

**REAL ESTATE APPRAISAL
OF PROPERTY LOCATED AT
283 BOSTON POST ROAD
EAST LYME , CONNECTICUT
OWNED BY
JASON PAZZAGLIA**

**TO OFFER AN OPINION OF "AS IS" MARKET VALUE
TO OFFER AN OPINION OF UPON COMPLETION MARKET VALUE**



**DATE OF VALUATION: MARCH 23, 2018
DATE OF APPRAISAL: APRIL 17, 2018**

**FOR
DIME BANK
270 SALEM TURNPIKE
NORWICH, CT 06360**

**BY
RUSS APPRAISAL SERVICE
DIVISION OF RUSS, LLC
HOWARD B. RUSS, SRPA**

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April 17, 2018

Dime Bank

Attn.: Andrea Bundy, Appraisal Review & Flood Insurance Manager
290 Salem Turnpike
Norwich, CT 06360

Re: Property of Jason Pazzaglia 283 Boston Post Road, East Lyme, CT.

Dear Ms. Bundy:

Per your request, I have inspected the above captioned property, to offer an opinion of market value which is more fully defined in the body of this report. The property is further identified on Map 30.1 as lots 60 and 89 on the Tax Assessor's records of the Town of East Lyme, Connecticut. This particular site consists of two adjacent and contiguous parcels. The first is an 0.51 acre parcel of commercially zoned land which is currently improved with a circa 1960 ranch style dwelling with partially finished walkout basement area identified as 283 Boston Post Road. The second lot is the so called Pattagansett Drive, a privately owned and maintained gravel roadway containing 0.66 acres, and providing access to several homes to the rear of the subject along the shoreline of the lake. An easement for access is granted to the property owners of the rear parcels over the land of Pazzaglia identified as Pattagansett Drive. This area will not be significantly developed by the proposed new construction but was needed to meet density requirements for the development proposed.

The current conditions at the subject are utilized as a single family dwelling, however the property was acquired for demolition of the existing dated residence to allow construction of a proposed two building mixed use complex containing 12 one bedroom apartments plus commercial retail / office space. The combined building area to include the fully finished lower level walkout apartments will be 13,230 SF. Upper level apartments will have a view of Pattagansett Lake. The ground floor will contain 3,930 +/- square feet of vanilla box finish retail / office space to be built out by the prospective tenants to their requirements.

The purpose of the inspection, was to offer an opinion of the market value of the subject property, in its present "as is" condition, as of the effective date of the appraisal, namely, March 23, 2018, and estimate market value upon demolition of the existing building and

Dime Bank

Re: Property of Jason Pazzaglia, 283 Boston Post Road, East Lyme, CT

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completion of the proposed mixed use development. Thus the appraisal is twofold “ AS IS” and “ UPON COMPLETION “

In estimating the market value of the subject property, all three approaches to value to include the Sales Comparison Approach, Income Approach, and Cost Approach were considered in the appraisal process.

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation, for an appraisal report. As such, it presents discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. The appraiser is not responsible for the unauthorized use of this report. A copy of the appraisal engagement letter is included in the addendum of this report.

The conclusions reached in the analysis contained herein were based on my personal inspection of the subject property and on my present knowledge with respect to economic growth, competition, and conditions in the subject’s marketplace, as of the effective date of the appraisal. The estimated exposure time is twelve to twenty-four months for this assignment.

It is my opinion and conclusion that as of the effective date of the appraisal, March 23, 2018 , the estimated market value of the subject property, in its “as is” condition, was:

\$255,000 (Two Hundred Fifty Five Thousand Dollars)

It is my further opinion and conclusion that as of the effective date of the appraisal, March 23, 2018 , the estimated prospective value of the subject property based on the hypothetical condition that both proposed new buildings and all necessary site work had been completed was:

**\$1,210,000 (One Million Two Hundred Ten Thousand Dollars)
AS COMPLETED WITH COMMERCIAL SPACE UNFINISHED**

Extraordinary Assumptions:

The final value estimate set forth assumes the site is free and clear of all hazardous and toxic wastes. I recommend the necessary tests be conducted, to determine if the site is, in fact, free of all hazardous and toxic wastes. If, in fact, the property has any type of environmental problems, I reserve the right to alter my value estimate.

Hypothetical Conditions:

A hypothetical condition for this appraisal is that the prospective value estimate is based on completions as per plans and specifications and issuance of the certificate of occupancy for the buildings.

The use of extraordinary assumptions and hypothetical conditions may affect the value estimate. The following pages are offered in support of the value conclusion for the subject property.

Howard B. Russ

Howard B. Russ, SRPA
CT Certified RCG.0000538
CT Certificate valid through April 30, 2019
RI Certified CGA.0A00318
RI Certificate valid through December 20, 2018
HBR

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CERTIFICATION:

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

- i) The statements of fact contained in this report are true and correct.
- ii) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
- iii) I have no present or prospective interest in the property that is the subject of this report and I have no personal interest with respect to the parties involved.
- iv) I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- v) I have no bias, with respect to any property that is the subject of this report or to the parties involved with this assignment.
- vi) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- vii) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, 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.
- viii) The reported analysis, opinions, and conclusions were developed and this report has been prepared in conformity with the requirements of the *Uniform Standards of Professional Appraisal Practice*.
- ix) The use of this report is subject to the requirements of the Appraisal Institute, relating to review by its duly authorized representatives.
- x) I have made a personal inspection of the property that is the subject of this report.
- xi) No one provided significant real property appraisal assistance or appraisal consulting assistance to the person signing this certification.
- xii) I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized agents.
- xiii) As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
- xiv) I assume the site to be clean with no environmental contamination. I am not qualified to make any environmental determination.

ADDRESS OF PROPERTY APPRAISED: 283 Boston Post Road, East Lyme, Connecticut

Howard B. Russ

Howard B. Russ, SRPA

CT Certified RCG.0000538

CT Certificate valid through April 30, 2019

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UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS:

The Certificate of Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the appraiser in the report.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefore.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering that might be required to discover such factors.
6. Information, estimates, and opinions furnished to the appraiser were obtained from sources considered to be reliable and believed to be true and correct. However, the appraiser can assume no responsibility for accuracy of such items furnished to the appraiser.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the appraiser is affiliated.
8. Neither all, nor any part of the contents of the report, or copy thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or the District of Columbia, without the previous written consent of the appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the appraiser.

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS (Continued):

9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
10. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of lead paint, urea-formaldehyde foam insulation, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. We urge the client to retain an expert in this field if desired.
11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a 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 the appraiser has no direct evidence to this issue, possible noncompliance with the requirements of the ADA was not considered in estimating the value of the property.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification and only in its entirety. The appraisal report has been prepared for the exclusive benefit of Dime Bank. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his/her own risk.

This appraiser is not a professional engineer or building inspector and makes no warranty as to the structural or mechanical condition of the improvements. A structural/mechanical inspection, by a qualified engineer, is always recommended. However, this appraisal is not made contingent on the same.

