

**COMPLETE REAL ESTATE APPRAISAL
IN A SELF-CONTAINED FORMAT**

Eagle Landing LLC Property
High Street and Walkley Hill Road
Haddam, Connecticut

AUTHORIZED BY:

Ms. Elizabeth Brothers, Assistant Director
Land Acquisition & Management Division
State of Connecticut Department of Energy & Environmental Protection
79 Elm Street
Hartford, Connecticut 06106-5127

DATE OF VALUATION

September 28, 2011

PREPARED BY:

R.P. McDermott Associates Inc.
11 Mountain Avenue, Suite 302
Bloomfield, CT 06002

FILE REFERENCE:

RPMAI File #1151
DEP File #A-10-33
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R.P. McDERMOTT ASSOCIATES, INC.

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November 8, 2011

Ms. Elizabeth Brothers, Assistant Director
Land Acquisition & Management Division
State of Connecticut Department of Energy & Environmental Protection
79 Elm Street
Hartford, Connecticut 06106-5127

Subject: Eagle Landing LLC Property, High Street and Walkley Hill Road, Haddam, CT

Dear Ms. Brothers:

At your request we have prepared a Complete Appraisal Report in a Self-Contained Format for the subject property. The purpose of the report is to provide a market value opinion of the fee simple interest for the subject as of the September 28, 2011 date of inspection. The client for this assignment and the intended user of the report is the State of Connecticut Department of Energy and Environmental Protection. It is our understanding that the intended use of the report is to assist the State of CT and the CT Department of Energy and Environmental Protection to negotiate a land exchange involving the subject and a 17.4-acre parcel of State-owned land on Bridge Road in Haddam.

The subject consists of four tax parcels with a total of 87.7 acres. Although the subject has no frontage on Walkley Hill Road, the town assessor records recognize 30.67 acres of the subject's total land area by a Walkley Hill Road address. The subject property has 315.84' of frontage on the east side of Route 81 (a/k/a Killingworth Road) and 91.17' of frontage on the east side of High Street. A small percentage of the land along the subject's frontages is in the R-1 residential zone with the majority of land in the R-2A residential zone.

The property is essentially vacant hillside land that abuts a 979-acre tract of the Cockaponset State Forest. The land cover includes woodlands, watercourses, a field and a pond. The improvements on the property include logging and walking trails, skid trails, a stone fireplace/chimney that remains from an old cabin and a dam. A small wood structure known as the spring house is the source of spring water for an abutting property owner (who has water, access and water line maintenance rights over the subject property).

An environmental assessment report for the property has not been provided to this office for review. Please be aware that this appraisal office is not qualified to detect the presence or absence of hazardous materials. It is important to note that, unless otherwise stated, **this appraisal assumes the subject is free of and unaffected by all hazardous materials and contaminated waste.** No responsibility is assumed for any expertise or engineering knowledge required to discover hazardous substances that may impact the market value of the subject. The client is urged to retain an expert in this field if further environmental information is necessary.

The appraisal report has been prepared in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice by the Appraisal Foundation and the Uniform Appraisal Standards for Federal Land Acquisitions.

The analyses and conclusions within this report are based on a complete appraisal process that included: researching town records; market research; interviews with market participants; a description and analysis of the real estate; and the development of pertinent valuation methodology. Supporting exhibits are included in the report and in the attached addenda. The report is presented in a Self-Contained Format, which is a full presentation of the data, reasoning and conclusions for the property being appraised.

The land being appraised has been involved in an ongoing controversy. The main issue is whether the State of Connecticut has the right to exchange a 17.4-acre parcel of land (that had been acquired by the State for open space preservation) for the appraised property when the private property owner intends to use the protected land for economic development purposes. *The State Legislature has passed a Special Act approving the land swap (subject to conditions) which provides the legal basis for the land swap. For appraisal purposes, it is an extraordinary assumption of this report that the State of CT has the legal right to exchange the appraised property for economic development purposes.*

This appraisal report has been prepared for the client, the CT Department of Energy & Environmental Protection's Land Acquisition and Management Department, for their sole and exclusive use to evaluate a proposed land swap. The client is the party who initiated the assignment and is a signatory of the Contract for Appraisal Services. R.P. McDermott Associates Inc. and the appraiser signing this report have no responsibility to any other party. This appraisal may not be used or relied upon by anyone other than the client, for any purpose whatsoever without the written consent of the appraiser. Any party who uses or relies on any information in this report, without the written consent of the preparer does so at their own risk.

This appraisal report and all of the appraiser's work in connection with the appraisal assignment are subject to the limiting conditions and all other terms stated in the report. Any use of the appraisal by any party, regardless of whether such use is authorized or intended by the appraiser, constitutes acceptance of all such limiting conditions and terms.

After investigating the real estate market and considering all the facts contained in this report, it is our opinion that the market value for the subject property as of September 28, 2011 is:

**FOUR HUNDRED NINETY THOUSAND DOLLARS
(\$490,000)**

The above value is subject to the assumptions and limiting conditions included in this report. The data, reasoning and judgments substantiating the value estimate are in the attached report. This letter must remain attached to the report, which contains 95 pages plus addenda, in order for the value opinion shown above to be valid.

Respectfully submitted,

Richard P. McDermott, MAI
President

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CERTIFICATION

The undersigned does hereby certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
3. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Appraisal Standards for Federal Land Acquisitions.
4. I have not performed a previous appraisal of the subject property within the three years prior to this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
7. My compensation is not contingent upon the 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.
8. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
9. Richard P. McDermott, MAI, inspected the subject property at High Street and Walkley Hill Road, Haddam, Connecticut on September 28, 2011.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. No one provided significant real property appraisal assistance to the person signing this report.
12. The appraisal was made and the appraisal report prepared in conformity with the Appraisal Institute's Standards of Professional Appraisal Practice, except to the extent that the Standards of Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions.
13. As of the date of this report, Richard P. McDermott has completed the continuing education program of the Appraisal Institute.
14. I certify that I am appropriately licensed or certified to appraise the subject property in the state in which it is located.
15. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute, which allow for review of the report by duly authorized representatives of the Appraisal Institute.

Richard P. McDermott, MAI
Connecticut Certified General Appraiser
License #406 Expires 4/30/12

SUMMARY OF FACTS AND CONCLUSIONS	
Client	State of Connecticut Department of Energy & Environmental Protection
Appraised Property Location	High Street and Walkley Hill Road, Haddam, Connecticut
Assessor Reference	Map 24 Lots 42-1, 43 & 44 and Map 14 Lot 92
Intended User	State of Connecticut Department of Energy & Environmental Protection
Intended Use	Negotiations for a possible land swap
Report Type	Complete Real Estate Appraisal in a Self-Contained Format
Current Use	Vacant residential land
Owner of Record	Eagle Landing LLC
Purpose of Appraisal	To provide a market value opinion
Interest Appraised	Fee simple
Inspection Date	September 28, 2011
Date of Valuation	September 28, 2011
Land Area	87.7 acres in 4 parcels
Frontage	315.84' of frontage on the east side of Route 81 (a/k/a Killingworth Road) and 91.17' of frontage on the east side of High Street
Improvements	Spring house, cabin remains, dam remains
Zoning	R-1 and R-2A Residential
Total Assessment	\$226,900
Total Taxes (2010 List)	\$6,405
Past Due Taxes	\$6,551
Highest and Best Use	Future residential development when warranted by market conditions
VALUE SUMMARY AND CONCLUSIONS	
Cost Approach	Not Applicable
Sales Comparison Approach	\$490,000
Development Approach	Not Applicable
Final Value Conclusion As Of September 28, 2011	\$490,000
Exposure Time	Within 12 Months

DEFINITIONS

MARKET VALUE

In accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, Market Value is defined as:

The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

FEE SIMPLE ESTATE

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.

EXTRAORDINARY ASSUMPTION

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

Source: The Dictionary of Real Estate Appraisal
4th Edition, 2002, Appraisal Institute

SUBJECT PHOTOGRAPHS (PHOTOGRAPHS TAKEN BY RICHARD McDERMOTT ON SEPTEMBER 28, 2011)



Westerly view of High Street from access way



Southerly view of High Street access

SUBJECT PHOTOGRAPHS (PHOTOGRAPHS TAKEN BY RICHARD McDERMOTT ON SEPTEMBER 28, 2011)



Eastern view of High Street access way to subject



Northern view of subject's High Street frontage (on right)

SUBJECT PHOTOGRAPHS (PHOTOGRAPHS TAKEN BY RICHARD McDERMOTT ON SEPTEMBER 28, 2011)



Eastern view of subject's northern property line just east of High Street



Southern view of subject's Route 81 frontage (on left)

SUBJECT PHOTOGRAPHS (PHOTOGRAPHS TAKEN BY RICHARD McDERMOTT ON SEPTEMBER 28, 2011)



Western view from clearing adjacent to Route 81 towards road frontage



Interior view

SUBJECT PHOTOGRAPHS (PHOTOGRAPHS TAKEN BY RICHARD McDERMOTT ON SEPTEMBER 28, 2011)



Interior view of stream crossing and logging road



Northern view of steep ravine and stream in southern section of parcel

SUBJECT PHOTOGRAPHS (PHOTOGRAPHS TAKEN BY RICHARD McDERMOTT ON SEPTEMBER 28, 2011)



Interior view of level area near northeasterly section of parcel



Northern view of level field between and to rear of subject's two road frontages

SUBJECT PHOTOGRAPHS (PHOTOGRAPHS TAKEN BY RICHARD McDERMOTT ON SEPTEMBER 28, 2011)



Interior view of one of the watercourses on subject



Interior view

SUBJECT PHOTOGRAPHS (PHOTOGRAPHS TAKEN BY RICHARD McDERMOTT ON SEPTEMBER 28, 2011)



Southeasterly view of spring house at eastern property line of subject



Interior view

SUBJECT PHOTOGRAPHS (PHOTOGRAPHS TAKEN BY RICHARD McDERMOTT ON SEPTEMBER 28, 2011)



View of pond adjacent to dam at southeastern section of parcel



Interior view of boulders and stony soils

INTRODUCTION

Appraised Property	High Street and Walkley Hill Road, Haddam, Connecticut
Client	State of Connecticut Department of Energy & Environmental Protection Land Acquisition and Management Department
Intended User	State of Connecticut Department of Energy & Environmental Protection
Intended Use	Negotiations for a possible land swap
Assessor Reference	Map 24 Lots 42-1, 43 & 44 and Map 14 Lot 92
Property Type	Residential land
Current Use	Open space
Owner of Record	Eagle Landing LLC
Land Area	87.7 acres
Improvements	Spring house, cabin remains, dam remains
Legal Description	The legal description for the subject is in the addenda of the report.

This appraisal report has been prepared for the client, the CT Department of Energy & Environmental Protection's Land Acquisition and Management Department, for their sole and exclusive use to evaluate a proposed land swap. The client is the party who initiated the assignment and is a signatory of the Contract for Appraisal Services. R.P. McDermott Associates Inc. and the appraiser signing this report have no responsibility to any other party. This appraisal may not be used or relied upon by anyone other than the client, for any purpose whatsoever without the written consent of the appraiser. Any party who uses or relies on any information in this report, without the written consent of the preparer does so at their own risk.

EXTRAORDINARY ASSUMPTION

The land being appraised has been involved in an ongoing controversy. The main issue is whether the State of Connecticut has the right to exchange a 17.4-acre parcel of land (that had been acquired by the State for open space preservation) for the appraised property for when the private property owner intends to use the protected land for economic development purposes. *The State Legislature has passed a Special Act approving the land swap (subject to conditions) which appears to provide the legal basis to conduct the land swap. For appraisal purposes, it is an extraordinary assumption of this report that the State of CT has the legal right to exchange the appraised property for economic development purposes.*

APPRAISAL STANDARDS

The appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), except where it is necessary to invoke USPAP's Jurisdictional Exception Rule to conform to the differing requirements between the UASFLA and USPAP. The sections of the UASFLA that deviate from USPAP are:

- Section A-9 of the UASFLA requires a different definition of market value than USPAP. The UASFLA does not require the value conclusion to be linked to a specific exposure time but the UASFLA definition of market value requires that a reasonable exposure time on the open competitive market is considered.
- Section A-12 of the UASFLA provides that an appraiser disregards any changes in a property's neighborhood brought about by the government's project. Section A-13h also instructs an appraiser to disregard recent re-zoning (or the probability of re-zoning) of the property being appraised if the action is the result of the government's project.

INTRODUCTION (CONTINUED)

APPRAISAL STANDARDS (CONTINUED)

- Section A-13e of the UASFLA requires a ten-year sales record for the subject rather than the 3-years required by USPAP. If no sales occurred in the past ten years, the last sale date of the subject must be reported.
- Section A-14 of the UASFLA provides that the highest and best use conclusion must be an economic use. A non-economic use such as *conservation, natural lands, preservation* or any use that requires the property to be withheld from economic production in perpetuity is not a valid use upon which to estimate market value. Section A-14 also requires the report to consider the "larger parcel" in all appraisals.

PROPERTY RIGHTS APPRAISED

The fee simple interest in the subject is being appraised. "Fee Simple" is defined in the Definitions section of the report.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to provide a market value opinion of the property as of the September 28, 2011 date of inspection. In accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, Market Value is defined as:

The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

APPRAISAL DATES

Date of Report: November 8, 2011
Date of Valuation: September 28, 2011
Dates of Inspection: September 28, 2011

Legal References

The most recent conveyance of the subject is summarized in the following chart.

Property Address Map/Block/Lot	High Street 24/42-1	High Street 24/43	High Street 24/44	Walkley Hill Road 14/92
Grantor	Alan P. Rosenberg	Alan P. Rosenberg	Alan P. Rosenberg	Alan P. Rosenberg
Grantee	Eagle Landing LLC	Eagle Landing LLC	Eagle Landing LLC	Eagle Landing LLC
Volume/Page	328/781	328/781	328/781	328/781
Date Recorded	5/8/09	5/8/09	5/8/09	5/8/09
Acres	35.38	0.27	21.38	30.67

Prior Sales of Subject

The current owners of the subject acquired the land for \$428,000 on May 8, 2009. At the time of sale, the subject was raw land with no approvals in place.

INTRODUCTION (CONTINUED)

Prior Sales of Subject (continued)

The part of the subject identified as Assessor Map 14 Lot 92 was involved in the following transactions over the past ten years.

Walkley Hill Road (14/92)			
Grantor	Walkley Heights Associates	John J. Cornaroli, Jr.	Alan P. Rosenberg
Grantee	John J. Cornaroli, Jr.	Alan P. Rosenberg	Eagle Landing, LLC
Volume/Page	278/287	328/777	328/786
Date Recorded	5/27/04	5/8/09	5/8/09
Deed Type	Warranty	Certificate of Foreclosure	Quitclaim

The land known as Assessor Map 14 Lot 92 is a section of the subject that was part of a prior subdivision development known as Walkley Heights Phase I. As part of this development, the developer (John J. Cornaroli, Jr.) received financing from Alan Rosenberg. Alan Rosenberg foreclosed the mortgage on May 8, 2009. Alan Rosenberg sold this parcel along with the three other parcels that make up the subject on the same May 8, 2009 date. It is my understanding that the deal was negotiated among the parties prior to the transactions occurring simultaneously in May 2009.

According to the buyer and seller, Cornaroli was a friend of the buyer and there was some duress on the part of the grantor to sell the property quickly due to the pending foreclosure. Although the sale price was reportedly a negotiated sale, both parties indicated that the motivation of the seller had a downward impact on the sale price.

I am not aware of any other sales of the subject over the past ten years.

PROPERTY CONTRACTS/LISTINGS

The subject is involved in a controversial land swap between Riverhouse Properties LLC (the owners of the Riverhouse banquet and conference center facility that abuts the 17.4-acre State-owned parcel on Bridge Road) and the State of Connecticut. Although the deed for the 17.4-acre parcel included a restriction that the land be retained as public open space, a bill was passed by the Connecticut Senate and House of Representatives stating that the subject may be used for economic development purposes and that the restrictions contained in the deed are *released and relinquished and shall have no further force and effect*.

The recent bill identifying the parcels to be exchanged and defining the terms of the land swap was approved by the Connecticut Senate and House of Representatives in General Assembly through Substitute Senate Bill No. 1196; Special Act No. 11-16, An Act Concerning The Conveyance Of Certain Parcels Of State Land And The Removal Of Certain Traffic Signs.

Since there is a conflict between the deed restriction and the recent legislative bill, *it is an extraordinary assumption of this report that the subject could be exchanged and utilized for economic development purposes as described in the following Special Act passed by the CT Senate and House of Representatives*. The relevant sections of this bill follow.

Property Contracts/Listings (continued)

Special Act No. 11-16 7 of 14; Substitute Senate Bill No. 1196

Sec. 8. *(Effective from passage)* (a) Notwithstanding any provision of the general statutes, a public hearing having been held on the matter on March 21, 2011, by the joint standing committee of the General Assembly having cognizance of matters relating to government administration, the Commissioner of Environmental Protection shall enter into an agreement with Riverhouse Properties, LLC to exchange lands or other consideration of approximately equal value. If land is exchanged, the fair market value of said parcel or parcels of land shall be determined by the average of the appraisals of two independent appraisers selected by the commissioner. Riverhouse Properties, LLC shall pay the administrative costs of any conveyance of land under this section.

(1) The parcel of land to be conveyed by the state is approximately 17.40 acres and is identified as Haddam Assessor's Lot 22-2 Bridge Road, Haddam, CT. Said parcel is further identified as Lot I and Lot 2 on a map prepared by William B. Bergan, dated February 11, 2003, with revisions dated March 12, 2009, and with such revisions titled "Division of Former Eagle Land Corp. Prop. - 2 Lots." Said parcel shall not include any land with frontage along the Connecticut River.

Notwithstanding certain restrictions contained in a warranty deed from Eagle Land Corp. to the State of CT Department of Environmental Protection, recorded in Volume 263 at Page 319 of the Haddam land records that such land be retained in its natural scenic or open condition as park or public open space, said parcel may be used for economic development purposes and said restrictions are released and relinquished and shall have no further force and effect.

(2) The parcel of land or other consideration to be conveyed by Riverhouse Properties, LLC shall include an approximately 87.70 acre parcel of land on the east side of High Street in the Higganum section of Haddam, CT. Said parcel is further identified as Parcels #42-1, 43 and 44 on Haddam Assessor's Map 24 and Parcel 92 on Map 14, and is further identified as land conveyed from Walkley Heights Associates via a deed dated May 26, 2004, as recorded in Volume 278 at Page 287 of the Haddam land records. Said parcel shall be held in fee ownership by the state and shall become a part of the Cockaponset State Forest. The Commissioner of Environmental Protection shall grant a permanent conservation easement on the entirety of said parcel to a land trust or nonprofit conservation organization selected by the department to ensure that said parcel remains undeveloped.

(3) The specific description of the parcels of land or other consideration to be conveyed between the Department of Environmental Protection and Riverhouse Properties, LLC shall be established by mutual agreement of said parties, and said parties shall make all reasonable efforts to enter into such agreement on or before December 31, 2011. Said specific description of land to be conveyed shall include an identification of the portion of the 17.40- acre parcel conveyed by the state that shall be open to the public. Said exchange shall be subject to the approval of the State Properties Review Board.

(b) If, not later than two years after the date of the exchange of land or other consideration, Riverhouse Properties, LLC does not obtain or otherwise secure approval of the Haddam planning and zoning commission for any zone change necessary for its proposed use of the parcel to be conveyed by the state, the parcel shall revert to the state of Connecticut and if applicable, the parcel conveyed by Riverhouse Properties, LLC shall revert to Riverhouse Properties, LLC and any consideration paid by Riverhouse Properties, LLC shall be returned to Riverhouse Properties, LLC.

(c) The State Properties Review Board shall complete its review of the exchange of said parcels of land or other consideration not later than thirty days after it receives a proposed agreement from the Department of Environmental Protection. The state land shall remain under the care and control of said department until a conveyance is made in accordance with the provisions of this section. The State Treasurer shall execute and deliver any deed or instrument necessary for a conveyance under this section, which deed or instrument shall include provisions to carry out the purposes of subsections (a) and (b) of this section.

INTRODUCTION (CONTINUED)

Property Contracts/Listings (continued)

This bill has reportedly been strongly opposed by environmental groups such as: local land trusts in the towns of Essex, Deep River and East Haddam; the Connecticut Land Conservation Council; the Connecticut League of Conservation Voters; the Sierra Club; Audubon Connecticut; the Citizens Campaign for the Environment; the Connecticut Fund for the Environment; the Citizens for the Protection of Connecticut Public Lands and the Connecticut River Gateway Commission. Also, about 600 people from 50 towns in Connecticut have signed a petition against the land swap.

I am not aware of any other current listings, contracts, agreements, options or purchase agreements affecting the subject.

SCOPE OF WORK

The scope of the appraisal describes the extent of the process of collecting, confirming and reporting data. The information listed below is a summary of the primary investigations and research conducted by R.P. McDermott Associates Inc. to complete this assignment.

- Examined all pertinent public records available in the town of Haddam. Departments contacted included, but were not limited to the town's Planning and Zoning, Tax, Assessor, Health and Town Clerk offices.
- Reviewed recent conveyances of comparable acreage, residential housing and lot sales in Haddam and relevant regional towns.
- Gathered and reviewed pertinent housing, employment and demographic information from State of Connecticut publications and Census data.
- Reviewed and analyzed all available and relevant maps, site plans and surveys.
- Reviewed the most recent 2007 Haddam Plan of Development.
- Prepared soils, topography, assessor, zoning, aerial and wetlands maps to evaluate the physical characteristics of the subject.
- Reviewed and analyzed pertinent zoning, wetlands and subdivision regulations.
- Reviewed residential sales and listing information published by the Connecticut Multiple Listing Service.
- Conducted a walking inspection of the subject on September 28, 2011 with the owners of the Riverhouse (Steve Rocco and Trevor Furrer); Beth Brothers and Graham Stevens from the Connecticut DEEP; and Ben Baldwin and Bob Silverstein from Miner and Silverstein. Inspections of the subject neighborhood and comparable development in Haddam were also conducted to evaluate the market.
- Verified the comparable sales with buyers, sellers, brokers and/or knowledgeable third parties.
- Researched and evaluated land sales and listing information published by the Connecticut Multiple Listing Service, Conn-comp and various web sites.
- Researched and evaluated relevant web sites and articles pertaining to the subject and the proposed land swap.
- Interviewed a principal of Haddam Natural Spring Water LLC and their attorney regarding water rights and easements associated with an abutting property.

INTRODUCTION (CONTINUED)

SCOPE OF WORK (CONTINUED)

- Reviewed a title search conducted for the State of CT by John Hudson.
- The factual information and market data used in the report has been confirmed with Assessor's records, conveyance deeds, buyers, sellers, property owners, public officials, brokers, property managers, lenders or other public information sources when possible.
- Reviewed a Baseline Documentation Report prepared for Eagle Landing LLC as of May 2011 by John J. O'Donnell, a certified forester with Connwood Foresters, Inc.

PERSONAL PROPERTY

There is no personal property or items other than real property considered or valued in the report. The spring house and the subsurface water rights are not considered or valued in this report.

UNAVAILABILITY OF INFORMATION

A timber cruise was not available for review. There were no maps, surveys or other information that identified the geographic location of the access easement or water line easements in favor of an abutting property owner that cross the subject property to access a spring house at the eastern section of the subject. The legal ramifications and impact of the easements encumbering the subject on the development potential of the subject are not known and I am not aware of any legal opinions pertaining to this issue. No final zoning or subdivision regulations for the town of Haddam were available. The current and most recent draft zoning and subdivision regulations for Haddam were used in the report. To the best of our knowledge, all other information deemed pertinent to the completion of the report was available.

SUMMARY OF PROJECT AND APPRAISAL PROBLEMS

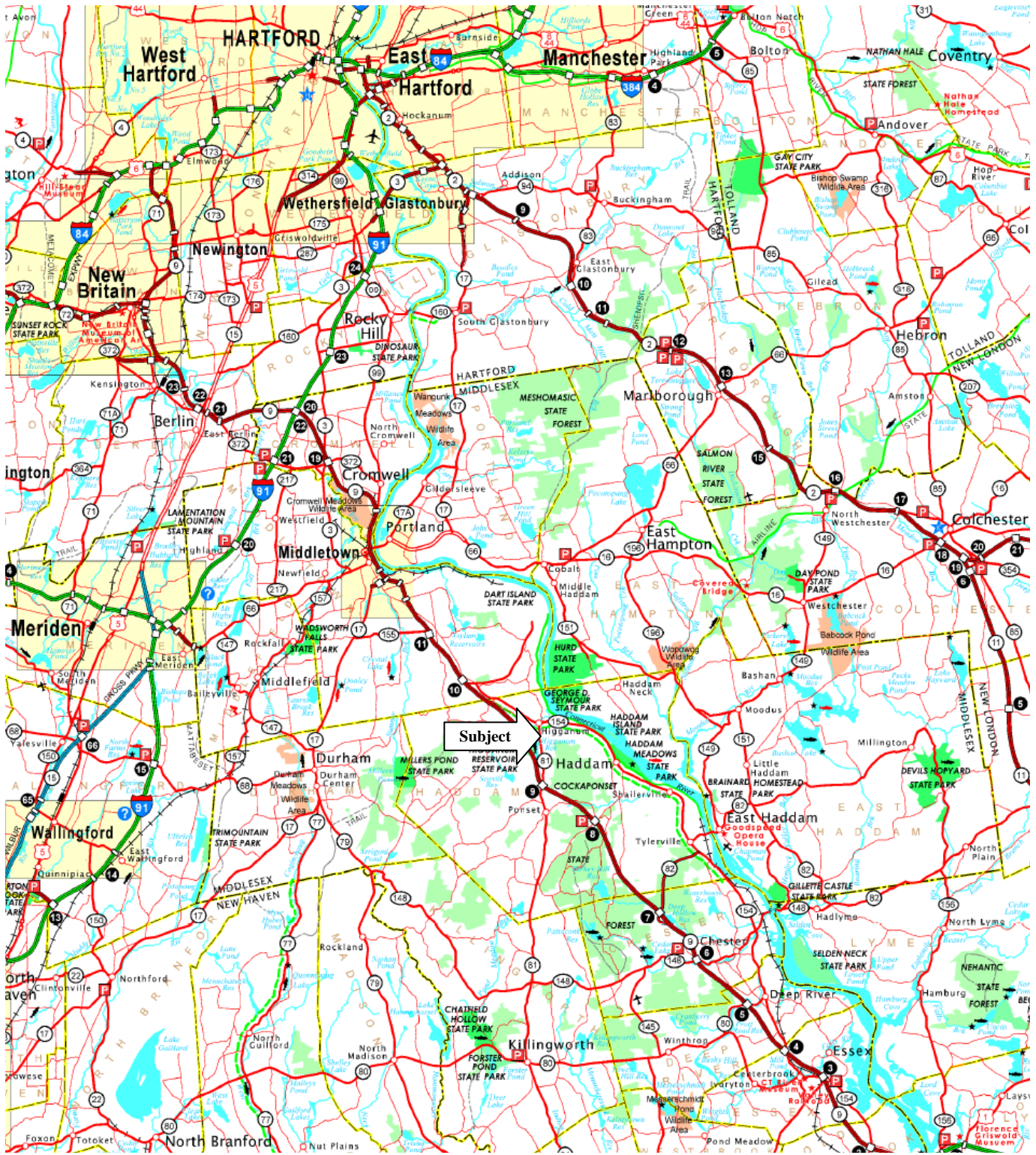
The primary purpose of the appraisal is to determine the market value of the fee simple interest in the subject. The subject is a relatively large parcel of raw residential-zoned land with no land use approvals in place. The subject is also encumbered by a number of easements that will impact the development potential of the land. The lack of any land use approvals and the uncertainty pertaining to the impact of the easements encumbering the subject will complicate the appraisal process and make it more difficult to value the subject property.

The subject is a part of very controversial land swap between the State of Connecticut and a private party that has generated strong opposition from environmental groups and people who oppose the proposed land swap. These issues, combined with the easements impacting the subject, are factors that the market would consider when deciding whether to acquire the subject and the price they are willing to pay. I am not aware of any other significant issues or appraisal problems associated with the subject.

COMPETENCY PROVISION

Richard P. McDermott has the necessary appraisal and review experience with properties similar to the subject to competently complete this assignment. Richard McDermott is a designated Member of the Appraisal Institute (MAI) and is certified as a general commercial appraiser by the State of Connecticut. He has successfully completed the Valuation of Conservation Easements and the Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications courses conducted by the Appraisal Institute. He has also received a master's degree in regional planning and has approximately 25 years of experience as a professional real estate appraiser (see Appraiser's Qualifications in the addenda of the report).

REGIONAL LOCATION MAP



REGIONAL DATA

LOCATION

The town of Haddam is in the center of Middlesex County and is bounded by the Connecticut River and the town of East Haddam to the east, Chester and Killingworth to the south; Middletown and East Hampton to the north and Durham to the west. It is approximately 19 miles southeast of Hartford, the State Capital.

Middlesex County is situated in south/central Connecticut and is bordered by Hartford County to the north, New London County to the east, New Haven County to the west, and Long Island Sound to the south.

REGIONAL ACCESS

The primary highway in Middlesex County is Route 9, which is a four-lane, divided, State highway that runs southeast from New Britain to Cromwell where it intersects with Interstate 91 (I91) and continues through Haddam and points south, before terminating at I95 in Old Saybrook. Interstate 91 is the primary north/south highway that runs north through central Connecticut from New Haven to Hartford and through to Springfield, Massachusetts and northern New England. Interstate 95 is a six-lane highway that enters Connecticut from New York and runs east through the southern end of Connecticut before continuing into Rhode Island. Besides Route 9, two State highways known as Route 154 and Route 81 serve Haddam.

POPULATION

Haddam's 2010 population was 8,346, which is the fourth largest among the seven towns surveyed. The largest regional towns are the urban centers of Middletown and East Hampton and the smallest regional towns are Chester and Killingworth. Haddam's population increased 16.6% between 2000 and 2010. This increase was significantly greater than area (8.6%), County (6.8%) and State (4.9%) growth rates. The data is summarized in the following chart.

POPULATION TRENDS						
AREA	Population			Population Projection	Population Change	Population Change
	1990	2000	2010	2015	2000-2010	2010-2015
Chester	3,417	3,743	3,994	3,825	6.7%	-4.2%
Durham	5,732	6,627	7,388	7,833	11.5%	6.0%
East Haddam	6,676	8,333	9,126	9,367	9.5%	2.6%
East Hampton	10,428	13,352	12,959	11,638	-2.9%	-10.2%
Haddam	6,769	7,157	8,346	7,712	16.6%	-7.6%
Killingworth	4,814	6,018	6,525	7,027	8.4%	7.7%
Middletown	42,762	43,167	47,648	44,651	10.4%	-6.3%
<i>Totals</i>	<i>80,598</i>	<i>88,397</i>	<i>95,986</i>	<i>92,052</i>	<i>8.6%</i>	<i>-4.1%</i>
<i>Middlesex County</i>	<i>143,196</i>	<i>155,071</i>	<i>165,676</i>	<i>170,121</i>	<i>6.8%</i>	<i>2.7%</i>
<i>State of CT</i>	<i>3,257,115</i>	<i>3,405,565</i>	<i>3,574,097</i>	<i>3,564,130</i>	<i>4.9%</i>	<i>-0.3%</i>

Source: U.S. Bureau of the Census; CT Office of Policy & Management; *Compiled by R.P. McDermott Associates, Inc.*

Population in Haddam is projected to decrease 7.6% through 2015. Overall, the region's population is projected to decrease 4.1% between 2010 and 2015 which is worse than both the County and State of CT over the same time period.

REGIONAL DATA (CONTINUED)

POPULATION DENSITY

Relative to neighboring towns, Haddam has the second largest land area and the third smallest population density. Haddam's population density is most comparable to Killingworth and East Haddam, which are similar rural/residential communities just west and south of Haddam. Haddam's density of 190 persons per square mile is well below area, County and State averages.

POPULATION DENSITY			
AREA	Land Area Sq. Miles	2010 Population	Population Per Sq. Mile
Chester	16.03	3,994	249
Durham	23.60	7,388	313
East Haddam	54.33	9,126	168
East Hampton	35.58	12,959	364
Haddam	44.03	8,346	190
Killingworth	35.32	6,525	185
Middletown	40.89	47,648	1,165
<i>Totals</i>	<i>249.78</i>	<i>95,986</i>	<i>384</i>
<i>Middlesex County</i>	<i>369.20</i>	<i>165,676</i>	<i>449</i>
<i>State of CT</i>	<i>4,844.00</i>	<i>3,574,097</i>	<i>738</i>

Source: U.S. Census; Compiled by R.P. McDermott Associates, Inc.

