

REAL ESTATE APPRAISAL

**PROPERTY OWNED BY
KAREN A. FLEMING
REAR OF COLEMAN ROAD
MIDDLETOWN, CONNECTICUT**

PREPARED FOR

THE CITY OF MIDDLETOWN

**Norman C. Caine & Associates
Real Estate Appraisers & Consultants**

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June 9, 2006

Mr. William Warner
Planning & Zoning Office
City of Middletown
245 Dekoven Drive
Middletown, Connecticut 06457

Re: 13.90 Acres of Land
Rear of Coleman Road
Middletown, Connecticut

Dear Mr. Warner:

At your request, I have appraised the above referenced real estate. The purpose of this appraisal is to estimate the market value of the fee simple title to the subject property, assuming sale of the acreage to a single purchaser, as of June 1, 2006.

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.

The attached report is a Complete Appraisal, communicated in a Self-Contained Report in adherence with the *Uniform Standards for Federal Land Acquisitions*. This appraisal report may not fully conform to the *Uniform Code of Professional Appraisal Practice* as Federal "Yellow Book Standards" differ from USPAP. Non-Conformance, if any, is permitted under the Jurisdictional Exception Rule of USPAP.

The subject property consists of 13.90 acres of land (more or less) situated about one-half mile to the rear of the intersection of Coleman and Round Hill Roads. The parcel is landlocked acreage zoned R-60/Residential. Access is via a woods road/foot trail extending into the tract from Round Hill Road. Given the rear location the site and the attendant cost of access upgrade and utility connections, development would be costly. Also, soils and topography are only marginally suited for development.

Re: 13.90 Acres of Land
Rear of Coleman Road
Middletown, Connecticut

In my opinion, the highest and best use of the land is for development of the acreage with one single-family residence in keeping with the character of the neighborhood. Determination of the exact location and style of housing is beyond the scope of this appraisal report, however, it is likely that any new home construction would be confined to the northerly portion of the site. This highest and best scenario assumes that the land is accessible and approvable for limited residential development. If in fact the land cannot be approved for development, highest and best use would be for preservation as open space and/or passive recreational use.

Per data and analyses developed in this report, as well as local market norms in general, it is my opinion that the market value of the subject property, as of June 1, 2006, is:

Seventy Six Thousand (\$76,000) Dollars

For appraisal purposes, it is assumed that the site has access rights over the existing woods road connecting to Round Hill Road. The appraiser reserves the right to modify this value conclusion should subsequent surveys, soil tests or legal/zoning decisions result in significant difference from the assumed condition of the land.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Norman C. Caine, SRA
CT Certification No. RCG99

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. I have no present or prospective interest in the subject property and no personal interest with respect to the parties involved. Nor do I have any bias with respect to the subject property or the parties involved.
2. This appraisal assignment was not based on a specific value, required minimum value or approval of a loan. My compensation and engagement in this assignment were not contingent on providing predetermined results or the reporting of a predetermined value or direction in value that favored the cause of the client. Furthermore, my compensation was not contingent on the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
3. The analyses, opinions and conclusions are limited only by the stated assumptions and conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
4. To the best of my knowledge and belief, the statements of fact contained in this appraisal report are true and correct.
5. My analyses, opinions and conclusions were developed, and the report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
6. This appraisal also has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. I have personally examined the subject property and have used my best endeavors to find all possible pertinent data upon which the final value estimate is based. Unless otherwise noted, no one other than the undersigned prepared the analyses, conclusions and opinions that are set forth in this appraisal report.
8. The Appraisal Institute conducts a program of voluntary continuing education for members designated prior to 1981. SRAs and MAIs who choose to participate in this voluntary program are awarded periodic educational certification. I am not presently certified under this program.



Norman C. Caine, SRA
CT Certification No. RCG99

Date: June 9, 2006

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Address: Rear of Coleman Road
Middletown, CT 06457
Tax Map 40/Block 47-2/ Lot 13

Purchase Order No. 2006-01572

Owner of Record: Karen A. Flemming
A/K/A Karen A. Johnson

Client: Mr. Willam Warner
Planning & Zoning Office
City of Middletown
245 Dekoven Drive
Middletown, Connecticut 06457

Purpose of Appraisal: to estimate the market value of the fee simple title
to the subject property, assuming sale of the acreage
to a single purchaser

Type of Appraisal: Complete Appraisal/Self-Contained Report

Date of Appraisal: June 1, 2006

Land Area: 13.90 Acres, more or less

Property Type: Bulk Acreage – Unimproved Woodland

Zone: R-60 Residential Zone

Highest & Best Use: Development with One Single-Family Dwelling

Market Value Estimate **Seventy Six Thousand (\$76,000) Dollars**

PHOTOGRAPHS OF SUBJECT PROPERTY



Woods Road Access



Another View of Woods Road Access

PHOTOGRAPHS OF SUBJECT PROPERTY

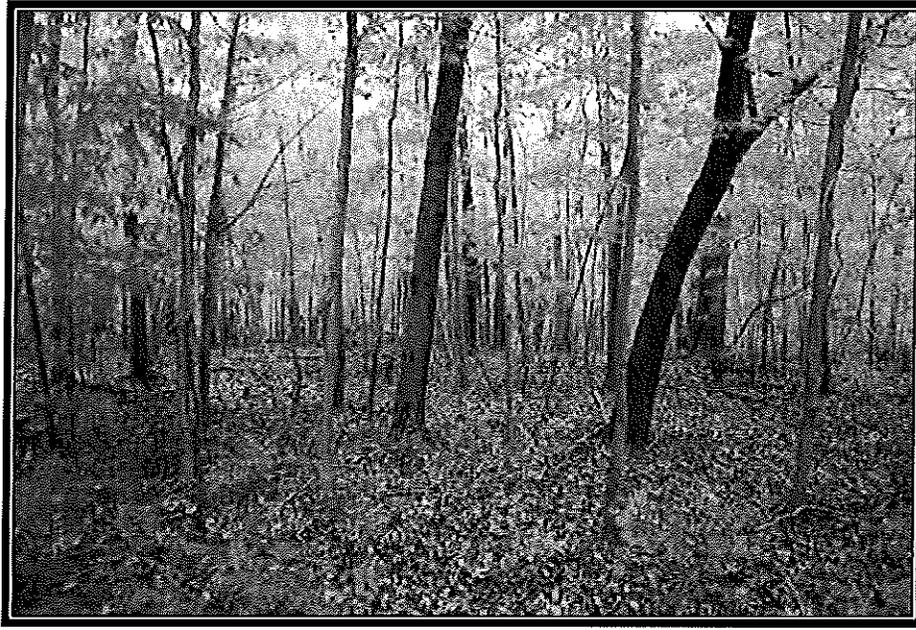


Topography at Entry to Tract



Moderately Sloping Terrain

PHOTOGRAPHS OF SUBJECT PROPERTY



Gently Sloping Terrain (northwesterly portion of tract)



Wetland Area

PHOTOGRAPHS OF SUBJECT PROPERTY



Stream Flowing Through Central Portion of Site



Another View of Stream

PHOTOGRAPHS OF SUBJECT PROPERTY



Southerly Portion of Tract



Power Line Easement at Southerly Border

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made subject to the following assumptions and limiting conditions:

No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise of specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.

The information contained in this report has been gathered from sources the Appraiser assumes to be reliable and accurate. Some of the information may have been provided by the owner of the Property. Neither the Appraiser nor Norman Caine & Associates shall be responsible for the accuracy or completeness of such information, including the correctness of opinions, dimensions, sketches, exhibits and factual matters.

The opinion of value is only as of the date stated in the Appraisal. Changes since that date in external and market factors or in the property itself can significantly affect property value.

The Appraisal is to be used in whole and not in part. No part of the Appraisal shall be used in conjunction with any other appraisal. Publication of the Appraisal or any portion thereof without the prior written consent of Norman C. Caine & Associates is prohibited. Except as may be otherwise stated in the letter of engagement, the Appraisal may not be used by any person other than the party to whom it is addressed or for purposes other than that for which it was prepared. No part of the Appraisal shall be conveyed to the public through advertising, or used in any sales or promotional material without Norman C. Caine & Associates prior written consent. Reference to the Appraisal Institute or to the SRA designation is prohibited, except as it relates to the collaboration between Norman C. Caine & Associates and the Appraisal Institute relative to the *Real Estate Outlook* publication.

It is assumed that there is (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and analyzed in the Appraisal; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Appraisal is based.

ASSUMPTIONS AND LIMITING CONDITIONS

Unless otherwise stated in the Appraisal, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not analyzed in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The appraisers are not qualified to detect such substances. Norman C. Caine & Associates recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value and the utility of the property.

The client acknowledges that Norman C. Caine & Associates has been retained as an independent contractor to perform the services described herein and nothing in this agreement shall be deemed to create any other relationship between us. This assignment shall be deemed concluded and the services rendered completed upon the delivery to you of this appraisal report.