I hereby certify that I have performed this appraisal in compliance with the most recently promulgated Real Estate appraisal guidelines.

AS IS Effective Date March 23, 2018 Upon Completion Date within 6 months

Howard B. Russ

Howard B. Russ, SRPA

CT Certified RCG.0000538

CT Certificate valid through April 30, 2019

RI Certified CGA.0A00318

RI Certificate valid through December 20, 2018

SUMMARY OF SALIENT FACTS AND CONCLUSIONS:

Property Appraised:	283 Boston Post Road, East Lyme, Connecticut
Assessor's Identification:	Assessor's Map 30.1 Lots 60 & 89 East Lyme, CT
Purpose of Appraisal:	Offer an opinion of "AS IS" market value Offer an opinion of "AS COMPLETED" value proposed new construction
Owner of Record:	Jason Pazzaglia
Legal Reference:	Volume 934 Page 237 & Volume 939 page 538 East Lyme Land Records
Zoning:	CA Commercial zone
Land Area:	1.17 acres total (two separate acquisitions)
Existing Improvements:	circa 1960 ranch style dwelling with walkout partially finished basement – to be demolished
Proposed Improvements	Two new buildings mixed commercial and residential use to be constructed
Highest and Best Use:	Proposed mixed use development
Value "As Is" :	\$255,000
Value "Upon Completion":	\$1,210,000 prospective value upon completion
Extraordinary Assumptions:	No contamination on the site
Hypothetical Conditions:	Prospective value as if existing building demolished and new construction completed based on plans and specifications.
Effective Date of Appraisal:	March 23, 2018
Appraiser:	Howard B. Russ, SRPA

DEFINITION OF MARKET VALUE:

The term "market value" is defined and qualified in the following manner:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are 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 own best interests;
- 3) A reasonable time is allowed for exposure in the open market;
- 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.

The footnote for this definition is: 12CFR34.42(G)

TYPE OF INTEREST

I am valuing the AS IS Fee Simple interest of the subject property and value upon completion of proposed improvements with first floor commercial space to remain as vanilla box buildout with future tenants required to complete the interior finish.

SCOPE OF WORK:

The scope of work is defined to mean, "the extent of the process of collecting, confirming, and reporting data." This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. As such, it presents discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser's file. Per the Appraisal Institute, scope of work encompasses all aspects of the valuation process, including the question of which approach to value will be used, the amount of data collected, the sources, geographic areas, time period, data verification process, and property inspection. There are three major steps to the process.

- 1) Identify the problem
- 2) Determine the solution or scope of work
- 3) Apply the solution

The first step, identification of the problem, involves the process of figuring out seven key assignment elements:

SCOPE OF WORK (Continued):

- 1) Who the client is
- 2) Intended users other than the client
- 3) Intended use
- 4) Objective or type of value in an appraisal
- 5) Effective date
- 6) Relevant property characteristics
- 7) Assignment conditions such as hypothetical conditions, extraordinary assumptions, jurisdictional exceptions

It is important to note that this appraisal process does not include the following:

- An in-depth market and highest and best use analysis.
- An in-depth review of zoning regulations governing the subject property.
- A review of the environmental status, a survey, and title history.

Identification of the property:

Requestor:	Dime Bank
Intended use:	Potential financing purposes
Intended user:	Dime Bank
Objective/type of value:	Offer an opinion of the “ AS IS “ and “ AS IF COMPLETED “ market value of the subject property
Effective Date:	March 23, 2018
Property Characteristics:	Relevant property characteristics of the fee simple interest valuation of a 1.17 acre assemblage of commercially zoned land with improvements thereon. The subject property is improved with an older ranch style dwelling that will be demolished to allow construction of two new mixed use buildings containing 12 apartments and vanilla box finish ground floor retail / office space. No personal property, trade fixtures, or intangible items will be included in the final value estimate, as only the real estate is being appraised.
Extraordinary Assumptions Hypothetical Conditions:	Fee Simple is defined as: “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.” ⁽¹⁾ <i>Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute</i> No contamination on the site. Prospective value upon completion of proposed new construction.

SCOPE OF WORK (Continued):

An extraordinary assumption is something that is believed to be true, and specific to the report, for the sake of the analysis, but the factual truth is uncertain. USPAP SR 2-2 (xi) states, the report must “clearly and conspicuously state all extraordinary assumptions; and state that their use might have affected the assignment results.” Should the extraordinary assumption prove to be contrary to the truth, your appraiser must determine if the use of the assumption is appropriate to the intended use of the assignment results. Should the reason for the extraordinary assumption be false, your appraiser is not obligated to fix the appraisal report. However, I reserve the right to accept a new assignment, reflecting the different underlying premise.

The value is based on the extraordinary assumption that the site is free and clear of any environmental contamination. Due to the age of the building lead and asbestos may be present in the structure. If contamination is discovered I reserve the right to amend my value estimate.

A hypothetical condition is contrary to fact, but assumed to be true for purposes of this report, and may be necessary for legal or comparison purposes. USPAP SR 2-2 (xi) states, the report must “clearly and conspicuously state all hypothetical conditions; and state that their use might have affected the assignment results.” Such conditions are sometimes used to develop a value opinion, when future improvements are yet to be made.

The prospective value “upon Completion” is based on the hypothetical condition that the prospective value of the proposed new construction is subject to satisfactory completion of the proposed new construction.

Your appraiser researched the property utilizing records in the East Lyme, Town Hall. The East Lyme, Town Clerk’s Office, Planning and Zoning Department, and Assessor’s Offices were researched. Comparable sales data was researched throughout the area and any sales utilized were verified in the respective town halls or personal verification where possible.

The depth of discussion contained in this report is specific to the needs of the client and for the intended use as stated. The appraisal may not be used or relied upon by anyone other than the client, for any purpose whatsoever, without the express written consent of the appraiser. The appraiser is not responsible for unauthorized use of this report.

DEFINITIONS:

Absorption Rate – The rate at which properties for sale or lease have been or are expected to be successfully marketed, sold, or leased in a given area over a duration or time.

Direct Capitalization – A method used to convert an estimate of a single year’s income expectancy into an indication of value in one direct step, either by dividing the net income by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year’s income is used. Yield and value changes are implied but not identified.

DEFINITIONS (Continued):

Discounted Cash Flow (DCF) Analysis – The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

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.

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.

Hypothetical Condition – That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characters 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.

Leased Fee Interest – A freehold (ownership interest) where the possessory interest has been granted to another party by creation of contractual landlord-tenant relationship (i.e., a lease).

Most Probable Selling Price – The price at which a property would most probably sell if exposed on the market for a reasonable time under the market conditions on the date of the appraisal.

Stabilized Income – Income at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; projected income that is subject to change, but has been adjusted to reflect an equivalent, stable annual income.

Stabilized Occupancy – An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent.