Haddam is a rural community where residential development is limited by the large amount of public and private open space, the town's steep terrain and rocky soils, and the lack of public sewers. As the data shows, Middletown is the most densely developed area and serves as an employment center for the region.

INCOME

Median household income trends for Haddam and area towns are shown in the following chart.

MEDIAN HOUSEHOLD INCOME TRENDS			
Area	2000	2009	% Change 2000-2009
Chester	\$65,156	\$80,353	23.3%
Durham	\$77,639	\$99,199	27.8%
East Haddam	\$62,304	\$79,785	28.1%
East Hampton	\$66,326	\$83,971	26.6%
Haddam	\$78,571	\$97,892	24.6%
Killingworth	\$80,805	\$102,047	26.3%
Middletown	\$47,162	\$61,090	29.5%
<i>Area Averages</i>	<i>\$68,280</i>	<i>\$86,334</i>	<i>26.4%</i>
<i>Middlesex County</i>	<i>\$59,175</i>	<i>\$74,860</i>	<i>26.5%</i>
<i>State of CT</i>	<i>\$53,935</i>	<i>\$68,055</i>	<i>26.2%</i>

Source: U.S. Census Data; Compiled by R.P. McDermott Associates, Inc

With a 2009 median household income of \$97,892, Haddam ranks third behind Killingworth and Durham. Haddam's median income is significantly higher than the median incomes for both Middlesex County (\$74,860) and the State of Connecticut (\$68,055). The data shows that all adjacent towns, except Middletown, rank well above County and State income figures. Haddam's percentage increase of 24.6% since 2000 is the second lowest among the towns and areas surveyed.

REGIONAL DATA (CONTINUED)

ECONOMIC/EMPLOYMENT

The chart below shows unemployment rate trends by place of residence for Haddam, neighboring communities, the Hartford Labor Market Area (LMA) and the State of Connecticut.

AVERAGE ANNUAL UNEMPLOYMENT RATES BY PLACE OF RESIDENCE												
Area	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Chester	1.8	1.8	1.7	3.1	3.1	2.9	3.5	2.9	3.5	4.2	6.2	6.3
Durham	2.1	1.7	2.7	3.2	4.1	3.3	3.6	3.1	3.4	4.0	5.6	6.2
East Haddam	3.0	2.1	3.1	4.2	4.6	4.0	4.1	3.2	3.7	4.4	6.2	7.1
East Hampton	3.1	2.4	2.8	3.8	5.1	3.7	6.4	4.9	4.8	5.8	7.8	8.9
Haddam	2.2	1.6	2.2	3.0	3.6	3.3	3.8	3.0	3.2	4.0	5.8	6.7
Killingworth	2.2	1.4	2.5	3.2	3.3	2.8	3.4	2.9	3.2	4.1	5.5	6.3
Middletown	3.2	2.3	3.2	4.1	5.3	4.9	4.8	4.0	4.5	5.5	7.3	8.3
<i>Hartford LMA</i>	<i>3.3</i>	<i>2.4</i>	<i>3.3</i>	<i>4.5</i>	<i>5.4</i>	<i>5.1</i>	<i>5.3</i>	<i>4.5</i>	<i>4.7</i>	<i>5.9</i>	<i>8.1</i>	<i>9.1</i>
<i>State of CT</i>	<i>3.2</i>	<i>2.3</i>	<i>3.3</i>	<i>4.3</i>	<i>5.0</i>	<i>4.7</i>	<i>5.1</i>	<i>4.3</i>	<i>4.5</i>	<i>5.8</i>	<i>8.0</i>	<i>9.0</i>

Source: CT Department of Economic and Community Development; *Compiled by R.P. McDermott Associates Inc*

As the data shows, Haddam's unemployment rate has generally ranked in the middle of the neighboring towns surveyed, but below the Hartford LMA and the State of Connecticut. All towns surveyed have consistently outperformed the Hartford LMA and the State of Connecticut.

Haddam's unemployment rate was 6.9% as of July 2011. This rate represents a slight increase from the town's 2010 annual average of 6.7% but it is well below the current 9.3% rate for the Hartford LMA and the 9.2% rate for the State of Connecticut. It is also well below the national unemployment rate of 9.3%.

Recent Employment Trends

The total non-farm employment in the State of Connecticut as of July 2011 was 1,617,000. Between July 2010 and July 2011, the State of Connecticut gained 10,400 jobs which represents a 0.6% change. The Educational & Health Services and Professional & Business subsectors had the greatest job gains over the past year (+8,200 jobs and +2,600 jobs respectively). The Financial Activities subsector showed the greatest loss over the same time period with -2,000 jobs.

NON-FARM EMPLOYMENT TRENDS – STATE of CT				
	July 2011	July 2010	# Change	% Change
Non-Farm Employment	1,617,000	1,606,600	10,400	0.6%
Goods Producing	223,400	220,500	2,900	1.3%
Construction, Nat. Res. & Mining	54,900	53,900	1,000	1.9%
Manufacturing	168,500	166,600	1,900	1.1%
Service Producing	1,393,600	1,386,100	7,500	0.5%
Trade, Trans. & Utilities	288,200	288,100	100	0.0%
Information	32,100	31,600	500	1.6%
Financial Activities	134,300	136,300	-2,000	-1.5%
Professional & Business Services	195,300	192,700	2,600	1.3%
Educational & Health Services	310,600	302,400	8,200	2.7%
Leisure & Hospitality	143,800	144,300	-500	-0.3%
Other Services	61,700	62,300	-600	-1.0%
Government	227,600	228,400	-800	-0.4%

REGIONAL DATA (CONTINUED)

ECONOMIC/EMPLOYMENT (continued)

The total non-farm employment in the Hartford LMA as of July 2011 was 532,000. This figure represents an increase of 3,500 jobs (0.7%) from July 2010 figures. Government (+1,300 jobs) and Educational & Health Services (+1,200 jobs) had the largest job gains over this time period. The greatest losses in employment were in the Financial Activities subsector with -1,100 jobs.

NON-FARM EMPLOYMENT TRENDS – HARTFORD LMA				
	July 2011	July 2010	# Change	% Change
Non-Farm Employment	532,000	528,500	3,500	0.7%
Goods Producing	75,300	74,700	600	0.8%
Construction, Nat. Res. & Mining	19,100	18,100	1,000	5.5%
Manufacturing	56,200	56,600	-400	-0.7%
Service Producing	456,700	453,800	2,900	0.6%
Trade, Trans. & Utilities	85,600	84,700	900	1.1%
Information	11,200	11,100	100	0.9%
Financial Activities	60,700	61,800	-1,100	-1.8%
Professional & Business Services	59,600	59,500	100	0.2%
Educational & Health Services	96,300	95,100	1,200	1.3%
Leisure & Hospitality	44,200	43,300	900	2.1%
Other Services	19,800	20,300	-500	-2.5%
Government	79,300	78,000	1,300	1.7%

HOUSING

The total number of housing units authorized for a 12-year period in Haddam and neighboring towns are shown in the following chart.

ANNUAL HOUSING UNITS AUTHORIZED and TOWN AVERAGES														
Area	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Totals	Avg.
Chester	26	15	11	11	12	12	12	11	9	6	75	72	272	23
Durham	58	63	46	55	46	46	47	38	31	5	6	6	447	37
East Haddam	86	76	53	61	62	49	52	38	35	22	19	31	584	49
East Hampton	83	76	92	90	144	158	134	85	71	34	23	21	1,011	84
Haddam	42	36	31	40	51	70	59	51	46	28	16	19	489	41
Killingworth	73	37	42	32	27	23	21	21	14	11	5	4	310	26
Middletown	142	179	165	191	203	229	253	213	215	172	85	28	2,075	173
<i>Totals</i>	<i>510</i>	<i>482</i>	<i>440</i>	<i>480</i>	<i>545</i>	<i>587</i>	<i>578</i>	<i>457</i>	<i>421</i>	<i>278</i>	<i>229</i>	<i>181</i>	<i>5,188</i>	<i>432</i>
<i>State of CT</i>	<i>10,637</i>	<i>9,376</i>	<i>9,290</i>	<i>9,731</i>	<i>10,435</i>	<i>11,837</i>	<i>11,885</i>	<i>9,236</i>	<i>7,746</i>	<i>5,220</i>	<i>3,786</i>	<i>3,932</i>	<i>103,111</i>	<i>8,593</i>

Source: CT Department of Economic and Community Development; Compiled by R.P. McDermott Associates Inc

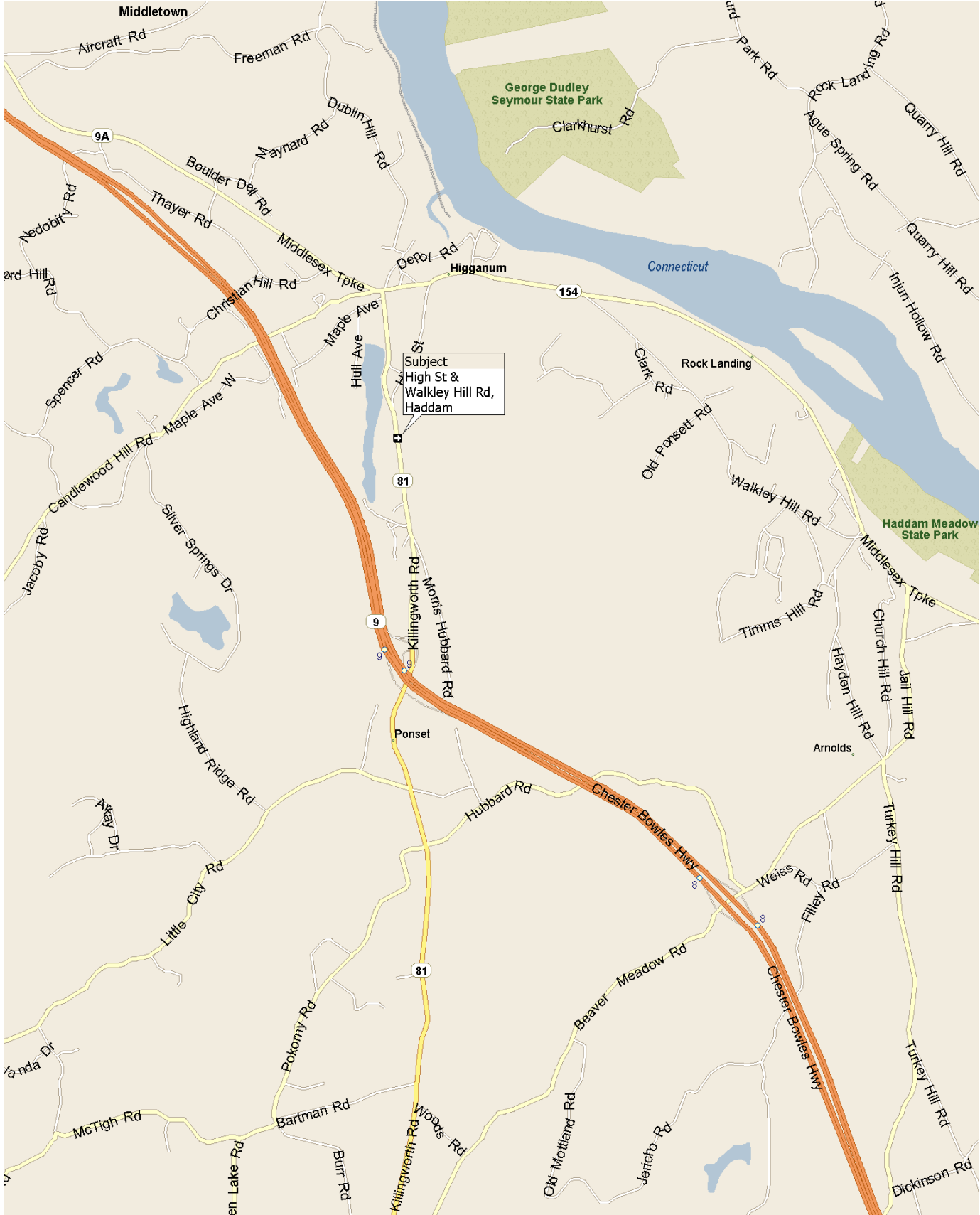
Between 1999 and 2010, Haddam averaged 41 new housing units annually. Over the past five years, this average decreased to 32 units annually. All other towns surveyed, except for Chester, also reflect this downward trend. Middletown and East Hampton have been the most active towns regarding new construction while Chester and Killingworth have the least number of new permits over the 12-year period surveyed. As of September 2011, Haddam issued only 7 new permits, which is well below the 19 units approved in 2010.

REGIONAL DATA (CONTINUED)

REGIONAL SUMMARY

Haddam is a rural suburban town in the center of Middlesex County that is a bedroom community for employment centers in the greater New Haven, Middletown, Norwich and New London regions. Haddam has a small population base and a low population density relative to other area towns. Population growth in Haddam between 2000 and 2010 was higher than all surrounding towns but the town's population is projected to decrease at a rate higher than area, County and State averages by 2015. Haddam's median household income is among the highest in the area and it is well above County and State figures. Haddam's unemployment rates have historically been significantly lower than the Hartford LMA and the State of CT rates. These are favorable demographics for a large residential property like the subject.

NEIGHBORHOOD MAP



NEIGHBORHOOD DATA

Location

The subject is on the east side of Route 81 (a/k/a Killingworth Road) and High Street in the north central section of Haddam about 0.6 of a mile south of the Higganum Center section of Haddam. Although the subject has a Walkley Hill Road address, the subject has no access from or street frontage on Walkley Hill Road.

The immediate neighborhood can be defined as an area bounded to the west by Route 9; to the south by Beaver Meadow Road; to the north by Route 154, the Connecticut River and the towns of East Hampton and Middletown and to the east by the Connecticut River and the town of East Haddam. The subject is about 10 minutes from Middletown and Wesleyan University, 20 minutes from the Connecticut shoreline and 30 minutes from Hartford and New Haven.

Access

The primary local highways in Haddam are Route 81 and Route 154. Route 154 (a/k/a Saybrook Road) is a two-lane highway that runs along the Connecticut River in a southerly direction from Route 9 in Middletown to Old Saybrook on the Long Island Sound. Route 154 has been designated by the State as a Scenic Highway.

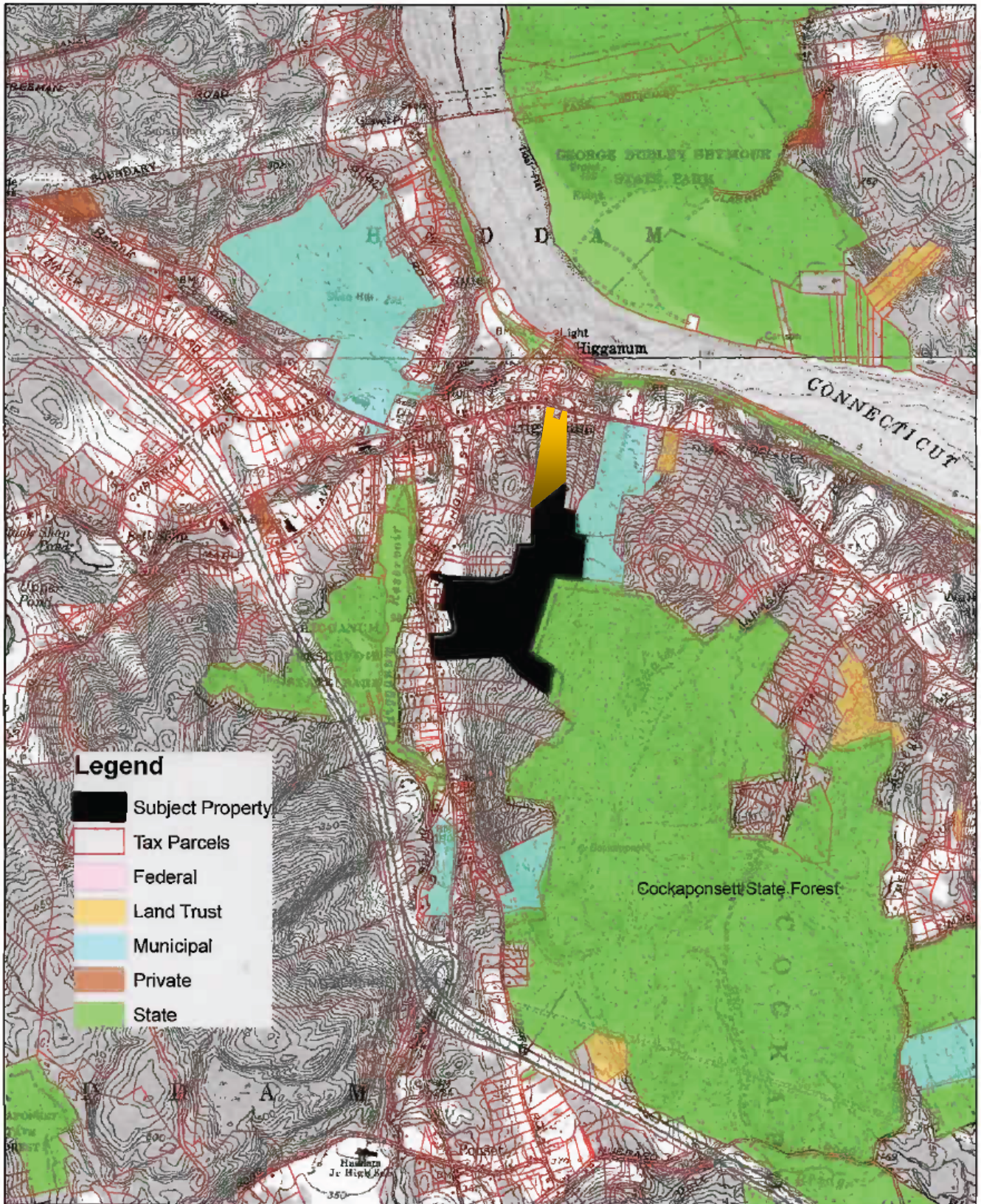
Route 81 is the primary north/south highway in Haddam that extends south through the center of Haddam from Route 154 in Higganum Center, past the subject and into the town of Killingworth before terminating at Route 1 in the shoreline town of Clinton. Routes 154 and 81 were formerly the primary summer routes to the Connecticut shoreline prior to the construction of the six-lane Route 9. Exit 9 for Route 9 is less than 1.5 miles south of the subject.

Neighborhood Land Uses

Land uses abutting the subject include:

- The 1,158-acre Cockaponset State Forest; a 6.86-acre parcel of town-owned open space and a 34.78-acre parcel of town-owned land with an 8,622 SF fire house built in 1999 that fronts on Saybrook Road to the east;
- A 13-acre parcel with a 1,511 SF colonial built in 1880 and a 1,196 SF cape style dwelling on a 14.92-acre parcel to the south;
- A 6.28-acre lot with a 1,628 SF contemporary dwelling built in 2006, a 5.44-acre lot with a 1,152 SF ranch style dwelling built in 1968 and a 14.12-acre parcel of conservation owned by the Haddam Land Trust to the north;
- A rear, 2.75-acre parcel; a 1,752 SF ranch dwelling on a 22.02-acre parcel; a 915 SF dwelling on a 4.5-acre lot; a 1,383 SF dwelling on a 6.6-acre site that was built in 1932 and a 6.28-acre lot with a 1,628 SF house built in 2006 on High Street to the west.
- Between the subject's High Street and Killingworth Road frontages to the west are: a 2,296 SF Victorian dwelling built in 1930 on a 2-acre site that abuts the subject's High Street frontage to the south; a 2,157 SF dwelling built in 1913 on a 0.74-acre site; a light industrial building on 1.29 acres that is owned by Haddam Natural Spring LLC and a 2,810 SF dwelling on a 3.1-acre parcel that was built in 1928 to the west (the last two properties front on Killingworth Road).

NEIGHBORHOOD/COMMUNITY DATA (CONTINUED)



NEIGHBORHOOD/COMMUNITY DATA (CONTINUED)

Neighborhood Land Uses (continued)

Other major land uses in the immediate area include Higganum Center and the 147-acre Higganum State Park just west of Route 81 and the subject that includes a 31-acre reservoir that offers boating (car top), fishing, hiking and hunting.

Higganum Center is a mixed-use district that includes institutional, residential, commercial and industrial land uses. Uses adjacent to Route 81 and Route 154 consist primarily of retail stores, the Village shopping center, offices, a Dunkin Donuts, restaurants, the Country Market grocery store, the Higganum Feed and Ace Hardware store, a liquor store, a post office, the Haddam elementary school, the Haddam Public Works garage, a fire house and volunteer ambulance center, banks, churches and both historic and more contemporary homes.

Economic Base

Haddam is primarily a bedroom community with few major employers in town and only about 3% of its total land is classified as commercial or industrial use. The primary commercial activity is along Routes 154 and 81. Businesses are primarily smaller retail, restaurant and office properties mixed with older residential dwellings. Many of the office buildings are converted residential dwellings. The major employers in town as of 2006 were the Haddam Board of Education, CT Yankee Atomic Power Company, ECS Marin Environmental, the town of Haddam and J.C. Products. As of the October 1, 2010 Grand List the top ten taxpayers were: Conn Yankee Atomic Power Company; Conn Light & Power; MCAP Sabine Pointe LLC; Riverhouse Properties LLC; Touchstone Development Associates LLC; Rogers Realty LLC, The Davidson Company; Camp Bethel Associates Inc.; Bridge Street Associates and Village Plaza LLC.

As of 2005, the largest economic sector in Haddam was Services, which represents 41.4% of the 338 business firms in town and employs 53.8% of the local work force. The second largest sector was Trade with 19.5% of the town's business firms and 17.8% of the employment base. It should also be noted that approximately 23% of Haddam's total land area is owned by the State of Connecticut.

Haddam has a very limited amount of commercial or industrial land. Of the town's total land area less than 1% (0.68%) was commercial and only 2.1% was industrial as of 2005. The lack of commercial/industrial zoned land combined with the very limited amount of suitable land with access to public utilities will continue to limit the supply of land and future economic growth.

Town Government/Services/Amenities

The town of Haddam was established in 1662 and is currently governed by a Town Selectman, a Board of Selectmen, a Board of Finance and a Town Meeting format. Municipal services include a resident State trooper, a volunteer fire department, a volunteer ambulance and road maintenance. There are no hospitals in Haddam but major medical facilities are available in Middletown. The town's has two public elementary schools and a high school. Haddam is part of the Regional School District #17 which includes the 3 schools in town as well as an elementary school and middle school in Killingworth. Total town school enrollment as of the 2009-2010 school year was about 1,375 students. Recreation facilities include the town-owned Brickyard Playing Field, while the State of Connecticut owns the 14-acre Haddam Island State Park, the 147-acre Haddam Meadows State Park, Higganum Reservoir State Park, Cockaponset State Forest (15,000 acres in seven towns), George D. Seymour State Park, the Mattabesett Trail, the Cockaponset Trail (two blue trails) and the Eagle Landing State Park. Additionally the Haddam Land Trust holds approximately 290 acres of open space in trust.

NEIGHBORHOOD/COMMUNITY DATA (CONTINUED)

Neighborhood/Community Data Summary

Haddam is a rural residential bedroom community with a very limited amount of commercial or industrial development. A primary industry in Haddam is tourism and recreation associated with State parks and the Connecticut River. The subject is in the central section of Haddam in a residential area between Route 154 and Route 9 that is characterized by a variety of residential properties that range from historic colonial properties on larger lots between 5 and 22 acres and a few more modern dwellings. The large tracts of State-owned land as well as abutting town and land trust owned parcel enhance the appeal of the subject. New development in the immediate area has been very limited over the past three years and the neighborhood appears to be stable.

ASSESSMENT AND TAX DATA

The town of Haddam's assessments are based on 70% of market value as of the October 1, 2010 revaluation. Annual taxes are due on January 1 and July 1 of each year. Assessment and tax information for the subject is presented below.

ASSESSMENT and TAX DATA					
Property	24/42-1	24/43	24/44	14/92	Totals
Assessment	\$153,650	\$380	\$29,930	\$42,940	\$226,900
Tax Rate (10/1/10)	$\times 0.02823$	$\times 0.02823$	$\times 0.02823$	$\times 0.02823$	$\times 0.02823$
Total Taxes	\$4,337.54	\$10.73	\$844.92	\$1,212.20	\$6,405.39
<i>Past Due (as of 10/11)</i>	<i>\$4,435.13</i>	<i>\$12.73</i>	<i>\$863.93</i>	<i>\$1,239.49</i>	<i>\$6,551.28</i>

The tax rate history for the town of Haddam is presented below.

Town of Haddam Real Estate Tax Rate History		
Grand List Year	Tax Rate	Percentage Change
2010 (revaluation)	28.23	3.0%
2009	27.40	3.8%
2008	26.40	1.5%
2007	26.00	4.0%
2006	25.00	0.0%
2005(revaluation)	25.00	NA
2004	31.00	5.1%
2003	29.50	3.5%
2002	28.50	NA

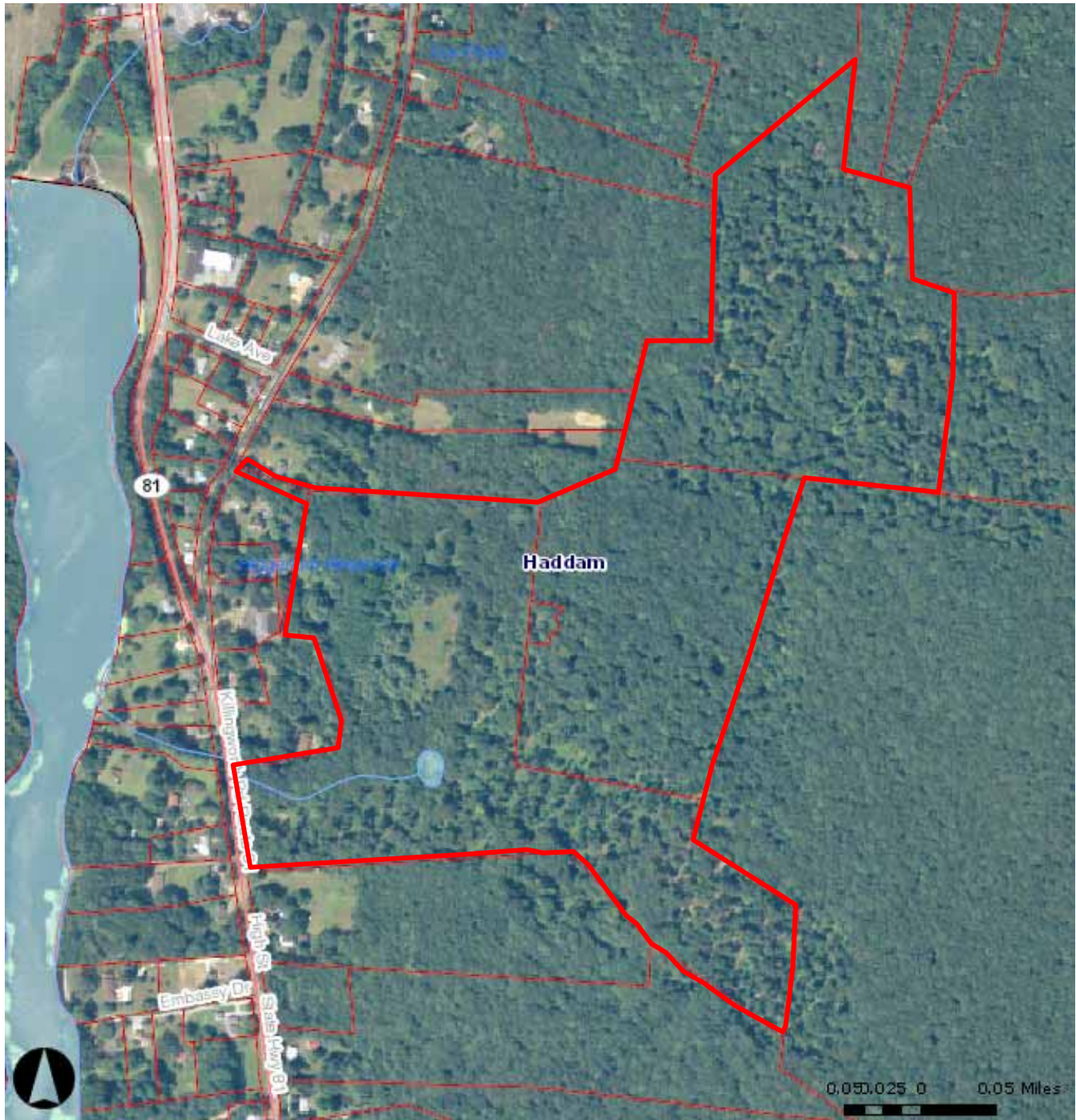
The preceding chart summarizes tax rate changes over the past eight years. Based on historical tax increases in Haddam, taxes are projected to increase 3% annually.



