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April 3, 2012

Mr. Graham J. Stevens
Office Director
Constituent Affairs and Land Management
Department of Energy and Environmental Protection
State of Connecticut
79 Elm Street
Hartford, CT 06106-5127

**Re: Special Act No. 11-16, Section 8
Transfer of Haddam, CT Properties**

Dear Mr. Stevens:

On behalf of Riverhouse Properties, LLC (“Riverhouse”), we are responding to your letter of March 27, 2012.

As you know, since the passage of Special Act No. 11-16, we have been engaged in discussions with you and others at the Connecticut Department of Energy and Environmental Protection (CT DEEP) in furtherance of efforts to accomplish the exchange of properties as provided for in Section 8 of this Special Act.

On or about September 13, 2011, CT DEEP issued two letters to two appraisers, requiring from each appraiser estimates of the market value of: (1) property owned by Eagle Landing, LLC (“Riverhouse Property”) and (2) property owned by CT DEEP (“CT DEEP Property”). Section 8 of Special Act No. 11-16 directed that CT DEEP obtain two independent appraisals for each of these properties and that Riverhouse and CT DEEP exchange consideration of approximately equal value in connection with the contemplated transfer of these properties.

Your March 27, 2012 letter advises that CT DEEP and the appraisers CT DEEP engaged have completed the appraisal process and that, when the conclusions of the two appraisals as to market value for each of the properties is averaged, the market value of the CT DEEP Property is approximately \$1.3 million higher than the market value of the Riverhouse Property. While we have not seen the referenced appraisals, as you know, Riverhouse takes exception to the

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conclusions of these appraisals. Without the benefit of a review of the appraisals, Riverhouse advised CT DEEP of its concerns and shared documents of relevance to these concerns. Although Riverhouse has not discussed these concerns with either of the appraisers, it is Riverhouse's understanding that CT DEEP shared Riverhouse's concerns with its appraisers and that there has been no change to any of the four appraisals, including specifically the market values being relied upon by CT DEEP for purposes of arriving at its stated market value difference of approximately \$1,300,000.

Your March 27, 2012 letter requests that Riverhouse advise you within seven (7) days as to whether Riverhouse intends to continue to pursue the exchange of the properties. Riverhouse advises that it has decided that it will not be pursuing the transaction provided for in Section 8 of Special Act No. 11-16.

It has been a pleasure working with you on this matter. Should you have any question or comment, please do not hesitate to contact us.

Very truly yours,


Elizabeth C. Barton

ECB/sjt