Uniform Standards of Professional Appraisal Practice (USPAP) – Current standards of the appraisal profession, developed for appraisers and the users of appraisal services by the Appraisal Standards Board of The Appraisal Foundation. The standards are endorsed by the Appraisal Institute and by other professional appraisal organizations, and state and federal regulatory authorities enforce the content of the current or applicable editions of the standards.

Warranty Deed – A deed that conveys to the grantee title to the property free and clear of all encumbrances, except those specifically set forth in the document.

**Source – The Dictionary of Real Estate Appraisal, Sixth Edition, © Appraisal Institute.*

HIGHEST AND BEST USE:

Highest and best use 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. Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination" over a given period of time. That legal use will yield to the land the highest present value, sometimes referred to as optimum use.

In estimating highest and best use, there are essentially four stages of analysis:

1. Possible use. What use(s) of the site in question are physically possible?
2. Permissible use (legal). What use(s) are permitted by zoning and deed restrictions on the site in question?
3. Feasible use. Which possible and permissible use(s) will produce a net return to the owner of the site?
4. Highest and best use. Among the feasible use(s), which use will produce the highest net return or the highest present worth?

If vacant and available for use, the highest and best use of the land or site may be different from the highest and best use of the improved property. This is true when the improvement is not an appropriate use, but makes a contribution to the total property value in excess of the value of the site. Four tests apply:

As vacant, development of the commercially zoned site would be physically possible, legally permitted by zoning, and would be financially feasible and would be the most maximally productive use of the site.

As improved, the existing building was constructed in 1960 +/- and has been utilized since construction as a single family dwelling. The property was recently purchased by the current owner / developer for demolition of the existing dwelling to allow construction of a larger mixed use complex. All necessary legal and survey work has been completed to allow the Town of East Lyme approval for construction of the proposed two building complex. As such, the proposed development of the property is physically possible, legally permitted by zoning variance, and would be financially feasible and would be the most maximally productive use of the site.

In my opinion, the highest and best use is considered to be its proposed use, as a two building mixed use residential and commercial site.

PROPERTY IDENTIFICATION AND OWNERSHIP:

The subject property can be found on the East Lyme Assessors Map 30.1 Lot 60. As of the date of valuation, Jason Pazzaglia owned the property, which was acquired in two separate transactions.

LEGAL REFERENCE AND SALES HISTORY:

283 Boston Post Road

Grantor: Alice Flynn
 Grantee: Jason Pazzaglia
 Reference: Volume 378 Page 919 East Lyme, land records
 Date: November 14, 2014
 Purchase price: \$187,500 as stated in deed (existing dwelling on 0.51 acres)
 Financing:

Pattagansett Drive (private road)

Grantor: Benjamin Orvidal Estate
 Grantee: Jason Pazzaglia
 Reference: Volume 943 Page 237 East Lyme, land records
 Date: February 13, 2015 (private road 0.66 ac)
 Purchase price: \$1,500

Please see the addendum to this report for a copy of the legal descriptions.

To your appraiser's knowledge, the subject property has not transferred since the above date; therefore, the USPAP requirement to report transfers within three years has been met. Your appraiser has considered any possible market affects in regards to easements, restrictions, special assessment, etc. Inspection of the legal description and walking the site did not reveal any adverse property situations that would have a negative impact on the subject under the highest and best use analysis.

CONTRACT/LISTING INFORMATION:

The subject property is currently not listed for sale nor is it under deposit to be purchased at this time, to the best of my knowledge.

ASSESSMENT AND TAX INFORMATION:

283 Boston Post Rd Assessed Valuation:

Land:	\$ 57,050
Improvements:	\$ 56,350
Total Assessment:	\$ 113,400
Mil Rate	0.02616
Annual Tax obligation	\$3,016.44

The assessors full 100% valuation of the subject property is \$162,000.

Pattagansett Driven:

Land:	\$ 6,860
Improvements:	\$ 0
Total Assessment:	\$ 6,860
Mil Rate	0.02616
Annual Tax obligation	\$179.46

The assessors full 100% valuation of the subject property is \$9,800.

ESTIMATE OF TAX BURDEN UPON COMPLETION

East Lyme had a complete revaluation of all real property on October 1, 2016. This establishes the tax base for the next five years.

The smaller dated 8 unit apartment complex at 5 Mill Road in East Lyme, utilized as a sale in this appraisal report is valued at a full value of \$518,700 by the Assessor with a resulting assessment at 70% of \$363,090 with a resulting tax burden of \$5,460 or at the rate of \$1.73 per square foot for the 5,460 square feet of living area. This building was constructed in 1973 and does not have any commercial space.

A smaller totally renovated commercial building at 211 Boston Post Road, East Lyme in close proximity to the subject is valued by the town at \$203,700 with a resulting 70% assessment of \$142,590 and tax burden of \$3,730 or at the rate of \$2.74 per square foot of useable building area.

A smaller renovated commercial building at 217 Boston Post Road, East Lyme in close proximity to the subject is valued by the town at \$173,700 with a resulting 70% assessment of \$121,590 and tax burden of \$3,180 or at the rate of \$3.25 per square foot of useable building area.

A smaller renovated commercial building at 221 Boston Post Road, East Lyme in close proximity to the subject is valued at \$261,590 with a resulting 70% assessment of \$262,590 and tax burden of \$6,843 or at the rate of \$3.07 per square foot of useable building area.

A smaller new commercial medical building at 279 Boston Post Road, East Lyme in close proximity to the subject is valued at \$951,511 with a resulting 70% assessment of \$666,050 and tax burden of \$6,843 or at the rate of \$3.99 per square foot of useable building area.

Since the revaluation is considered to be current and the proposed new construction will be modern, the 70% assessment ratio is projected against the estimated market value upon completion yielding an estimated assessment of \$890,000. The mil rate is 26.16 or \$26.16 per \$1,000 of assessment, yielding a projected tax burden of \$23,282 or \$1.75 / SF gross building area.

PRESENT USE/ZONING:

As of the date of valuation, the subject property was located in the CA Commercial Zone of the Town of East Lyme, which allows mixed use properties.

ZONING COMPLIANCE CHART

ZONE = CA		
	REQUIRED	PROVIDED
MINIMUM LOT SIZE	21,900 S.F.	54,747 S.F.
MINIMUM FRONTAGE	80 FT.	218.66 FT.
MINIMUM FRONT YARD	20 FT.	20.0 FT.
MINIMUM SIDE YARD	12 FT.	16.7 FT.
MINIMUM REAR YARD	12 FT.	82.23 FT.
MAXIMUM BUILDING COVERAGE	35 %	8.3 %
MAXIMUM BUILDING HEIGHT	35 FT.	29± FT.

LOT AREA REQUIRED CALCULATION

12 - 1 BEDROOM UNITS @ 1,200 S.F./1 BEDROOM
 UNIT*=14,400 S.F.
 COMERCIAL USE @ 7,500 S.F.
 TOTAL AREA =14,400+7,500=21,900 S.F. REQUIRED
 *AS PER SECTION 8.3.1 OF THE EAST LYME ZONING
 REGULATIONS.