ASSESSOR and WETLANDS MAP

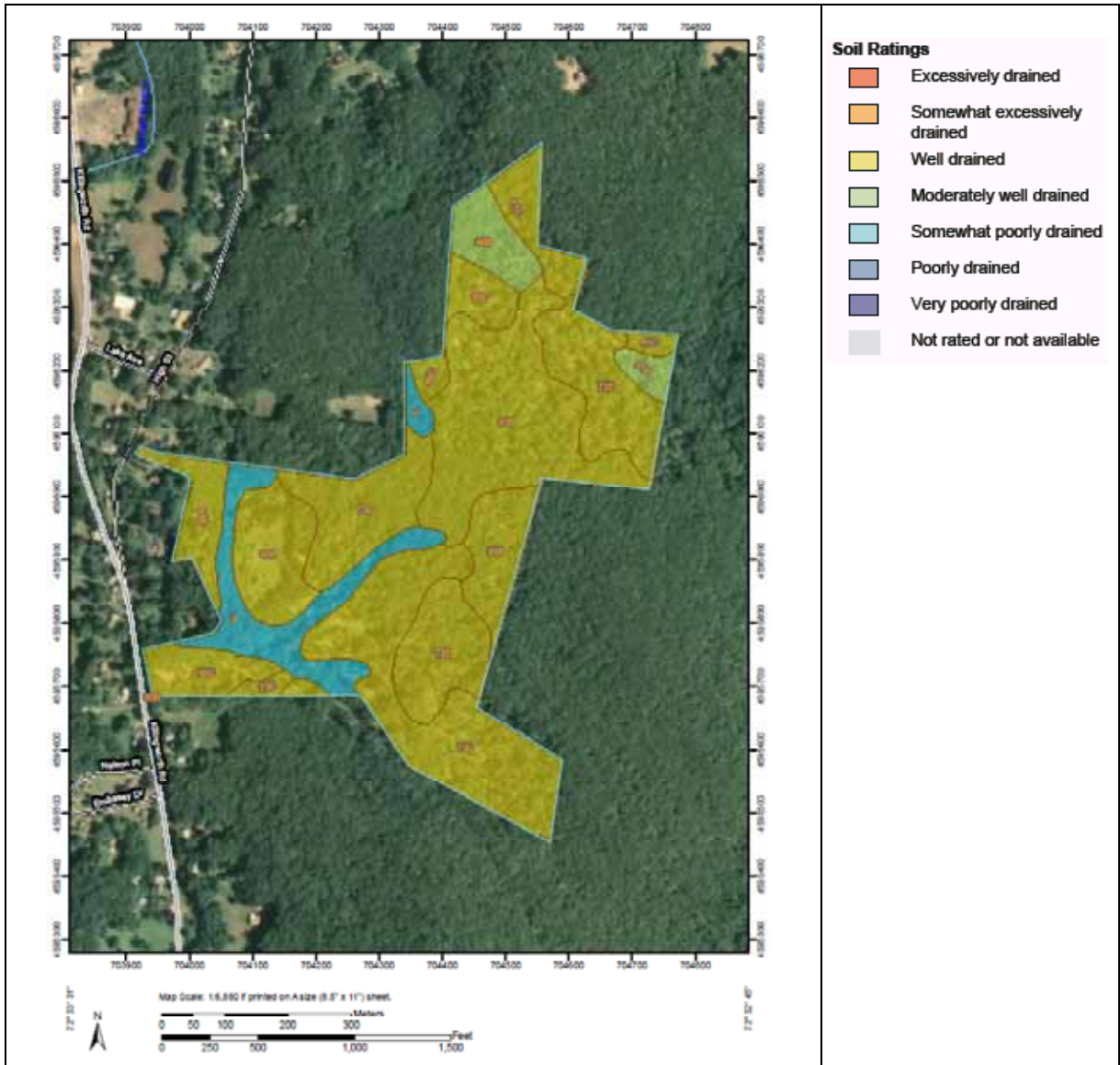


AERIAL MAP



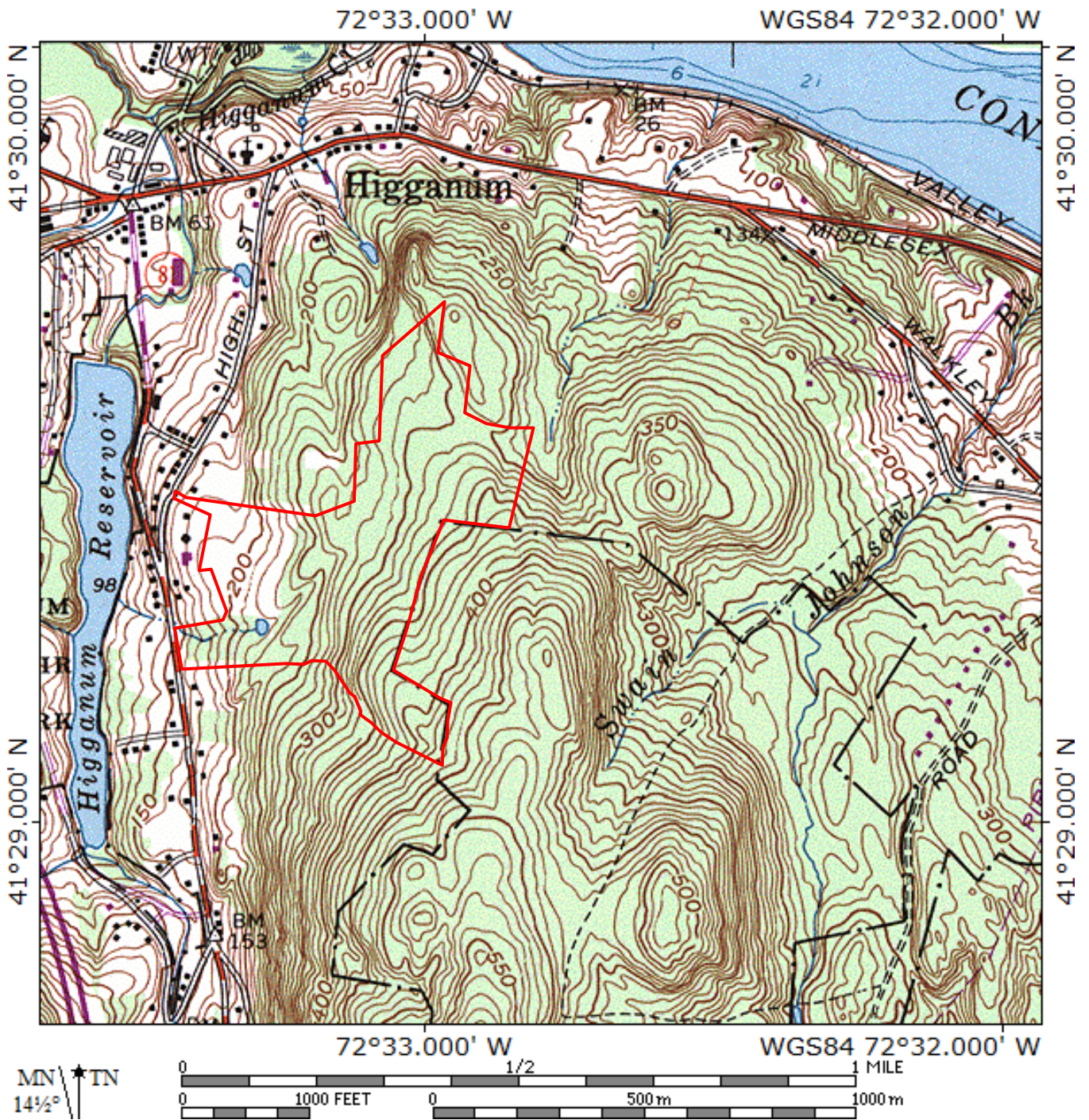
PARCEL DESCRIPTION	
Land Area	87.7 acres or 3,820,279 SF (Source: Survey)
Parcel Frontage	407.01' total including 315.84' of frontage on the east side of Route 81 (a/k/a Killingworth Road) and 91.17' of frontage on the east side of High Street.
Access	Access is from the east side of High Street at the northernmost frontage and from the east side of Route 81 at the subject's southern section of frontage. Interior access is available from logging roads, skid trails and walking trails that were in good condition at the time of the inspection. The access from High Street is hindered by a street curve near the High Street road frontage below average sight lines and the narrow width of High Street in this area. Interior access to the northeast section of the parcel (where most of the buildable land is located) is hindered by the depth of this land from the frontage, wetlands and steep slopes. Interior access from Route 81 is hindered significantly by watercourses, a wetlands network and steep slopes.
Shape	Irregular with a depth of about 700' from High Street to an open field and 2,200' from High Street to the rear buildable land at the northeast corner of the property.
Topography	The parcel is essentially a sloping hillside with watercourses, ravines and drainage ways through the southern and central sections of the property. The land slopes downward from the eastern property line with elevation changes ranging from peaks of 420' and 360' near the eastern property lines to between 150' and 160' near the road frontages. The parcel rises from an elevation of about 150' along Route 81 to a high elevation of about 420' at the southeast corner of the property. The land rises gently from an elevation of about 160' at the High Street frontage to a level field that is at an elevation near 220' and a steep ravine that starts at an elevation around 250' before rising to a level to rolling area between 300' and 350'.
Drainage	The subject drains westerly towards the Higganum Reservoir. A stream extends westerly from a pond at the southern end of the property and there are various streams and drainage ways that cross the property before draining westerly.
Flood Zone	The most recent Flood Insurance Rate Map Panel #09007C0231G dated August 28, 2008 shows the subject is in Zone X, areas determined to be outside the 0.2% annual chance floodplain.
Wetlands	There is a small pond near the southwest section of the property that is beginning to fill in and various watercourses throughout the property. According to the soils map, wetlands soils total about 8 acres or 9% of the total land area.
Ground Cover	The land cover ranges from mature mixed hardwood forest, cut-over forest, abandoned agricultural land and a softwood plantation forest. A 1.5-acre inactive former hay field in the west center section of the property is reverting to shrub land. Adjacent to the field are white pine and Norway spruce stands as well mixed oak and aspen to the east of the field. According to a forestry report, the property was heavily cut 5-7 years ago.
Soils (Source: USDA Natural Resources Conserv. Services, see soils map in this section)	<p>The majority of the soils on the subject are Charlton-Chatfield complex with about 36 acres. There are 20 acres each of Canton & Charlton soils and Paxton & Montauk fine sandy loams. There are also approximately 8 acres of Ridgebury, Leicester, & Whitman wetlands soils, 3 acres of Woodbridge fine sandy loam and 1 acre of Sutton fine sandy loam.</p> <p>The soils on the subject are very stony to extremely stony; these characteristics were evident from boulders, rocky hillsides and ledge near the surface during the inspection. Depth to bedrock is a listed soils concern for 36.6 acres and about 67 acres (76% of the total land area) are also rated by the USDA as having low percolation rates and are identified as areas of special concern by State regulations (Section 19-13-B103d (e) (1) of the CT Public Health Code. The land with the best development potential is about 16.6 acres (Map Unit 61B) in the northeast corner of the property.</p>

SOILS MAP

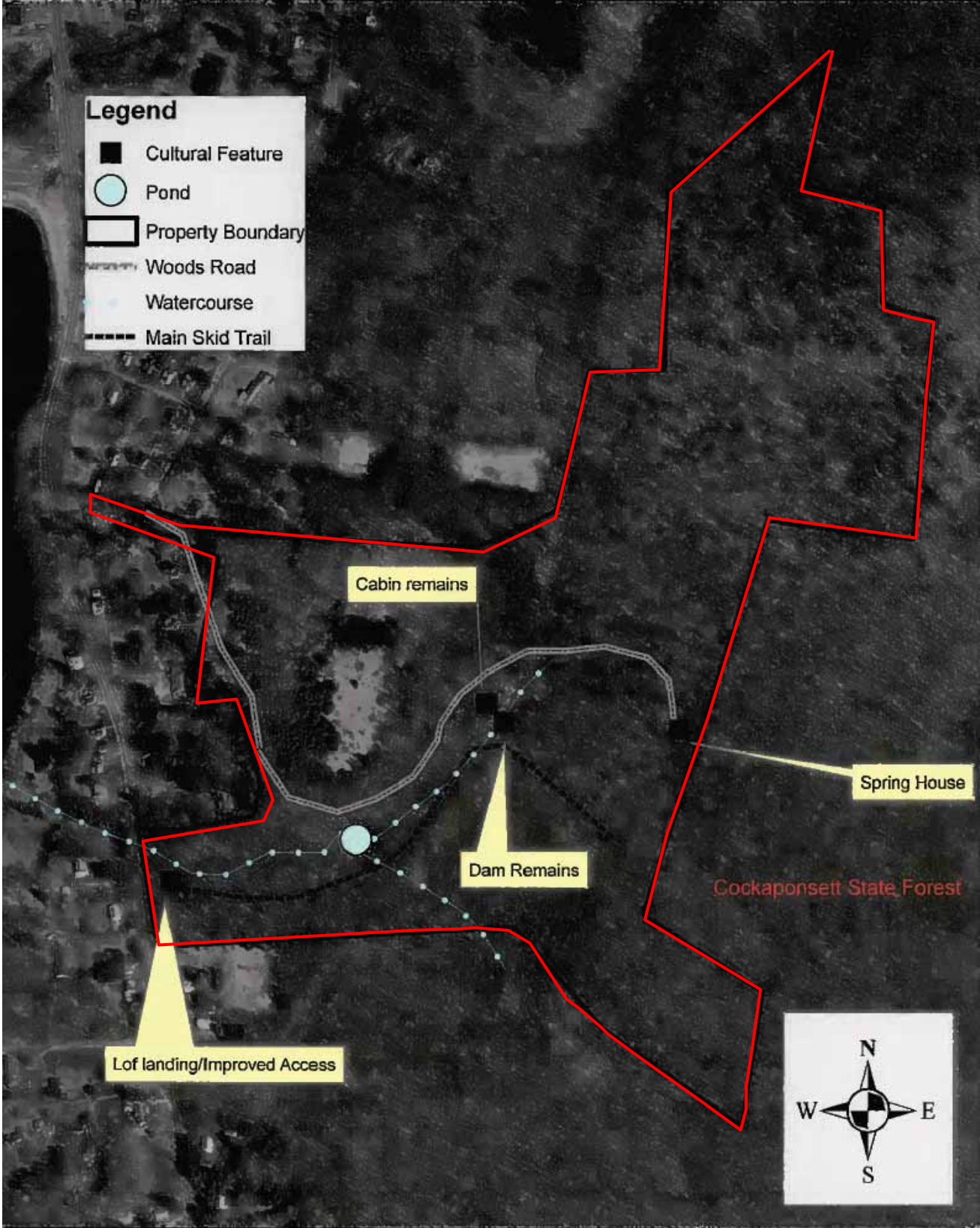


Drainage Class— Summary by Map Unit — State of Connecticut (CT600)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
3	Ridgebury, Leicester, and Whitman soils, extremely stony	Poorly drained	8.4	9.4%
46B	Woodbridge fine sandy loam, 2 to 8 percent slopes, very stony	Moderately well drained	3.3	3.6%
51B	Sutton fine sandy loam, 2 to 8 percent slopes, very stony	Moderately well drained	1.2	1.4%
61B	Canton and Charlton soils, 3 to 8 percent slopes, very stony	Well drained	16.6	18.5%
61C	Canton and Charlton soils, 8 to 15 percent slopes, very stony	Well drained	3.8	4.2%
73C	Charlton-Chatfield complex, 3 to 15 percent slopes, very rocky	Well drained	23.1	25.8%
73E	Charlton-Chatfield complex, 15 to 45 percent slopes, very rocky	Well drained	13.5	15.0%
85B	Paxton and Montauk fine sandy loams, 3 to 8 percent slopes, very stony	Well drained	13.4	15.0%
85C	Paxton and Montauk fine sandy loams, 8 to 15 percent slopes, very stony	Well drained	6.3	7.0%

TOPOGRAPHY MAP



CULTURAL FEATURES MAP



PARCEL DESCRIPTION (CONTINUED)

Easements,
Restrictions

The subject is encumbered by various easements with the most significant easements associated with the rights that an abutting property owner at 124 High Street has to access and draw water from the spring house on the subject and to maintain and repair underground water pipes leading from the spring house to a bottling plant (currently inactive) on the abutting property. There are no maps or documents that I am aware of that identify the location of the underground pipes or the route of the access easement through the appraised property. The size and locations of potential pipes that could possibly be permitted across the subject by the existing easements are also unclear since these issues were never clearly defined in any of the prior easements.

The primary references to these easements from the title search are summarized below. An Index of Encumbrances contained in a recent title search for the subject that provides additional encumbrance details is in the addenda of this report.

Water draw rights and rights of way for ingress & egress with 'teams' and on foot, for purposes related to installation and maintenance of water pipes running across lands of Otto Carlson (now Assessor Lot #42-1) and across the "May Lot" (now: Assessor Lot #44) to a source of water at "Rockrimmon Lodge" (now Assessor Lot #43) to serve the property of Charles Carlson (presently identifiable as Assessor Lots #38, 39, 40 and 41) as described in the following deeds: Quitclaim Deed from Charles B. Carlson to Otto F. Carlson dated August 1, 1908 and recorded in Volume 47 Page 420 of the Haddam Land Records on August 19, 1908 and a Quitclaim Deed granted from Otto F. Carlson to Charles B. Carlson dated August 1, 1908 and recorded in Volume 47 Page 422 of the Haddam Land Records.

The right of Charles B. Carlson to take water from property of Otto Carlson from the "May Lot" (Assessor Map #24, Lot #44) for "his bottling works" (Assessor Lots #38-41, which were later broken up into individual lots) was specifically deeded as an "appurtenant" right by deed dated 03/19/1917 and recorded in Volume 51 Page 393 of the Haddam land records on April 9, 1917.

Together with and subject to terms of the grant of a ten foot wide right of way granted from William W. Zisk and Mary A. Zisk to Buckley E. Johnson and Eric H. Johnson (presently Assessor Lot #40) dated July 17, 1947 and recorded in Volume 73 Page 311 of the Haddam land records.

Easements noted in the most recent deeds are shown below.

Pertaining to Map 24, Lot 42-1:

ROW to pass with teams and on foot to the May Lot from the original bottling works; right to use, lay pipes and maintain and conduits to the May Lot from the original bottling works; right to use water from 2 springs and the right to lay and maintain pipes and to connect to present pipe lines from a lot north of the original bottling works; easement in common with others for the purpose of traveling on foot, with horses, cattle teams and motor vehicles being 10' in width along the easterly boundary of old bottling works; an obligation to maintain the northerly portion of a fence along the easterly boundary of the old bottling works; easement and ROW in favor of High St. Associates.

Pertaining to Map 14, Lot 92:

Possible spring rights and right to lay and maintain pipes; conservation easement; easements in favor of The Southern New England Telephone Company.

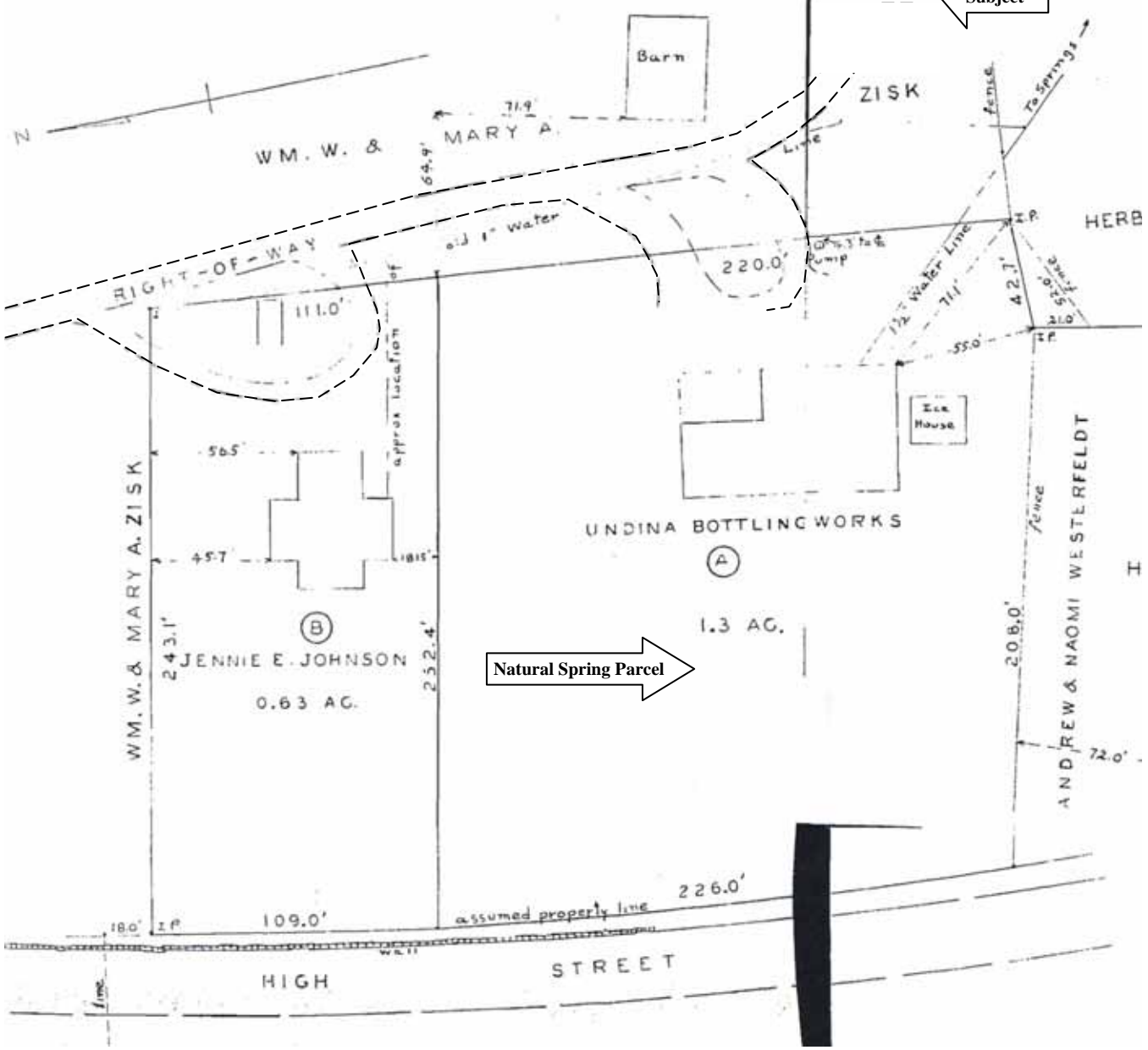
Maps of some of the easements referenced above are shown on the following pages.

ABUTTING HADDAM NATURAL SPRING LLC PARCEL MAP



EASEMENT MAP

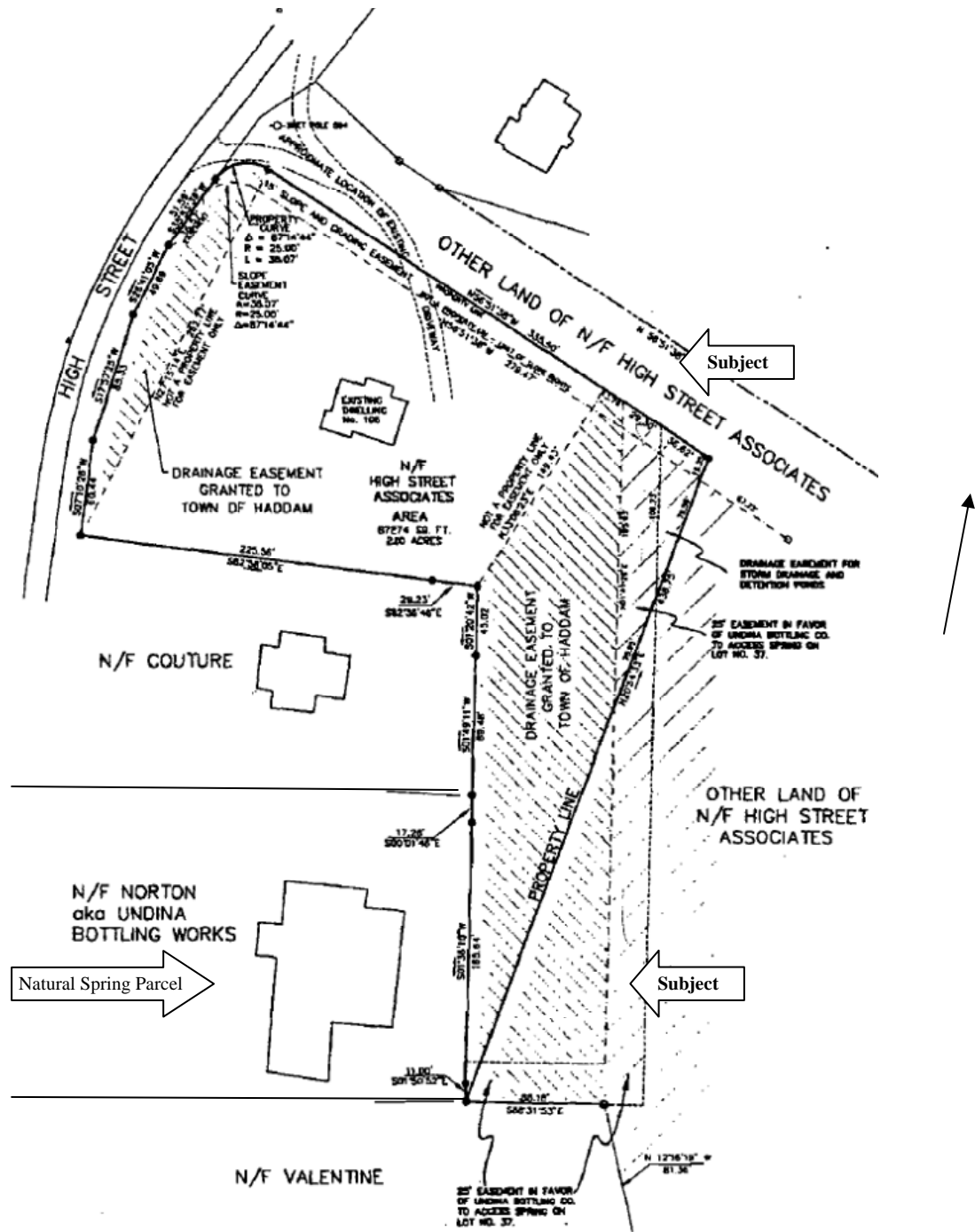
Subject



Natural Spring Parcel

MAP OF THE
UNDINA BOTTLING WORK
AND SURROUNDING PROPERTY
HADDAM, CONN. APRIL, 19
SCALE: 1 IN. = 40 FT.
HIGGANSUM STATION

EASEMENT MAP



<p>GRAPHIC SCALE</p>	<p>PREPARED FOR RECORDING 12/10/08 @ 2:45pm by Anna Dobby, etc.</p>	<p>DESIGNED BY JESS J. BALMORIN</p>	<p>FIRST DIVISION PLAN</p> <p>SCALE: 1" = 40'</p> <p>DATE: APRIL 3, 2008</p>	<p>PREPARED FOR HIGH STREET ASSOCIATES</p> <p>CON: HIGH STREET ASSOCIATES</p>	<p>SHEET 1 OF 1</p>
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PARCEL DESCRIPTION (CONTINUED)

Utilities	Electric, telephone, septic and well
Hazardous Conditions	Besides some steep slopes associated with ravines, no other obvious hazardous conditions were observed at the time of inspection. Be aware that R.P. McDermott Associates Inc. is not an environmental expert. (Please see the assumptions and limiting conditions at the end of the report.)
Street Improvements	High Street is a paved two-lane road that is maintained by the town of Haddam and Route 81 is a State highway that is maintained by the State of Connecticut.
Site Improvements	There is a small manmade pond that is less than ¼ acre with a depth of no more than 3 feet. The only remains on the cabin site are a stone fireplace and chimney. The dam, which is not a registered structure with the State of Connecticut, is in poor condition. A spring house on the property was constructed by the owners of an abutting property for their use and it appears that this structure is owned by the abutter.
Functional Utility	<p>The subject is a relatively large, irregular shaped property that is conveniently located between Higganum Center and a full Route 9 interchange. The primary benefit of the subject's location is its proximity to large tracts of public open space and recreation associated with the abutting Cockaponset State Forest and Higganum State Park.</p> <p>The physical characteristics of the subject are not ideal for development purposes. The subject has a high depth to frontage ratio and interior access is hindered by wetlands, steep slopes and rocky soils. A large majority of the soils on the subject have low percolation rates, high water tables and shallow depth to bedrock in many areas. This will affect the number and location of lots and will have an upward impact on potential infrastructure and development costs. The most buildable land is at the rear northeast corner of the parcel. The beginning of this area though is about 2,200' from the parcel's High Street frontage and it will be costly to access and develop this area.</p> <p>Easements that encumber the subject and appear to grant rights to an abutting property owner across the subject are unclear and the extent of these rights are not well defined in easements of record. These easements could impact the design of any potential subdivision and could inhibit the size and location of building sites in areas where the easements may allow access and water line rights. These potential impediments will increase the development risks for the market.</p> <p>Based on the physical and legal characteristics of the subject, it will be a difficult parcel to develop and the potential lot yield would be negatively impacted by the land's soils, topography and wetlands as well as the easements that encumber the property.</p>

HISTORY OF THE SUBJECT

In the mid 1990's, a subdivision known as Phase III of the Walkley Heights subdivision was proposed on the subject. This residential development project was for 16 single-family residential lots and a 16-unit senior housing project on 22 acres with town roadways totaling 4,972 linear feet. Single-family lots ranged from 2.1 to 5.01 acres with an average size of 3.06 acres. About 22 acres or 25% of the total land area would have been set aside as open space. Off-site improvements were proposed along High Street to improve site lines, roadway width, stop signs, Route 81 intersection modifications and installation of new catch basins along High Street. This project eventually received subdivision approvals but they have since lapsed. *A copy of the previous subdivision on the subject is shown on the following page.*

At a January 21, 2010 Planning and Zoning Commission meeting the minutes indicated that Dr. Gorin (a member of the Commission) received a call from Steve Rocco regarding a reapplication for the Walkley Heights subdivision.

At a recent Planning and Zoning Commission meeting on March 7, 2011 the steps required to secure new subdivision approvals for the subject were discussed. One of the owners of the subject inquired about the process that would be necessary to secure new land use approvals. A summary of the town's responses are summarized below.

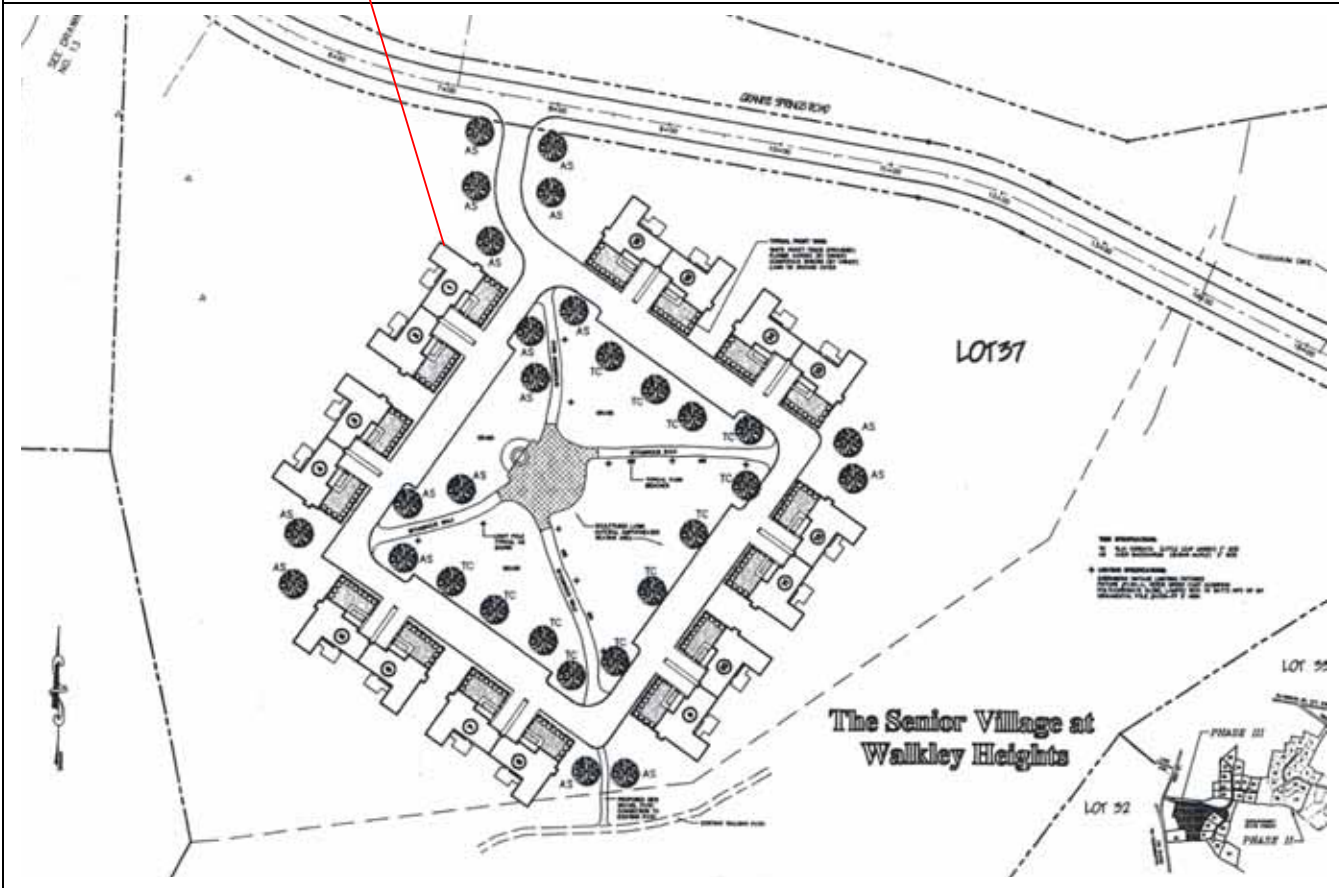
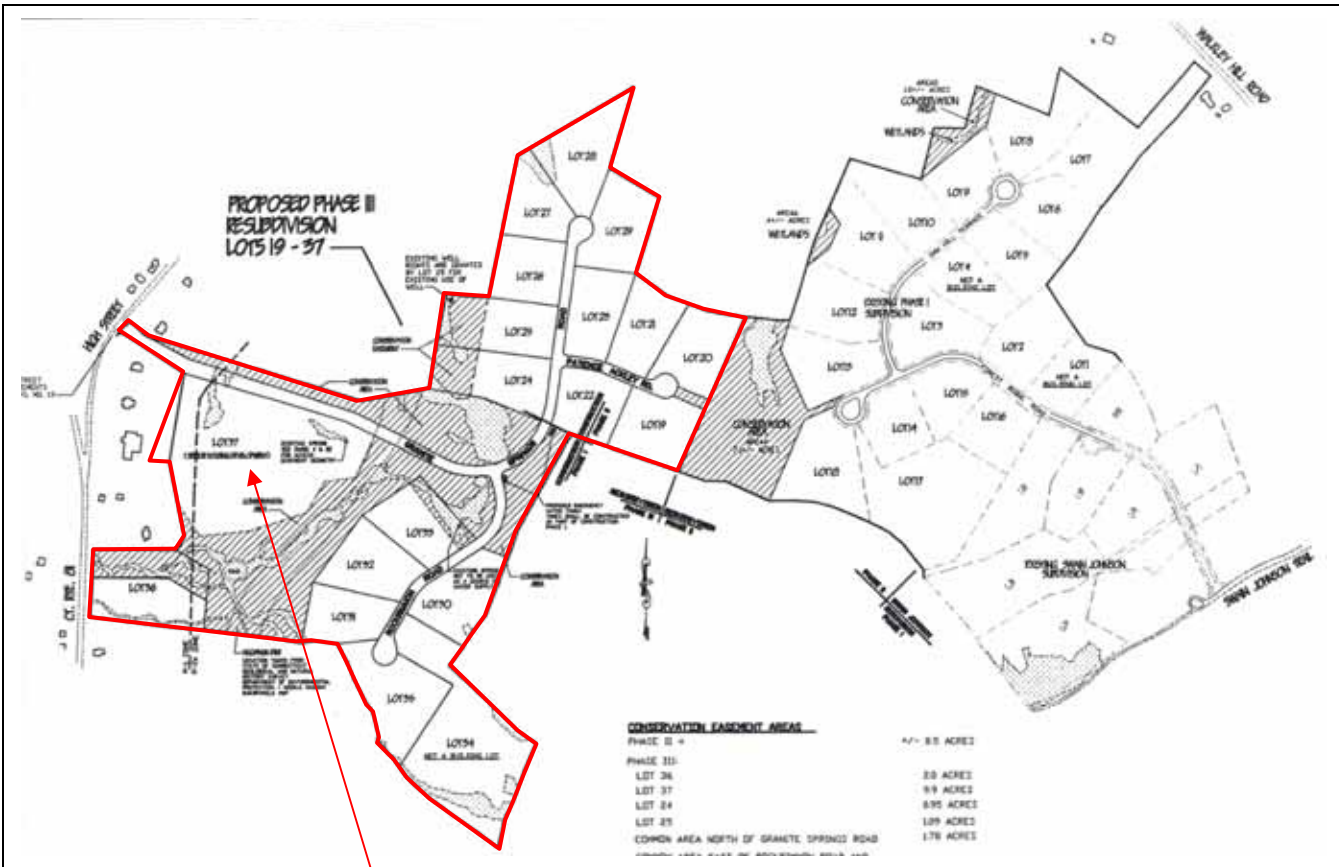
- The previous Walkley Heights Phase III subdivision approvals would not be valid nor could they be reinstated. When Walkley Heights was originally approved it was under different regulations for both the town and health department (Chatham Health District). Any proposal would require a new subdivision application.
- If a conservation subdivision is proposed, the new conservation subdivision regulations that are in place today would need to be followed.
- The proposed project would need to go before the Wetlands Commission for appropriate permits since there are significant wetlands on the property.