Additional work requested by the client beyond the scope of this assignment will be billed at our prevailing hourly rate. Preparation for court testimony, update valuations, additional research, depositions, travel or other proceedings will be billed at our prevailing hourly rate, plus reimbursement of expenses.

Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal. This study has not been prepared for use in connection with litigation and this document may not be suitable for such use. Accordingly, no rights to expert testimony, pretrial or other conferences, deposition, or related services are included with this appraisal. If, as a result of this undertaking, Norman C. Caine & Associates or any of its principals, its appraisers or consultants are requested or required to provide any litigation services, such shall be subject to the reasonable availability of Norman C. Caine and/or said principals or appraisers at the time and shall further be subject to payment of applicable professional fees and expenses.

SCOPE AND REPORTING OF THE APPRAISAL

Scope of The Appraisal

As part of the valuation process, the appraiser conducted a number of independent investigations and analyses. Norman C. Caine, SRA inspected the site on June 1, 2006. All of the comparable sales were also inspected and where possible, were confirmed with the principals, closing attorneys or brokers. Staff Appraiser Peter Sakalowsky also assisted in inspection of the site and the market research phase of the appraisal process.

The Middletown market area (including the Towns of Durham & Middlefield) was analyzed with consideration given to demographic, economic and governmental trends as they affect local property values. Various data sources, including demographic statistics, zoning files, public land records and MLS information, were reviewed as part of the appraisal process. In addition, local market participants were interviewed regarding their perceptions of current real estate trends in the region. The local real estate market was thoroughly researched in an effort to locate comparable land sales pertaining to competitive properties. An investigation into sales transactions occurring between 2003 and June 2006 was conducted.

Type of Appraisal Report

The attached report is a Complete Appraisal, communicated in a Self-Contained Report in adherence with the *Uniform Standards for Federal Land Acquisitions*. This appraisal report may not fully conform to the *Uniform Code of Professional Appraisal Practice* as Federal "Yellow Book Standards" differ from USPAP. Non-Conformance, if any, is permitted under the Jurisdictional Exception Rule of USPAP.

Assumptions & Hypothetical Conditions

No extraordinary assumptions have been made in this appraisal nor have any hypothetical conditions been employed.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an opinion of market value of the fee simple title to the subject property, as of June 1, 2006, assuming sale of the acreage to a single purchaser.

Definition of Market Value

As used in this report, 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.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market; however, the market value reported in this appraisal is not dependent on any specific exposure time or marketing period.
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Intended Use and Users of the Appraisal

This appraisal is intended for the exclusive use of The City of Middletown (the Client) and any other governmental agencies designated by the City. It is my understanding that the Client intends to use this report in conjunction with application for a possible State DEP Grant. The report may not be distributed to or relied on by other persons or entities without express written permission from Norman C. Caine & Associates.

SUMMARY OF THE APPRAISAL PROBLEM

Several elements complicate the appraisal problem including the limited market for rear parcels of this type and the consequent scarcity of bulk acreage comparables offering highly similar physical characteristics. Furthermore, Federal "Yellow Book" Appraisal Standards discourage the use of comparables purchased by governmental agencies and/or private conservation organizations. Buyers of this type, including local land trusts, municipalities and The Nature Conservancy form the primary market for marginally developable, open space parcels. However, these factors are not unusual in the appraisal of bulk acreage of this type and there have been sufficient open market bulk acreage sales to bracket the value of the subject property into well defined range.

It is also noted that a Before and After Appraisal is not required as no separation is taking place and the appraisal includes valuation of the entire bundle of rights inherent in ownership of this acreage.

LEGAL DESCRIPTION

An examination of the Middletown Land Records, as indexed in Volume 605, Pages 168-169, (see Addenda) disclosed that fee title to the subject property, 13.90 acres more or less, is owned by Karen A. Johnson, A/K/A Karen A. Flemming. Title to the property last transferred on August 7, 1981 when Nancy J. Johnson, a related party, sold the acreage for a nominal monetary consideration of \$1.00. Prior to this sale, title last transferred in 1970 when Karen A. & Nancy J. Johnson initially acquired the site.

The property is further identified on the Middletown Tax Records as Tax Map 40/Block 47-2/ Lot 13. There is no survey map of record.

No easements or encumbrances are noted in the last recorded deed of conveyance though a power line right-of-way does encumber the extreme southerly portion of the site. The appraiser did not perform a title search and makes no warranty as to legal title or encumbrances/encroachments.

It is also noted that per Bill Warner, Planner for the City of Middletown, the property has prescriptive rights of access over an existing foot trail/woods road connecting to Round Hill Road. This appurtenant legal access encumbers abutting property owned by the City of Middletown, commonly referred to as the Guida Farms Conservation Area.

LOCATIONAL DATA AND MARKET ANALYSIS

The subject property is located in the southerly portion of the City of Middletown, within the lightly developed South Farms area of the City. The City municipal center and business is situated about six miles north of the property, with the Connecticut Riverfront also proximate to the north and east. Middletown is a small city convenient to commuter routes and the larger urban centers of Hartford and New Haven. New Haven is situated about twenty five miles to the south via Interstate 91, with the City of Hartford situated about fifteen miles to the north, also via Interstate 91. The general subject neighborhood is bounded to the north by Randolph Road, east by Route 9, south by the Durham Town Line and west by Route 17.

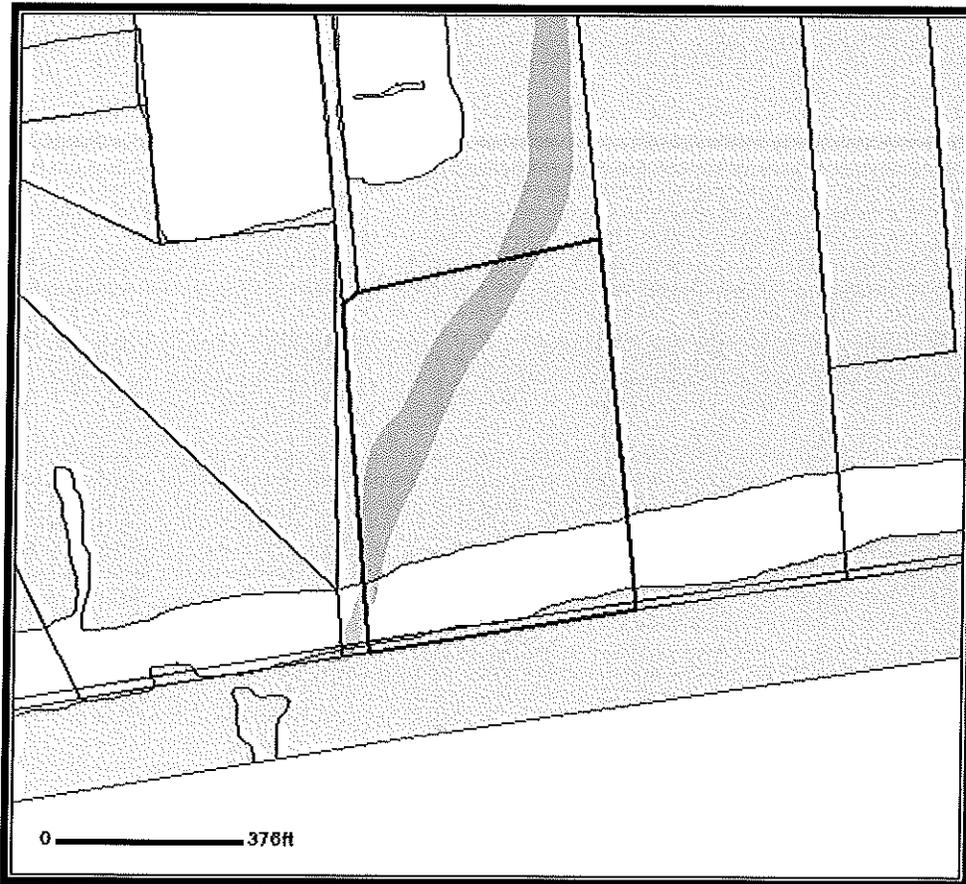
The local economic base has been historically centered on manufacturing enterprises, however, the service, governmental and retail sectors now predominate. Middletown is also an educational center with the campuses of Wesleyan University and Middlesex Community College providing a broad range of undergraduate programs. The Connecticut River provides good recreational amenity, as well as navigable waters for industrial commerce. Large employers include United Technologies, Aetna Insurance and the aforementioned educational institutions.

Population in the greater Middletown area of the State (Middlesex County) has been steadily increasing over the past ten years, reflecting a statewide migration of individuals and businesses to outer suburbs and small towns along the Connecticut River. Growth has been slower in Middletown, with the City having a current estimated population of 43,546 people. The rate of growth is tempered by an established trend toward a growing scarcity of developable land and strict zoning policy.