PARKING CALCULATION:

12-1 BEDROOM APARTMENTS=12 (1 BEDROOM UNITS)x1.5 (SPACES PER UNIT)=18 SPACES
 GUEST PARKING = 1 SPACE PER 3 UNITS = 12(UNITS)/3=4 SPACES
 22 PARKING SPACES REQUIRED FOR RESIDENTIAL UNITS

OFFICE SPACE 1 SPACE PER 250 S.F. OF GROSS FLOOR AREA=4590 S.F./250 S.F.=18.36
 SPACES

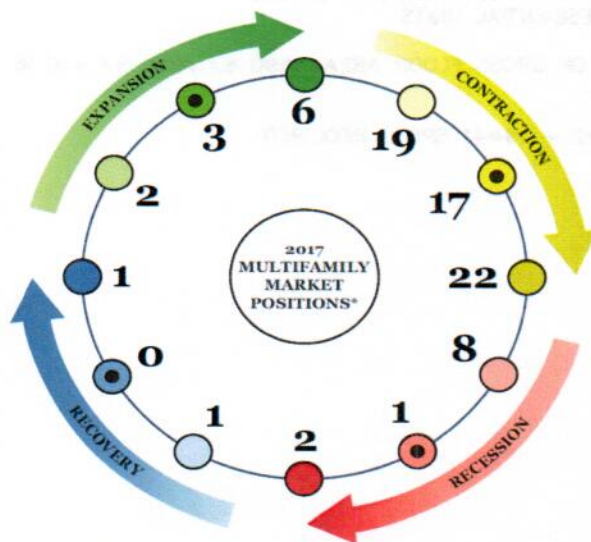
TOTAL SPACES REQUIRED FOR SITE =22 + 19=41 SPOTS REQUIRED
 TOTAL PARKING PROVIDED=44

PRESENT MARKET CONDITIONS:

The following statistical information is offered for New London County and the Town of East Lyme, at this time. Apartments remain in the preferred category for investors.

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2018*			
PROPERTY DESIRABILITY MATRIX			
	Preferred agressively seeking	Cautionary will consider	Rejecting but... ...may consider under special circumstances
Apartments	All Types		
Golf		Private Public - Municipal Semi-Private	Public - Privately Owned
Health Care/Senior Housing	Independent Living Assisted Living	Congregate Care	Acute Care Nursing Homes
Industrial	Warehouse Bulk Distribution	Fleet/Showroom	Heavy Manufacturing
Lodging	Limited Service	Full Service Golf/Gaming/Resort	
Mobile Home/RV Parks	Retirement & Family MHP Parks	RV Parks/Campgrounds	
Office	Medical	CBD Suburban	

The multifamily / apartment sector is in a contraction phase and is a relatively healthy sector of the overall area economy. This sector is benefiting from baby boomers downsizing from larger homes, and from Generation Y individuals out in their first apartment.



NORTHEAST REGION				
MSA Name	2017	2018	2019	2020
Boston	●	●	●	●
Buffalo	●	●	●	●
Central New Jersey	●	●	●	●
Fairfield County	●	●	●	●
Hartford	●	●	●	●
Long Island	●	●	●	●
New Haven	●	●	●	●
New York	●	●	●	●
Northern New Jersey	●	●	●	●
Philadelphia	●	●	●	●
Pittsburgh	●	●	●	●
Providence	●	●	●	●
Rochester	●	●	●	●
Syracuse	●	●	●	●
Westchester	●	●	●	●

Source PWC Korpacz

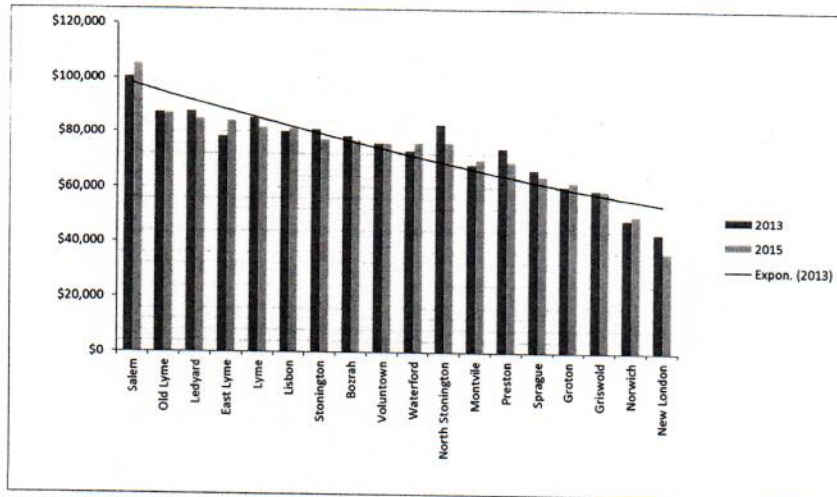
Current projections indicate a healthy apartment market through 2019.

TOWN DATA

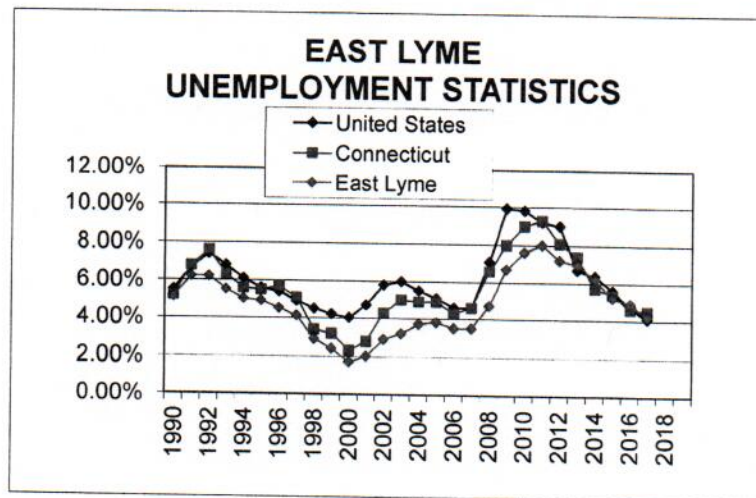
The Town of East Lyme, encompasses an area of 42.0 square miles and is located in New London County with a population base of 19,150. Summer tourist influx increases the population substantially with many seasonally occupied condominium units and marina transient additions to the year round population base. There is good highway and rail access through East Lyme as Interstate 95, CT Route 1, CT Route 156 and the main AMTRAK rail line pass through the town.

The town has a high median household income and is a very desirable area to live in with good employment opportunities, good town services, excellent schools and police protection and excellent recreational opportunities with many miles of direct waterfrontage along Long Island Sound and the Niantic River.