The minutes of this meeting also indicated that Liz Glidden (the town planner) stated that the elderly housing component with the original approval was being removed.

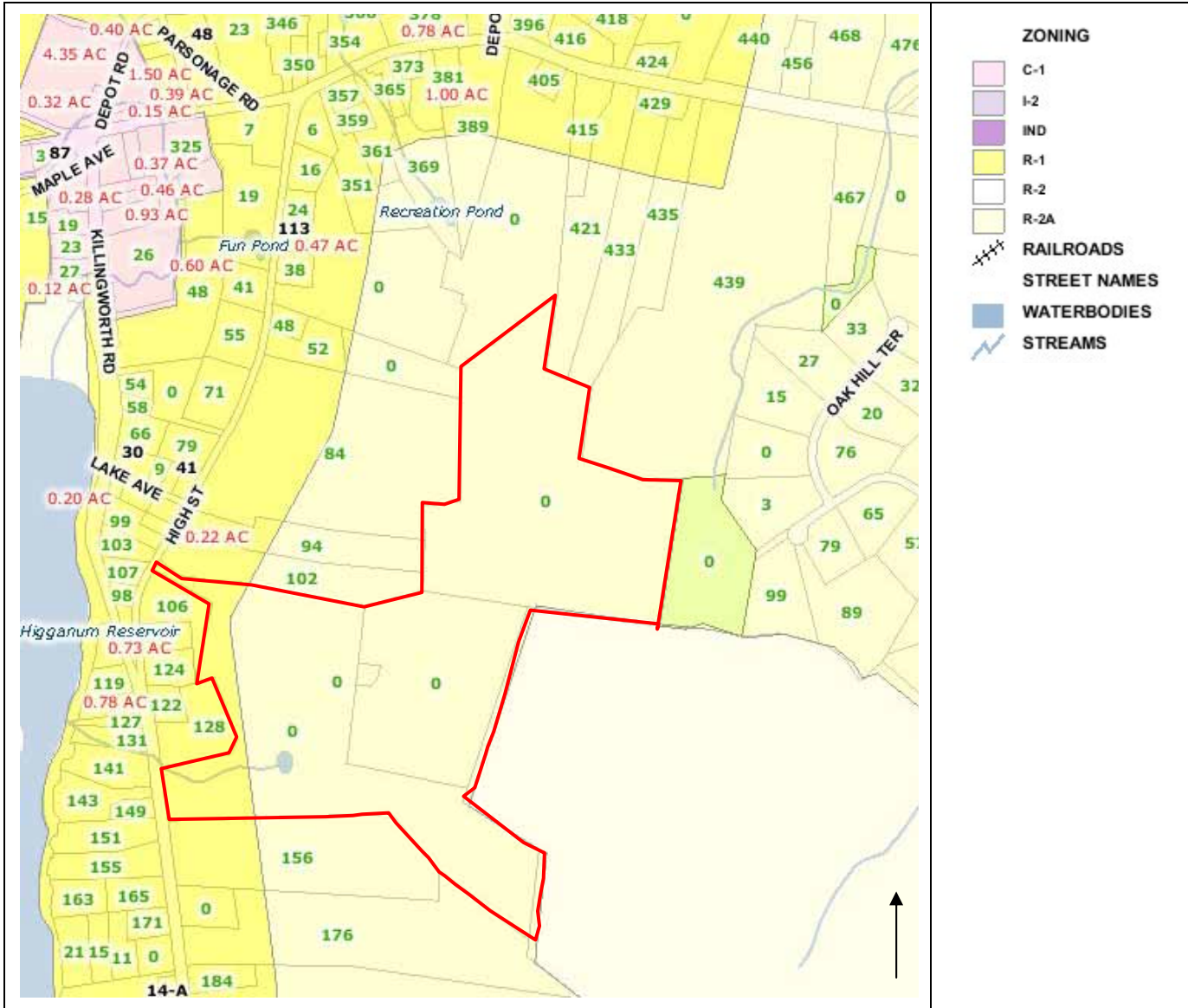
A discussion with a representative of the Chatham Health District indicated that the prior septic approvals would need to be reconfirmed and all lots would need to be redesigned to meet current health standards such as separating distances and the need for primary and secondary leach fields that were not in place when the prior approvals were granted.

In addition to these requirements, it is likely that the off-site requirements noted in the original project would still need to be addressed for any new subdivision project on the subject since none of the off-site improvements have been addressed since the prior approvals.

WALKLEY HEIGHTS PHASE III SUBDIVISION MAPS



ZONING MAP



PUBLIC/PRIVATE RESTRICTIONS

ZONING

The subject property is in the R-1 and R-2A residential zones. As the previous zoning map shows, the subject's land along the two frontages is in the R-1 zone for a depth of about 450' from the road frontages. The majority of the land is in the R-2A zone. The subject would also be eligible to be developed as a conservation subdivision under the current zoning regulations. The requirements and regulations for the subject's R-1 and R-2A zones and a conservation subdivision are presented in this section.

PERMITTED USES

The primary permitted uses in the residential zones are summarized below.

- Single and two-family dwellings and accessory buildings and uses
- Bed and breakfast limited to 2 bedrooms and serving no meals except breakfast
- Agriculture, forestry, truck gardening, livestock and poultry raising and dairy farming
- Temporary roadside stands for the seasonal sale of farm produce and products grown within the town of Haddam
- Tag sales and yard sales
- Home occupations

Uses permitted subject to approval of site plan are listed below.

- Nursery school and day care centers for twelve or fewer children
- Public recreational uses not subject to special permit. Shooting ranges, racetracks, amusement parks and other uses so deemed by the Commissioner are prohibited. Municipal parks may be allowed under site plan review.
- Home occupations
- Nursery gardening and greenhouses
- Buildings used for the storing, processing and manufacture of agriculture and forestry products accessory to a farm

Uses permitted subject to special permit by the planning and zoning commission are listed below.

- Outdoor recreational facilities, both public and private, whether commercial or of a non-profit or charitable nature
- Bed and breakfasts and inns with no more than 6 guest rooms, parking provided at 1 space per guest room and the only meal served is breakfast
- Cemeteries
- Detached accessory apartments, subject to restrictions
- Post offices, serving only the town of Haddam and operated by the United States Postal Service
- Nursing and convalescent homes
- Veterinary hospital or commercial kennel
- Police stations, fire houses, volunteer ambulance headquarters or other municipal buildings and uses
- Housing for elderly and/or handicapped persons
- Churches and schools, except correctional institutions
- Bona fide clubs or community houses not operated for profit
- Professional and/or business offices, subject to restrictions
- Communication towers, subject to restrictions
- Permanent year-round farm markets, subject to restrictions
- Private schools

PUBLIC/PRIVATE RESTRICTIONS (CONTINUED)

CONSERVATION SUBDIVISIONS

Certain parcels of land that have unique physical characteristics may benefit from additional flexibility in the design of subdivisions. The town's conservation subdivision regulations are intended to provide a mechanism to permit such modifications, while, at the same time, assuring (1) adequate maintenance and restricted use of open space areas for maximum public benefit; (2) adequate protection of the neighborhood; and (3) the conservation of natural resources and of Haddam's rural character.

In addition to subdivision approval pursuant to the town subdivision regulations, conservation subdivisions require the issuance of a special permit pursuant to the Haddam zoning regulations. The Commission considers the special permit criteria separately, in accordance with the applicable zoning regulations and applicable state statutes. No plan for a conservation subdivision may be approved pursuant to these subdivision regulations unless the Commission first issues a special permit for the proposed conservation subdivision in accordance with the zoning regulations.

Standards for Conservation Subdivision Approval

- There shall be no minimum number of lots required for the approval of a conservation subdivision.
- The minimum percentage of required open space is 50% of the total tract area and it shall not include land required for street rights-of-way, stormwater management ponds or basins and rights-of-way for underground pipelines, telephone, cable or electrical power lines or other public utilities, land under permanent easement that prohibits future development (including easements for drainage, access and utilities).

The percentage of the minimum open space acreage that comprises wetlands and watercourses shall not be greater than the percentage of such non-buildable land in the subdivision tract as a whole.

The Commission may offer a lot-density bonus to encourage the dedication of additional open space land for public use, including trails, active recreation, etc. The density bonus shall be computed on the basis of a maximum of one additional lot per five additional acres of publicly accessible open space provided by the applicant. The decision whether to accept an applicant's offer to dedicate open space for public access shall be at the discretion of the Commission. The Commission may also require that a percentage of the land dedicated to publicly accessible open space be suitable for active recreation purposes. However, in order to preserve a reasonable portion of natural areas on the site, no more than 50% of the open space shall be utilized for active recreation.

Lot, Yard and Building Requirements

Development in the R-2A, R-1 and conservation subdivision zones is subject to the town requirements presented in the following chart.

PUBLIC/PRIVATE RESTRICTIONS (CONTINUED)

HADDAM LOT, YARD AND BUILDING REQUIREMENTS			
Standard	R-2A	R-1	Conservation Subdivision
Minimum Lot Area	2 acres	1 acre (1F) 2 acres (2F)	15,000 SF (1F) 20,000 SF (2F)
Minimum Lot Frontage Width	200'	150' (1F) 200' (2F)	25'
Minimum Front Yard	30' (1F) 40' (2F)	30' (1F) 40' (2F)	20'
Minimum Rear Yard	20' (1F) 30' (2F)	20' (1F) 30' (2F)	15' except that a minimum yard of 75' shall be maintained along the boundary of any part of land that is not part of a conservation subdivision
Minimum Side Yard	20'	20'	
Minimum Aggregate Side Yards	50'	50'	NA
Maximum Building Height	35'	35'	NA
Maximum % of Land Coverage	10%	15%	30%
(1F) = single-family dwelling, (2F) = two-family dwellings			

WETLANDS REGULATIONS

The town of Haddam Inlands Wetlands and Watercourses Commission has the authority to issue permits for any "regulated activity" within areas defined in the town wetlands regulations. A regulated activity is any operation within or use of a wetland or watercourse involving removal or deposition of material; or any obstruction, construction, alteration or pollution of such wetlands or watercourse, but shall not include activities specified in Section 4 of the wetlands regulations. Furthermore, any clearing, grubbing, grading, paving, excavating, filling, constructing, depositing or removing of material, clear cutting of trees or shrubs, and discharging of storm water on the land within the following upland review areas is a regulated activity:

- Within 100 feet measured horizontally from all tidal wetlands, major watercourses, or wetlands contiguous to a major watercourse, all wetlands and watercourses in the Salmon River watershed and in Public Water Supply watersheds.
- Within 50 feet measured horizontally from the boundary of any other wetland or watercourse.
- If the overall slope of the upland review area exceeds an average of a 10% grade and additional 50 feet shall be added to the horizontal width of the upland review area.

At its discretion, the Commission may rule that any other activity located within such upland review area or in any other non-wetland or non-watercourse area may have an adverse impact on wetlands or watercourses and is a regulated activity.

SUBDIVISION REGULATIONS

The most pertinent subdivision regulations affecting the subject are presented below:

Temporary Dead-End Road: A dead-end road not to exceed 1,000 feet in length with a permanent turnaround and designed and intended for the extension on the same parcel or adjacent lots. *Upon written request by the applicant, temporary dead-end roads may exceed a 1,000 foot length only under the following conditions:*

1. Action has been initiated by the town of Haddam pursuant to the provisions of S8-24 of the General Statutes or action has been initiated by the Commission pursuant to the provisions of S9-29 of the General Statutes and a plan adopted by the Commission designed to convert the temporary dead-end into a thru road.

PUBLIC/PRIVATE RESTRICTIONS (CONTINUED)

Subdivision Regulations (continued)

2. The temporary dead-end road shall be provided with a turnaround meeting the requirements of Section 4.4.5 of these regulations and shall not exceed a reasonable interim length for safe and convenient vehicular access, including emergency vehicles, as determined by the Commission.

3. Alternatively, the Commission may require that the applicant provide for a turnaround no further than 1,000 feet along that road from the nearest through road, and condition the approval of lots fronting on the dead-end road beyond the 1,000 foot length subject to:

a. Subsequent review and approval of the remainder of the road on adjacent property, by the Commission the additional section of road on the applicant's property, or, for those lots that would have adequate frontage and access off the turnaround or:

b. Completion of construction of the turnaround.

Interior Lots: The Commission may allow interior lots in a subdivision in conformance with Section 4.1.b of the Haddam zoning regulations. The maximum number of interior lots in any proposed subdivision, including all subsequent sections, phases and/or re-subdivisions in the aggregate, shall be calculated as follows:

Total Lots in Subdivision	Interior Lots Allowed
Up to 5	1
6-11	2
12-22	1 additional
23-33	1 additional
Each additional 11 lots	1 additional

Open Space

Open space for recreation and/or conservation purposes, parks and playgrounds shall be provided and reserved in each subdivision or resubdivision for residential purposes as deemed necessary and in locations deemed proper by the Commission.

1) Purpose of Open Space: To preserve desirable open space, tree cover, historic sites, recreation areas, scenic vistas, stream valleys, wetlands and water-related resources, and other environmentally important and/or sensitive lands and soils.

2) Character and Access: Open space shall be of such size, location, shape, topography and general character so as to be useful in order to satisfy the needs and the purpose of open space as determined by the Commission. Proper access shall be provided to all open space areas, as determined by the Commission.

3) Acreage: Unless otherwise directed by the Commission, 25 percent of the total area of the subdivision or resubdivision shall be reserved as open space, a percentage of which may be adjusted up or down depending on the preponderance of substantial environmentally sensitive land, ledge outcropping and/or surface water. (Street right-of-ways shall not be included in the computation of the required open space area.)

PUBLIC/PRIVATE RESTRICTIONS (CONTINUED)

Open Space (continued)

4) Ownership of Open Space: Areas designated as open space shall be dedicated in one or more of the following manners subject to Commission approval: 1) The open space may be dedicated to the town of Haddam or State of Connecticut by deed; or 2) The open space may be conveyed to an interested nonprofit land conservation trust or corporation; or 3) The open space may be dedicated to the town or a nonprofit land conservation trust in the form of a preservation easement; or 4) The open space may be owned in common by lot owners in the development providing the open space land remains undivided and that the use of the open space is limited to the property owners in the development or their guests; or 5) The open space may be retained by the developer providing the open space land is subject to conservation and preservation restrictions and the terms of those restrictions have the Commission's approval. 6) The open space may be in the form of easements on each lot. In such instances the lot sizes shall be increased accordingly (i.e. - to determine the maximum number of lots allowed under the above arrangement, add the total acreage of the lots to the total acreage of open space outside the lots then divide by 125 percent). 7) The open space shall be monumented at all major corners and any changes of direction and at the midpoint of any boundary line exceeding 500 feet.

5) Use of Open Space Land: Open space land shall be preserved in its natural state and the use of such land shall be limited to appropriate conservation, open space and recreational purposes as determined by the Commission. Suitable legal agreements, including conservation and preservation easements and restrictions, approved in form and content by Town Counsel, shall be required by the Commission. With the approval of the Commission, the conveyance may allow for the construction of structures and facilities for recreational purposes, such as playground equipment, tennis courts and golf courses, to the extent deemed environmentally appropriate. The Commission may also allow the grazing of farm animals on open space land provided no grazing occurs in wetlands. Open space land shall not be used for the storage of equipment or deposition of debris and shall not be excavated, filled or regraded and trees shall not be removed except in accordance with a grading and cutting plan that has been approved by the Commission.

6) Waiver of Open Space: The Commission may determine that a lesser open space area is sufficient or that such a reservation of open space is not necessary providing one or more of the following situations exist: 1) Existing parks, playgrounds, recreational areas or other public open space is currently available within one-quarter mile of all proposed lots; 2) The minimum reservation area is less than 1 acre and/or 3) There exists conservation or preservation restrictions or other deed restrictions on the property and/or the general size of the lots does not warrant open space dedication (e.g. subdivisions where the average lot size exceeds 200% of the minimum lot size requirements and/or development activity is limited to a specific area on each lot and the lots are not re-subdividable). 4) The applicant seeks to convey the lot(s) to a parent, child, brother, sister, grandparent, aunt, uncle or first cousin per Section 8-25 of the Connecticut State Statute. These lots must be conveyed without consideration and may not be transferred for a period of five years. 4.715 Fire Protection Plan: The applicant shall prepare a Fire Protection Plan, in cooperation with the Water Resources Committee of the Haddam Volunteer Fire Department, to provide adequate fire protection to the buildings and residents of any new subdivision, including any subsequent or prior re-subdivisions of the same parcel of land, which contains more than 4 building lots. Such plan shall receive the prior written approval of the committee before submission to the Commission with the subdivision application.

PUBLIC/PRIVATE RESTRICTIONS (CONTINUED)

SUMMARY

The current use as private open space is a legal use of the property. The majority of the subject is in the R-2A residential zone where the primary permitted use is single-family and two-family dwellings. With a special permit, the subject could also be developed as a conservation subdivision.

Based on the physical characteristics of the subject, the most pertinent land use regulations that might impact the subject are: the minimum frontage requirements; the maximum cul-de-sac length of 1,000' (since the best development land on the subject is almost twice this distance from High Street); the limitations on rear lots (which could affect the number of larger lots) and the wetlands regulations since the subject will require a number of wetlands crossing to reach the most developable land.

As of the appraisal date, the subject had no land use approvals in place. Prior subdivision approvals for the subject have lapsed and any new subdivision proposal would be required to go through the entire subdivision approval process and meet all current land use requirements. Although the subject had received approvals from the Chatham Health District for lots in the previous subdivision on the subject, the requirements and regulations for septic systems have changed since the prior approvals and it would be necessary to re-design the project and make sure the new lots conform to current health district requirements.

MARKET ANALYSIS

To evaluate the Haddam land market, we have reviewed recent residential land sales and listings as well as sales and listing activity for lots and housing in Haddam and relevant regional towns. The market data is presented and analyzed below.

HOUSING SUPPLY

The supply of housing in Haddam and neighboring communities is summarized below. Be aware that this data does not include houses being offered outside the MLS or house/lot packages being offered by developers that do not use the MLS service.

RESIDENTIAL INVENTORY (as of September 21, 2011)									
Area	< \$100,000	\$100,000 to \$174,999	\$175,000 to \$249,999	\$250,000 to \$349,999	\$350,000 to \$449,999	\$450,000 to \$599,999	\$600,000 to \$999,999	\$1,000,000 and Greater	Totals
Chester	0	0	10	7	13	9	9	2	50
Durham	0	2	13	21	13	9	9	2	69
East Haddam	3	16	25	46	25	18	15	2	150
East Hampton	5	14	22	34	27	13	5	3	123
Haddam	3	3	7	23	39	25	8	2	110
Killingworth	3	2	5	16	16	19	28	8	97
Middletown	3	39	81	69	32	8	1	0	233
Area Totals	17	76	163	216	165	101	75	19	832
<i>Haddam % of Town Total</i>	<i>2.7%</i>	<i>2.7%</i>	<i>6.4%</i>	<i>20.9%</i>	<i>35.5%</i>	<i>22.7%</i>	<i>7.3%</i>	<i>1.8%</i>	<i>100%</i>
<i>Haddam % of Area Total</i>	<i>17.6%</i>	<i>3.9%</i>	<i>4.3%</i>	<i>10.6%</i>	<i>23.6%</i>	<i>24.8%</i>	<i>10.7%</i>	<i>10.5%</i>	<i>13.2%</i>
<i>% of Area Totals</i>	<i>2.0%</i>	<i>9.1%</i>	<i>19.6%</i>	<i>26.0%</i>	<i>19.8%</i>	<i>12.1%</i>	<i>9.0%</i>	<i>2.3%</i>	<i>100%</i>

Source: MLS; Compiled by R.P. McDermott Associates Inc.

The data shows that Haddam's inventory ranked in the middle of towns surveyed with 110 available units. Middletown has the largest inventory with 233 units and Chester had the smallest inventory with 50 units. Of the total housing supply in Haddam, houses between \$350,000 and \$449,999 represent the largest single price category with 39 units or 35.5% of Haddam's available housing inventory. Within the region, the largest single inventory category is \$250,000 to \$349,999 with 26% of the area's total supply. Haddam had 10 units in the \$650,000 and higher price categories which was 11.3% of the area total.

There has been a fair amount of new housing construction in Haddam over the past 2 years. List prices for 19 new homes built in Haddam in 2010 and 2011 range between \$269,000 and \$559,000 or \$127/SF to \$220/SF for units with living areas between 1,400 SF and 3,450 SF and an average list price of \$455,747 or \$174/SF. The majority of these sales were in the Haddam Ridge, Tuttle Brook Farms, Autumn Brook and Chatham Lake subdivisions.

HOUSING DEMAND

Haddam had 52 sales over the past year which is most similar to Killingworth (48) and Durham (46). The more densely developed town of Middletown, with 249 sales over the past year, was the most active town in the region. The predominant sale price range for housing in Haddam is between \$175,000 and \$249,999; this category represented 34.6% of all sales over the past year. This category is also the largest in the region with 31.1% of total sales. There were 18 sales in the region in the \$650,000 and over price categories and only 2 of those sales were in Haddam.

MARKET ANALYSIS (CONTINUED)

Market Demand (continued)

There were 8 sales of new homes in the town of Haddam over the past year. The sales ranged from \$240,000 to \$564,145 with an average sale price of \$423,514 or \$160/SF for homes between 1,484 and 3,400 SF. Residential sales for Haddam and selected area towns are summarized in the following chart.

RESIDENTIAL YEAR TO DATE CLOSED SALES (September 2010-September 2011)									
Area	< \$100,000	\$100,000 to \$174,999	\$175,000 to \$249,999	\$250,000 to \$349,999	\$350,000 to \$449,999	\$450,000 to \$599,999	\$600,000 to \$999,999	\$1,000,000 and Greater	Totals
Chester	0	1	11	11	4	0	3	0	30
Durham	2	1	12	14	9	3	5	0	46
East Haddam	3	13	26	28	7	1	3	0	81
East Hampton	5	17	39	34	14	5	1	0	115
Haddam	1	1	18	13	9	8	2	0	52
Killingworth	5	3	5	17	8	6	3	1	48
Middletown	15	62	82	60	21	9	0	0	249
Area Totals	31	98	193	177	72	32	17	1	621
Haddam % of Town Total	1.9%	1.9%	34.6%	25.0%	17.3%	15.4%	3.8%	0.0%	100%
Haddam % of Area Total	3.2%	1.0%	9.3%	7.3%	12.5%	25.0%	11.8%	0.0%	8.4%
% of Area Totals	5.0%	15.8%	31.1%	28.5%	11.6%	5.2%	2.7%	0.2%	100%

Source: MLS; Compiled by R.P. McDermott Associates Inc.

The following chart compares current listings, deposits and sales in Haddam through September 2011.

SUMMARY OF CURRENT HADDAM HOUSING SUPPLY/DEMAND									
Area	< \$100,000	\$100,000 to \$174,999	\$175,000 to \$249,999	\$250,000 to \$349,999	\$350,000 to \$449,999	\$450,000 to \$599,999	\$600,000 to \$999,999	\$1,000,000 and Greater	Totals
Listings (as of 9/21/11)	3	3	7	23	39	25	8	2	110
Deposits (as of 9/21/11)	0	1	2	0	3	0	0	0	6
Sales (9/10-9/11)	1	1	18	13	9	8	2	0	52

The primary sales activity was in the \$175,000 to \$249,999 price range although the higher \$350,000-\$449,999 category currently has the most listings. The 58 sales and deposits in Haddam during the past year suggest that the current supply of housing in Haddam (110 units) represents about a 23-month supply. Current listings in all categories except the lower \$175,000 to \$249,999 price range have housing supplies that far exceed the sum of sales and deposits in these categories, especially in the higher price ranges.

HOUSING VALUES

Residential housing values for Haddam and adjacent towns over the past year are shown below.

RESIDENTIAL VALUES (September 2010-September 2011)				
Town	# Listings Sold	Median Sale Price	Average Sale Price	Avg. Days on Market
Chester	30	\$293,450	\$316,306	103
Durham	46	\$318,000	\$346,152	70
East Haddam	81	\$243,000	\$267,640	118
East Hampton	115	\$245,000	\$263,205	104
Haddam	52	\$270,000	\$319,914	115
Killingworth	48	\$327,500	\$361,719	105
Middletown	249	\$210,000	\$228,407	76

Source: MLS; Compiled by R.P. McDermott Associates Inc.

MARKET ANALYSIS (CONTINUED)

Housing Values (continued)

Haddam's average sales price of \$319,914 ranks third among the seven towns surveyed. Killingworth and Durham had the highest average sales prices while Middletown had the lowest average sales price. Haddam's median sale price of \$270,000 was slightly lower than the average sale price and ranked fourth among surrounding towns. Haddam had the second longest time on the market with 115 days.

Housing Price Trends

Haddam's 2011 year-to-date median sale price of \$285,000 is the middle of the towns surveyed. Killingworth, Durham and Chester have higher median sale prices while East Haddam, East Hampton and Middletown have median sale prices at the low end of the range. Middletown has historically had the largest number of sales while Chester experienced the lowest number of sales.

Haddam's 2011 median sale price increased 5.6% since 2010 but is 15.6% lower than 2008. This downward trend in values is also evident for the other area towns except for Durham which has a 2011 median price that is similar to 2008.

The following chart summarizes the number of sales and median price trends since 2008.

SINGLE-FAMILY DWELLINGS MEDIAN VALUE TRENDS 2008-2011 YTD											
Town	# Sales 2011*	Median Price	% Change 2010-2011	# Sales 2010	Median Price	% Change 2009-2010	# Sales 2009	Median Price	% Change 2008-2009	# Sales 2008	Median Price
Chester	11	\$300,000	-4.0%	28	\$312,450	-0.8%	37	\$315,000	-11.0%	26	\$353,750
Durham	21	\$330,000	11.9%	61	\$295,000	3.7%	56	\$284,500	-13.5%	66	\$329,000
East Haddam	43	\$264,000	2.7%	95	\$257,000	2.8%	95	\$249,900	-16.0%	96	\$297,500
East Hampton	53	\$235,500	-5.8%	123	\$250,000	-2.0%	147	\$255,000	-9.6%	137	\$282,000
Haddam	33	\$285,000	5.6%	69	\$270,000	9.4%	74	\$246,875	-26.9%	68	\$337,500
Killingworth	24	\$336,250	7.7%	46	\$312,250	-15.3%	46	\$368,750	-9.5%	56	\$407,500
Middletown	109	\$205,500	-5.2%	266	\$216,750	-6.0%	310	\$230,500	0.2%	261	\$230,000

Source: Prudential Realty; Compiled by R.P. McDermott Associates Inc. *Data through June 2011

Lot Values

Over the most recent one-year period, Haddam's average lot price was \$126,063 and the median price was \$108,500. Both the average and median lot values in Haddam ranked in the middle of surrounding towns. Chester (which had a lot sale with CT River frontage) had the highest average lot value while East Hampton had the lowest average lot value. Durham, Middletown and Killingworth lot values were most similar to Haddam. The data is presented in the chart below.

REGIONAL LOT VALUES (September 2010-September 2011)						
Town	Total Sales	Average Lot Size	Lot Value Range	Average Price Per Acre	Average Price Per Lot	Median Price Per Lot
Chester	2	2.71	\$25,000-\$672,500	\$128,690	\$348,750	\$348,750
Durham	7	3.24	\$50,000-\$350,000	\$37,011	\$119,757	\$68,800
East Haddam	15	2.06	\$32,000-\$155,000	\$48,578	\$100,233	\$109,000
East Hampton	4	0.53	\$30,000-\$100,000	\$127,619	\$67,000	\$69,000
Haddam	8	2.82	\$30,500-\$265,000	\$44,703	\$126,063	\$108,500
Killingworth	3	4.88	\$90,000-\$205,000	\$28,498	\$139,167	\$122,500
Middletown	11	1.87	\$45,000-\$320,000	\$62,561	\$117,045	\$100,000

Source: Conncomp (Search criteria is lot sales from 0 to 9 acres); Compiled by R.P. McDermott Associates Inc.

MARKET ANALYSIS (CONTINUED)

Lot Value Trends

Over the past 5 years, Haddam has averaged 9 lot sales per year but the trend has been a steady decline from 17 sales in 2007 to 5 sales in 2011. The 5 lot sales in Haddam during 2011 ranged from \$100,000 to \$265,000 with an average price of \$159,400 per lot. This price is 19.5% higher than the 2010 average sale price. The average lot size of 2.69 acres is slightly larger than the 2011 average lot size of 2.08 acres. The high end of the ranges in 2007 and 2010 represent waterfront parcels on the Connecticut River. Historical lot sales data is presented in the chart below.

HADDAM RETAIL LOT VALUE TRENDS						
Land Records	2007	2008	2009	2010	2011	Averages
Total Records	17	8	7	7	5	9
Average Lot Size	2.23	3.65	3.16	2.35	2.08	2.69
Average Price Per Lot	\$147,824	\$166,988	\$127,343	\$133,429	\$159,400	\$146,997
Average Price Per Acre	\$66,149	\$45,781	\$40,335	\$56,847	\$84,909	\$58,804
Price/Lot % Change	NA	13.0%	-23.7%	4.8%	19.5%	3.4%
Lot Value Range	\$50,000- \$309,000	\$120,000- \$241,000	\$41,000- \$199,900	\$40,000- \$305,000	\$100,000- \$265,000	\$41,000- \$309,000

Source: Conn-comp (Search criteria is lot sales 0 to 5 acres) *Complied by R.P. McDermott Associates Inc.*

Current Lot Listings

As of September 2011, there were 34 lots listed for sale in Haddam at prices between \$69,900 and \$595,000 for lot sizes between 0.99 and 9.49 acres. The average asking price per lot was \$163,750 for a lot with an average size of 3.32 acres and an average price per acre of \$49,344. Asking prices for lots in the Chatham Lake subdivision are \$219,900 for a 2.17-acre waterfront lot and \$100,000 to \$119,900 per lot for non-waterfront lots.

This data does not include lots available for sale outside the MLS or where developers have in-house sales staff.

Acreage Listings (Supply)

There are currently 10 acreage parcels available for sale in Haddam with an average list price for the 10 parcels of \$594,770 or \$18,334/acre for an average parcel size of 32.44 acres. The listings range from an 11.89-acre parcel on Brookline Road for \$169,900 to a 100-acre parcel on Silver Springs Drive in the Chatham Lake subdivision that is listed for \$2,450,000. Of the 10 parcels listed for sale, only 2 are greater than 50 acres. The only other larger listing, for a 57.41-acre parcel on South Dish Mill Road with views of the Connecticut River that was listed for \$450,000 or \$7,838 per acre, was recently withdrawn from the market.