Property values in the region have been steadily increasing over the past few due to affordable interest rates, high employment levels and strong demand for homes in all price brackets. Given the run-up in prices over the past few years, as well as apparent market resistance to current price levels, it seems likely that property value stabilization or perhaps moderate deflation will occur in the near-term. Recent national/regional economic statistics point to lower pace of housing starts and sales. However, the current real estate market is still relatively robust and the macroeconomic fundamentals for the Middletown real estate market portend well for continued property value appreciation, over the long-term. Favorable demographic trends, ready access to commuter routes and the good quality of life enjoyed throughout the region are all positive factors.

At the present time, demand for land and new housing is quite viable though as stated above, buyers are becoming resistant to higher prices. The local economy remains vibrant, with mortgage financing and employment rates at favorable levels, thus demand should be effective provided offerings are properly priced.

PROPERTY DATA



General Physical Characteristics

The subject property consists of 13.90 acres of land (more or less) situated about 2,000 feet to the rear of the intersection of Coleman and Round Hill Roads. The parcel is landlocked acreage accessed by a woods road/foot trail that is essentially an unimproved extension of Coleman Road. This trail enters the property from the north, over abutting acreage known as the Guida Farms Conservation Area, a City owned agricultural and recreational preserve.

The site is wooded with mixed deciduous forest. Topography ranges from rolling to moderately severe slopes. The northern portion of the site slopes down to a small stream that flows through the parcel on a diagonal running north-south. Wetland area flanks this stream, as does a narrow flood plain. After crossing the stream, topography rises moderately upward in the southerly portion of the site to a power line right-of-way along the southerly boundary. Elevation varies from a low of approximately 400 feet above sea level in the northerly sector to a highpoint of about 516 feet to the rear. Cheshire-Holyoke and Yalesville Soils are rated low to very low for septic capacity with slope, percolation and shallow depth issues.

PROPERTY DATA

General Physical Characteristics (continued)

Available utilities include electricity, cable television and telephone lines along Round Hill Road, one-half mile to the north. If the property were to be developed, individual septic systems and wells would be needed as municipal sewers and public water are not available in this area of Middletown. There is no record of any soil contamination from hazardous wastes or toxic materials, however, the appraiser is not an expert in the detection of the same and makes no warranty as to the environmental condition of the site. Per FEMA Map Panel 090068 0017B, dated July 16, 1990, the parcel is located in Flood Zone X (C) an area of minimal or no flooding.

No approvals have been sought for subdivision and there are no survey maps or engineering studies of record, however, the land does appear to offer limited development potential. There is ample, contiguous upland acreage available for development and the existing woods road traverses mostly gentle terrain before entering the site. For appraisal purposes, it is assumed that the existing woods road right-of-way provides legal access to the property. Per local excavation contractors, the cost of driveway installation (including electric/telephone lines) typically varies from approximately \$50 to \$100 per linear foot, with some discount from this range likely given the length of the subject right-of-way and the gentle topography. Assuming a cost of \$50/foot and a distance of 2,000 feet, it is reasonable to assume a cost of approximately \$100,000 to upgrade access to the site and install power/telephone lines.

Sales and Use History

As previously noted, the present owner acquired the property in 1981 for nominal monetary consideration. Prior to this transaction, the Johnson Family acquired title in 1970. Over the years, the land has remained in an unimproved, woodland condition. While there is evidence of past timber removal and agricultural use, the acreage is presently in a forested, natural state.

Tax Assessment Information

The City of Middletown currently assesses real estate on the basis of 70% of market value as established by a town-wide revaluation completed on October 1, 2002. The tax rate for the current Grand List has yet to be decided.

The property is presently assessed and taxed as follows:

Current Tax Assessment: \$36,470 (70% of \$52,100 Full Value)

Tax Burden (2005): \$1,217.11 (based on tax rate of 33.373 mils)

PROPERTY DATA

Zoning and Land Use Regulations

The parcel is zoned R-60/Residential, with single-family housing being the primary permitted use within both of this zone. Yard and Bulk Regulations as follows:

<u>Requirement</u>	<u>R-60 Zone</u>
Minimum Lot Size:	60,000 sq.ft.
Minimum Frontage (per lot):	200 feet
Minimum Rear Yard:	30 feet
Minimum Front Yard:	50 feet
Minimum Side Yard:	20 feet
Maximum Building Height:	36 feet
Wetland Setback:	100 feet
Rear Lots:	25' of frontage, Special Exception use

The subject site predates current regulations and is classified as a Building Lot of Record. A Building Permit may be obtainable subject to the normal regulatory process including Wetland, Sanitation and Zoning Department review. Per the Town planner, William Warner, the property is considered to have legal access and predates existing rear lot regulations.

Zoning Map



HIGHEST AND BEST USE

Highest and best use is defined as: That reasonable and probable use which will support the highest present value as of the date of the appraisal. Alternatively, that use from among probable and legal alternative uses found to be physically possible, appropriately supported, financially feasible and which results in highest land use. Implied within these definitions is recognition of the contribution of that specific use to community, environment, and development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill. The use determined from this analysis represents an opinion, not a fact to be found. In determining highest and best use, primary consideration must be given to the physical characteristics of a property, prevailing zoning regulations and market demand factors.

From a physical perspective, the site is marginally suited for development. Wetland crossing may be necessary if the parcel were to be developed, the site has no public road frontage and soil conditions are poor to fair. Access upgrade would be costly, as would be utility installation. However, the site does have prescriptive access rights, the existing woods road traverses gentle terrain and there is sufficient area available for limited development.

With regard to zoning considerations, traditional detached single-family housing is the primary permitted use. The parcel is zoned R-60 Residential and is classified as a pre-existing lot of record. While the site does not have a fee owned access strip, this non-conformity predates current zoning. Soil testing, wetland/zoning review and septic design approval would be required in order to obtain a Building Permit. The property does not offer ready subdivision potential as there is no public road frontage and wetland/slope issues limit utility. However, given the size of the parcel and the fact that it predates current zoning, the possibility of subdivision can not be totally ruled-out.

In of terms of market demand; affordable interest rates, viable consumer confidence and existing demographic trends assure good effective demand for residential land. New single-family residential construction is evident in Middletown, especially within the subject neighborhood. There is ready demand from individuals seeking residential building lots for custom home construction, including buyers seeking oversize, estate size lots. Conservation buyers form another viable market for land of this type. As a result of location adjacent to the Guida Farm Conservation Area, the site is targeted for open space preservation.

All factors considered it is my opinion that the highest and best use of the land is for development of the acreage with one single-family residence in keeping with the character of the neighborhood. Determination of the exact location and style of housing is beyond the scope of this appraisal report. This highest and best scenario assumes that the land is accessible and approvable for limited residential development. If in fact the land cannot be approved for development, highest and best use would be for preservation as open space and/or passive recreational use.

VALUATION PREMISE

In appraising the subject property, consideration has been given to the following accepted methods of valuing real estate, as defined by the Appraisal Institute:

Cost Approach

"That approach in appraisal analysis which is based on the proposition that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist no comparable properties on the market."

Direct Sales Comparison/Market Data Approach

"That approach in appraisal analysis which is based on the proposition that an informed purchaser would pay no more for a property than the cost to him of acquiring an existing property with the same utility. This approach is applicable when an active market provides sufficient quantities of reliable data, which can be verified from authoritative sources. The Direct Sales Comparison Approach is relatively unreliable in an inactive market or in estimating the value of properties for which no real comparable sales data are available. It is also questionable when sales data cannot be verified with principals to the transaction. Also referred to as the Market Comparison or Market Data Approach."

Income Approach

"That procedure in appraisal analysis which converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate. The Income Approach is widely applied in appraising income-producing properties. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process."

VALUATION PREMISE (CONTINUED)

Of the three valuation approaches, only The Direct Sales Comparison Approach is considered readily applicable.

The market value of the subject property is best estimated via comparison of the site to available sales of competitive raw acreage parcels. Raw acreage sales, mainly parcels with similar development potential, most closely approximate the present condition of the subject acreage. Bulk acreage is often sold "as is" with a degree of uncertainty regarding lot yield and/or development costs. This uncertainty, in turn, is typically reflected in the sale price.

The Direct Sales Comparison/Market Data Approach will be developed through a process of rudimentary factor adjustment. In developing this valuation technique, each property sale is compared to the subject, with percentage adjustments made for differences in conditions of sale, time, location and physical characteristics - the net result being an indication of value for the subject property within a well-defined range. Sale price per acre is the most common unit of comparison in this segment of the market. Sale price per potential lot (a/k/a sale price per raw lot) is also a common unit of comparison provided the number of potential lots can be readily ascertained.