MEDIAN HOUSEHOLD INCOME BY TOWN - NEW LONDON COUNTY



TOWN UNEMPLOYMENT RATE AS COMPARED TO STATE AND FEDERAL RATES



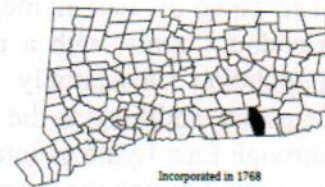
TOWN DATA (Continued):

East Lyme, Connecticut

CERC Town Profile 2017 Produced by The CT Data Collaborative

Town Hall
P. O. Box 519, Niantic
East Lyme, CT 06357
(860) 739-6931

Belongs To
New London County
LMA Norwich - New London - Westerly
Southeastern Planning Area



Incorporated in 1788

Demographics

Population				Race/Ethnicity (2011-2015)				
	Town	County	State		Town	County	State	
2000	18,118	259,088	3,405,565	White Alone, Non-Hispanic	15,358	209,685	2,487,119	
2010	19,159	274,055	3,574,097	Black Alone, Non-Hispanic	639	15,345	370,501	
2011-2015	18,876	273,185	3,593,222	Asian	804	11,358	150,670	
2020	19,173	283,665	3,604,591	Native American	58	1,614	8,908	
'15 - '20 Growth / Yr	0.3%	0.7%	0.1%	Other/Multi-Race	1,361	22,207	283,800	
				Hispanic (Any Race)	1,635	26,167	526,508	
	Town	County	State	Poverty Rate (2011-2015)				
Land Area (sq. miles)	34	665	4,842	Town	County	State		
Pop./Sq. Mile (2011-2015)	555	411	742	4.6%	9.9%	10.5%		
Median Age (2011-2015)	47	41	40	Educational Attainment (2011-2015)				
Households (2011-2015)	7,228	106,495	1,352,583		Town	County	State	
Med. HH Inc. (2011-2015)	\$84,029	\$66,233	\$70,331	High School Graduate	3,124	22%	673,973	27%
				Associates Degree	1,169	8%	183,289	7%
				Bachelors or Higher	6,387	45%	925,607	38%
Age Distribution (2011-2015)								
	0-4	5-14	15-24	25-44	45-64	65+	Total	
Town	679 4%	2,119 11%	1,891 10%	4,393 23%	5,905 31%	3,889 21%	18,876 100%	
County	13,989 5%	31,754 12%	38,572 14%	66,804 24%	79,519 29%	42,547 16%	273,185 100%	
State	191,445 5%	446,058 12%	492,864 14%	885,518 25%	1,035,059 29%	542,278 15%	3,593,222 100%	

Economics

Business Profile (2015)			Top Five Grand List (2016)	
Sector	Units	Employment		Amount
Total - All Industries	522	5,496	GDEL Residential LLC	\$61,889,024
23 - Construction	48	309	CT Light & Power	\$47,768,048
31-33 - Manufacturing	11	226	417 Main Street, Niantic LLC	\$26,172,484
44-45 - Retail Trade	63	755	L&L East Lyme LLC	\$22,891,738
62 - Health Care and Social Assistance	55	806	GRE 314 East Lyme LLC	\$18,332,872
Total Government	30	1,632	Net Grand List (SFY 2014-2015)	\$2,061,949,264
			Major Employers (2016)	
			Town of East Lyme	CT Department of Corrections
			Stop and Shop	Mariner Health of Bride Brook
			Birk Manufacturing	

Education

2016-2017 School Year			Smarter Balanced Test Percent Above Goal (2015-2016)						
	Grades	Enrollment	Grade 3		Grade 4		Grade 8		
			Town	State	Town	State	Town	State	
East Lyme School District	PK-12	2,782	70.8%	52.8%	70.5%	47.9%	54.9%	40.3%	
			Math				ELA		
			74.7%	53.9%	77.9%	55.5%	69.0%	55.5%	
Pre-K Enrollment (PSIS)			Rate of Chronic Absenteeism (2015-2016)						
East Lyme School District		2016-2017	All						
		50	Connecticut						
			East Lyme School District						
			9.6%						
			4.7%						
4-Year Cohort Graduation Rate (2014-2015)									
	All	Female	Male						
Connecticut	87.2%	90.1%	84.4%						
East Lyme School District	94.9%	97.7%	92.4%						

East Lyme, Connecticut

CERC Town Profile 2017



Connecticut
Economic
Resource Center

Government							
Government Form: Selectman - Town Meeting							
Total Revenue (2015)	\$71,100,600	Total Expenditures (2015)	\$73,155,424	Annual Debt Service (2015)	\$5,518,409		
Tax Revenue	\$49,782,485	Education	\$49,709,355	As % of Expenditures	7.5%		
Non-tax Revenue	\$21,318,115	Other	\$23,446,069	Eq. Net Grand List (2015)	\$2,948,988,218		
Intergovernmental	\$14,231,113	Total Indebtedness (2015)	\$52,957,614	Per Capita	\$152,458		
Per Capita Tax (2015)	\$2,561	As % of Expenditures	72.4%	As % of State Average	102.8%		
As % of State Average	91.8%	Per Capita	\$2,738	Moody's Bond Rating (2015)	Aa2		
		As % of State Average	112.7%	Actual Mill Rate (2015)	24.03		
				Equalized Mill Rate (2015)	16.80		
				% of Net Grand List Com/Ind (2015)	6.6%		
Housing/Real Estate							
Housing Stock (2011-2015)							
	Town	County	State	Distribution of House Sales (2013)			
Total Units	8,226	121,258	1,491,786	Less than \$100,000	Town	County	State
% Single Unit (2011-2015)	83.2%	65.2%	59.2%	\$100,000-\$199,999	14	363	3,417
New Permits Auth (2015)	106	531	6,077	\$200,000-\$299,999	65	629	7,522
As % Existing Units	1.3%	0.4%	0.4%	\$300,000-\$399,999	94	628	6,031
Demolitions (2015)	15	89	1,230	\$400,000 or More	53	295	3,380
Home Sales (2013)	280	2,190	26,310		54	275	5,960
Median Price	\$307,800	\$244,000	\$270,500				
Built Pre-1950 share	23.7%	29.0%	29.3%				
Owner Occupied Dwellings	5,759	70,847	906,227				
As % Total Dwellings	79.7%	66.5%	67.0%				
Subsidized Housing (2015)	534	14,048	172,556				
Labor Force							
Place of Residence (2015)							
	Town	County	State	Connecticut Commuters (2014)			
Labor Force	8,755	136,579	1,890,506	Commuters Into Town From:			
Employed	8,299	128,526	1,782,269	East Lyme, CT	1,286	Town Residents Commuting To:	
Unemployed	456	8,053	108,237	Waterford, CT	467	East Lyme, CT	1,286
Unemployment Rate	5.2%	5.9%	5.7%	New London, CT	317	Groton, CT	1,056
				Groton, CT	246	New London, CT	780
Place of Work (2015)							
	Town	County	State	Montville, CT	225	Waterford, CT	693
Units	522	7,269	116,246	Norwich, CT	160	Norwich, CT	331
Total Employment	5,496	121,226	1,662,822	Old Lyme, CT	126	Montville, CT	280
2012-'15 AAGR	108.8%	13.2%	100.0%			Old Lyme, CT	243
Mfg Employment	226	7,613	79,612				
Other Information							
Crime Rate (2014)							
	Town	State	Distance to Major Cities		Residential Utilities		
Per 100,000 residents	832	2,167	Hartford	Miles	Electric Provider		
Library (2016)							
	Town	Providence		36	Eversource Energy		
Circulation per Capita	8.57	Boston		53	(800) 286-2000		
Internet Use per Visit	0.09	New York City		92	Gas Provider		
		Montreal		102	Eversource Energy		
Families Receiving (2014)							
					297	(800) 989-0900	
Temporary Family Assistance (TFA)			Town		Water Provider		
Population Receiving (2014)			26		Municipal Provider		
					Local Contact		
Supplemental Nutrition Assistance Program (SNAP)			Town		Cable Provider		
			499		Metrocast Communication of CT, LLC		
					(860) 442-8525		

