North Market saw roughly 12,000 square feet of negative absorption in 2011 and finished off the year with a 22.8% vacancy rate, up slightly from the 2010 rate of 22.1%. It is important to note that this is almost half of the vacancy rate from 2009 when the North Market exceeded 40%. Leasing in the North market was slow this quarter with just a few leases worth noting; Wells Fargo Dealer Services leased 6,400 SF at LAN Executive Center in Enfield; In Windsor, Alterra Capital signed a 3,400 SF expansion and extension at 100 Northfield Drive, now occupying 11,300 SF; Sagemark Consulting renewed their 10,000

SUB-MARKET SIZE (SF)



* Represents the number of buildings tracked in each sub-market

AVERAGE ASKING RENTAL RATES



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SF lease at 100 Northfield drive as well. Also in Windsor, Great American Insurance signed a lease for 17,661 SF to move their offices from 1 Waterside crossing to 5 Waterside Crossing. Their move will take place during the first quarter of 2012.

The West Market ended 2011 with a vacancy rate of 21.8% up slightly from 20.2% at year-end 2010. Large corporate users in the West Market continue the trend to downsize in current leased space and relocate to corporately owned facilities. Overall the West Market saw 23,000 square feet returned to the market in 2011. West Hartford, with the lowest vacancy rate of 6.7%, continues to have the greatest success in attracting tenants to the West Market, as a result rates have stabilized. 2011 leases contributing to West Hartford's positive absorption were AH Harris' 10,000 SF lease at Corporate Center West; Mental Health Associates' 3,400 SF lease at 41 South Main Street. Also in West Hartford, Jade Marketing and Onyx Design Group leased 11,758 SF of office space at The Rutherford Building in Blue Back Square which is made up of predominately medical tenants. In Farmington, Broadcast Med leased 4,800 SF at 195 Farmington Avenue, relocating their office from West Hartford. The Pert Group leased 23,000 SF at The Exchange; Ovation Benefits renewed their 19,542 SF lease at 5 Batterson Park Road; Innovative Computers leased 10,000 SF at 10 Stanford Drive and Horizon Technology Finance Management LLC leased 7,900 SF at 312 Farmington Avenue. In Simsbury, Saint Francis Medical Center leased 10,000 SF of medical office space at Dorset Crossing, a new medical/mixed use development on Hopmeadow Street, set to be completed in August of 2012. The Hartford Insurance Group's 108,000 square foot lease at 8 Farm Springs Road expires in the first quarter of the coming year which will significantly increase the vacancy rate in the West Market in 2012

The South Market finished the year off with 72,000 square feet of positive absorption, a welcome trend in the market with the highest vacancy rate of all the submarkets. The vacancy rate that started the year off at 25.2%, finished off 2011 at 21.6%. Leasing was strongest in Rocky Hill which ended the year with 40,000 square feet of positive absorption. In Rocky Hill, Value Options expanded their occupancy to 44,000 SF at 500 Enterprise Drive. Also at 500 Enterprise Drive, Connecticut Children's Medical Center leased 22,000 SF for their new data center. Paychex leased 33,000 SF at WinBrook Business Park; ATG Connecticut leased 11,170 SF at 1111 Cromwell Avenue and Priority Care leased 6,000 SF at 1344 Silas Deane Highway in Rocky Hill.

Throughout the suburban office markets, average asking rental rates have increased slightly to an average of $18.26 per square foot, up slightly from $18.06 from last year. This is a result, in large part, to newer high quality space being returned to the market.

2012 MARKET FORECAST: SUBURBAN MARKETS

The suburban market will see an increase in activity in 2012 as a number of tenants' leases are scheduled to roll over in late 2012 and 2013. However, this does not mean a significant improvement in the overall market. There are still corporate downsizings occurring which will add square footage throughout the market. RM Bradley is forecasting a flat 2012 in the overall suburban office market with tenants continuing to upgrade space when possible.

Healthcare and medical related real estate development, the only real estate development sector to have any sustained momentum in recent years, will see that trend continue in 2012 as local hospitals compete for footholds into suburban communities. Multiple medical facilities are either in the planning stages, approved, or beginning their construction phase as we move into 2012. Almost every submarket in our survey should see at least one new medical building either break ground or open its doors in 2012.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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