Four comparable land sales, presented in chronological order on the following pages, were directly analyzed and adjusted in comparison to the subject property. While the appraiser is aware of and has considered a number of land sales throughout the region, only the most similar tracts of land were selected for direct comparison. Sales selection in Middletown is limited, thus the market was expanded to include comparables from competitive Middlesex County communities. It should also be noted that at any one time, the number of available comparables represents only a small percentage of the actual inventory of bulk acreage parcels. This small fraction of the total is, however, the best available representation of market behavior.

The comparable land sales are presented in chronological order on the following pages.

DIRECT SALE COMPARISON APPROACH



Market Comparison #1

**Kelsey Street
Middletown, Connecticut**

Grantor: RC Property Holdings, LLC
Grantee: MMM Investment Group, LLC
Date of Sale: April 17, 2006
Sale Price: \$300,000
Deed Reference: Volume 1546/ Page 877-879
Map Reference: Tax Map 39/Block 47-2/Lot 39
Confirmation: Noreen Carlson, Listing Agent
Size: 35.46 acres, more or less
Zone: R-30/Residential
Unit Price: \$8,460 per acre

DIRECT SALE COMPARISON APPROACH

Market Comparison #1

**Kelsey Street
Middletown, Connecticut**

Description

This sale consists of an oversize, singular lot with 204 feet of usable frontage on Kelsey Street, a paved city-maintained public road.

The site offers a mix of lightly wooded acreage, with a small clearing at the entry to the tract on Kelsey Street. The land is mostly sloping downward to a small stream draining the rear portion of the site. Much of the topography is steep. A CL&P power-line right-of-way, abutting the parcel to the rear, impacts on view amenity. The site is part of a four-lot subdivision and is approved for development with one single-family dwelling. Wetlands, subsurface ledge, sloping topography and marginal soils essentially preclude subdivision.

The land was listed for sale in MLS on November 14, 2005 at an asking price of \$299,000 and went on deposit on January 28, 2006. Per the listing agent Noreen Carlson, the buyer is an investor.

DIRECT SALE COMPARISON APPROACH

Market Comparison #1

**Kelsey Street
Middletown, Connecticut**

Comparison to Subject Property

No adjustment for conditions of sale is considered necessary. This property sold under normal conditions following ample MLS exposure. The sale is an arms length transaction with no atypical financing or concessions.

Given the recent nature of the sale, no time adjustment is necessary.

No location adjustment is required as the sale is situated nearby, within the same general neighborhood as the subject property.

Upward adjustment for the size/economy of scale factor is necessary as the sale is a much larger bulk acreage parcel. Price per acre tends decrease with larger size reflecting greater economy of scale.

Downward adjustment for zoning is necessary as the site is an approved building lot.

From a physical perspective, the sale is superior to the subject acreage in terms of access though other factors such as topography, soil conditions and aesthetic appeal are comparable. The superior access offered by this sale mandates substantial downward adjustment when compared to the subject.

Subdivision potential is comparable in that neither parcel is readily subdividable.

Market Comparison #1 offers good comparability to the subject site in terms of time and location. However, size category and access are very divergent factors.

DIRECT SALE COMPARISON APPROACH

Market Comparison #1

**Kelsey Street
Middletown, Connecticut**

Factor Adjustment Grid

<u>Item</u>	<u>Subject</u>	<u>Comparable</u>	<u>Comments</u>	<u>Adjustment</u>
Conditions of Sale:	normal	normal	no adjustment	-0-
Time:	6/06 appraisal	closed 4/06	no adjustment	-0-
Location:	average	average	no adjustment	-0-
Parcel Size/ Economy of Scale	13.90 acres	35.46 acres	sale is inferior	+15%
Zoning:	R-60 no approvals	R-30 approved lot	sale is superior	-10%
Physical Characteristics:	mixed topo, foot path access marginal soils	mixed topo, public road access marginal soils	sale is superior (due to better access)	-35%
Subdivision Potential:	minimal	minimal	no adjustment	-0-
			Net Adjustment:	-30%
			Sale Price:	\$8,460/acre
			Adjusted To:	\$5,922/acre (indicated value of subject)

DIRECT SALE COMPARISON APPROACH



Market Comparison #2

**550 Round Hill Road
Middletown, Connecticut**

Grantor: Round Hill Holdings, LLC
Grantee: Michael Cummings
Date of Sale: February 16, 2005
Sale Price: \$155,000
Deed Reference: Volume 1483/ Page 168
Map Reference: Tax Map 40/Block 47-1/Lot 37-1
Confirmation: Michael Cummings
Size: 13.54 acres, more or less
Zone: R-30/Residential
Unit Price: \$11,448 per acre

DIRECT SALE COMPARISON APPROACH

Market Comparison #2

**550 Round Hill Road
Middletown, Connecticut**

Description

This sale consists of a 13.54 acre, rear lot with a private access right-of-way connecting to the terminus of Round Hill Road.

The site offers a mix of lightly wooded acreage and mostly sloping topography. Much of the topography is steep. The parcel is part of a two-lot subdivision and is approved for development with one single-family dwelling. Per the zoning, the site is an approved building lot that cannot be further subdivided. At the time of sale, the access right-of-way was improved and utilities were installed.

After purchase, the buyer developed the site with a three bedroom Cape style single-family dwelling (see photo).

DIRECT SALE COMPARISON APPROACH

Market Comparison #2

**550 Round Hill Road
Middletown, Connecticut**

Comparison to Subject Property

No adjustment for conditions of sale is considered necessary. This property sold under normal conditions and is an arms length transaction with no atypical financing or concessions.

No time adjustment is necessary as local property values have remained mostly stable over the past eighteen months.

No location adjustment is required as the sale is situated nearby, within the immediate subject neighborhood.

No adjustment for the size category/economy of scale factor is necessary as the sale is nearly equal in size.

Downward adjustment for zoning is necessary as the site is an approved building lot.

From a physical perspective, the sale is superior to the subject acreage in terms of access though other factors such as topography, soil conditions and aesthetic appeal are comparable. The superior access offered by this sale mandates substantial downward adjustment when compared to the subject.

Subdivision potential is comparable.

Market Comparison #2 offers good comparability to the subject site in terms of time, location and size category. As was the case with the previous comparable, access is far superior, thus this is a marginal sale in terms of overall comparability.

DIRECT SALE COMPARISON APPROACH

Market Comparison #2

**550 Round Hill Road
Middletown, Connecticut**

Factor Adjustment Grid

<u>Item</u>	<u>Subject</u>	<u>Comparable</u>	<u>Comments</u>	<u>Adjustment</u>
Conditions of Sale:	normal	normal	no adjustment	-0-
Time:	6/06 appraisal	closed 2/05	no adjustment	-0-
Location:	average	average	no adjustment	-0-
Parcel Size/ Economy of Scale	13.90 acres	13.54 acres	no adjustment	-0-
Zoning:	R-60 no approvals	R-30 approved lot	sale is superior	-10%
Physical Characteristics:	mixed topo, foot path access marginal soils	mixed topo, private road access * marginal soils	sale is superior (due to better access)	-45%
Subdivision Potential:	minimal	minimal	no adjustment	-0-
			Net Adjustment:	-55%
			Sale Price:	\$11,448/acre
			Adjusted To:	\$5,152/acre (indicated value of subject)

*driveway installed

DIRECT SALE COMPARISON APPROACH



Market Comparison #3

Rear of Route 154 Deep River, Connecticut

Grantor: David Esty, et al
Grantee: Peter & Sharon Hotkowski
Date of Sale: August 27, 2004
Sale Price: \$96,000
Deed Reference: Volume 188/ Page 336
Map Reference: Tax Map 60/ Lot 1
Confirmation: Bill Foster, Listing Agent
Size: 15.31 acres, more or less
Zone: R-20/Residential
Unit Price: \$6,270 per acre

DIRECT SALE COMPARISON APPROACH

Market Comparison #3

**Rear of Route 154
Deep River, Connecticut**

Description

This sale consists of a 15.31 acre, rear lot accessed via a 2,300 foot long private right-of-way connecting to State Route 154. At the time of sale, the right-of-way was traversable by four-wheel drive vehicles but in need of upgrading for all-weather, regular vehicle usage. Electric and telephone utilities are available from Route 154.

The site offers a mix of lightly wooded and brush covered acreage. Topography is gently rolling to moderately sloping. A small stream bisects the site with flanking wetland accounting for about one-third of the total land area. The site abuts Route 9 (non-access), a major four lane State Highway. Traffic noise is audible.

The land was originally listed for sale in MLS beginning in 2001. Asking price started at \$150,000, subsequently reduced to \$126,000 before going on deposit on February 25, 2004. Per Bill Foster of the Mitchell Agency, the buyer intends to construct a custom home on the site though no Building Permit has been issued to date. The land is not readily subdividable, nor is it an approved building lot.