Four regional land listings between 53 and 132 acres in the towns of Middletown, East Hampton and Chester ranged from \$4,460 to \$12,165 per acre.

Acreage Sales (Demand)

There have been a limited number of recent land sales in Haddam and surrounding towns over the past two years. Some of the land sales that have occurred in Haddam have been rear parcels with very limited or no access that were acquired by abutters or for open space purposes. Acreage sales between 2008 and 2011 have generally ranged from \$3,500 to \$15,000 per acre for parcels between 43 and 212 acres. Sales most similar to the subject have ranged in price from \$3,300 to \$8,000 per acre for parcels that sold between July 2010 and October 2011.

MARKET ANALYSIS (CONTINUED)

Acreage Sales (Demand) (continued)

Demand for new housing in Haddam has slowed considerably over the past three years. This is illustrated by the decrease in new housing permits from a peak of 70 units in 2004 to 19 units in 2010 and the 7 units issued through September 2011. The slowdown in demand is also reflected by a 45-lot open space subdivision known as Haddam Ridge that received approvals in 2004. This project has sold only 23 units in 7 years which translates to average annual sales of 3 units per year. This project still has 22 units of housing available for sale. The lack of demand for new construction in Haddam and the poor economy for residential subdivision development will increase the risks associated with acquisition of raw land and have a downward impact on both demand and achievable values for larger acreage tracts.

FINANCING

Since the beginning of 2008, the housing market has been negatively affected by the deterioration of the sub-prime lending market, a record number of foreclosures and the failure of numerous mortgage companies. This crisis has made it more difficult for buyers to qualify for mortgages and this in turn has resulted in more limited demand for housing.

Lenders have tightened qualifying standards for mortgages and they have become very cautious with new loans. Many financing products to entice borrowers have essentially ceased. This has further eroded market demand at both the entry level and the mid to upper end of the market and narrowed the market of potential buyers significantly.

Financing for land acquisition and development projects from local and regional banks is tight with interest rates that reflect the risks associated with each development project and the experience and credit worthiness of the borrower. Although interest rates are favorable, it is very difficult for developers to secure financing in the current market. As a result, many land deals are being facilitated by either cash sales and/or seller financing. These financing constraints have made it more difficult for owners to sell raw land and for developers to acquire and finance land for subdivision development or to market and sell new single-family homes.

PURCHASER PROFILE

The most likely buyer for the subject would be a local or regional developer.

SUMMARY

The downturn in the economy over the past three years has had a significant negative impact on demand for raw land. This has been exacerbated by the reluctance of banks to finance residential development projects and the limited demand for new housing caused by more stringent lending standards for home buyers and the record number of foreclosures. These factors are having a downward impact on market demand and consumer confidence in the housing market.

Although the economy, consumer confidence and employment figures have shown some recent signs of improvement, it is likely that the housing market will need to overcome significant market resistance before it begins to show signs of recovery that would motivate development of a sizable single-family residential subdivision in Haddam.

MARKET ANALYSIS (CONTINUED)

Summary (continued)

In addition to the poor housing market, the value of the subject is negatively impacted by the uncertainty pertaining to easements that encumber the property, the depth of the buildable land from its road frontage, the location and percentage of wetlands on the property, steep slopes and rocky soils. The positive aspects of the land are its proximity to Higganum Center, Route 9, the Higganum Reservoir and State Park and the Cockaponset State Forest. Considering the impact of these features, the subject should have below average to average market appeal due to the uncertainties and greater development risks associated with the legal and physical characteristics of the land.

HIGHEST AND BEST USE

Real estate value is based on a property's highest and best use, which is defined as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Source: The Dictionary of Real Estate Appraisal
Fourth Edition, 2002, Appraisal Institute

Highest and best use analysis requires that a property be considered "as vacant" and "as improved." When analyzing the highest and best use "as vacant," it is assumed that the subject land is vacant and available for development or that the land can be made vacant by demolishing any improvements. All reasonable, alternative uses are considered. Using the criteria noted above, an analysis is conducted to determine the type of improvement that is most appropriate for the property. This is determined by identifying the use that yields the highest present land value after considering the costs, risks and market factors associated with each potential use.

Since the subject is essentially vacant, unimproved land, an analysis of the highest and best use as improved is not directly applicable.

The UASFLA standards require that the highest and best use conclusion "must be an economic use. A non-economic highest and best use such as *conservation, natural lands, preservation*, or any use that requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to estimate market value." The analysis and reasoning leading to the subject's highest and best use are presented below.

THE LARGER PARCEL

The UASFLA or "Yellow Book" standards require all appraisal reports to make a determination of the larger parcel. The UASFLA defines the *larger parcel* "as that tract, or those tracts, of land, which possess a unity of ownership and have the same, or an integrated, highest and best use. Factors considered in making this determination are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use." This essentially requires an analysis of all the adjacent property owned or controlled by the owner of the subject property to determine if there is an increase or decrease in value as a result of an acquisition by a federal or state agency. If the value of the adjacent land is enhanced by an acquisition, then the increase in value must be deducted from the value of the subject.

Conversely, if the acquisition results in a negative impact, then the decrease in value needs to be deducted from the appraised value of the subject. Since the owner of the subject owns no other land that would be considered in a larger parcel analysis, the larger parcel criteria noted above does not apply to the appraised property.

Further guidance pertaining to land exchanges and the larger parcel is also provided by the UASFLA standards. The Yellow Book explains that in a land swap, "the lands to be exchanged are specifically delineated, the estates to be conveyed are identified and an assignment of responsibility between the parties for performance of required functions" are contained in an *agreement to initiate an exchange (ATI)*. In an exchange appraisal, the tracts to be appraised are defined by the ATI. The Special Act No. 11-16, An Act Concerning The Conveyance Of Certain Parcels Of State Land summarized earlier in the report contains the terms and conditions of the swap agreement.

HIGHEST AND BEST USE (CONTINUED)

THE LARGER PARCEL (continued)

The Yellow Book states that even if the property defined in the ATI is part of a larger contiguous ownership that clearly has a unitary use, *the lands outside of the property described in the ATI should not be considered in either the larger parcel determination or in reaching a conclusion of highest and best use*. For these reasons, and the fact that the appraised property has no contiguous properties under the same ownership, the appraised property as described in this report is considered the larger parcel for valuation purposes.

HIGHEST AND BEST USE AS VACANT

LEGALLY PERMISSIBLE

The subject is zoned for residential use. Based on current zoning regulations, the land could be developed as a conventional subdivision or a conservation subdivision with a special permit. The subject consists of four tax lots but one is less than the minimum lot size required by zoning and two others are landlocked with no road frontage. The fourth parcel, which provides access to these rear lots, has two sections of frontage with about 91' and 316'. Since the minimum frontage required by zoning is 200' in the R-2A zone, the subject could potentially achieve only one or possibly two frontage lots. For subdivisions up to 5 lots, only one interior lot is permitted. These factors would limit the number of larger, oversized lots on the subject.

A review of past subdivision approvals in Haddam indicates that between 3.4 to 4.6 acres per potential lot were required to satisfy the development and open space requirements of conservation subdivisions. If this ratio range is applied to the subject's 87.7 acres, the appraised property could potentially achieve a lot yield between 19 and 26 lots.

The old Phase III Walkley Heights subdivision on the subject had once received approvals for 32 units. This translates to 2.7 units per acre. Based on an analysis of more recent subdivisions in Haddam and more current land use and health code requirements, it is probable that the lot yield for the subject would be lower than the older approvals.

Besides public restrictions related to subdivision and zoning, the subject is encumbered by private restrictions that could hinder subdivision development of the property. An abutting owner has access, water, and pipe maintenance rights over the subject. The legal references to these easements though are vague. Specific rights identified in various easements over a long period of time are not clearly defined and the geographic location of the access route and pipeline through the subject are not delineated on any maps. These rights and locations across the subject would most likely need to be clarified and agreements reached before a buyer would consider acquiring and developing the subject. An alternative would be for a buyer to acquire the abutting property that benefits from these rights. In either case, these factors will increase the risk, cost and potential design and feasibility of a residential subdivision on the subject.

A representative of the abutting property that benefits from these rights has indicated that the owners will protect the rights contained in the easements, retain their right to obtain water from the subject and protect the water quality of the well on the subject if it is potentially impacted by any future residential development on the subject.

Due to the amount and location of wetlands on the subject, wetlands permits would be required for any proposed development.

HIGHEST AND BEST USE (CONTINUED)

LEGALLY PERMISSIBLE (continued)

The primary subdivision regulation that would impact the subject is the maximum cul-de-sac length of 1,000' since most of the buildable land is much further from the subject's High Street frontage. Although this requirement could be waived it could still not exceed a reasonable interim length for safe and convenient vehicular access, including emergency vehicles, as determined by the Commission.

The restrictions on minimum frontage and interior lots would also negatively impact the potential development of the subject since the appraised property has a very low frontage to land area ratio and much of the developable land on the subject is far beyond the frontages.

After considering the legal factors affecting the subject, it is my judgment that the most probable legally permissible use would be residential development with up to 26 lots.

PHYSICALLY POSSIBLE

The subject is a large, irregular shaped parcel of land that is negatively impacted by steep slopes, watercourses, wetlands soils and a high depth to frontage ratio. The positive physical attributes of the subject are its convenient location near Higganum Center and a full Route 9 interchange and its proximity to large tracts of State Forest and State Park land.

The USDA soils survey indicates that the soils on the subject are very stony to extremely stony. These characteristics were evident from boulders, rocky hillsides and ledge near the surface during the inspection. Depth to bedrock is a listed soils concern for 36.6 acres. About 67 acres or 76% of the total land area are also rated by the USDA as having low percolation rates and are identified as areas of special concern by state regulations (Section 19-13-B103d (e) (1) of the CT Public Health Code.

The land with the best development potential is about 16.6 acres (Map Unit 61B) in the northeast corner of the property. Although the hay field is open and relatively level, the soils here consist of Paxton and Montauk soils that have low percolation rates that are less desirable for development. The subject did receive septic system approvals associated with an old subdivision but these were granted over 12 years ago when Health Department requirements were much different than they are today.

Interior access to the property is hindered by the location of watercourses and wetlands adjacent to the frontage. A large network of wetlands restricts interior access from the Route 81 frontage and also limits access to higher land in the southeast corner of the property. All of the buildable land on the property would require at least one major wetlands crossing.

The parcel's more buildable areas include a level hay field that is about 700' east of the High Street entrance and a section of land (31 +/- acres) in the northeast corner that consists of level to gently sloping woodlands. The beginning of this 31-acre section though is about 2,200 feet from the property's entrance on High Street, which far exceeds the town's maximum cul-de-sac length. It would be difficult and costly to access this area on the subject due to its depth from the parcel's road frontage and the wetlands crossings that would be required.

It is likely that any large subdivision development of the property would need to address sight line issues on High Street as well as the curve and width along High Street adjacent to the subject's frontage. These are risk and cost considerations.

HIGHEST AND BEST USE (CONTINUED)

PHYSICALLY POSSIBLE (continued)

After reviewing the previous plans and the topography and soils maps for the subject, it is my judgment that residential development would be physically possible but that the physical characteristics of the subject would make it difficult to achieve an estimated lot yield between the 19 to 26 lots projected previously as being legally permissible. It is probable that a buyer would anticipate a lot yield closer to the lower end of the range to account for the development constraints associated with the physical characteristics of the land.

FINANCIALLY FEASIBLE

The financial feasibility of residential development on the subject would be affected by the large amount of road construction that would be required to reach the more developable land on the property, the high probability that the town would require off-site improvements to High Street, the time and legal costs that might be necessary to reach agreements with an abutting property owner regarding their easement rights and the poor current market conditions that have limited market demand for new residential development significantly over the past three years.

A prior subdivision approved on the subject required a total of 4,972 linear feet of road to achieve 32 units. At an estimated cost of \$300 per linear foot of road, development costs alone would have been about \$1,492,000 or about \$46,600 per approved lot.

In order to determine the financial feasibility of subdivision development on the subject, various development scenarios were evaluated. Based on the recent housing prices for new construction in Haddam (analyzed in the Market Analysis section), it is likely that new homes on the subject would range from \$450,000 to \$600,000. Based on a 25% land to dwelling price ratio, potential lot values would range from \$119,000 to \$150,000 with an average value of about \$134,000 per lot. These estimates are supported by recent lot sales in Haddam. Sellout and development costs are based on an estimated yield of 21 lots, which is appropriately towards the low end of the range indicated by the estimated legally permissible lot yield on the subject. Infrastructure costs are projected at \$46,600/lot. Additional expenses are deducted for sales/marketing, conveyance taxes, holding costs during the sellout, legal costs, developer profit and a contingency cost. The net cash flows are discounted at an estimated range between 12% and 18%. The analysis also deducts the cost of approvals and the time required to secure land use approvals. This analysis indicates that subdivision development would be economically feasible using these market based parameters if the subject could secure the necessary approvals for 21 lots.

It may also be possible to subdivide the subject into a number of large lots. Although there have been some larger lot sales in Haddam that have achieved values up to \$220,000 (for an 8.8-acre lot), a buyer would need to build a home ranging in value from \$880,000 to \$1,000,000 (based on a 25% land to building price ratio). This is a very narrow market in Haddam, especially when the added costs and risks discussed earlier are considered. This type of high-end development is less likely to occur on the subject since the high-end housing market typically values privacy so the easement rights of others to use the appraised property would discourage this segment of the market from undertaking this type of development on the subject.

HIGHEST AND BEST USE (CONTINUED)

FINANCIALLY FEASIBLE (CONTINUED)

To test this more limited type of residential development, an economic analysis was conducted based on 4 lots with an average size of about 18 acres, an average sale price of \$275,000 per lot and an approval and sellout period of three years. With the exception of much lower infrastructure costs, most of the previous expense inputs were used in this analysis. After determining the present value of the cash flows in this analysis, there was no significant difference in values between these two scenarios.

After evaluating the number of potential lots, lot values in Haddam, the market for new construction and subdivision development costs, residential development of the subject with up to 21 lots is considered financially feasible.

MAXIMALLY PRODUCTIVE

It is very difficult to determine the maximally productive use of the subject due to uncertainties pertaining to the legal and physical constraints impacting the subject as well as the potential number of lots that might be approved by the town. Based on the previous analyses, it is most likely that the value of the subject would be maximized if the land is acquired as an investment for future residential development after the zoning regulations in Haddam are finalized, easements encumbering the subject are clarified and agreements are reached with the abutting property owners that benefit from these easements and the residential housing market begins to recover. Since a buyer would consider a holding period for the subject, the market would most likely discount the price for the subject to account for the time, risks and holding costs that would be incurred while the market recovers.

The subject would most likely need to achieve housing values between \$450,000 and \$600,000 with lot values between \$119,000 and \$150,000 in order to maximize the value of the land. Larger lot development would need to achieve a minimum average lot value of \$275,000 for 4 lots to achieve a value similar to a larger subdivision.

HIGHEST AND BEST USE CONCLUSION

The most likely buyer for the subject would be a local or regional developer or an investor that would acquire the land for future residential development when warranted by market conditions. Residential development is legally permitted, physically possible and based on current market conditions, potential lot values and estimated development costs, residential development is financially feasible and it would maximize the value of the land. Therefore, the highest and best use as vacant is residential development when warranted by market conditions.

VALUATION METHODS

The three standard methods to provide an opinion of value are the cost, sales comparison, and income capitalization approaches. These methods are defined below:

COST APPROACH - *A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of or replacement for the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the market land value opinion plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.*

SALES COMPARISON APPROACH - *A set of procedures in which a value indication is derived by comparing the property being appraised to similar Property that have been sold recently, applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison.*

INCOME CAPITALIZATION APPROACH - *A set of procedures through which an appraiser derives a value indication for income-producing property by converting anticipated benefits, (cash flows and reversions), into property value. This conversion can be accomplished in two ways: One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.*

Source: The Dictionary of Real Estate Appraisal
4th Edition, 2004, Appraisal Institute

All three approaches were considered. The Cost Approach is not applicable to vacant land and it is not developed in the report. A variation of the Income Approach known as the Development Approach can be an applicable approach for raw land in an active market or when a parcel of land has approvals in place. Since the subject has no land use approvals and both the legal and physical characteristics of the subject would make it very speculative to determine the size and number of potential lots on the subject, the Development Approach is not a reliable valuation method for the subject.

There was adequate information to develop the Sales Comparison Approach. This is the most relevant and appropriate approach for an unimproved parcel of residential-zoned land like the subject.

The Sales Comparison Approach is presented on the following pages.

SALES COMPARISON APPROACH

The Sales Comparison Approach compares recent sales of properties that are similar to the subject. This approach is based on the premise that a direct correlation exists between the prices paid for comparable properties and the market value of the subject. The appraisal principle related to this premise is substitution, which implies that the value of a property is set by prices of similar properties with equally desirable characteristics.

The appraisal principal of supply and demand is also pertinent to the Sales Comparison Approach. The price a buyer is willing to pay is directly related to the supply of comparable properties available for sale and the extent of competing buyers in the marketplace. The balance between supply and demand can fluctuate with changing market conditions.

The Sales Comparison Approach is most relevant when there are an adequate number of comparable sales. Based on the "as vacant" Highest and Best Use conclusion, the market was researched to identify acreage sales that are most similar to the subject.

A large number of sales in Haddam were researched and analyzed and only one was considered somewhat relevant to the subject. This sale is considered in the Sales Comparison Approach analysis as a supplemental sale since other acreage sales selected for analysis are considered more comparable to the subject.

After evaluating the local and regional market, four sales were selected for analysis. The primary criteria used to select the sales are: a location in Haddam and adjacent Middlesex County towns; parcel size; date of sale and the physical characteristics of the parcels. The unit of comparison used in this analysis is sale price per acre.

Details of the acreage sales selected for analysis, a sales location map, and an analysis of the sales are presented on the following pages.

***Note:** The location and dimensions of the sale parcels on the accompanying maps are approximations for illustration and analysis purposes only. The sketches are not drawn to scale and the reader should not rely on the accuracy of these drawings.*

Land Sale #1

Location: Bear Hill Road, Middletown, Connecticut
 Assessor Reference: Map 52 Lot 72; Map 53 Lot 13

Grantor: Richard E. Bengtson
 Grantee: Paul Rak, Trustee of the John Rak Trust

Legal Reference: Volume 1700 Page 44
 Deed Type: Warranty
 Date Recorded: June 16, 2010

Sale Price: \$300,000
 Price Per Acre: \$8,021

Verified: Town Clerk records; Grantee
 Financing: None recorded

Site Data

Size: 37.4 acres (2 parcels with 24.4 and 13 acres)

Frontage: Approximately 894' of non-contiguous frontage on the northerly side of Bear Hill Road and approximately 1,384' on the southerly side of Bear Hill Road.

Access: Interior access to the smaller parcel is hindered severely by steep slopes and ledge. The larger parcel has good access along its two frontages but much of the land in the northwestern section of this parcel would be difficult to access for development purposes due to the steep slope and rocky soils. The extensive frontage along the eastern section of this parcel has good access up a gently sloping hillside.

Shape: Two parcels – one with a rectangular shape and one that is highly irregular

Topography: The western parcel has a steep upward slope along the road frontage from an elevation of about 440' to 540'. The second parcel slopes moderately to steeply upward in two sections. The western part of the second parcel slopes upward from 350' along the frontage to about 540' in the northwest corner. The easternmost frontage slopes upward more gradually from 300' to about 330'.

Soils: According to the U.S. Department of Agriculture soils map, the parcels consist of the following soils.

Drainage Class— Summary by Map Unit — State of Connecticut (CT600)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
73E	Charlton-Chatfield complex, 15 to 45 percent slopes, very rocky	Well drained	13.1	100.0%
47C	Woodbridge fine sandy loam, 2 to 15 percent slopes, extremely stony	Moderately well drained	0.1	0.5%
73E	Charlton-Chatfield complex, 15 to 45 percent slopes, very rocky	Well drained	3.9	21.6%
85B	Paxton and Montauk fine sandy loams, 3 to 8 percent slopes, very stony	Well drained	0.0	0.1%
86D	Paxton and Montauk fine sandy loams, 15 to 35 percent slopes, extremely stony	Well drained	14.2	77.9%

Wetlands: According to the soils map, there are no wetlands soils on the property.

Utilities: Electric, telephone, septic and well

Land Sale #1 (continued)

Zoning: R-60

Easements: Right to trim and remove trees to CL&P on the 13-acre parcel.

Comments:

The buyer is a farmer who owns several other large properties in the area. The larger 24.4-acre parcel abuts other land owned by the Grantee. The area is a rural section of Middletown that has a large amount of State Forest land and open space owned by CL&P.

The seller was retired and based his asking price on an old appraisal. The buyer was motivated to acquire the land because it abutted other farmland they owned and they wanted to protect their land from future development. The buyer believed he paid an above market price because the seller was unwilling to lower the price very much from the older appraised value.

SALE 1 PHOTOGRAPHS
Taken by Richard McDermott 11/11



Easterly view of parcel across from Hubbard Pond



Northwesterly view of road frontage

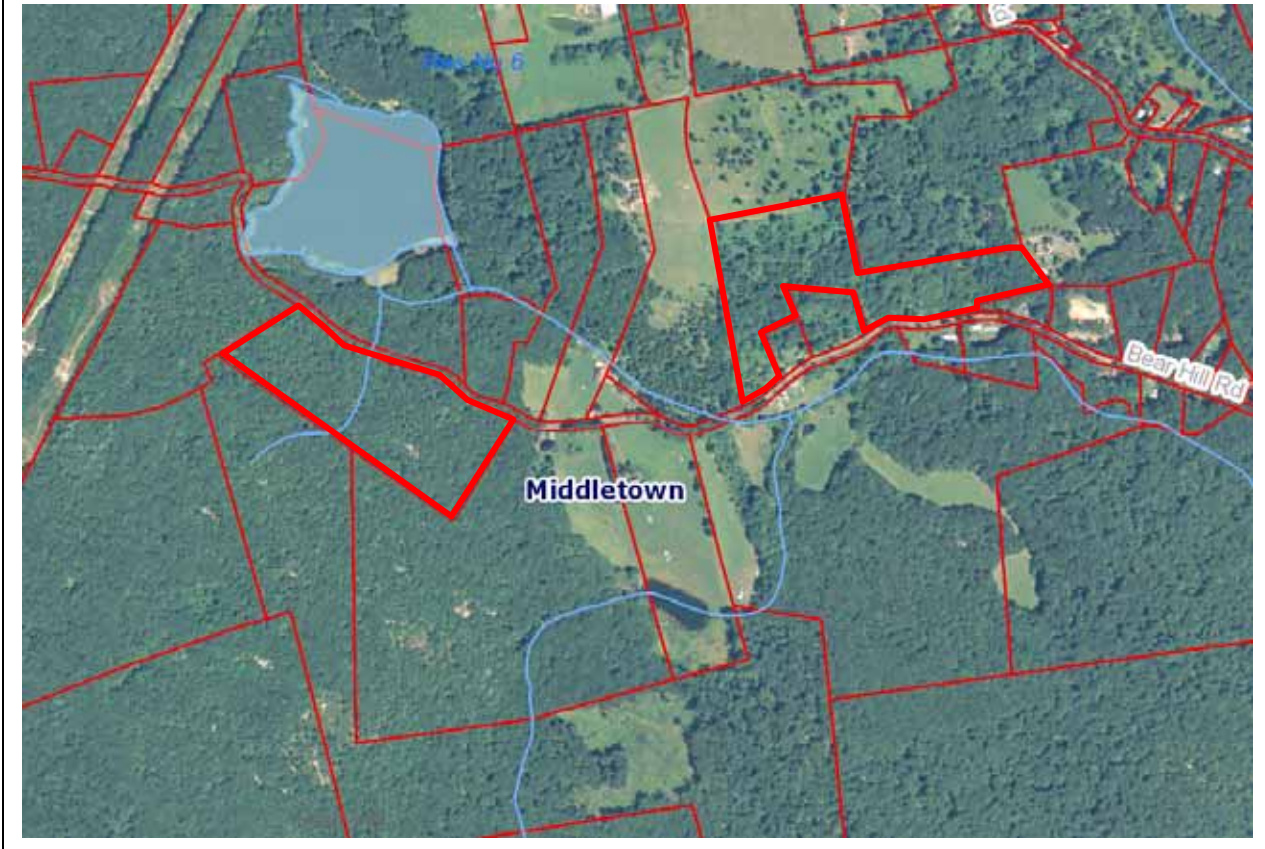
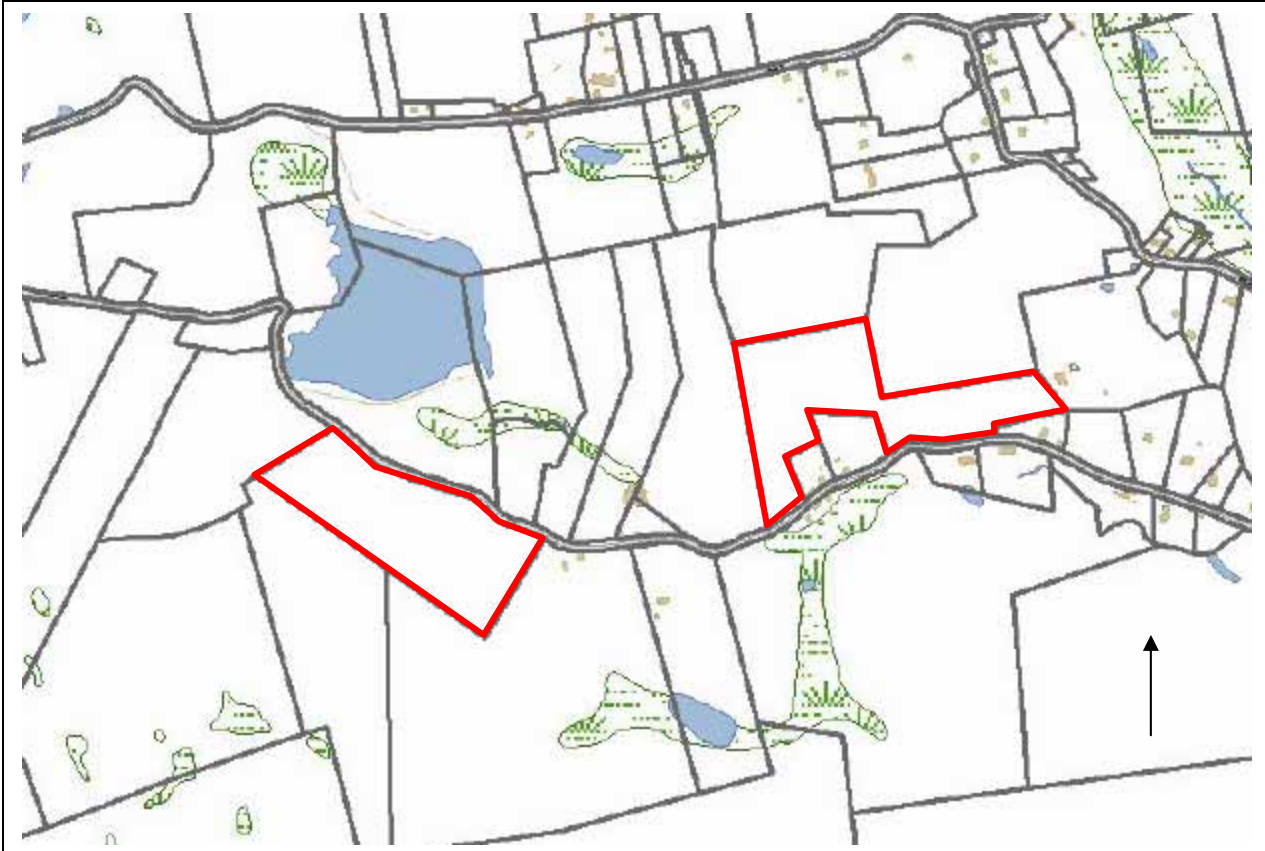


Western view of road frontage (on right)



Northern view of land from Bear Hill Road

SALE 1 ASSESSOR & AERIAL MAPS



Land Sale #2

Location: 67 Hoopole Hill Road and Hoopole Hill Road, Deep River, Connecticut
 Assessor's Reference: Map 19 Lot 16 and Map 26 Lots 14A, 14B & 15B
 Grantor: Carl F. and Karen A. Miller, Trustees of the Carl F. Miller Revocable Trust and Trustees of the Karen A. Miller Revocable Trust
 Grantee: Edward P. Lang
 Legal Reference: Volume 215 Page 826
 Type of Deed: Fiduciary Deed
 Date Recorded: July 21, 2010
 Sale Price: \$1,092,432
 Price Per Acre: \$15,734
 Verified: Town Clerk records; Grantee; Broker
 Financing: Seller; \$842,432.30

Site Data

Size: 69.41 acres (4 tax lots)
 Frontage: 1,135.77' on the southerly side of Hoopole Hill Road, approximately 1,000' on the northerly side of Hoopole Hill Road and approximately 260' on the easterly side of Cedar Swamp Road.
 Shape: Irregular
 Soils: According to the U.S. Department of Agriculture soils map, the parcel consists of the following soils.

Drainage Class— Summary by Map Unit — State of Connecticut (CT600)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
3	Ridgebury, Leicester, and Whitman soils, extremely stony	Poorly drained	17.1	23.5%
13	Walpole sandy loam	Poorly drained	1.1	1.5%
18	Catden and Freetown soils	Very poorly drained	6.3	8.7%
23A	Sudbury sandy loam, 0 to 5 percent slopes	Moderately well drained	2.0	2.7%
29A	Agawam fine sandy loam, 0 to 3 percent slopes	Well drained	1.7	2.3%
38C	Hinckley gravelly sandy loam, 3 to 15 percent slopes	Excessively drained	13.5	18.6%
45B	Woodbridge fine sandy loam, 3 to 8 percent slopes	Moderately well drained	2.2	3.0%
47C	Woodbridge fine sandy loam, 2 to 15 percent slopes, extremely stony	Moderately well drained	1.9	2.7%
52C	Sutton fine sandy loam, 2 to 15 percent slopes, extremely stony	Moderately well drained	1.1	1.5%
61C	Canton and Charlton soils, 8 to 15 percent slopes, very stony	Well drained	0.0	0.0%
62C	Canton and Charlton soils, 3 to 15 percent slopes, extremely stony	Well drained	7.4	10.2%
73C	Charlton-Chatfield complex, 3 to 15 percent slopes, very rocky	Well drained	9.5	13.0%
73E	Charlton-Chatfield complex, 15 to 45 percent slopes, very rocky	Well drained	0.7	1.0%
84C	Paxton and Montauk fine sandy loams, 8 to 15 percent slopes	Well drained	0.9	1.2%
W	Water		7.3	10.1%

Land Sale #2 (continued)

Topography:	The land is generally level to rolling with an elevation of about 280' at the southwest corner of the parcel to a low of 211' at Cranberry Pond in the northern section of the parcel.
Wetlands:	Based on a review of a USDA soils map, there are approximately 32 acres of wetlands soils (46% of the total) which includes the 7-acre Cranberry Pond and watercourses that extend through the property.
Access:	Access is convenient from the north and south sides of Hoopole Hill Road that extends northeasterly from Cedar Swamp Road. The parcel also has access from frontage on the easterly side of Cedar Swamp Road.
Utilities:	Septic, well, electric & telephone
Zoning:	R80
Easements:	Rights of others in and to certain rights of way that run through the property as may appear on record; rights of others to maintain the dam for a cranberry meadow.