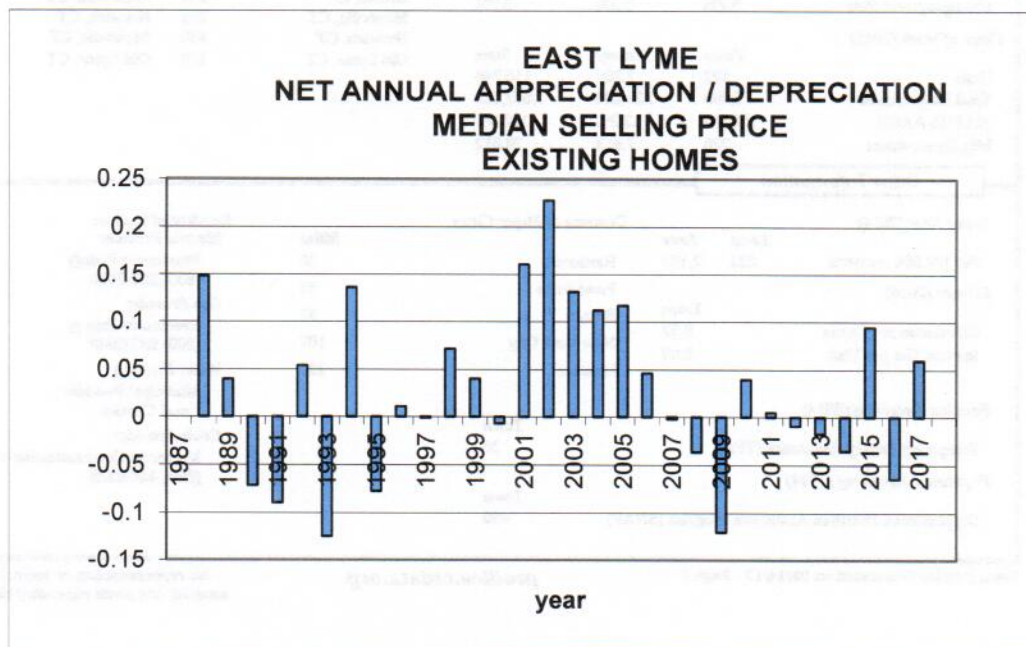
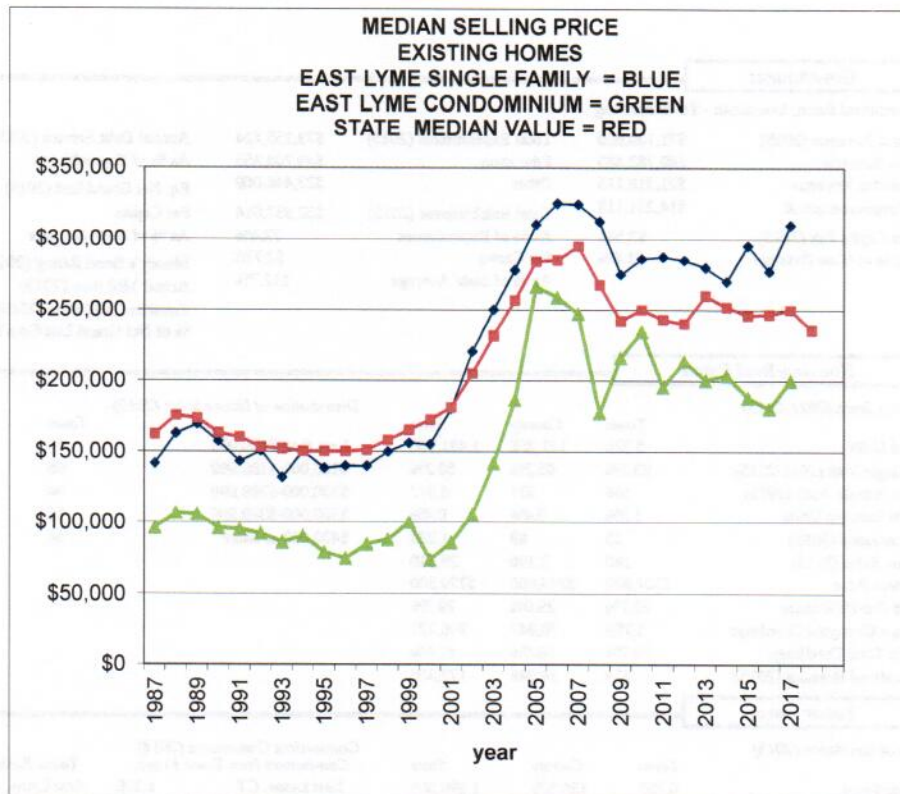
Town Profiles Generated on 09/14/17 - Page 2

profiles.ctdata.org

No representation or warranties, expressed or implied, are given regarding the accuracy of this information.

PRESENT MARKET CONDITIONS:

Residential property values have been above State of Connecticut median values since 2001.



Source: The Warren Group

NEIGHBORHOOD:

The subject property is located on the north side of Boston Post Road, Route 1 in East Lyme approximately 200 feet east of the entrance to the public launch ramp to Pattagansett Lake. The neighborhood is a mix of commercial buildings and older residential homes. The major commercial development along Boston Post Road in this area is approximately ½ mile to the east nearer to the Flanders Four Corners intersection. A transition from residential to commercial use is found in this area. Approximately 200 feet east from the subject is a large medical and office building with several small commercial storefronts and office conversions from prior residential uses nearby. A small apartment complex is located just east from the subject and the towns high school and area fire station is nearby.

MARKETING PERIOD AND EXPOSURE TIME:

Marketing period refers to the anticipated period required to sell a property after the effective date of the appraisal. The exposure period refers to the presumed period prior to the effective date of the appraisal.

In estimating both marketing period and exposure time, the most significant factor is historical data regarding marketing times for similar properties. As such, if market conditions are considered stable, the marketing period and exposure times are typically the same. However, the two periods may vary if notable changes in the market conditions are anticipated.