DIRECT SALE COMPARISON APPROACH

Market Comparison #3

**Rear of Route 154
Deep River, Connecticut**

Comparison to Subject Property

No adjustment for conditions of sale is considered necessary. This property sold under normal conditions following prolonged MLS exposure. The sale is an arms length transaction with no atypical financing or concessions.

Moderate upward time adjustment is necessary as local property values have increased from Early 2004 when the purchase & sale agreement was signed.

Moderate downward adjustment for location is required. While situated adjacent to Route 9, the site is located close to Essex village in a generally higher priced market area. This portion of Deep River commands higher prices than the South Farms area of Middletown.

No adjustment for the size/economy of scale factor is necessary as the sale is of comparable size category.

No adjustment for zoning is required as both properties are unapproved lots subject to similar Yard & Bulk Regulations.

From a physical perspective, the sale is highly comparable the subject acreage, especially in terms of access. Both parcels are set back about 2,000 from a public road and both required road upgrade in order to develop. Topography, wetlands impact and aesthetic appeal are also roughly comparable.

Subdivision potential is comparable in that neither parcel is readily subdividable.

Market Comparison #3 offers very good comparability to the subject site and is given primary weight in this appraisal.

DIRECT SALE COMPARISON APPROACH

Market Comparison #3

**Rear of Route 154
Deep River, Connecticut**

Factor Adjustment Grid

<u>Item</u>	<u>Subject</u>	<u>Comparable</u>	<u>Comments</u>	<u>Adjustment</u>
Conditions of Sale:	normal	normal	no adjustment	-0-
Time:	6/06 appraisal	closed 8/04	sale is inferior	+5%
Location:	average	avg/good	sale is superior	-10%
Parcel Size/ Economy of Scale	13.90 acres	15.31 acres	no adjustment	-0-
Zoning:	R-60 no approvals	R-80 no approvals	no adjustment	-0-
Physical Characteristics:	mixed topo, foot path access marginal soils	mixed topo, jeep trail access marginal soils	no adjustment	-0-
Subdivision Potential:	minimal	minimal	no adjustment	-0-
			Net Adjustment:	-5%
			Sale Price:	\$6,270/acre
			Adjusted To:	\$5,957/acre (indicated value of subject)

DIRECT SALE COMPARISON APPROACH



Market Comparison #4

Howd Road Durham, Connecticut

Grantor: Lawrence & Megan Widdecombe
Grantee: CT Property Management Association, LLC
Date of Sale: September 11, 2003
Sale Price: \$30,000
Deed Reference: Volume 198/ Page 724
Map Reference: Tax Map 97/ Lot 21
Confirmation: Debbie Huscher, Listing Agent
Size: 6.74 acres, more or less
Zone: FR/Residential
Unit Price: \$4,451 per acre

DIRECT SALE COMPARISON APPROACH

Market Comparison #4

**Howd Road
Durham, Connecticut**

Description

This sale consists of a 6.74 acre, rear lot accessed via a 1,200 foot long private right-of-way connecting to Mauro Drive. At the time of sale, the right-of-way was unimproved. Electric and telephone utilities are available from the Mauro Drive cul-de-sac.

The site is wooded and mostly sloping. No major wetland is evident though soil conditions are rated poor for septic capacity. Privacy is enhanced by surrounding municipal watershed acreage, however, there are building lots abutting the property on two sides.

The land was originally listed for sale in MLS beginning in July of 2003, at an asking price of \$40,000. The land went on deposit on August 4, 2003 following 8 days of market exposure. Per the listing agent, the buyer intends to construct a custom home on the site though no Building Permit has been issued to date. The land is not readily subdividable, nor is it an approved building lot.

DIRECT SALE COMPARISON APPROACH

Market Comparison #4

**Howd Road
Durham, Connecticut**

Comparison to Subject Property

No adjustment for conditions of sale is considered necessary. This property sold under normal conditions including ample MLS exposure. The sale is an arms length transaction with no atypical financing or concessions.

Upward time adjustment is necessary as local property values have increased from 2003 price levels.

No adjustment for location is required as this portion of Durham commands prices comparable to the South Farms area of Middletown.

No adjustment for the size/economy of scale factor is necessary as the sale is of comparable size category.

No adjustment for zoning is required as both properties are unapproved lots subject to similar Yard & Bulk Regulations.

From a physical perspective, the sale is highly comparable the subject acreage, especially in terms of access. Both parcels require costly access upgrade and both are wooded sites with marginal soil conditions. Topography is inferior to the subject though a less lengthy access road is needed.

Subdivision potential is comparable in that neither parcel is readily subdividable.

Like the previous sale, Market Comparison #4 requires minimal factor adjustment and is very comparable acreage.

DIRECT SALE COMPARISON APPROACH

Market Comparison #4

**Howd Road
Durham, Connecticut**

Factor Adjustment Grid

<u>Item</u>	<u>Subject</u>	<u>Comparable</u>	<u>Comments</u>	<u>Adjustment</u>
Conditions of Sale:	normal	normal	no adjustment	-0-
Time:	6/06 appraisal	closed 9/03	sale is inferior	+15%
Location:	average	average	no adjustment	-0-
Parcel Size/ Economy of Scale	13.90 acres	6.74 acres	no adjustment	-0-
Zoning:	R-60 no approvals	FR no approvals	no adjustment	-0-
Physical Characteristics:	mixed topo, foot path access marginal soils	mixed topo, unimproved r.o.w. marginal soils	no adjustment	-0-
Subdivision Potential:	minimal	minimal	no adjustment	-0-
			Net Adjustment:	+15%
			Sale Price:	\$4,451/acre
			Adjusted To:	\$5,119/acre (indicated value of subject)

DIRECT SALE COMPARISON APPROACH

Summary of Adjusted Market Comparisons

<u>Location</u>	<u>Date</u>	<u>Price</u>	<u>Size</u>	<u>Unit Price</u>	<u>Adjusted</u>
Subject: Coleman Rd, Middletown	6/06 apprsl	-----	13.90 acres	-----	-----
Sale #1 Kelsey Street Middletown	4/06	\$300,000	35.46 acres	\$8,460/acre	\$5,922/acre
Sale #2 Round Hill Rd, Middletown	2/05	\$155,000	13.54 acres	\$11,448/acre	\$5,152/acre
Sale #3 Route 154, Deep River	8/04	\$96,000	15.31 acres	\$6,270/acre	\$5,957/acre
Sale #4 Howd Road, Durham	9/03	\$30,000	6.74 acres	\$4,451/acre	\$5,119/acre

<u>ADDENDA</u>	<u>Page</u>
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QUALIFICATIONS & EXPERIENCE OF NORMAN C. CAINE

Real Estate Designations & Licenses

SRA Designation from the Appraisal Institute.
General Certified Real Estate Appraiser, State of Connecticut (#RCG99)

Education

The Appraisal Institute:
Course 1A, Real Estate Appraisal Principles
Course 1B, Capitalization Theory & Techniques
Course R8, Valuation of Residential Real Estate
Course 1B-A, Capitalization Theory & Techniques
Course 1B-B, Capitalization Theory & Techniques
Course 410, Standards of Professional Appraisal Practice
Course 420, Standards of Professional Appraisal Practice
Course 430, Standards of Professional Appraisal Practice
B.A. Degree, Liberal Arts, Southern Connecticut State University

Appraisal Experience

Qualified as an expert witness in Connecticut Superior Court with extensive testimony in eminent domain proceedings; actively engaged in the full-time appraisal of commercial, industrial and residential properties since 1975; formerly employed as a staff and review appraiser with the United States Department of Agriculture; Principal Partner, Norman C. Caine & Associates (established 1980) with primary area of coverage concentrated in the Lower Connecticut Valley and Shoreline Regions of Connecticut.

Civic Experience

Former Chairman of the Madison Board of Tax Review, elective office

Former Chairman of the Board of Trustees, The Country School, Inc., Madison, Connecticut.

Current Member of the MacCurdy Salisbury Educational Foundation, Inc.

Current Member of the Lyme Affordable Housing Committee

QUALIFICATIONS & EXPERIENCE OF NORMAN C. CAINE

The following is a partial listing of clients served in a real estate appraisal or consulting capacity:

Corporations

American Cyanamid Corporation, Aetna Insurance, Bell Atlantic Mobil, Cendant, Dreyfus Corporation, DuPont Company, General Electric, General Motors Corporation, International Business Machines (IBM), Kerr-McGee Corporation, Mortgage Guaranty Insurance Corporation, Owens-Illinois, Rolm Corporation, Shearson, Lehman, Hutton, American Express, Tigor Mortgage Insurance Corporation, United States Steel Corporation, J.E. Robert Company of New England, NYNEX, Pfizer Corporation, etc.