Comments:

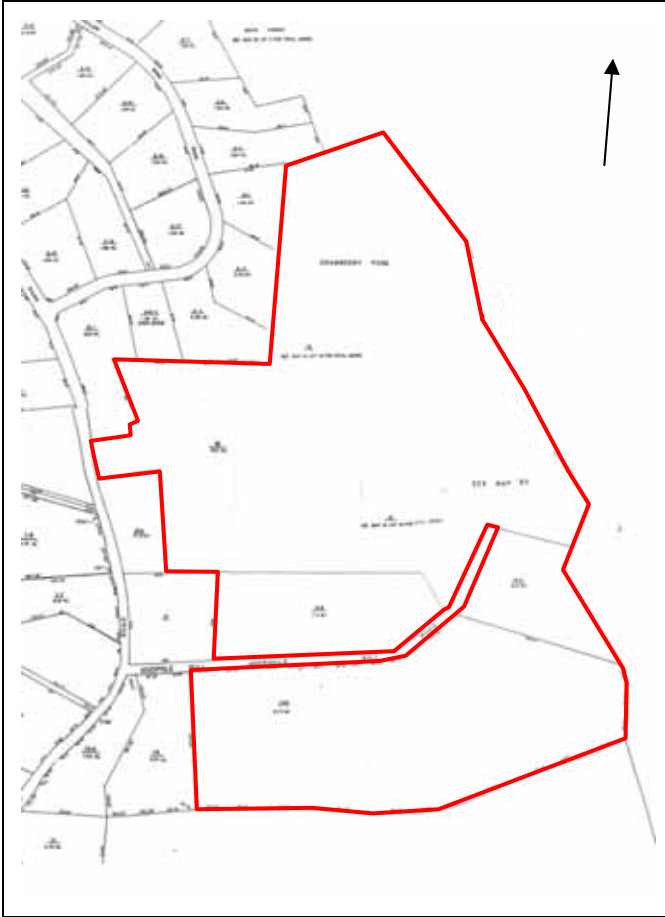
The property was listed for sale at \$1,290,000 on September 1, 2009 and was on the market for 324 days prior to the sale. The buyer and seller discussed a sale agreement prior to the listing data. After the property was listed, the two parties reached an agreement and the broker facilitated the sale at a reduced commission rate.

The property included a 1,695 SF dwelling built in 1820, a stone 1,269 SF dwelling built in 1966, two sheds and a 3-stall barn with a tack room that required updating. The land included streams, a large scenic pond, a waterfall, riding trails, a meadow and an old cranberry bog.

The property consists of 4 tax lots that reportedly have not yet been subdivided. The buyer acquired the property to renovate and occupy the stone house and as a future investment. The odd sale price was due to an adjustment to an agreed upon \$1,100,000 sale price that took into consideration some minor interest to be paid on the seller financing provided by the seller.

The buyer indicated he paid a high price for the property due to its unique characteristics, the privacy of the location and its proximity to abutting State Forest land.

SALE 2 ASSESSOR & AERIAL MAPS



SALE 2 PHOTOGRAPHS
Taken by Richard McDermott 11/11



Hoopole Hill Road from Cedar Swamp Road



Land adjacent to Hoopole Hill Road frontage



Cranberry Pond on property



Dwelling at end of Hoopole Hill Road



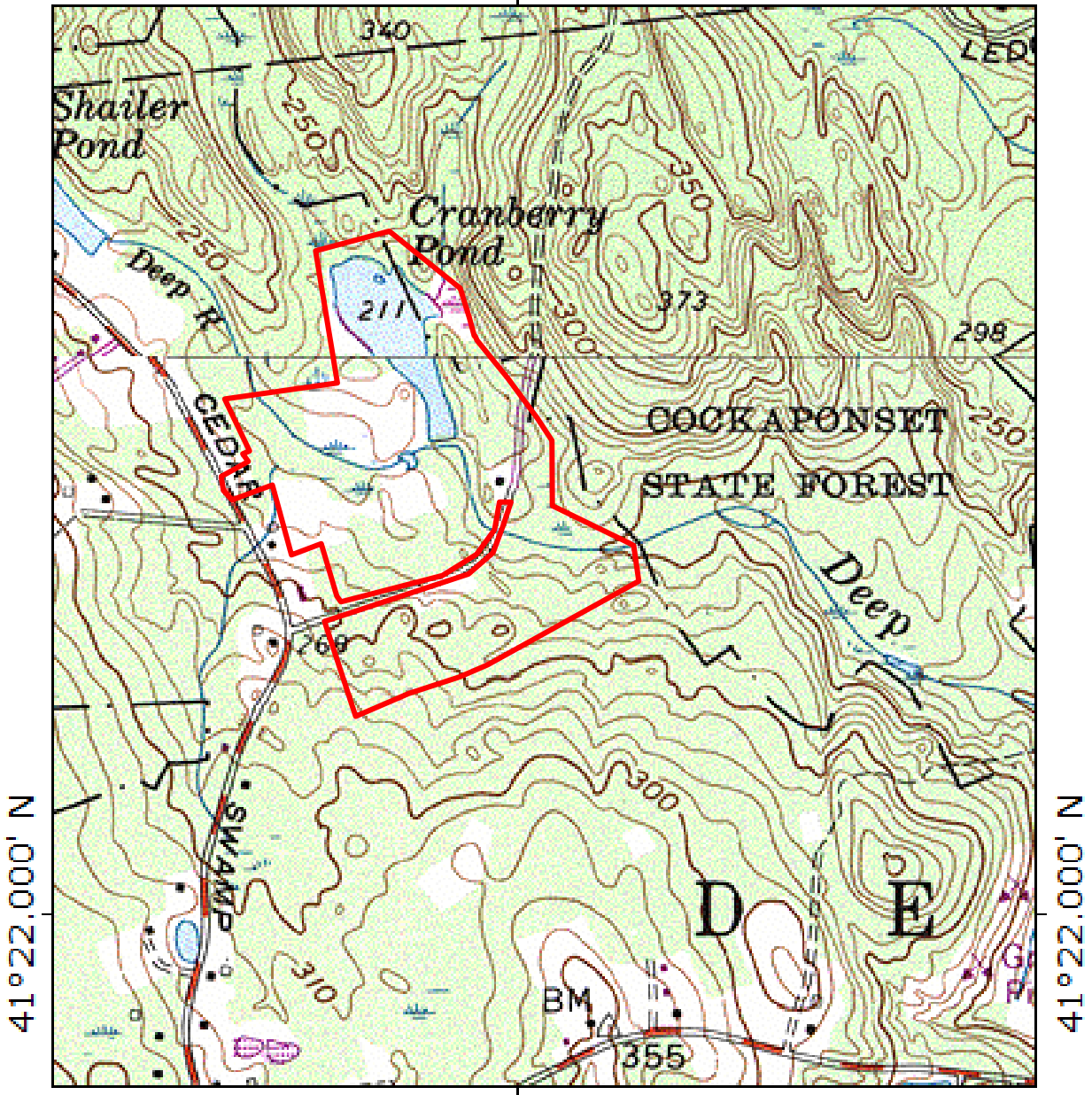
Cedar Swamp Road frontage



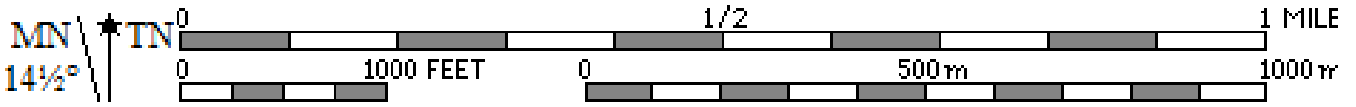
Stone dwelling

SALE 2 TOPOGRAPHY MAP

WGS84 72°29.000' W



WGS84 72°29.000' W



Land Sale #3

Location: River Road, East Haddam, Connecticut

Assessor's Reference: Map 9 Lot 29

Grantor: Emolly LLC

Grantee: Whitetail Run LLC

Legal Reference: Volume 864 Page 27

Type of Deed: Warranty

Date Recorded: June 25, 2010

Sale Price: \$255,000

Price Per Acre: \$4,184

Verified: Town Clerk records; Grantee

Financing: None recorded

Site Data

Size: 60.95 acres (Source: Assessor)

Frontage: Approximately 1,038' on the easterly side of River Road

Shape: Rectangular

Topography: The land slopes gently to moderately upward from an elevation of about 220' along the road frontage to elevations reaching 300' and 336' at the southeast corner of the parcel.

Soils: According to the U.S. Department of Agriculture soils map, the parcel consists of the following soils.

Drainage Class— Summary by Map Unit — State of Connecticut (CT600)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
3	Ridgebury, Leicester, and Whitman soils, extremely stony	Poorly drained	7.3	12.5%
46B	Woodbridge fine sandy loam, 2 to 8 percent slopes, very stony	Moderately well drained	26.0	44.6%
51B	Sutton fine sandy loam, 2 to 8 percent slopes, very stony	Moderately well drained	1.1	2.0%
61D	Canton and Charlton soils, 3 to 8 percent slopes, very stony	Well drained	4.2	7.3%
73C	Charlton-Chatfield complex, 3 to 15 percent slopes, very rocky	Well drained	10.5	18.0%
73E	Charlton-Chatfield complex, 15 to 45 percent slopes, very rocky	Well drained	0.9	1.5%
85B	Paxton and Montauk fine sandy loams, 3 to 8 percent slopes, very stony	Well drained	6.3	10.8%
85C	Paxton and Montauk fine sandy loams, 8 to 15 percent slopes, very stony	Well drained	2.0	3.4%

Wetlands: Approximately 7 acres or 12% of the property is wetlands soils that run north/south through the center of the parcel.

Access: The parcel has good access from the easterly side of River Road.

Utilities: Septic, well, electric, telephone

Land Sale #3 (continued)

Zoning: R2

Easements: None known

Comments:

The buyers included a group of 5 partners who acquired the land in the short term for hunting and as a long-term investment. This property was not exposed to the open market and it sold privately. The former owner attempted to secure approvals for a 12-lot subdivision around 2007 but never met the town land use requirements in order to have the proposal considered by the town. There was also strong neighborhood opposition to the project.

The parcel abuts a private school for special needs students and it is on a road leading to the Connecticut River and Gillette Castle, a regional tourist attraction.

SALE 3 PHOTOGRAPHS
Taken by Richard McDermott 11/11



Southerly view of road frontage



Eastern view of stream near frontage



Access road into property

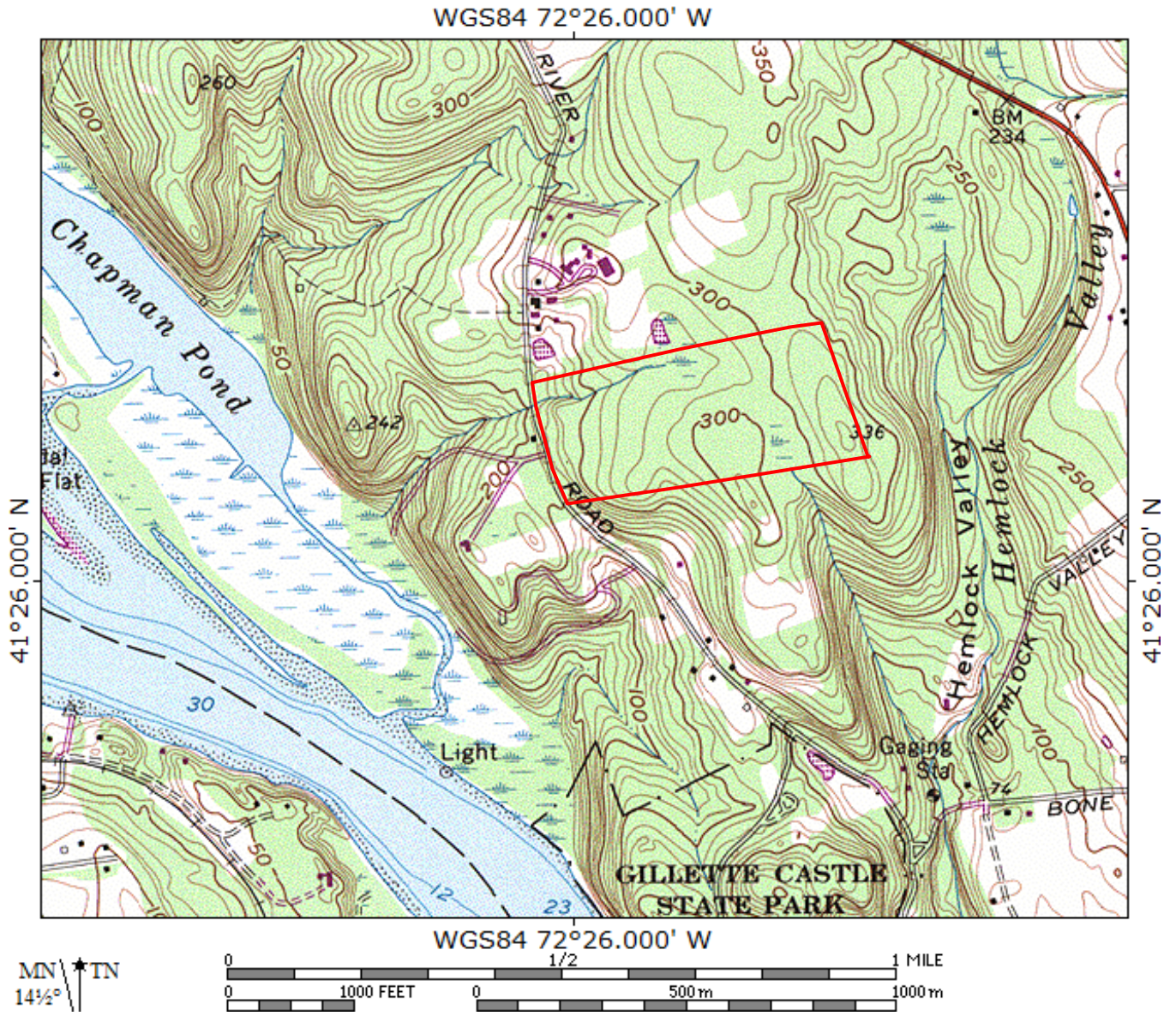


Typical land adjacent to frontage.

SALE 3 ASSESSOR & AERIAL MAPS



SALE 3 TOPOGRAPHY MAP



Land Sale #4

Location: 305 Old Marlborough Turnpike, Portland, Connecticut
Assessor's Reference: Map 85 Lot 9

Grantor: Shirley S. Egan, Executrix of the Bernice Sogan Estate
Grantee: Michael F. Perri

Legal Reference: Volume 790 Page 196
Deed Type: Fiduciary Deed
Date Recorded: February 25, 2011

Sale Price: \$325,000
Price Per Acre: \$5,898

Verified: Town Clerk records; Broker; Third Party
Financing: None recorded

Site Data

Size: 55.1 acres (Source: Assessor)

Frontage: Approximately 400' on the southerly side of Old Marlborough Turnpike and approximately 1,065' of non-contiguous frontage on the easterly side of South Road.

Shape: Irregular

Topography: The land slopes upward from an elevation of about 230' along Old Marlborough Turnpike to a plateau (where the improvements are located) at an elevation of about 250'. The eastern portion of the property is a hill that slopes downward in westerly and southerly directions from a peak elevation of about 350' to 240'. The land along South Street slopes steeply to gently downward to wetlands that extend parallel to the road.

Soils: According to the U.S. Department of Agriculture soils map, the parcel consists of the following soils.

Drainage Class— Summary by Map Unit — State of Connecticut (CT600)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
3	Ridgebury, Leicester, and Whitman soils, extremely stony	Poorly drained	12.8	24.1%
17	Timakwa and Natchaug soils	Very poorly drained	0.5	1.0%
51B	Sutton fine sandy loam, 2 to 8 percent slopes, very stony	Moderately well drained	9.1	17.2%
61B	Canton and Chariton soils, 3 to 8 percent slopes, very stony	Well drained	23.0	43.3%
61C	Canton and Chariton soils, 8 to 15 percent slopes, very stony	Well drained	6.0	11.2%
73C	Chariton-Chatfield complex, 3 to 15 percent slopes, very rocky	Well drained	1.7	3.1%
75C	Hollis-Chatfield-Rock outcrop complex, 3 to 15 percent slopes	Well drained	0.0	0.0%

Wetlands: A watercourse runs along Old Marlborough Turnpike and through the center of the property towards a large abutting former cranberry bog. A drainage way runs along and to the rear of the South Street frontage. The soils map indicates there are approximately 13 acres of wetlands soils (25% of total land area). The wetlands run north/south from the southern frontage to the north central section of the parcel.

Utilities: Septic, well, electric and telephone

Land Sale #4 (continued)

Easements: None known

Access: Access to the house over a bridge from the southerly side of Old Marlborough Turnpike. A sizable brook along the frontage restricts interior access to the more buildable land towards the rear of the parcel. Although there is extensive frontage on South Street, access is prohibit by steep slopes, ledge and wetlands. .

Zoning: RR

Comments: The owners of the property tried to market the property themselves before listing it with a broker at an initial asking price of \$750,000 on September 11, 2009. The price was later reduced to \$712,500 on January 19, 2010 and \$499,000 on April 14, 2010. The broker indicated there were a number of offers in the \$380,000 to \$400,000 price range that were refused by the owners.

The property included a 1,715 SF dwelling built in 1800 as well as various barns and outbuildings built between 1900 and 1950. The house was reportedly a "tear-down" in poor condition and the other improvements did not contribute any value to the land. The buyers are contactors who have attempted to modify some buildings and use the land primarily for equipment storage associated with their contracting business. These uses are not permitted in Portland's residential zone.

SALE 4 PHOTOGRAPHS
Taken by Richard McDermott 11/11



Access bridge from Old Marlborough Turnpike



Stream along frontage

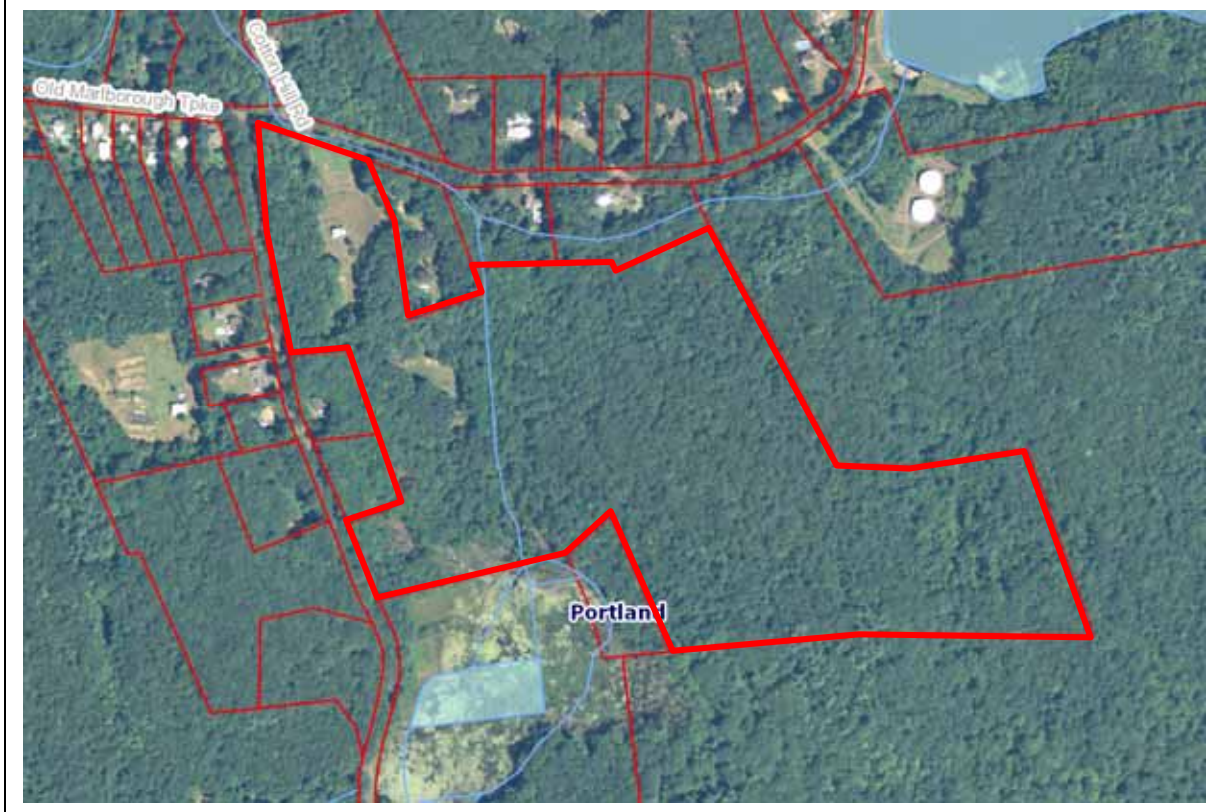
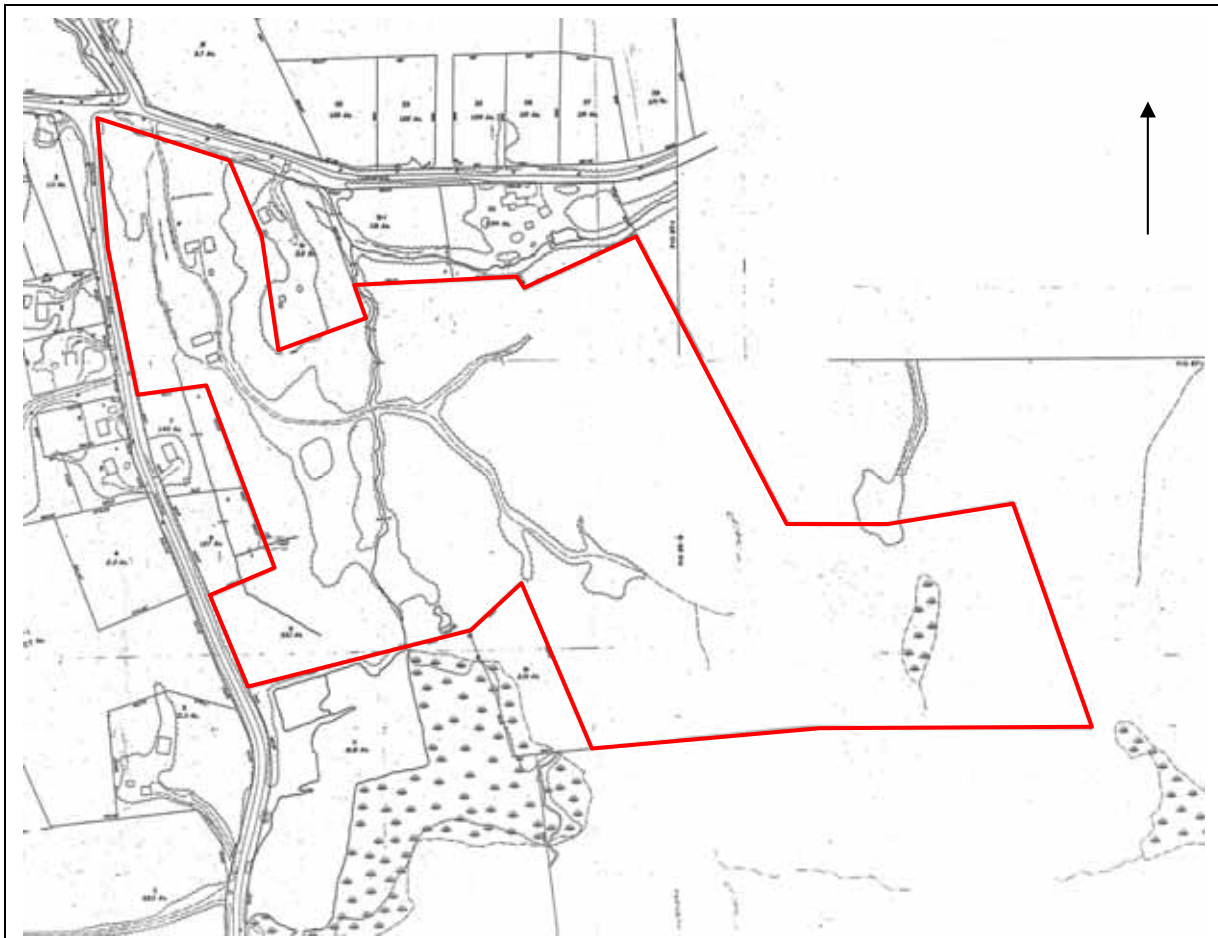


Eastern view across steep ravine from South Road

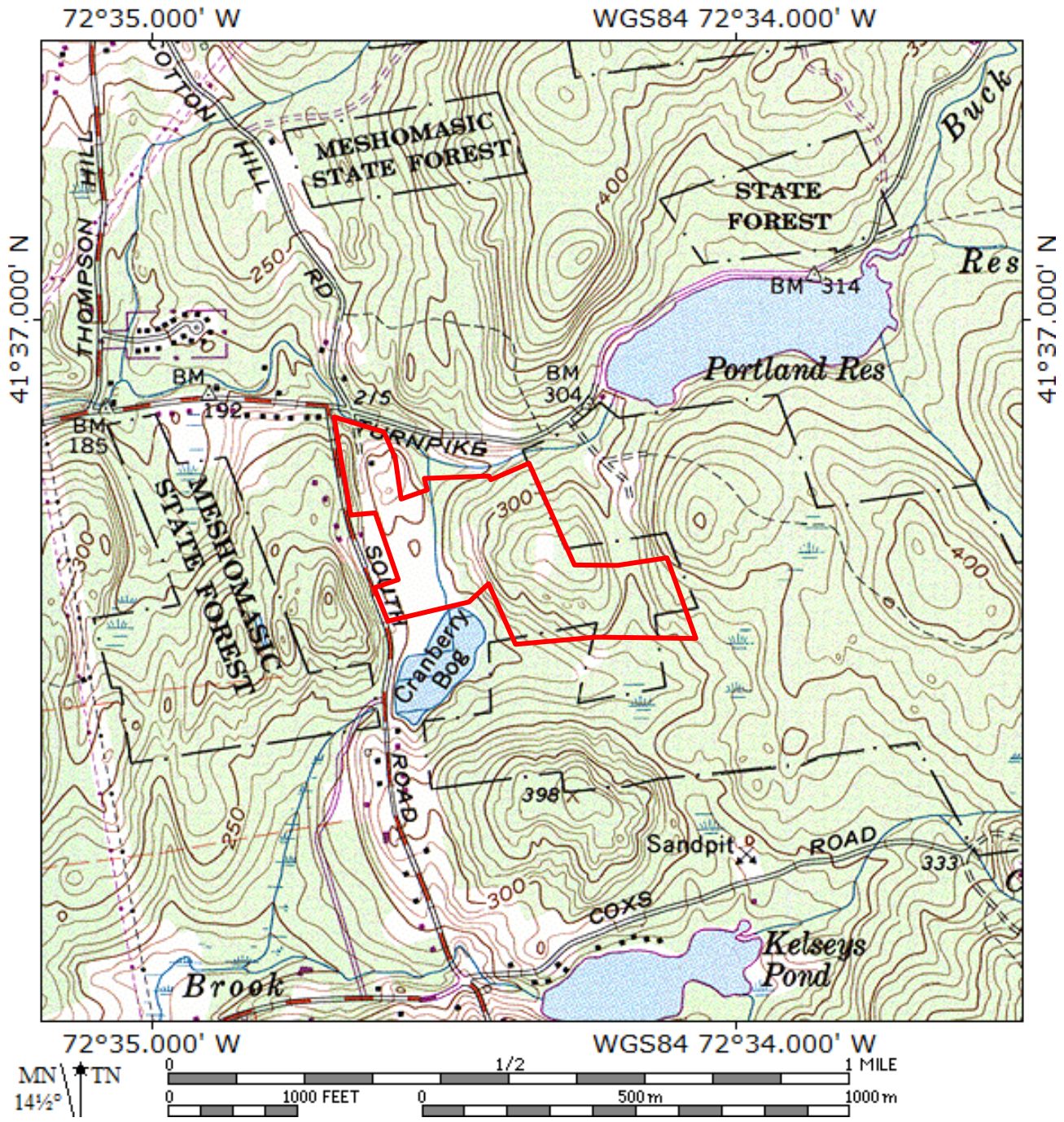


Northern view of South Road frontage (on right)

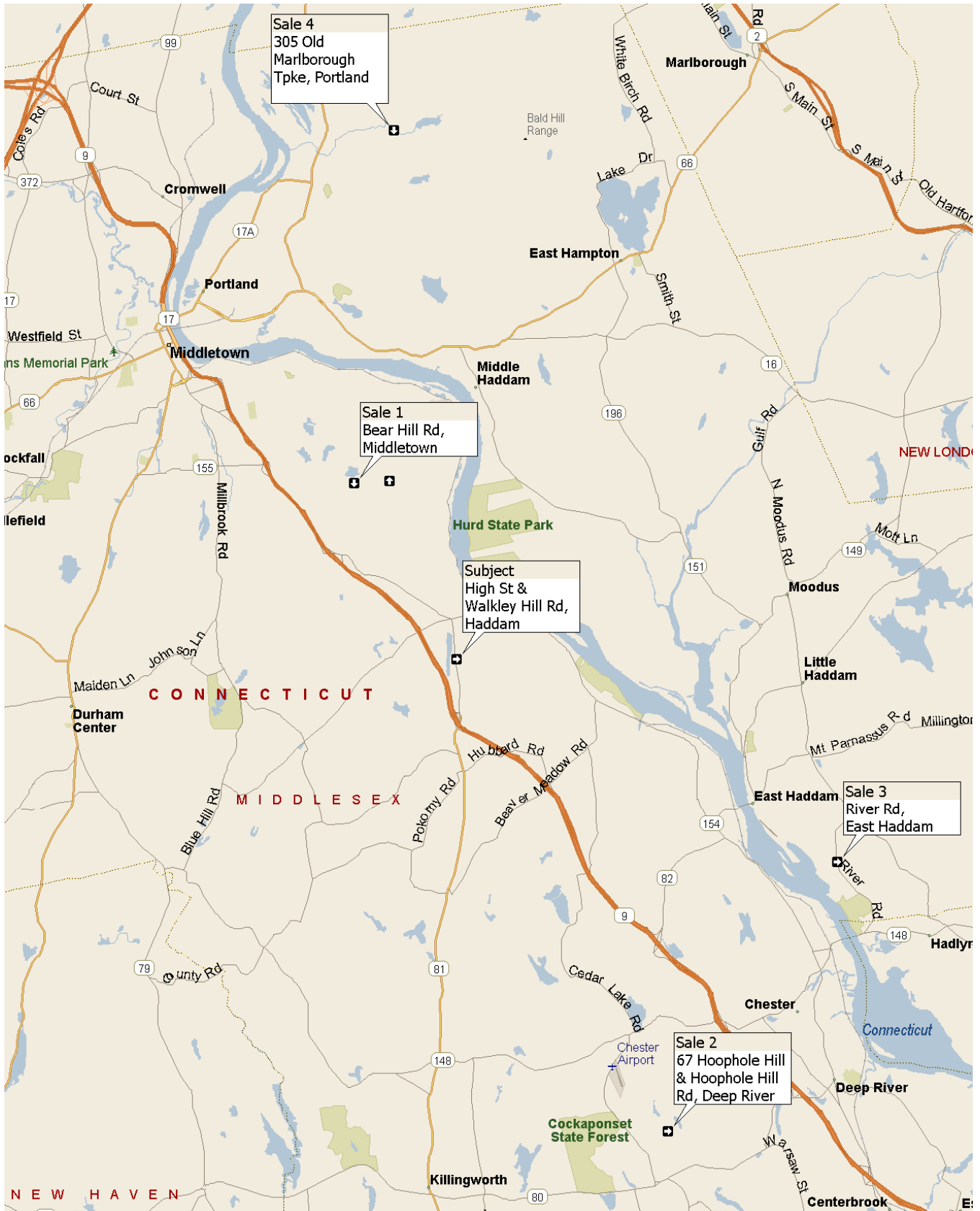
SALE 4 ASSESSOR & AERIAL MAPS



SALE 4 TOPOGRAPHY MAP



LAND SALES LOCATION MAP



SALES COMPARISON APPROACH (CONTINUED)

LAND SALES SUMMARY					
Sale	Location	Acres	Sale Date	Sale Price	Price/Acre
1	Bear Hill Road, Middletown	37.40	6/16/10	\$300,000	\$8,021
2	67 Hoopole Hill Road, Deep River	69.41	7/21/10	\$1,092,432	\$15,734
3	River Road, East Haddam	60.95	6/25/10	\$255,000	\$4,184
4	305 Old Marlborough Turnpike, Portland	55.10	2/25/11	\$325,000	\$5,898
<i>Subject: High Street and Walkley Hill Road, Haddam</i>		87.70	5/8/09	\$428,000	\$4,880

SUMMARY OF LAND SALE ADJUSTMENTS									
	Subject	Sale 1	Adj	Sale 2	Adj	Sale 3	Adj	Sale 4	Adj
Price Per Acre		\$8,021		\$15,734		\$4,184		\$5,898	
Property Rights	Fee Simple	Fee Simple	0	Fee Simple	0	Fee Simple	0	Fee Simple	0
Financing		Unaffected	0	Unaffected	0	Unaffected	0	Unaffected	0
Conditions of Sale		Motivation	-	Affected	-	Motivation	+	Unaffected	0
Market Conditions	10/11	6/10	-	7/10	-	6/10	-	2/11	0
Adjusted SP		\$6,417	-	\$9,440	-	\$5,439	+	\$5,898	0
Location	Fair	Inferior	+	Inferior	+	Inferior	+	Inferior	+
Size (Acres)	87.7	37.4	-	69.41	0	60.95	0	55.1	0
Frontage/Access	407 LF	2,278 LF	-	2,396' LF	-	1,038 LF	-	1,465 LF	0
Frontage/Acres Ratio	(5 LF/acre)	(61 LF/acre)		(35 LF/acre)		(17 LF/acre)		(27 LF/acre)	
Wetlands	9%	0%	-	46%	+	12%	0	25%	0
Topography	Level/steep	Inferior	+	Superior	-	Superior	-	Similar	0
Soils	Fair	Similar	0	Superior	-	Similar	0	Similar	0
Easements	ROW	Superior	-	Superior	-	Superior	-	Superior	-
Improvements	None	Similar	0	Similar	0	Similar	0	Similar	0
Utilities	Septic/well	Septic/well	0	Septic/well	0	Septic/well	0	Septic/well	0
Zoning	R-1/R-2A	R-60	0	R80	0	R2	0	RR	0
Functional Utility	Average	Inferior	+	Superior	-	Superior	-	Inferior	+
Net Adjustment		Downward	-	Downward	-	Upward	+	Downward	-
Adjusted SP/Acre		\$5,600		\$5,500		\$5,200		\$5,700	
		\$491,000		\$482,000		\$456,000		\$500,000	

SALES COMPARISON APPROACH

The characteristics of the comparable properties relative to the subject and adjustments for each element of comparison are summarized in the grid above. The summary information describes the comparable. A negative or downward adjustment signifies that the subject is inferior to the comparable while a positive or upward adjustment means the subject is superior for the specified element of comparison. When a zero is entered in the grid, the subject is considered comparable to the sale and no adjustment is required.