In this soft market, marketing times have varied greatly depending on the seller's motivation and realistic assessment of current market conditions. Obviously exposure times will vary as well however, for purposes of this report, I will assume that a reasonable exposure time is anywhere from twelve to twenty-four months.

DESCRIPTION OF SUBJECT PROPERTY:

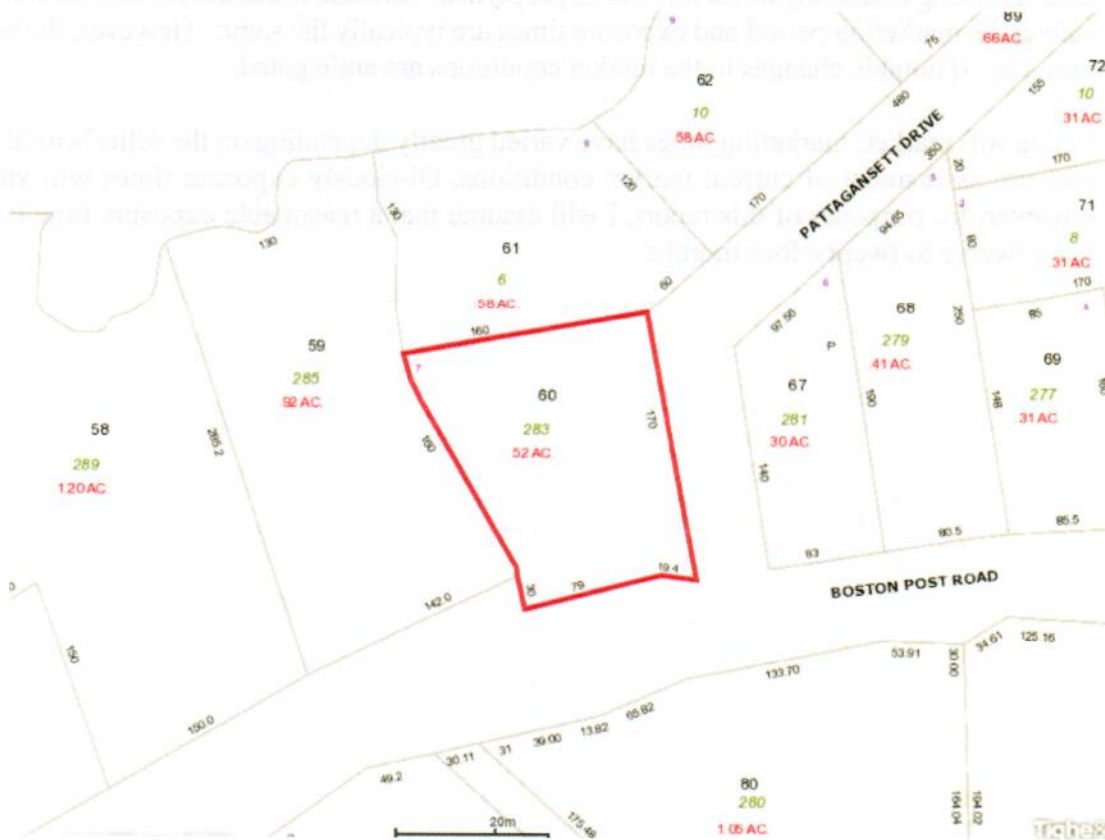
SITE: Assessors Map 30, Block 1 Lot 60 & lot 89

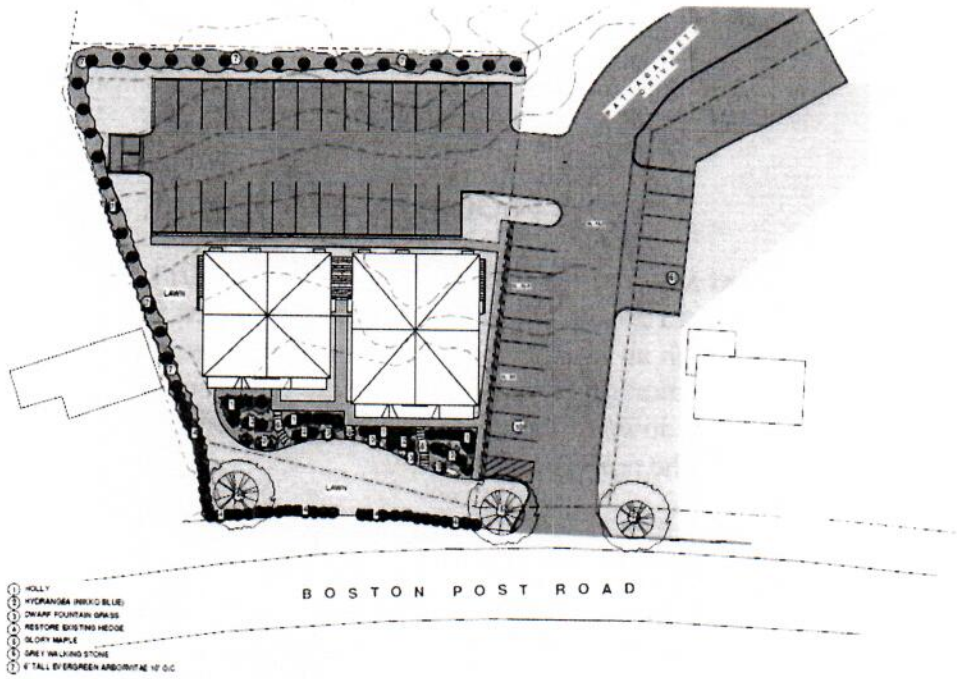
The subject property consists of two adjacent commercially zoned parcels. The first is an 0.52 acre, generally rectangular parcel of residentially zoned land off the north side of Boston Post Road Route 1 and the west side of Pattagansett Drive in East Lyme Connecticut identified as 283 Boston Post Road. This parcel has 100 +/- feet road frontage. The second adjacent parcel is identified as Pattagansett Drive, a private roadway containing an area of 0.66 acres which increases the actual Boston Post Road frontage of the subject by 50 feet to 150 feet overall. Easements were granted to five property owners off Pattagansett Drive granting common access and egress rights.

The combined overall land area of Lots 60 & 89 is 1.18 acres or 51,400 square feet.