Lending Institutions & Mortgage Companies

Fleet Bank, N.A., Maritime Bank & Trust, Chase Manhattan Bank, Citibank, Chemical Bank, Dime Savings Bank, People's Bank, Bank of Boston, Union Trust Company, New Haven Savings Bank, First Federal Bank, Manufacturer's Hanover Trust, American Savings Bank, Liberty Bank, JP Morgan of New York, Branford Savings Bank, Westport Bank & Trust, Boatmen's Bank of St. Louis, Dime Savings Bank of New York, Boston Safe Deposit & Trust Company, Mellon Bank, Bank of America, Webster Bank, Sanborn Corporation, Morgan Guaranty & Trust Company, The Guilford Savings Bank, Essex Savings Bank, New Alliance Bank, etc.

Governmental Agencies

State of Connecticut Department of Transportation, Department of Housing and Department of Environmental Protection; Federal Deposit Insurance Corporation (FDIC), U. S. Small Business Administration, U. S. Fish & Wildlife Service; Municipalities of Bridgeport, Branford, Clinton, Essex, Guilford, Lyme, Hartford, North Branford, Madison, Milford, Meriden, and New Haven, etc.

Non-Profit Organizations

The Nature Conservancy, The Trust for Public Land, Chester Land Trust, Essex Land Conservation Trust, The Guilford Land Trust, Lyme Land Conservation Trust, Madison Land Trust, etc.

Norman C. Caine & Associates
LOCATION MAP ADDENDUM

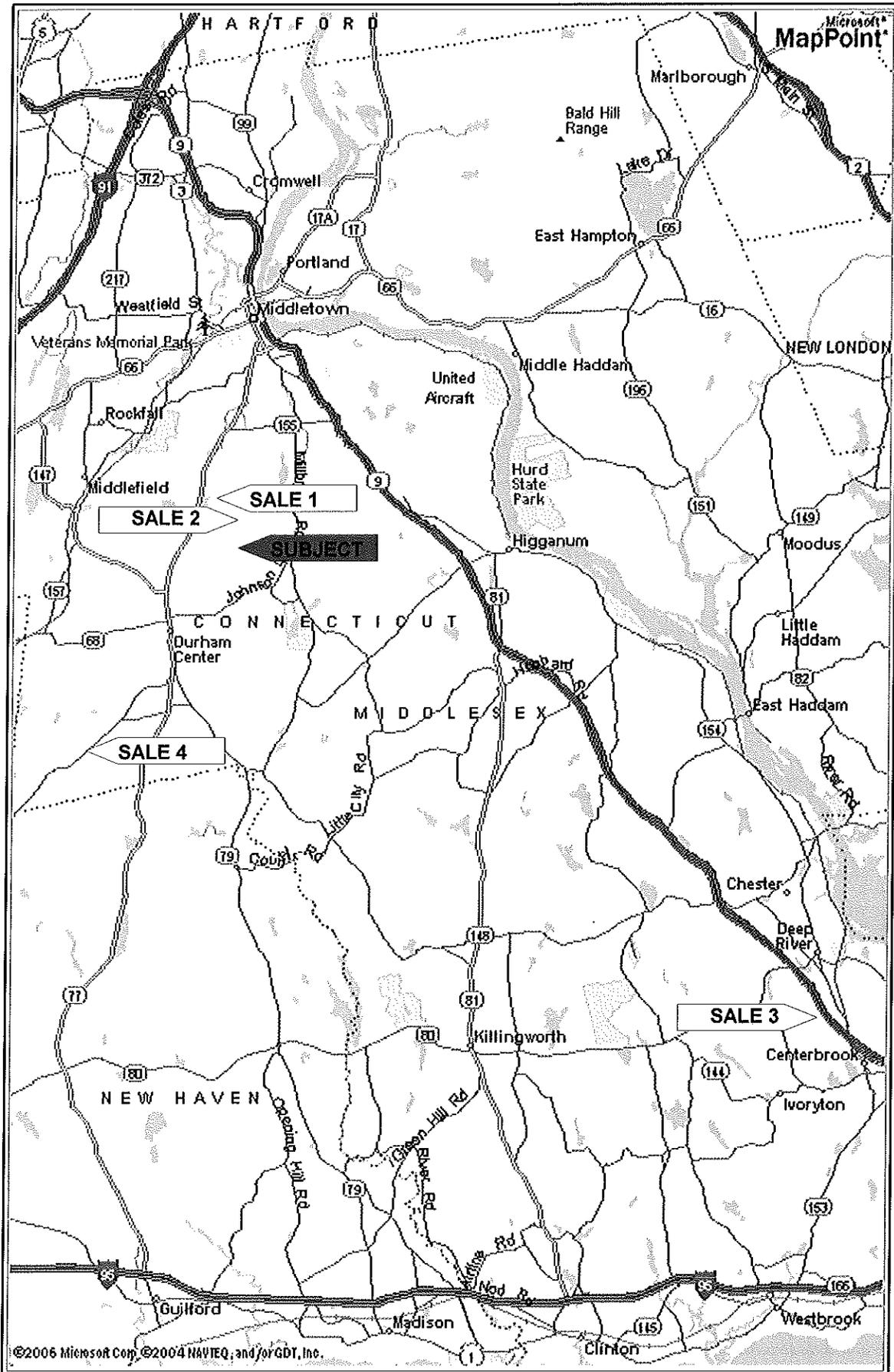
File No. Coleman Road
 Case No. Middletown, CT