The sales are adjusted first for Property Rights Appraised, Financing, Conditions of Sale, and Market Conditions. After making these adjustments, further adjustments are considered for Location and the other noted elements of comparison. The adjustment process for each of the comparables is discussed below.

SALES COMPARISON APPROACH (CONTINUED)

Property Rights Conveyed

The fee simple interest was conveyed for each sale. This property interest is the same as the subject and no adjustments are necessary.

Financing

All of the transfers were either cash sales or the financing did not impact the sale prices. As a result, no financing adjustments are warranted.

Conditions of Sale

All of the sales were acquired as raw land with no approvals in place. Sale 4 was unaffected by any special conditions of sale. Sale 2 was acquired by a motivated buyer who indicated that he paid a high price for the property because of the unique aspects of the property. The land also included two dwellings (one of which is a rental and the other which was subsequently occupied by the buyer) and a horse barn. Despite the below average condition of these improvements, the buyer indicated that they contributed between \$300,000 and \$400,000 in value. Based on these factors, a downward adjustment is made for the contributory value of these improvements and the buyer's motivation.

Sale 1 was acquired by an abutting property owner who believed they paid a premium since the seller insisted on a sale price based on an older appraisal. The buyer also owned a large amount of adjacent and abutting farmland acreage. The buyer's motivation plus the rugged physical characteristics of the land (that would otherwise support a lower price per acre) warrant a downward adjustment.

Sale 3 was conveyed by a motivated seller after a number of haphazard attempts to secure subdivision approvals on the property. There may have also been some duress on the part of the seller. An upward adjustment is warranted for this factor and the motivations of the seller.

Although Sale 4 included a dwelling and some outbuildings, they contributed no significant value to the property and no adjustment is required.

Market Conditions

Sales 1, 2 and 3 occurred in the middle of 2010 while Sale 4 is the most recent sale with a February 2011 sale date. Based on value trend information in the Market Analysis section of the report, modest downward adjustments are made to the three older comparables to reflect the continued downward trend in values between the dates these sales occurred and the date of the appraisal. No other adjustments are warranted for market conditions.

Sale 1

This parcel is in a rural section of Middletown just north of Haddam that is considered inferior to the subject. This is due primarily to Middletown's inferior demographics and lower historical property values. The comparable is much smaller regarding size and it consists of two non-contiguous parcels. A downward size adjustment is made to recognize the narrower market for the much larger parcel size of the subject.

The comparable has much more frontage than the subject but development along the entire frontage for one of the parcels is limited by steep slopes. However, the larger of the two parcels has very good access along its frontage that could accommodate a number of frontage lots with good market appeal. Due to the subject's limited frontage and the more difficult interior access from the subject's frontage, a downward adjustment is warranted for the comparable's far superior frontage.

SALES COMPARISON APPROACH (CONTINUED)

Sale 1 (continued)

The comparable has no wetlands while the subject is restricted by a larger percentage of wetlands and the location of these wetlands on the parcel. This requires a downward adjustment.

The topography of the comparable is generally inferior to the subject. Development on one of the comparable parcels is severely limited by its steep topography and a large percentage of the rear land on the other parcel is also restricted by steep topography that limits development on this parcel to a small percentage of the land along the frontages. Although the subject is also impacted by some steep slopes, there is a larger percentage of more level to gently sloping land on the subject than on the comparable. As a result, an upward adjustment is made for the comparable's inferior topography.

The comparable is not encumbered by any significant easements. The easement rights of an abutting property owner could have a negative impact on the development potential of the subject unless agreements among the two landowners could be negotiated. Considering the greater risks associated with the easements encumbering the subject, a downward adjustment is made.

Both the comparable parcels and the subject are adjacent to large tracts of protected open space. The comparable though consists of two non-contiguous parcels with limited development potential. The physical characteristics of the comparables would prohibit development on the smaller parcel and despite the potential for a number of appealing frontage lots along the other parcel on Bear Hill Road, any development on this parcel would most likely achieve values below those that are prevalent in Haddam. Despite the subject's access and easement issues, a net upward adjustment is made for the comparable's inferior functional utility.

After all adjustments, the net adjustment is downward.

Sale 2

Sale 2 is in an inferior location in the adjacent town of Deep River and an upward adjustment is required for the subject's more convenient and appealing location in Haddam.

This sale parcel has extensive road frontage that provides much better access than the subject's frontages. Besides the much larger percentage of wetlands on the comparable (which requires an upward adjustment), the other physical characteristics of the comparable are far superior to the subject. The comparable parcel is primarily level with a larger percentage of sand and gravel soils that are more suitable for development than any of the soils on the subject. These factors require downward adjustments.

The comparable is not affected by any significant easements while development of the subject could potentially be negatively impacted by the easements encumbering the property. Considering the much greater development risks associated with the easements encumbering the subject, a downward adjustment is warranted.

The comparable sale included improvements that contributed significant value to the property. This is evident because the buyer is occupying one of the dwellings and generating income from renting the other dwelling. The contributory value of these improvements though was accounted for earlier in the Conditions of Sale adjustment and no further adjustment is required.

SALES COMPARISON APPROACH (CONTINUED)

Sale 2 (continued)

Both the subject and the comparable are adjacent to large tracts of protected open space. The comparable though has extensive frontage that could accommodate a number of frontage lots. The land also consists of multiple tax parcels that the buyer indicated have the right to free cuts. This legal factor could increase the number of building sites to 8 parcels without requiring any subdivision approvals from the town. In addition, there is buildable land on both sides of a large scenic pond on the sale property that enhances the market appeal and value of potential oversized building sites. Overall, the comparable is a much more functional parcel with greater market appeal compared to the subject and this requires a downward adjustment for the comparable's superior functional utility.

After all adjustments, the net adjustment is downward.

Sale 3

This sale is in a more isolated location in the abutting town of East Haddam. Due to the subject's more convenient location and better access to employment centers and regional highways, an upward adjustment is supported for the comparable's inferior location.

Downward adjustments are necessary for the comparable's more extensive road frontage and the far superior interior access from this frontage. In addition, the comparable's topography is much more favorable for development purposes than the more severe topography of the subject.

A downward adjustment is necessary for the easements that encumber the subject since the sale parcel is not encumbered by any similar restrictions.

Like the subject, there was strong opposition to a prior development proposal on this parcel but the problems associated with obtaining subdivision approvals from the town was due more the incompetence of the owner's representatives in the subdivision approval process than the neighborhood opposition. Overall, the comparable is a much more functional parcel for development purposes due to its more favorable frontage and physical characteristics. These factors would allow more efficient and less risky development of the land compared to the subject.

Overall, the net adjustment is upward.

Sale 4

This comparable is in an inferior location in the adjacent town of Portland where land and property values are lower and the income characteristics of the town's population are inferior to Haddam. The subject is also in a much more convenient location near a full Route 9 interchange.

Although the comparable has far more frontage than the subject, access from almost all of the frontage is encumbered by either a watercourse, wetlands, steep slopes and/or ledge. The primary access to the developable land on the comparable is over an old bridge that would need significant upgrading to access the more buildable interior land.

The comparable has a very similar irregular shape as the subject and the soils, topography and the location of the buildable land on the comparable are also very similar these physical characteristics on the subject.

A downward adjustment is warranted for the potential development restrictions associated with the easements that encumber the subject.

SALES COMPARISON APPROACH (CONTINUED)

Sale 4 (continued)

Both the comparable and the subject would be difficult to develop due to below average interior access from their road frontages. The economic feasibility of developing the comparable though would be hindered by the high cost to construct an access bridge capable of servicing a large subdivision, the much lower lot and housing values in Portland and the lack of conformity that a higher-value subdivision would have with nearby neighborhood improvements. Overall, the subject is a more functional development parcel due primarily to more favorable location and economic factors and these factors require an upward adjustment.

After all adjustments, the net adjustment is downward.

Supplemental Land Sales

In addition to the comparable sales, other large land sales conveyed in 2011 throughout Connecticut have been researched and analyzed to better evaluate the adjusted value range of the comparable sales. This information is summarized and presented in the following chart.

SUPPLEMENTAL LAND SALES					
#	Address	Sale Date	Sale Price	Acres	Price/Acre
1A	Old Colchester Road, Hebron	10/25/11	\$666,000	87.00	\$7,655
2A	Hartford Avenue, Granby	10/3/11	\$600,000	43.75	\$13,714
3A	779 Russell Avenue, Suffield	9/28/11	\$750,000	53.70	\$13,966
4A	124 Vineyard Road, Burlington	8/25/11	\$450,000	42.40	\$10,613
5A	Young Street, East Hampton	8/16/11	\$300,000	91.65	\$3,273
6A	615 North Stonington Road, Stonington	4/1/11	\$495,000	77.41	\$6,395
7A	Wells Woods Road, Columbia	3/11/11	\$232,413	76.23	\$3,049
8A	Chapel Hill Road, Montville	1/3/11	\$350,000	85.12	\$4,224
<i>Averages</i>			<i>\$480,427</i>	<i>69.66</i>	<i>\$7,861</i>

The 2011 supplemental sales ranged from \$232,413 to \$750,000 or \$3,049 to \$13,996/acre with an average sale price of \$480,427 or \$7,861/acre for a parcel with an average size of 69.66 acres. The range indicated by these supplemental sales brackets the adjusted value range of the comparable sales.

Sales 1A and 2A were approved subdivisions with 18 lots and 12 lots respectively at the time they sold. A significant downward adjustment is necessary to account for the time, cost and risks associated with securing land use approvals as well as the added value of the subdivision approvals. Hebron is a community more similar to Haddam than Granby, which is considered a superior location. Based on these factors, the subject should achieve a value well below the sale indications for these recently approved subdivision sales because the subject has no approvals in place and there are considerable risks associated with future development of the subject.

Sale 3A in Suffield is in a superior location where there is greater demand and higher property values than in Haddam. This property included two older structures that contributed no significant value to the subject. This parcel is relatively level open farmland with extensive road frontage that makes the sale a much more desirable development parcel than the subject. This sale is appropriately at the high end of the raw land market.

Sale 4A is in a rural/suburban bedroom community like Haddam but it is in a superior location due to its proximity to the Farmington Valley and employment centers in Farmington and central Connecticut. Based on historic land sales in Burlington and Haddam, a sizable downward adjustment is warranted for location.

SALES COMPARISON APPROACH (CONTINUED)

Supplemental Land Sales

Sales 5A through 8A are all in rural communities that are more similar to Haddam than the other supplemental sales. These sales ranged from \$3,049 to \$6,395/acre. It is more likely that the value of the subject would fall within this range since the demographics, locations and market values in these communities are better indications of land values in more rural communities like Haddam.

Historical Supplemental Land Sales (Haddam)

There have been very few recent land sales in Haddam that are similar to the subject. The most recent and relevant sale is Sale 1B which is a 109.81-acre parcel that sold in 2009. To better evaluate this sale and current market values in Haddam, other historical sales that occurred between 2004 and 2007 (when the market was far superior to the current market) have been evaluated to better understand the potential value of the subject. These sales are summarized in the following chart.

SUMMARY OF HISTORICAL HADDAM LAND SALES					
#	Address	Sale Date	Sale Price	Acres	Price/Acre
1B	Quarry Hill Road, Haddam	7/2/09	\$394,000	109.81	\$3,588
2B	Moodus Road (a/k/a Route 151), Haddam and East Hampton	2/12/07	\$735,000	82.125	\$8,950
3B	510 Little City Road and Gunger Hill Road, Haddam	11/12/04 & 3/4/04	\$1,058,700	172.50	\$6,137
4B	Pokorny Road, Burr Road, McTigh Road, Bartman Road & Hidden Lake Road, Haddam	4/5/04	\$1,500,000	179.40	\$8,361

Sale 1B is a large parcel of land that was acquired primarily for recreation use and as a future investment by a buyer who owns another acreage tract in the immediate area. This parcel is adjacent to large tracts of Federal and State-protected land. Access to this parcel from Quarry Road is hindered by wetlands and an electric transmission line that bisects the sale property into two parcels (5.81 and 104 acres) (see maps on next page). The buyer has two 50' wide access easements to cross under the power lines but the primary access would be from frontage on Route 151. This sale has many of the same physical characteristics as the subject but it is bisected by a 400' wide electric transmission line corridor with electric towers and Haddam Neck is a more isolated and inferior location compared to the subject. The sale price of the comparable was reduced from the original asking price of \$735,000 to \$394,000 before it sold. For these reasons, it is my judgment that this sale establishes the low end of possible values for the subject (see maps on following page).

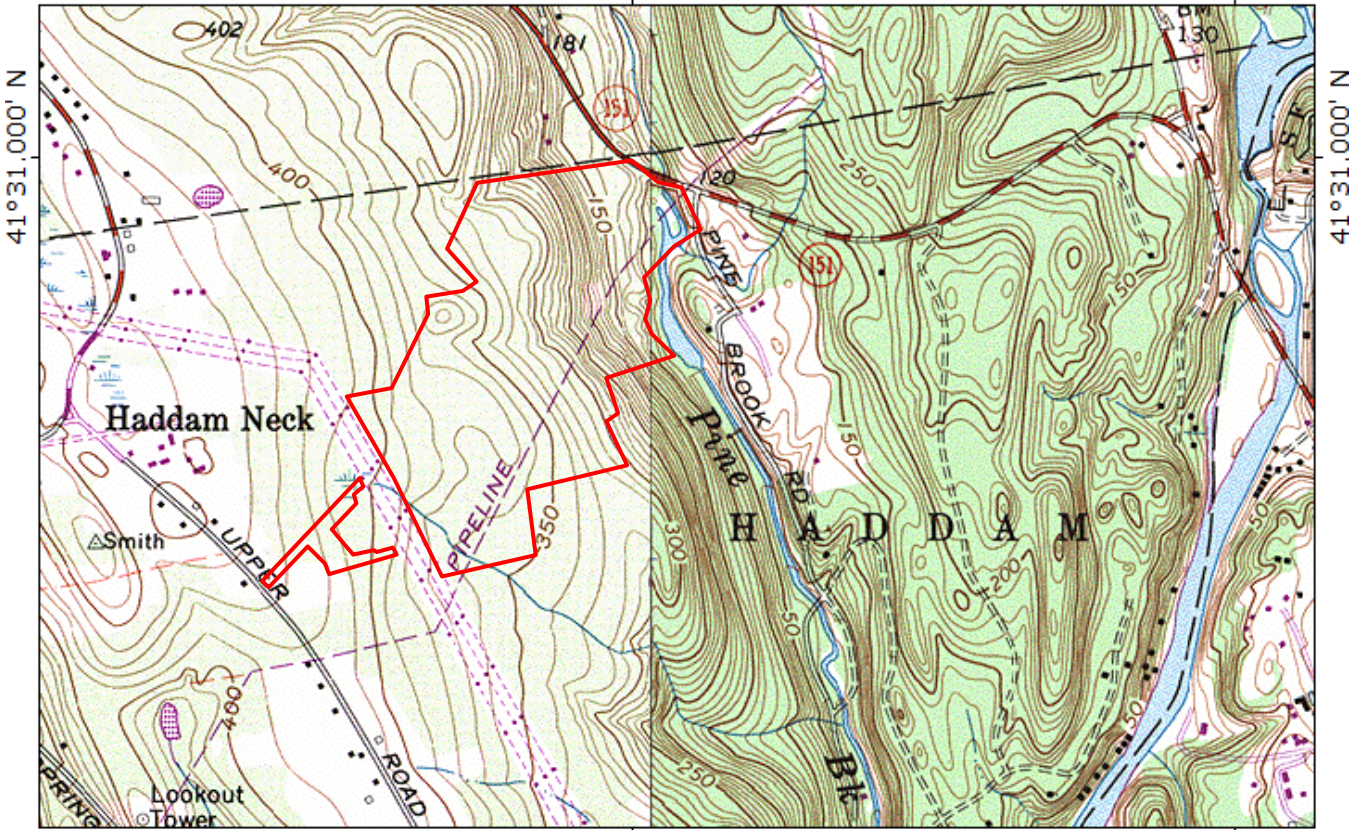
Sale 2B was listed for \$875,000 in April 2006 and reduced to \$849,000 in October 2006; it was on the market for 281 days. This parcel has extensive road frontage and borders protected conservation land on three sides. A previous owner conducted a feasibility study which showed approximately 10 lots on the 31.894 acres in Haddam and approximately 15 lots on the 50.231 acres in East Hampton. The buyer acquired all plans, surveys and testing results from the seller as part of the purchase price but the land was never developed. It was acquired for interim recreation use and as a future investment.

**1B Quarry Hill Road, Haddam
WETLANDS & TOPOGRAPHY MAPS**



72°30.000' W

WGS84 72°29.000' W



72°30.000' W

WGS84 72°29.000' W

MN * TN
14½°



SALES COMPARISON APPROACH (CONTINUED)

Historical Supplemental Land Sales (Haddam) (continued)

Sale 3B was an assemblage of two parcels that were acquired without any land use approvals in place. The buyer subsequently received approvals to develop a 45-lot open space subdivision known as Haddam Ridge. One of the parcel's had very limited development potential since access from Little City Road was severely hindered by steep slopes and secondary access from Gunger Hill Road was not legally possible since the Gunger Hill Road frontage near this parcel was an unimproved "paper" street that was no more than a walking trail at the time of sale. The developer agreed to pay the cost to pave an unimproved section of Gunger Hill Road adjacent to the sale parcel. The sale was negotiated privately with no market exposure.

Sale 4B received approvals from the Haddam Planning and Zoning Commission for 42 lots prior to the sale on March 31, 2004. This property consisted of five tax lots with a total of approximately 11,787 linear feet of road frontage on six roads. Project costs for this subdivision project were minimized because the land was relatively level and almost all of the development occurred on frontage lots. Only one interior cul-de-sac road with 925 linear feet and approximately 11 lots was part of the approved project. The parcel was also encumbered with approximately 76 acres of wetlands or 42% of the total land area. Market conditions in 2004 were near the peak of the market. This is evident from housing permit data presented earlier which indicates that Haddam issued the largest number of annual housing permits over the past twelve years in 2004 (70 units) and the second and third highest number of permits were issued in 2005 (59) and 2003 and 2006 (51 each). This activity is much greater than the 19 units approved in 2010 and the 4 units approved year to date in 2011. The unemployment rate in Haddam in 2004 was also 3.3% which is less than half the July 2011 rate of 6.9%.

Sale 2B reflects the height of market optimism in early 2007 before the residential land market began to deteriorate in 2008 and when the Haddam unemployment rate was 3%. Sales 2B and 3B would be adjusted downward for the larger size of these parcels but this would be more than offset by the approvals in place at the times of sale and the far superior market conditions when these parcels sold. Even though these sales are older, they do indicate achievable price levels for both raw land and larger subdivision projects in a growth market. These sales clearly show that the value of the subject should logically be less than the range indicated by these supplemental sales since current market conditions are much less favorable than those in 2004.

The subject's adjusted value range of \$5,200 to \$5,700 per acre is well within the range of the supplemental sales and it is well supported by the supplemental sales data.

PRIOR SALE OF THE SUBJECT

The subject last sold in May 2009 for \$428,000 or \$4,880 per acre. At the time of sale, both the buyer and seller believed the sale price was below market. The sale was in lieu of a pending foreclosure which also may have impacted the sale price. Based on market conditions at the time of the sale and the quantity and quality of the data analyzed in this report, it is difficult to confirm or refute the impact of these factors on the sale price.

Although the subject was once engineered for a 17-lot subdivision with 16 units of clustered senior housing, this plan was done when wetlands, zoning and health code requirements were much different than they are today. In addition, whatever subdivision approvals were granted to the subject expired prior to the sale date. Market conditions have also continued to decline since 2009 when this sale occurred.

SALES COMPARISON APPROACH (CONTINUED)

SALES COMPARISON APPROACH SUMMARY

The unadjusted sale indications ranged from \$4,184 to \$15,734 per acre. After adjustment, the value range narrowed to \$5,200 to \$5,700 per acre. This translates into a value range of \$456,000 to \$500,000.

All of the comparables are relatively recent sales, they were acquired as raw land and they are in Middlesex County towns adjacent to Haddam. Like the subject, many of the sales were also adjacent to large tracts of protected public and private open space. Sales 2, 3 and 4 are similar to the subject regarding land area and Sale 4 had numerous physical characteristics very similar to the subject. All of the sales were verified and the information obtained in the verification process greatly enhanced the reliability of the data and the adjusted value indications.

Sale 1 is the smallest parcel and Middletown is the least comparable town among the four sales. This comparable is much different than the subject regarding access, economics and its physical characteristics. In addition, this comparable required a large number of adjustments. These factors weaken the reliability of this comparable.

Sale 2 required the largest total percentage adjustment from the initial indication of \$15,734 per acre and the net adjustment after deducting the contributory value of the improvements on the sale property and adjusting for market conditions was also relatively large. This sale along with Sale 1 required the largest number of adjustments.

Sale 3 is in the abutting town of East Haddam. This comparable had more favorable physical characteristics than the subject but an inferior location. Sale 3 required relatively few adjustments and the net adjustment was the second lowest among the comparables. These factors increase the reliability of this sale.

Although this comparable is in an inferior location, Sale 4 is the most recent sale and its physical characteristics are very similar to the subject. This sale also required the fewest adjustments and the lowest net adjustment. For these reasons, considerable weight is given to this comparable.

The comparable sales data and the adjusted value range of the comparables are well supported by recent regional acreage sales and historical land sales in Haddam. All of this data is also logical and reasonable relative to the most recent 2009 sale of the subject. Overall, the quality of the data is considered average but the large quantity of data strongly supports the adjusted value range of the comparable sales.

SALES COMPARISON APPROACH CONCLUSION

After considering the preceding analyses, the market value of the subject by the Sales Comparison Approach, as of September 28, 2011, is:

**FOUR HUNDRED NINETY THOUSAND DOLLARS
(\$490,000)**

RECONCILIATION AND FINAL ESTIMATE OF VALUE

The conclusions for the approaches to value developed in the report are summarized below:

VALUATION SUMMARY	
Sales Comparison Approach	\$490,000

The quantity and quality of the data analyzed is average to good for a large parcel like the subject especially when considering the lack of pertinent market activity in Haddam over the past five years. The comparable sales selected shared many of the location and physical characteristics of the subject and the reliability of the analysis was enhanced by the quality of the information obtained in the verification process. The primary weakness of the Sales Comparison Approach is the lack of larger recent land sales in Haddam but this factor was minimized by the analysis of supplemental historical sales in Haddam and a relatively recent 2009 sale of a larger tract of land in Haddam that clearly established the low end of possible values for the subject. There were also a large number of recent regional supplemental sales that were logical and reasonable relative to the adjusted value range indicated for the subject and the value conclusion is reasonable relative to the prior sale of the subject. Overall, the reliability of the Sales Comparison Approach conclusion is considered average to good.

MARKET VALUE CONCLUSION

Based on the preceding data and analyses, the market value of the subject as of September 28, 2011 is:

**FOUR HUNDRED NINETY THOUSAND DOLLARS
(\$490,000)**

ASSUMPTIONS AND LIMITING CONDITIONS

1. No thorough investigation of title to the property has been made, and the premises are assumed to be free and clear of all deeds of trust, leases, use restrictions and reservations, easements, cases or actions pending, tax liens, and bonded indebtedness, unless otherwise specified. No responsibility for legal matters is assumed. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, unless otherwise specified.
2. The maps, plats and exhibits included in this report are for illustration only to help the reader visualize and understand the property. They should not be considered as surveys or relied upon for any other purpose.
3. This appraiser, by reason of this report, is not required to give testimony or be in attendance in any court or before any governmental body with reference to the property in question unless arrangements have been made previously.
4. No engineering survey has been provided, and no responsibility is assumed for engineering matters, mechanical or structural. Good mechanical and structural condition is assumed.
5. Unless otherwise stated in the report, the existence of potentially hazardous materials, which may or not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however is not qualified to detect such substances. The presence of hazardous materials used in the construction or maintenance of the building, such as urea-formaldehyde foam insulation, asbestos, lead paint and/or the existence of other toxic or hazardous materials which may or may not be present on the property, may affect the value of the property. The market value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field if desired.
6. No soil survey has been furnished, and it is assumed that no surface or subsurface contaminants, pollutants, or discharge is present. The appraiser reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, or investigation.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws, unless noncompliance is stated and considered in this report.
8. No soil borings or analyses of the subject have been made. It is assumed that soil conditions are adequate to support standard construction consistent with the highest and best use as stated in this report.
9. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the market value opinion contained in this report is based, unless noncompliance is stated and considered in this report.
10. The market value opinions are invalid if divided or prorated or considered as components in connection with any other appraisal. Any market value opinions provided in the report, apply to the entire property, and any division or proration of the total into fractional interests will invalidate the market value opinion, unless such division or proration of interests has been set forth in the report.
11. When the Discounted Cash Flow Analysis is utilized, it is prepared on the basis of information and assumptions stipulated in this report. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon the occurrence of other future events that cannot be assured. Therefore, the actual results achieved may well vary from the projections and such variations may be material.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

12. The date of value to which the opinions expressed in this report is set forth in a letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date, which may affect the opinions herein stated.
13. If this report is used within a credit sale-leaseback-type transaction, of the offering structure of a syndicate or syndication partnership, joint venture, or association, it is to be noted that the market value opinion rendered is restricted exclusively to the underlying real property rights defined in this report. No consideration whatsoever is given to the value of any partnership units or interest(s), broker or dealer selling commissions, general partners' acquisition fees, operating deficit reserves, offering expenses, atypical financing, and other similar considerations.
14. Our market value opinion presumes that all benefits, terms and conditions have been disclosed in any lease agreements, and we have been fully informed of any additional considerations (i.e., front-end cash payments, additional leasehold improvement contributions, space buybacks, free rent, equity options).
15. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the authors or firm with which they are connected, or any reference to the Appraisal Institute, or to the MAI Designation.
16. This appraisal was prepared for the confidential use of the client for the purpose specified and must not be used in any other manner without the written consent of the principal of R.P. McDermott Associates Inc. The report and the data contained in the report, except data provided by the client, is the exclusive property of R.P. McDermott Associates Inc.
17. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey or analysis of this property to determine whether the physical aspects of the improvements are in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since compliance matches each owner's financial ability with the cost to cure potential ADA violations, the appraiser cannot comment on compliance to ADA. Given that compliance can change with each owner's financial ability to cure ADA violations, the value of the subject does not consider possible non-compliance. Detailed study of both the owner's financial ability and the cost to cure deficiencies would be needed by the Department of Justice to determine compliance with ADA.
18. Soils, hydrology, engineering reports or a timber cruise were not available for review. As a result, we have not considered the potential value of any natural resources that may be on the property. It is assumed that the value of the underlying land is greater than the value of any surface or subsurface natural resources. If engineering reports or a timber cruise indicates a greater value than the land value in this report, we reserve the right to modify this report after reviewing these studies.
19. The signatory of this appraisal is a fully qualified commercial appraiser who has been involved in the valuation and or review of many similar properties. The education and experience in valuing and reviewing similar properties satisfies the competency provision of USPAP.
20. ***This appraisal report and all of the appraiser's work in connection with the appraisal assignment are subject to the limiting conditions and all other terms stated in the report. Any use of the appraisal by any party, regardless of whether such use is authorized or intended by the appraiser, constitutes acceptance of all such limiting conditions and terms.***

ADDENDA

DEED/LEGAL DESCRIPTION

INSTR # 2009001439
VOL 00328 PG 0781
RECORDED 05/08/2009 12:00:51 PM
ANN P. HUFFSTETLER, CMC.
HADDAM TOWN CLERK
TOWN CONVEYANCE TAX 1,070.00
STATE CONVEYANCE TAX 2,140.00

After recording, return to:
Eagle Landing, LLC
51 Old Stagecoach Road
Redding, CT 06896

LIMITED WARRANTY DEED

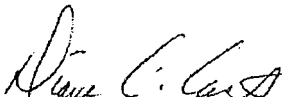
KNOW YE, That, ALAN P. ROSENBERG, of West Hartford, Connecticut ("Grantor") for the consideration of ONE (\$1.00) DOLLAR AND OTHER GOOD AND VALUABLE CONSIDERATION received to his full satisfaction of EAGLE LANDING, LLC, a Connecticut limited liability company with a principal place of business at 51 Old Stagecoach Road, Redding, Connecticut ("Grantee") do give, grant, bargain, sell and confirm to the Grantee, and unto its successors and assigns, all that certain real estate in the Town of Haddam, County of Middlesex and State of Connecticut and being more particularly bounded and described on Schedule A ("Premises") and being subject to the encumbrances set forth in Schedule B, both Schedules being attached hereto and made a part hereof.

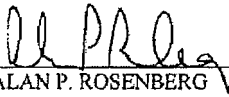
TO HAVE AND TO HOLD the Premises together with the rights, privileges and appurtenances thereof unto the Grantee, and unto its successors and assigns forever, to it and their own proper use and behoof.

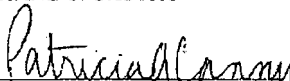
And Grantor does warrant and forever defend the right and title to the Premises unto the Grantee, and unto its successors and assigns, against the claims of all persons owning, holding, or claiming by, through, or under Grantor, which claims are based upon matters occurring subsequent to Grantor's acquisition of the Premises.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 7th day of May, 2009.

Signed, Sealed and Delivered
in the Presence of:


DIANE C. CASTRO

 L.S.
ALAN P. ROSENBERG


PATRICIA A. CANNY

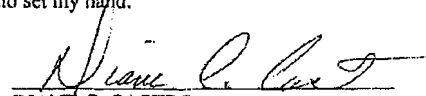
STATE OF CONNECTICUT:

: ss. West Hartford

COUNTY OF HARTFORD :

On this, the 7th day of May, 2009, before me, Diane C. Castro, the undersigned officer, personally appeared Alan P. Rosenberg, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand.



DIANE C. CASTRO

Notary Public, State of Connecticut

My Commission Expires: June 30, 2012

LATEST ADDRESS OF GRANTEE:

51 Old Stagecoach Road
Redding, CT 06806

M:\Client List FEagleLandingLLCPurchaseHaddamPropertyLimitedWarrantyDeed.DOC

SCHEDULE A

A certain parcel of land, with all the improvements thereon, situated on the easterly side of High Street in the Town of Haddam, County of Middlesex and State of Connecticut containing 87.70 acres more or less as shown on a Map entitled Boundary Plan, Lot 92, High Street (Route 81), Haddam - Connecticut, prepared for Walkley Heights Associates, scale 1"=100' dated April 30, 2004 and revised 5/19/04 by Vollmer Associates, Colchester, CT, which Map is on file in the office of the Town Clerk of the Town of Haddam as Map No. 1155 to which reference may be had. The boundary lines of said parcel of land are described as follows: 2 3 3 6

Beginning at a point on the easterly street line of High Street, said point being the southwesterly corner of land now or formerly Yantosh and the northwesterly corner of the herein-described parcel of land.

Thence	S46° 20' 10" E	For a distance of	73.75 feet
Thence	S56° 21' 50" E	For a distance of	30.60 feet
Thence	S72° 50' 26" E	For a distance of	100.09 feet
Thence	S74° 44' 02" E	For a distance of	28.41 feet
Thence	S72° 46' 04" E	For a distance of	105.89 feet
Thence	S72° 26' 27" E	For a distance of	119.89 feet
Thence	S75° 04' 26" E	For a distance of	64.68 feet
Thence	S72° 50' 50" E	For a distance of	58.22 feet
Thence	S74° 34' 32" E	For a distance of	59.22 feet
Thence	S74° 45' 02" E	For a distance of	26.12 feet
Thence	S71° 35' 52" E	For a distance of	55.34 feet
Thence	S71° 25' 11" E	For a distance of	31.04 feet
Thence	S71° 52' 46" E	For a distance of	61.54 feet
Thence	S73° 58' 47" E	For a distance of	81.78 feet
Thence	S73° 31' 30" E	For a distance of	55.22 feet
Thence	S71° 59' 27" E	For a distance of	139.73 feet
Thence	S72° 35' 49" E	For a distance of	55.40 feet
Thence	N79° 27' 18" E	For a distance of	108.41 feet
Thence	N80° 10' 57" E	For a distance of	173.83 feet
Thence	N10° 03' 14" E	For a distance of	264.93 feet
Thence	N10° 55' 11" E	For a distance of	184.24 feet
Thence	S81° 46' 07" E	For a distance of	88.01 feet
Thence	S87° 18' 46" E	For a distance of	107.08 feet
Thence	N10° 41' 19" E	For a distance of	134.36 feet
Thence	N11° 26' 19" E	For a distance of	400.72 feet
Thence	N12° 37' 02" E	For a distance of	137.02 feet
Thence	N59° 35' 12" E	For a distance of	525.77 feet
Thence	S16° 16' 22" W	For a distance of	174.26 feet
Thence	S16° 23' 26" W	For a distance of	217.34 feet
Thence	S59° 06' 56" E	For a distance of	127.66 feet
Thence	S59° 30' 28" E	For a distance of	140.00 feet
Thence	S15° 46' 57" W	For a distance of	43.94 feet
Thence	S15° 47' 56" W	For a distance of	145.08 feet
Thence	S16° 59' 46" W	For a distance of	179.71 feet

Thence	S55° 25' 52" E	For a distance of	44.48 feet
Thence	S55° 25' 44" E	For a distance of	146.10 feet
Thence	S68° 53' 37" E	For a distance of	179.11 feet
Thence	S76° 23' 38" E	For a distance of	64.61 feet
Thence	S83° 25' 54" E	For a distance of	122.63 feet
Thence	S23° 11' 27" W	For a distance of	779.63 feet
Thence	N70° 44' 52" W	For a distance of	188.69 feet
Thence	N71° 04' 30" W	For a distance of	334.99 feet
Thence	S32° 37' 30" W	For a distance of	54.45 feet
Thence	S30° 36' 59" W	For a distance of	210.41 feet
Thence	S28° 05' 44" W	For a distance of	256.55 feet
Thence	S17° 41' 49" W	For a distance of	76.02 feet
Thence	S21° 00' 17" W	For a distance of	333.70 feet
Thence	S39° 18' 04" W	For a distance of	104.24 feet
Thence	S28° 26' 55" W	For a distance of	78.86 feet
Thence	S36° 10' 21" W	For a distance of	52.52 feet
Thence	S37° 57' 20" W	For a distance of	57.30 feet
Thence	S46° 39' 49" E	For a distance of	63.15 feet
Thence	S47° 44' 28" E	For a distance of	64.98 feet
Thence	S46° 55' 34" E	For a distance of	128.02 feet
Thence	S46° 37' 33" E	For a distance of	147.83 feet
Thence	S44° 25' 09" E	For a distance of	34.53 feet
Thence	S55° 25' 55" E	For a distance of	104.14 feet
Thence	S23° 05' 54" W	For a distance of	149.80 feet
Thence	S18° 28' 39" W	For a distance of	132.36 feet
Thence	S26° 33' 27" W	For a distance of	103.38 feet
Thence	S13° 30' 57" W	For a distance of	129.14 feet
Thence	N53° 17' 49" W	For a distance of	130.42 feet
Thence	N55° 12' 25" W	For a distance of	163.92 feet
Thence	N52° 29' 47" W	For a distance of	109.76 feet
Thence	N50° 42' 14" W	For a distance of	79.60 feet
Thence	N45° 55' 04" W	For a distance of	61.59 feet
Thence	N34° 07' 02" W	For a distance of	96.97 feet
Thence	N41° 55' 07" W	For a distance of	114.90 feet
Thence	N18° 36' 42" E	For a distance of	20.00 feet
Thence	N12° 45' 01" W	For a distance of	71.10 feet
Thence	N20° 08' 12" W	For a distance of	63.91 feet
Thence	N36° 05' 43" W	For a distance of	29.70 feet
Thence	N28° 54' 35" W	For a distance of	135.99 feet
Thence	N18° 44' 24" W	For a distance of	73.89 feet
Thence	N29° 37' 38" W	For a distance of	100.10 feet
Thence	N82° 21' 02" W	For a distance of	110.21 feet
Thence	S79° 36' 24" W	For a distance of	59.26 feet
Thence	N79° 16' 01" W	For a distance of	155.72 feet
Thence	N83° 32' 58" W	For a distance of	172.06 feet
Thence	N81° 57' 21" W	For a distance of	126.27 feet
Thence	N85° 50' 24" W	For a distance of	109.18 feet
Thence	N85° 02' 40" W	For a distance of	50.24 feet
Thence	N83° 26' 31" W	For a distance of	40.54 feet
Thence	N82° 17' 18" W	For a distance of	334.01 feet

To the easterly street line of High Street:

Thence	N02° 38' 35" E	For a distance of	165.84 feet
Thence	N02° 38' 32" E	For a distance of	50.00 feet
Thence	N02° 38' 35" E	For a distance of	100.00 feet

The last three (3) courses follow along the easterly street line of High Street:

Thence	S89° 15' 48" E	For a distance of	388.16 feet
Thence	N31° 23' 01" E	For a distance of	69.86 feet
Thence	N12° 22' 39" W	For a distance of	68.79 feet
Thence	N11° 35' 14" W	For a distance of	122.81 feet
Thence	N11° 29' 52" W	For a distance of	32.85 feet
Thence	N12° 16' 19" W	For a distance of	81.36 feet
Thence	N88° 31' 53" W	For a distance of	88.18 feet
Thence	N20° 54' 33" E	For a distance of	438.75 feet
Thence	N56° 51' 38" W	For a distance of	335.50 feet

Thence along a curve having a radius of 25.00 feet in a westerly direction for a distance of 38.07 feet to the easterly street line of High Street:

Thence	N55° 33' 32" E	For a distance of	48.41 feet
Thence	N56° 45' 37" E	For a distance of	42.76 feet

to the point of beginning.

The last two courses follow along the easterly street line of High Street.

The above-described parcel of land contains 3,820,279 square feet more or less.

Schedule B
(title encumbrances)

As to All:

1. Prescriptive rights of access to a certain piece or parcel of land known as Rockrimmon Lodge from the highway.
2. Rights of The Undina Bottling Plant property and rights of others in and to the Undina Spring or Granite Rock Spring as set forth in a Warranty Deed from Charles B. Carlson to Annie Carlson Johnson dated July 3, 1935, recorded in Volume 64, Page 179 of the Haddam Land Records ("HLR").
3. Affidavit of Traian Neag dated May 11, 1990, recorded in Volume 196, Page 559 of HLR.

As to Map 14, Lot 92:

4. Possible spring rights and right to lay and maintain pipes as more particularly set forth in Volume 42, Page 289 of the Haddam Land Records (HLR).
5. Conservation Easement recorded in Volume 190, Page 458 of the HLR.
6. Easement in favor of The Southern New England Telephone Company dated November 18, 1993, recorded in Volume 195, Page 217 of the HLR.
7. Easement to The Southern New England Telephone Company dated October 18, 1997, recorded in Volume 214, Page 430 of the HLR.

As to Map 24, Lot 42-1:

8. A right of way to pass with teams and on foot to the May Lot from the original bottling works as more fully described in a Quitclaim Deed from Otto F. Carlson to Charles B. Carlson dated August 1, 1908 and recorded August 19, 1908 in Volume 47 at Page 422 of the HLR.
9. A right to use, lay pipes and maintain and conduits to the May Lot from the original bottling works as more fully described in a Quitclaim Deed from Otto F. Carlson to Charles B. Carlson dated August 1, 1908 and recorded August 19, 1908 in Volume 47 at Page 422 of the HLR.
10. A right to use water from two (2) springs and the right to lay and maintain pipes and to connect to present pipe lines from a lot north of the original bottling works as more fully described in a Quitclaim Deed from Otto F. Carlson to Gustaf B. Carlson dated September 9, 1913 and recorded November 22, 1913 in Volume 51 at Page 228 of the HLR which two springs and pipe rights are more fully described and labeled as the Undina or Granite Rock Spring on the May Lot and other known as Cold Spring or Boiling Spring on the Huntington Lot (Zisk) as contained in a Warranty Deed from Maizie M. Carlson to Jennie E. Johnson dated February 5, 1945 and recorded February 5, 1945 in Volume 70 at Page 108 of the HLR.
11. Easement in common with others for the purpose of traveling on foot, with horses, cattle teams and motor vehicles being 10 (ten) in width along the easterly boundary of old bottling works as more fully described in a "Right of Way" from William W. Zisk and Mary A. Zisk to Buckley E. Johnson and Eric H. Johnson dated July 17, 1947 and recorded February 14, 1948 in Volume 73 at Page 311 of the HLR.
12. An obligation to maintain the northerly portion of a fence along the easterly boundary of the old bottling works as more fully described in a Quitclaim Deed from William W. Zisk and Mary A. Zisk to Buckley E. Johnson and Eric H. Johnson dated February 3, 1948 and recorded April 14, 1948 in Volume 73 at Page 351 of the HLR.
13. Right of Way contained in a deed from Eric H. Johnson and Carl J. Anderson to William W. Zisk and Mary A. Zisk dated July 1, 1948 and recorded July 14, 1948 in Volume 73 at Page 445 of the HLR. (Map 24 Lot 42-1)
14. Easement and Right of Way in favor of High St. Associates dated March 4, 1994 and recorded March 8, 1994 in Volume 196 at Page 906 of the HLR. (Map 24 Lot

SCHEDULE B: EAGLE LANDING, LLC

The subject properties are to be conveyed subject to the following:

1. Any matter of municipal, State or federal statute, regulation or ordinance including zoning, planning, historic district restrictions and inland-wetlands laws.
2. Any matter apparent by physical inspection or survey of the premises.
3. Bankruptcy, divorce decrees, forgery or other matters of judicial order not made a part of the land records concerning any of the parties involved.
4. Riparian rights of others as to any lakes, rivers, streams or ponds bounding on or flowing through the subject premises.
5. Matters concerning invalidity of corporate existence not recorded within the Town of Haddam Land Records.
- 6A. Water draw rights and rights of way for ingress & egress with 'teams' and on foot, for purposes related to installation and maintenance of water pipes running across lands of Otto Carlson (now Assessor Lot #42-1) and across the "May Lot" (now: Assessor Lot #44) to source of water at "Rockrimmon Lodge" lot (now Assessor Lot #43) to serve property of Charles Carlson (presently identifiable as Assessor Lots #38, 39, 40 and 41) as described in the following deeds: Quitclaim Deed from Charles B. Carlson to Otto F. Carlson dated August 1, 1908 and recorded in Volume 47 at Page 420 of the Haddam Land Records on August 19, 1908; and a Quitclaim Deed granted from Otto F. Carlson to Charles B. Carlson dated August 1, 1908 and recorded in Volume 47 at Page 422 of the Haddam Land Records.

Rights to take water from the "Undina Spring" on the "May Lot" and Rights of Way above referenced were later restated or reconfigured in later deeds, including:
 - 6B. The right of Charles B. Carlson to take water from property of Otto Carlson from the "May Lot" (Assessor Map #24, Lot #44) for "his bottling works" (Assessor Lots #38-41, which were later broken up into individual lots) was specifically deeded as an

“appurtenant” right by deed dated 03/19/1917 and recorded in Vol. 51 at Page 393 of the Haddam Land Records on April 9, 1917.

- 6C. Restatement of right to take water from the “May Lot” and reciprocal rights of water pipe maintenance as set forth in a deed from Charles B. Carlson to Annie Carlson Johnson dated July 7, 1935 and recorded in Vol. 64 at Page 179 of the Haddam Land Records on 07/05/1935 (regarding property now identifiable as Assessor Lots #38 and #39; which property is later conveyed to Andrew and Naomi Westerfeld by deed dated Sept. 18, 1935 and recorded in Vol. 62 at Page 354);
7. Together with and subject to terms of the grant of a ten foot wide right of way granted from William W. Zisk and Mary A. Zisk to Buckley E. Johnson and Eric H. Johnson (presently Assessor Lot #40) dated July 17, 1947 and recorded in Vol. 73 at Page 311 of the Haddam Land Records.
8. Mutual obligation to maintain a boundary fence set forth in a deed of a strip of land granted from William W. Zisk and Mary A. Zisk to Buckley E. Johnson and Eric H. Johnson (presently: Assessor Lot #40) dated February 3, 1948 and recorded in Volume 73 at Page 351 of the Haddam Land Records on April 14, 1948.
11. Discrepancy between surveys regarding area affected by a conservation easement granted from Walkley Heights Associates to the Town of Haddam dated January 14, 1993 recorded in Vol. 190 at Page 458 of the Haddam Land Records on January 27, 1993, in which the said easement makes reference to a certain survey on file in the Town Clerk’s Office known as Map #2035; however, a later survey on file in the Haddam Land Records as Map #2736 indicates that the conservation easement affects a small portion of the Northeasterly corner of Assessor Lot #92 on Map #92 of the Assessor of the Town of Haddam.
12. Open ended mortgage deed granted from Eagle Landing, LLC to Presidential Bank, FSB, in the original principal balance of \$224,000.00 dated May 8, 2009 and recorded in Vol. 328 at Page 790 of the Haddam Land Records on May 8, 2009.
13. Notes, comments, observations and references on maps or surveys on file in the Haddam Land Records:
 - “Map of the Undina Bottling Works and Surrounding Property Haddam, Conn.” April, 1945 Scale 1 In. = 40 Ft. Higganum Station.” Filed as Map #75A.
 - “Land Survey for Walkley Heights Associates Town of Haddam, Connecticut” sheets 1 and 2 of 2, Scale 1” = 100’, 19 Aug, 1988, field as Maps #1699 and 1700.
 - “Swain Johnson Subdivision Haddam, CT Walkley Hill Road and Swain Johnson Trail” Scale 1” = 100’ Christman Associates, Chester, Connecticut 06412, see: Map #2035 and 2036; “resubmittal” 6/14/91 filed as Maps # 2049 and #2050.

“First Division Plan – Prepared for High Street Associates 106 High Street Haddam, Connecticut” Scale 1” = 40’ Date: April 5, 1995, on file as Map #2364.

“Boundary Plan – Prepared for Walkley Heights Associates Haddam, Connecticut” Scale 1” = 100’ Date: April 30, 2004, sheets 1 and 2 of 2; on file as Maps #2735 and 2736.

EXHIBIT 4: SUMMARY OF ENCUMBRANCES & APPURTENANCES

EXHIBIT 4: INDEX OF ENCUMBRANCES AND APPURTENANT INTERESTS

The subject properties are to be conveyed subject to the following:

1. Any matter of municipal, State or federal statute, regulation or ordinance including zoning, planning, historic district restrictions and inland-wetlands laws.
2. Any matter apparent by physical inspection or survey of the premises.
3. Bankruptcy, divorce decrees, forgery or other matters of judicial order not made a part of the land records concerning any of the parties involved.
4. Riparian rights of others as to any lakes, rivers, streams or ponds bounding on or flowing through the subject premises.
5. Matters concerning invalidity of corporate existence not recorded within the Town of Haddam Land Records.
- 6A. Water draw rights and rights of way for ingress & egress with 'teams' and on foot, for purposes related to installation and maintenance of water pipes running across lands of Otto Carlson (now Assessor Lot #42-1) and across the "May Lot" (now: Assessor Lot #44) to source of water at "Rockrimmon Lodge" lot (now Assessor Lot #43) to serve property of Charles Carlson (presently identifiable as Assessor Lots #38, 39, 40 and 41) as described in the following deeds: Quitclaim Deed from Charles B. Carlson to Otto F. Carlson dated August 1, 1908 and recorded in Volume 47 at Page 420 of the Haddam Land Records on August 19, 1908; and a Quitclaim Deed granted from Otto F. Carlson to Charles B. Carlson dated August 1, 1908 and recorded in Volume 47 at Page 422 of the Haddam Land Records.

Rights to take water from the "Undina Spring" on the "May Lot" and Rights of Way above referenced were later restated or reconfigured in later deeds, including:
- 6B. The right of Charles B. Carlson to take water from property of Otto Carlson from the "May Lot" (Assessor Map #24, Lot #44) for "his bottling works" (Assessor Lots #38-41, which were later broken up into individual lots) was specifically deeded as an "appurtenant" right by deed dated 03/19/1917 and recorded in Vol. 51 at Page 393 of the Haddam Land Records on April 9, 1917.

- 6C. Restatement of right to take water from the "May Lot" and reciprocal rights of water pipe maintenance as set forth in a deed from Charles B. Carlson to Annie Carlson Johnson dated July 7, 1935 and recorded in Vol. 64 at Page 179 of the Haddam Land Records on 07/05/1935 (regarding property now identifiable as Assessor Lots #38 and #39; which property is later conveyed to Andrew and Naomi Westerfeld by deed dated Sept. 18, 1935 and recorded in Vol. 62 at Page 354);
7. Together with and subject to terms of the grant of a ten foot wide right of way granted from William W. Zisk and Mary A. Zisk to Buckley E. Johnson and Eric H. Johnson (presently Assessor Lot #40) dated July 17, 1947 and recorded in Vol. 73 at Page 311 of the Haddam Land Records.
8. Mutual obligation to maintain a boundary fence set forth in a deed of a strip of land granted from William W. Zisk and Mary A. Zisk to Buckley E. Johnson and Eric H. Johnson (presently: Assessor Lot #40) dated February 3, 1948 and recorded in Volume 73 at Page 351 of the Haddam Land Records on April 14, 1948.
11. Discrepancy between surveys regarding area affected by a conservation easement granted from Walkley Heights Associates to the Town of Haddam dated January 14, 1993 recorded in Vol. 190 at Page 458 of the Haddam Land Records on January 27, 1993, in which the said easement makes reference to a certain survey on file in the Town Clerk's Office known as Map #2035; however, a later survey on file in the Haddam Land Records as Map #2736 indicates that the conservation easement affects a small portion of the Northeasterly corner of Assessor Lot #92 on Map #92 of the Assessor of the Town of Haddam.
12. Open ended mortgage deed granted from Eagle Landing, LLC to Presidential Bank, FSB, in the original principal balance of \$224,000.00 dated May 8, 2009 and recorded in Vol. 328 at Page 790 of the Haddam Land Records on May 8, 2009.
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- "Map of the Undina Bottling Works and Surrounding Property Haddam, Conn." April, 1945 Scale 1 In. = 40 Ft. Higganum Station." Filed as Map #75A.
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- "Swain Johnson Subdivision Haddam, CT Walkley Hill Road and Swain Johnson Trail" Scale 1" = 100' Christman Associates, Chester, Connecticut 06412, see: Map #2035 and 2036; "resubmittal" 6/14/91 filed as Maps # 2049 and #2050.
- "First Division Plan – Prepared for High Street Associates 106 High Street Haddam, Connecticut" Scale 1" = 40' Date: April 5, 1995, on file as Map #2364.

"Boundary Plan – Prepared for Walkley Heights Associates Haddam, Connecticut" Scale
1" = 100' Date: April 30, 2004, sheets 1 and 2 of 2; on file as Maps #2735 and 2736.

Law Office of John E. Hudson

P.O. Box 2026, Torrington, Connecticut 06790

Tel: (860) 489-2790 / Facsimile: (860) 489-7280 / E-mail: jhudlaw@sbcglobal.net

EXHIBIT 5: SUPPLEMENTAL INFORMATION
(RE: RELEASES / PROPERTY LOCATIONS)

**EXHIBIT 5: SUPPLEMENTAL NOTES
RELEASED, LAPSED AND MERGED ENCUMBRANCES
UNCERTAIN LOT LINES**

SUPPLEMENTALNOTES:

Note 1: The boundary line agreement dated 05/26/1959 recorded in Vol. 90 at Page 438, between William B. Marsden and Roslyn B. Marsden (party of the first part) and William W. Zisk and Mary A. Zisk (party of the second part) appears to no longer be relevant. This is because High St. Associates, as successor to the Zisk family, grants a quitclaim deed of what is now Assessor Lot #42 to Steven A. Rocco and Jonathan Gottlieb, which deed is dated 04/07/1995 and recorded in Vol. 201 at Page 683 of the Haddam Land Records on 04/10/1995; leaving High St. Associates in ownership of the abutting, present-day Assessor Lot #42-1.

Note 2: The water pipe maintenance rights referenced in the deed from Charles B. Carlson to Annie Carlson Johnson (which deed is recorded in Vol. 64 at Page 179) do not appear to affect the Eagle Landing LLC property because they concern the right of Charles B. Carlson (later, the Undina Beverage Company) to enter onto the property of Annie Carlson Johnson (later Herbert Johnson, and later property of Westerfeldt) for such water pipe maintenance activity.

Note 3: The right of way created in the warranty deed granted from Eric H. Johnson to A. Frank Couture and Leona M. Couture dated February 1, 1960 recorded in Vol. 91 at Page 227 only affects the adjacent owners of Assessor Lots #40 (the servient estate) and Lot #41 (the dominant estate).

Note 4: In 1948, Jennie E. Johnson, as owner of what is now known as Assessor Lot #41, in fact released all claims of water rights and maintenance rights which she had as to William W. Zisk and Mary A. Zisk as to the property now known as Assessor Lots #42-1 and possibly #42, by an instrument dated February 3, 1948 and recorded in Vol. 68 at Page 488 of the Haddam Land Records on July 3, 1948. This release appears to be overlooked in later conveyances which refer back to the original grants recorded in Volume 51 at page 288.

Note 5: Right of way granted from High St. Associates to itself for purposes of ingress and ingress and provision of utility services cables and lines, for proposed residential development of lands of High St. Associates, dated March 3, 1994 and recorded in Vol. 196 at Page 906 of the Haddam Land Records on March 8, 1994.

Note 6: As is referenced within the title affidavit of Traian Neag (see Exhibit 3, above), the 99 year leasehold and water and other rights conveyed therein could be deemed abandoned and lapsed by virtue of a series of partnership or corporate dissolutions and reformations concerning the bottling works on the present day Assessor Lot #40.

Note 7: Uncertain Location of Pre-Survey Lots

The geographical location of the “third piece” recited in the various property deeds in the above referenced “Neag Chain” of title in Exhibit #3 of this Report is uncertain despite the benefit of the surveys done during the late 20th century. The most likely candidate places it as a narrow triangular lot in an Easterly portion of the present day Assessor Lot #44 because of references to the surrounding 19th century abutting owners. I have been able to determine general locations of these owners, but in order to have a sense of certainty, one would have to research the abutting 19th century owners and time does not presently allow for this additional research.

Similarly, the “second piece” and the “third piece” in the “Zisk” chain lack some degree of clarity as to locations and boundaries; however we have a bit more certainty because of the location of the May Brother’s property, the fact that the second and third pieces abut each other and the fact that the Carlson properties abutted on some fixed landmarks.

Ultimately, the surveys conducted in the 20th century and in 2004 provide reassurance that all property referenced on the survey procured by the D.E.E.P. for purposes of this acquisition ultimately wound up in the hands of Eagle Landing, LLC.

SUBJECT INFORMATION

No Image

Map/Lot/Unit : 14/ 092/111
 Location: WALKLEY HILL RD
 Owner Name: EAGLE LANDING LLC
 Account Number: W0695400

Parcel Value

Item	Appraised Value	Assessed Value
Buildings	0	0
Xtra Bldg Features	0	0
Outbuildings	0	0
Land	61,340	42,940
Total:	61,340	42,940

Owner of Record

EAGLE LANDING LLC

Ownership History

Owner Name	Book/Page	Sale Date	Sale Price
EAGLE LANDING LLC	328/ 781	5/8/2009	0
ROSENBERG ALAN P	328/ 777	5/8/2009	0
CORNAROLI JOHN J JR	278/ 287	5/27/2004	0
WALKLEY HEIGHTS ASSOCIATES	165/ 909	5/10/1988	0

Land Use

Land Use Code	Land Use Description
120	Residential Rear

Land Line Valuation

Size	Zone	Appraised Value	Assessed Value
30.67 AC	R-2A	61,340	42,940

Construction Detail

Building # 1
 STYLE Vacant Land MODEL Vacant

Building Valuation

Living Area: 0 square feet Year Built: Building Value: 0

No Image

Map/Lot/Unit : 24/ 042/ 1 / / /
 Location: HIGH ST
 Owner Name: EAGLE LANDING LLC
 Account Number: H0240410

Parcel Value

Item	Appraised Value	Assessed Value
Buildings	0	0
Xtra Bldg Features	0	0
Outbuildings	0	0
Land	219,510	153,650
Total:	219,510	153,650

Owner of Record

EAGLE LANDING LLC

Ownership History

Owner Name	Book/Page	Sale Date	Sale Price
EAGLE LANDING LLC	328/ 781	5/8/2009	0
ROSENBERG ALAN P	328/ 777	5/8/2009	0
CORNAROLI JOHN J JR	278/ 287	5/27/2004	0
WALKLEY HEIGHTS ASSOCIATES	209/ 587	11/1/1996	0

Land Use

Land Use Code	Land Use Description
100	Res Vacant

Land Line Valuation

Size	Zone	Appraised Value	Assessed Value
35.38 AC	R-1	219,510	153,650

Construction Detail

Building # 1
 STYLE Vacant Land MODEL Vacant

Building Valuation

Living Area: 0 square feet Year Built: Building Value: 0

No Image

Map/Lot/Unit : 24/ 043/ / / /
 Location: HIGH ST
 Owner Name: EAGLE LANDING LLC
 Account Number: H0236000

Parcel Value

Item	Appraised Value	Assessed Value
Buildings	0	0
Xtra Bldg Features	0	0
Outbuildings	0	0
Land	540	380
Total:	540	380

Owner of Record

EAGLE LANDING LLC

Ownership History

Owner Name	Book/Page	Sale Date	Sale Price
EAGLE LANDING LLC	328/ 781	5/8/2009	0
ROSENBERG ALAN P	328/ 777	5/8/2009	0
CORNAROLI JOHN J JR	278/ 287	5/27/2004	0
WALKLEY HEIGHTS ASSOCIATES	174/ 756	2/8/1990	0

Land Use

Land Use Code	Land Use Description
120	Residential Rear

Land Line Valuation

Size	Zone	Appraised Value	Assessed Value
0.27 AC	R-1	540	380

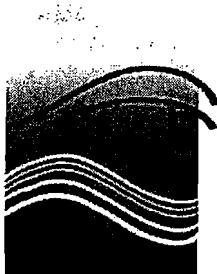
Construction Detail

Building # 1
 STYLE Vacant Land MODEL Vacant

Building Valuation

Living Area: 0 square feet Year Built: Building Value: 0

ENGAGEMENT LETTER/CORRESPONDENCE



Connecticut Department of

**ENERGY &
ENVIRONMENTAL
PROTECTION**

September 13, 2011

Richard McDermott
R.P. McDermott Associates
11 Mountain Avenue, Suite 302
Bloomfield, CT 06002

Re: DEP File #: A-10-33 – Eagle Landing, LLC Property, High Street, Haddam

Dear Mr. McDermott:

This agency requires the services of a professional appraiser to prepare an estimate of the market value of the above referenced property for acquisition by the CT Department of Energy and Environmental Protection. We require a Self-Contained Appraisal Report (full narrative), in conformity with the Uniform Standards for Federal Land Acquisitions (Yellow Book) AND the Uniform Standards of Professional Appraisals Practices.

Please provide three original copies of the report and an electronic copy.

The property rights to be appraised are: fee interest in property of Eagle Landing, LLC as described below:

PARCEL

Address: High Street, Haddam

Property Owner: Eagle Landing, LLC

Contact: To inspect the Property, please contact Elizabeth Brothers
Phone: 860-424-3086

Area: 87.70 Acres (Survey Attached)

The fee for this assignment is . The Department of Energy and Environmental Protection will pay the fee upon acceptance of your report. Please submit the appraisal reports to Elizabeth Brothers at the address below by **November 1, 2011**. If, for any reason you feel that you cannot comply with the above date, please notify this Department. A penalty assessment of \$100.00 per day will be retained from final payment for failure to meet the conditions of this contract by the agreed upon due date. If you have any questions, you may contact me directly at 860-424-3086 or via email at elizabeth.brothers@ct.gov.

In accordance with Section 4a-60 of the Connecticut General Statutes, as amended by Sections 9 and 10 of Public Act 07-142, the undersigned contractor agrees and warrants that in the performance of this contract he will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved in any manner prohibited by the laws of the United States or of the State of Connecticut. The undersigned contractor has complied with Section 4a-60-3(10) of the Connecticut Contract Compliance Regulations and completed copies of the Contract Compliance Assurance forms are on file with this department.

This contract is subject to the provisions of Executive Order No. 16 of Governor John G. Rowland promulgated August 4, 1999 regarding Violence in the Workplace, and, as such, the contract may be canceled, terminated or suspended by the State for violation of or noncompliance with said Executive Order No. 16. The parties to this contract, as part of the consideration hereof, agree that said Executive Order N. 16 is incorporated herein by reference and made a part hereof and agree that a requirement for compliance with Executive Order No. 16 shall be included in all subcontracts or other agreement that may result from this contract. The parties agree to abide by such Executive Order.

Please sign in the space provided below and return this letter to acknowledge your acceptance of these terms and conditions.

Sincerely,



Elizabeth Brothers

Land Acquisition & Management Division

The above contract to appraise the property of Eagle Landing, LLC, High Street, Haddam is hereby accepted in its entirety.

RICHARD MCDERMOTT
R.P. MCDERMOTT ASSOCIATES

By: 
Richard McDermott

Date: 9/21/11

QUALIFICATIONS

QUALIFICATIONS

RICHARD P. McDERMOTT, MAI

11 Mountain Avenue, Suite 302
Bloomfield, CT 06002
(860) 242-2700 (phone); (860) 242-1530 (fax)

EXPERIENCE

R. P. McDermott Associates, Inc., Bloomfield, Connecticut, July 1993 to Present

President A real estate appraisal firm providing commercial appraisal, review and consulting services

Fleet Bank, N.A., Hartford, Connecticut, August 1991 to July 1993

Assistant Vice President, Team Leader

Responsible for managing a team of appraisers and support staff. Duties included appraisal management and review services.

Fleet Bank of Connecticut, Hartford, Connecticut, April 1990 to August 1991

Chief Appraiser

Established and managed the commercial appraisal department. Responsible for analyzing real estate collateral values for the commercial loan portfolio. Managed the appraisal contracting process and the review of commercial appraisals.

Karl G. Kaffenberger, MAI, John Flint, MAI, CPM, Simsbury, Connecticut, July 1986 to April 1990

Fee Appraiser

Fee appraisal assignments included office, industrial, multi-family, gasoline stations, land and retail properties.

Trust for Public Land, New York, New York, March 1984 to July 1986

Real Estate Analyst

Managed public land acquisition project in western Massachusetts; evaluated land acquisitions, easements and land exchange projects.

EDUCATION

University of Massachusetts, Amherst, Massachusetts

Master of Regional Planning (MRP), 1985

Montclair State University, Upper Montclair, New Jersey

Bachelor of Science (BS), Business Administration with concentration in Marketing Management, 1976

University of Virginia, Charlottesville, Virginia

Summer Program, Landscape Architecture, 1981

CONTINUING EDUCATION

Valuation of Conservation Easements, Appraisal Institute, May 2009

Real Estate Trends and Outlook/Beware of Rising House Prices, Appraisal Institute, March 2008

National Uniform Standards of Professional Appraisal Practice Update, Appraisal Institute, November 2007

Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute, November 2006

PROFESSIONAL

Member of the Appraisal Institute, MAI

Connecticut General Certified Appraiser - License #406

Qualified as an expert witness in Federal and State Courts