Borrower Owner: Karen A. Fleming

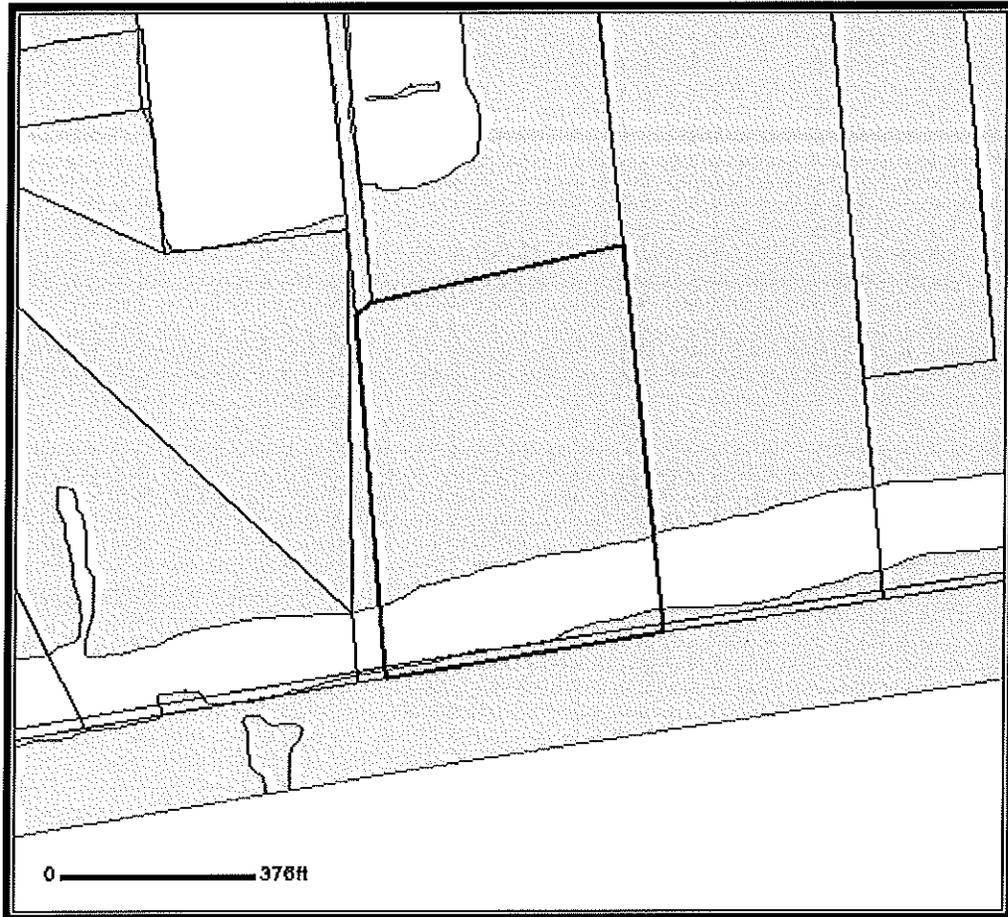
Property Address Rear of Coleman Road

City Middletown County Middlesex State CT Zip Code 06457

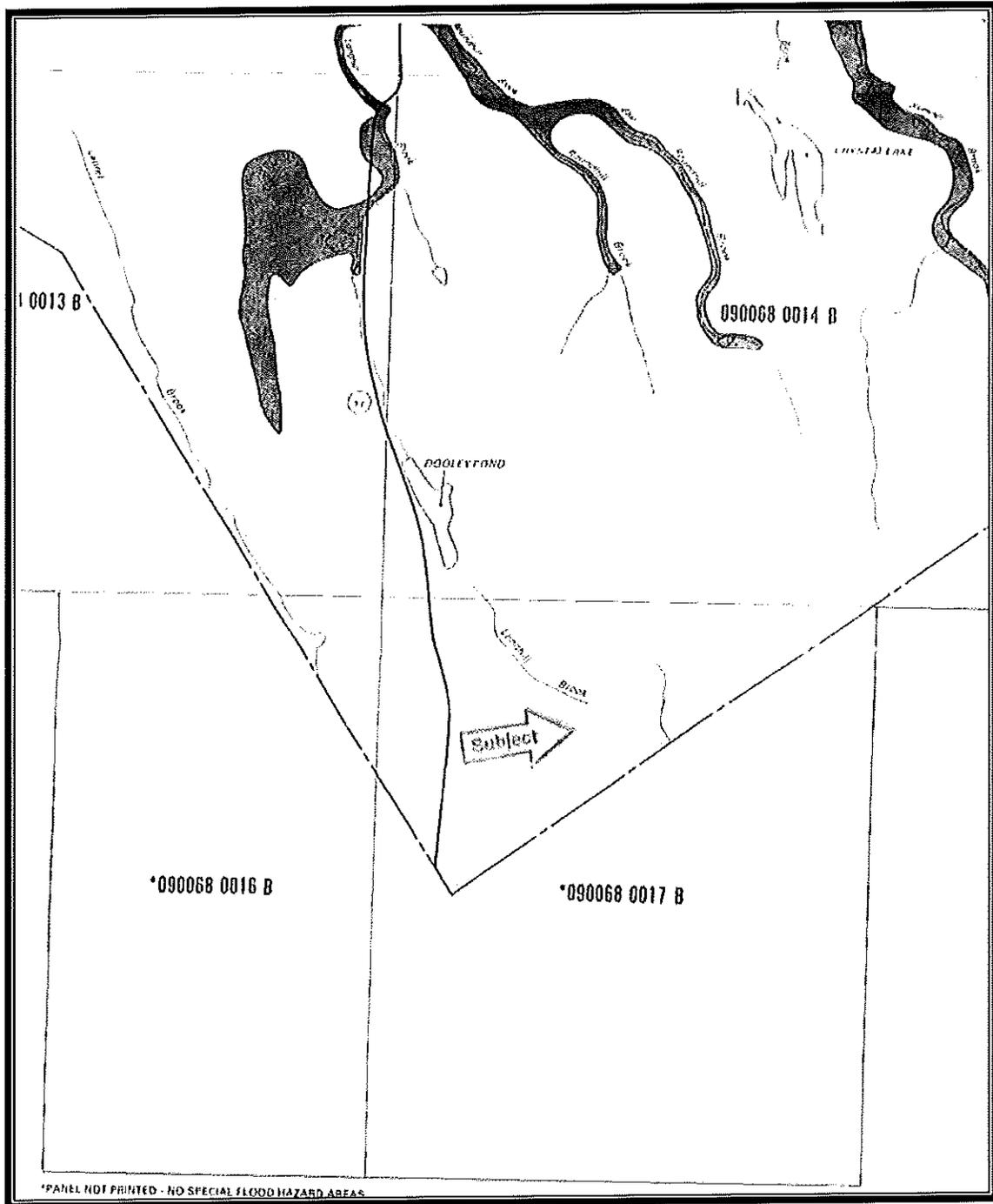
Lender/Client City of Middletown Address 245 Dekoven Drive, Middletown, CT 06457



SITE MAP



FLOOD MAP



COPY OF DEED

NO 605 PAGE 168

FORM 68 A CONNECTICUT - QUITCLAIM DEED
REV.

 **STATE OF CONNECTICUT**

To all People to Whom these Presents shall Come, Greeting:

Know Ye, That I, NANCY J. JOHNSON, of the Town of Berlin, County of Hartford, and State of Connecticut,

for the consideration of one dollar and other valuable considerations, but less than one hundred dollars, received to my full satisfaction of KAREN A. JOHNSON of the Town of Berlin, County of Hartford, and State of Connecticut,

do remise, release, and forever QUIT CLAIM unto the said Karen A. Johnson, her

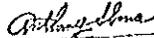
heirs and assigns forever, all the right, title, interest, claim and demand whatsoever as I, the said releasor have or ought to have in or to

A certain tract of woodland situated in the Long Hill District in the Town of Middletown, County of Middlesex, and State of Connecticut, and more particularly bounded and described as follows:

Northerly by land formerly of Jacob Miller and now of one Gajdu and Coleman Road;
Easterly by land formerly of Lucius Crowell, now of Anna K. Crowell;
Southerly by the Town Line between Durham and Middletown; and
Westerly by land formerly of one Richard Daly and now of Salvatore Scirpo.

The above described premises were conveyed to Nancy J. Johnson and Karen A. Johnson by Warranty (Survivorship) Deed of Ronald S. Brazos dated July 24, 1970, and recorded in Volume 370, page 440 of the Middletown Land Records.

"No Conveyance Tax collected



Town Clerk of Middletown"

COPY OF DEED

W0605 PAGE 169

To Have and to Hold the premises, with all the appurtenances, unto the said
Releases her heirs and assigns forever, so that neither I, me
the Releasor nor my heirs nor any other person under
or them shall hereafter have any claim, right or title in or to the premises, or any part thereof,
but therefrom and they are by these presents forever barred and excluded.

In Witness Whereof, I have hereunto set my hand and seal
this 7th day of August, A. D. 1981.
Signed, Sealed and Delivered in presence of

Antoinette L. Strycharz *Nancy J. Johnson*
Antoinette L. Strycharz Nancy J. Johnson
Ann Thompson
Ann Thompson

State of Connecticut, } ss. Middletown, August 7, A. D. 1981.
County of Middlesex, }
Personally Appeared Nancy J. Johnson,

Signer and Sealer of the foregoing Instrument, and acknowledged the same to be her
free act and deed
before me.

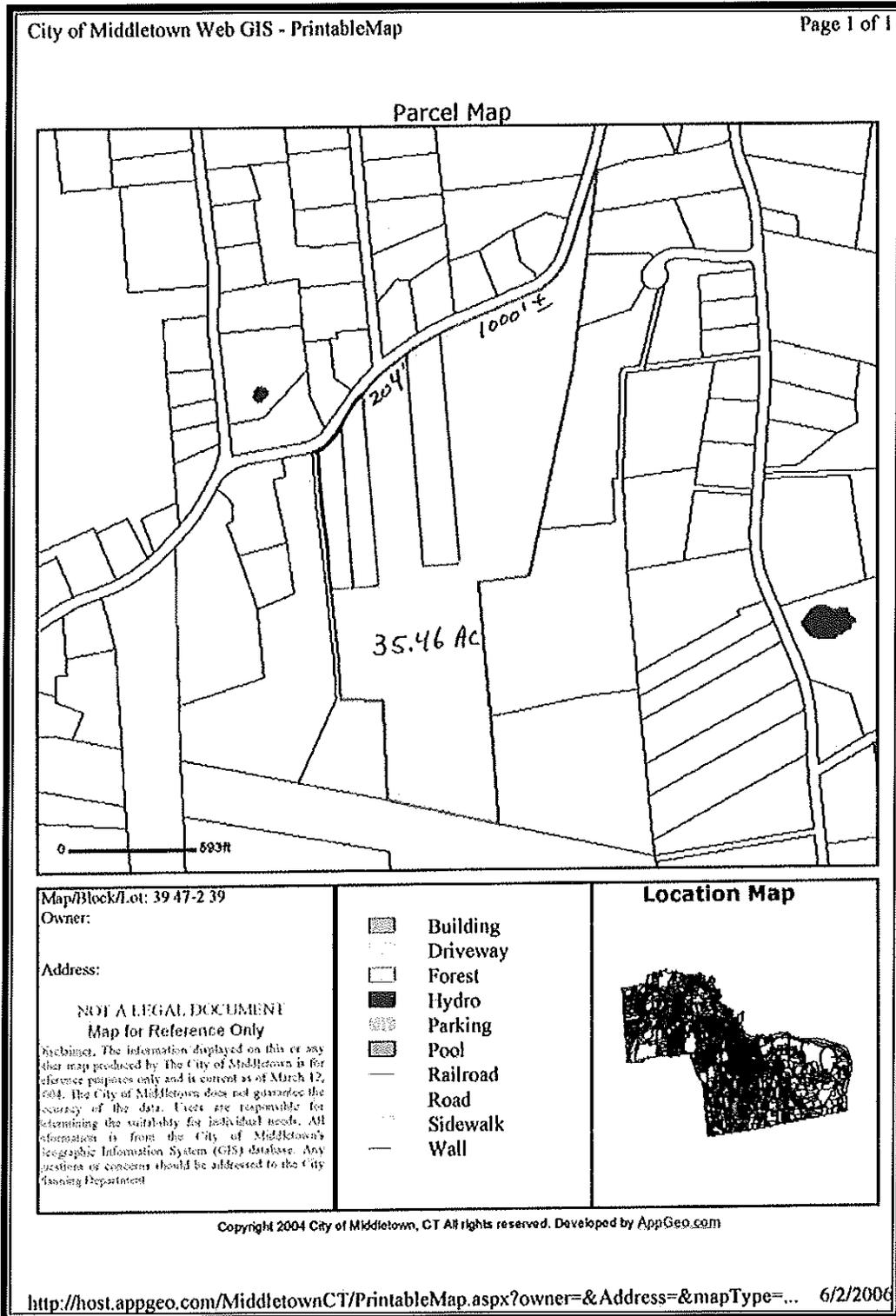
Antoinette L. Strycharz
Antoinette L. Strycharz, Notary Public.
XX

Latest address of Grantee:
No. and Street 32 Webster Ridge
City Berlin
State Connecticut Zip 06037

Rec'd. For Recor. Aug 10 1981 11 20 AM
Recorded by *[Signature]*
Treas. Clerk

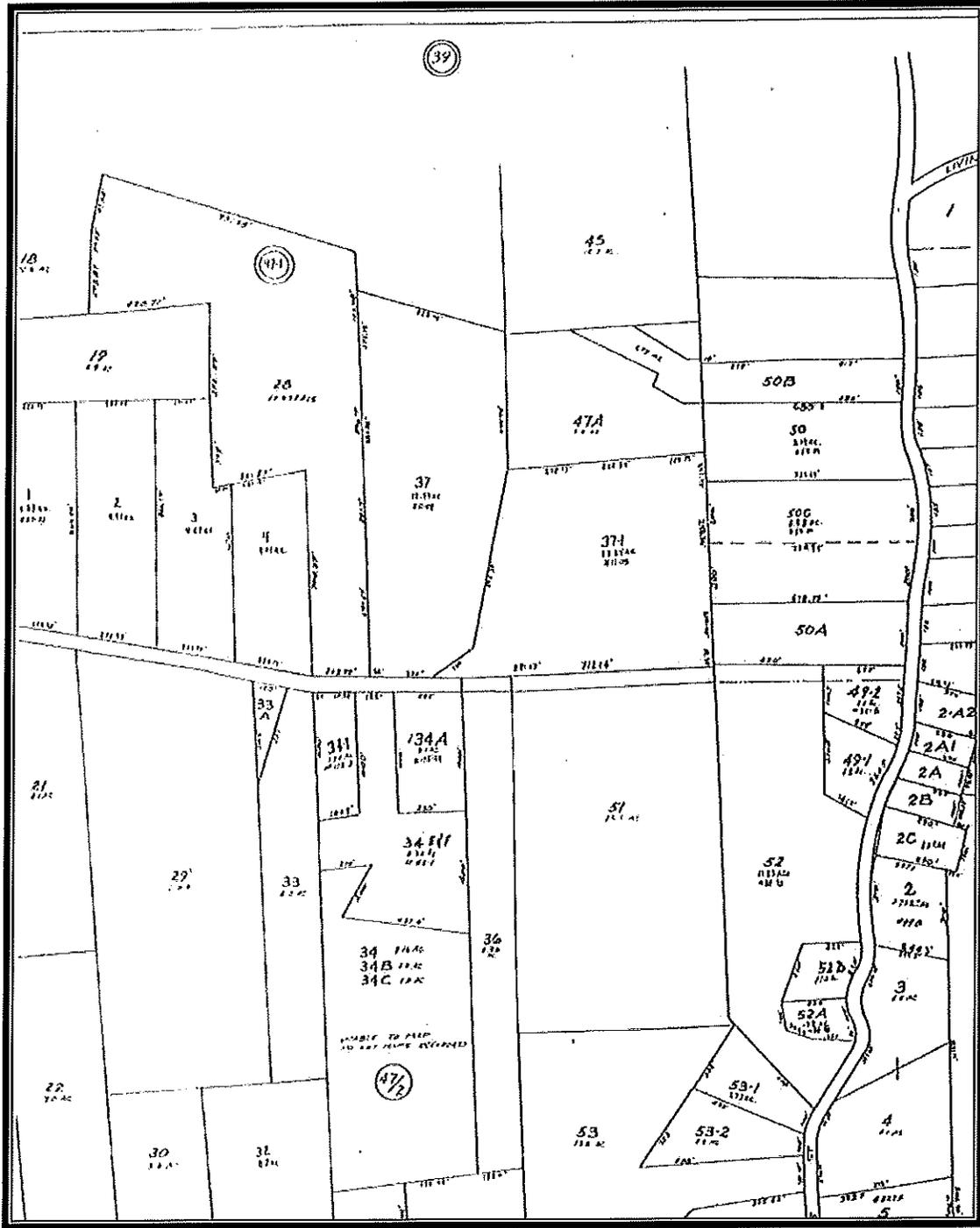
SALE NO. 1

Kelsey Street, Middletown



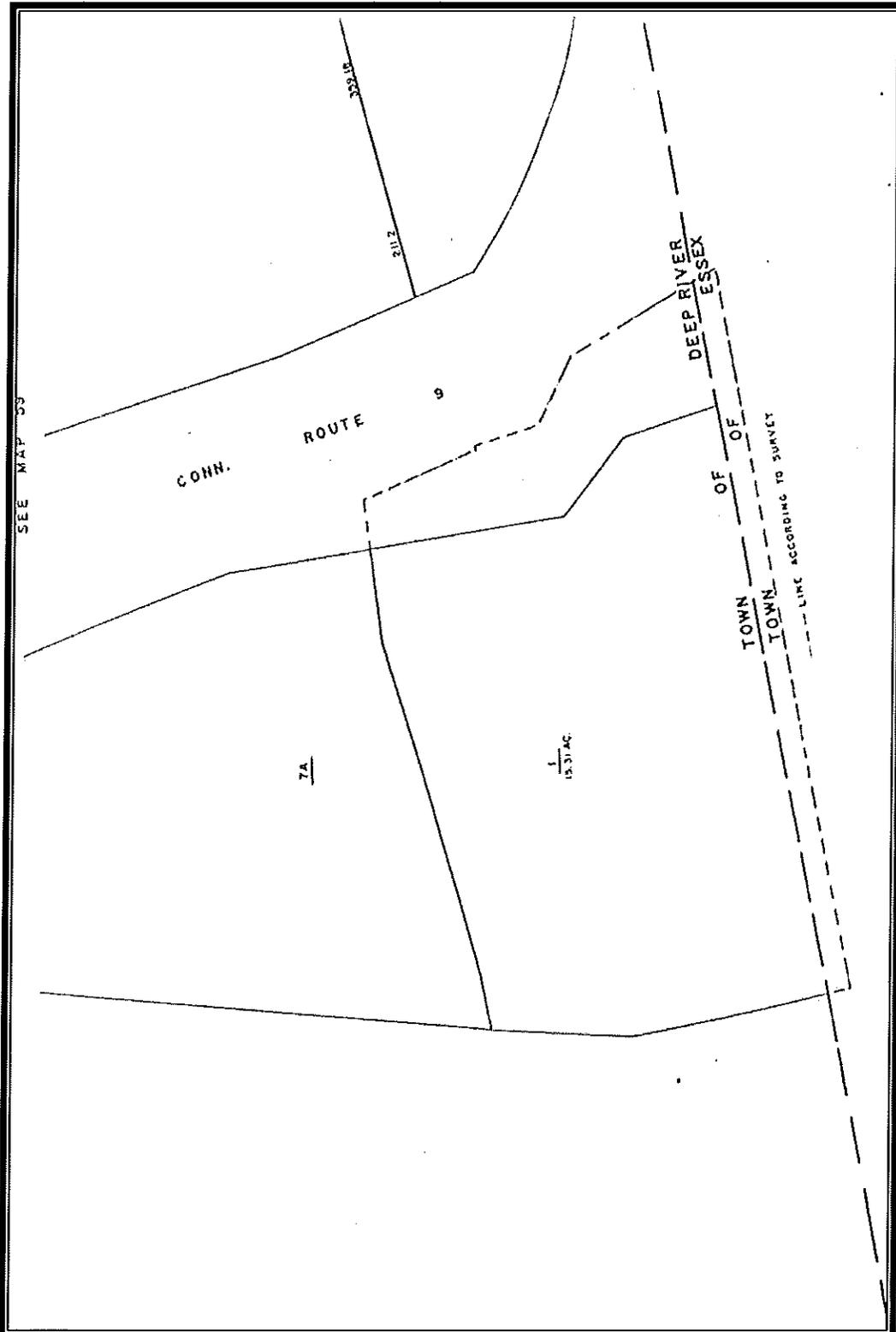
SALE No. 2

Round Hill Road, Middletown



SALE NO. 3

Rear, Route 154; Deep River



SALE NO. 4

Rear, Howd Road; Durham