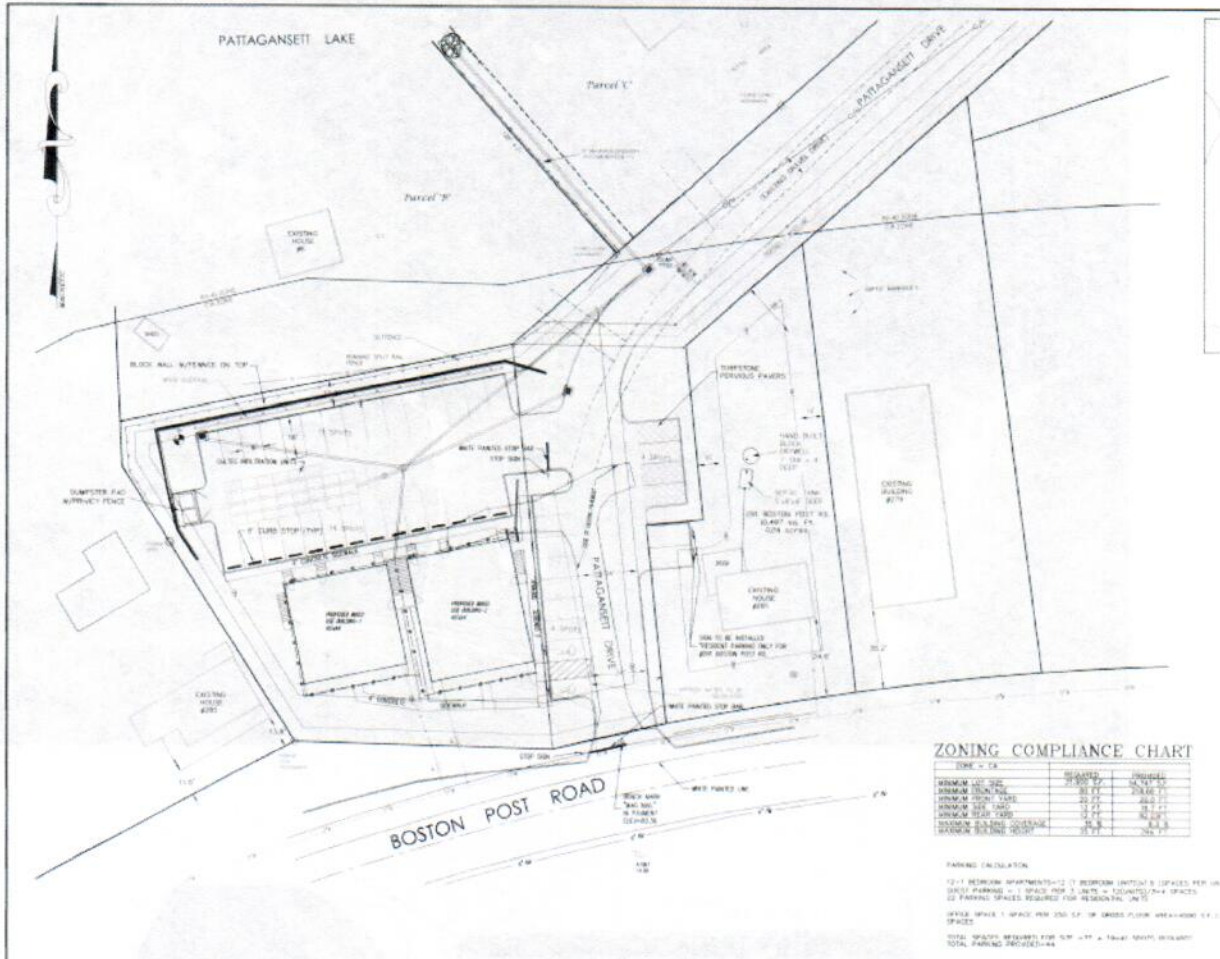
The subject property overlooks Pattagansett Lake a short 120 feet to the north, and the subject land areas slopes down towards the pond. A single family dwelling is located immediately between the subject and the shoreline of the lake.

ASSESSORS GIS MAP





TOTAL LAND AREA 54,747 SF per survey



FLOOD HAZARD MAP

As per Flood Hazard Map 09011C 0476G dated July 18, 2011. The subject property is not located in a flood hazard zone. The shore line of Pattagansett Lake is approximately 120 feet north of the subject with an intervening property owner between the subject and the lake. A substantial rise in elevation of 15 to 20 feet is found at the subject location along Boston Post Road frontage, sloping down to the much lower lake elevation. Please find the flood hazard map in the addenda of the report on page N.

Street View looking east on Boston Post Road



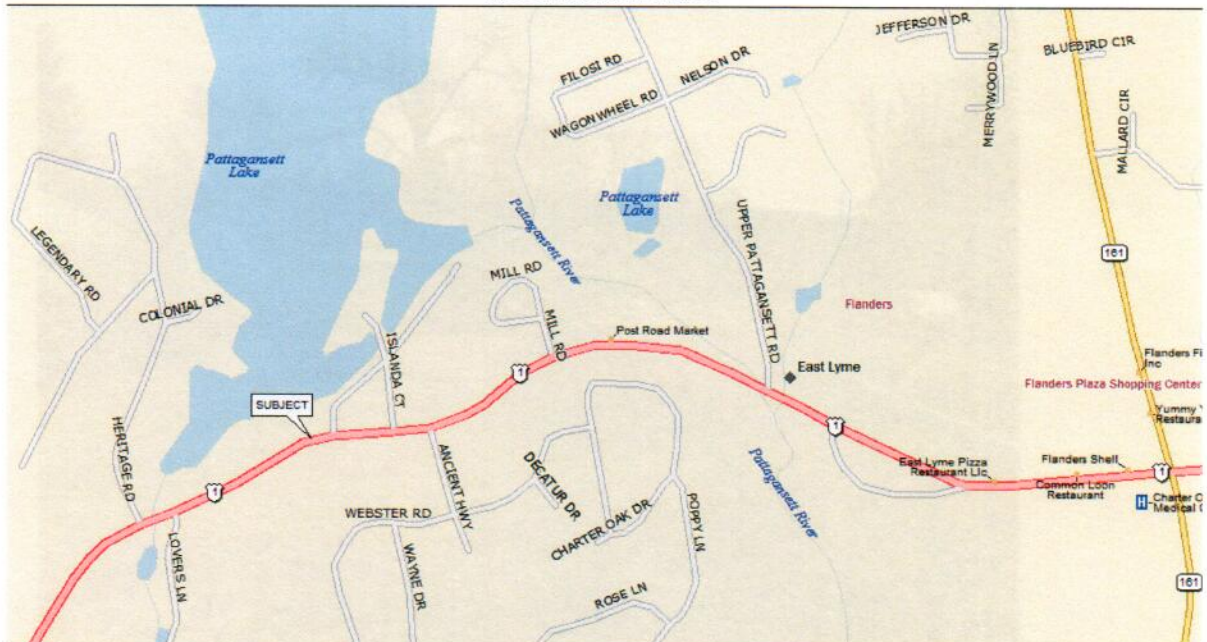
Street View looking west on Boston Post Road



View looking north on Pattagansett Drive now part of the subject property



LOCATION MAP



SITE IMPROVEMENTS :

Limited site improvements consist of overgrown foundation plantings, a lawn area, a small rear gravel parking area, and septic system. Municipal water is available along this section of Boston Post Road.

EXISTING BUILDING :

Currently the subject property is improved with a one story ranch type dwelling constructed in 1960 with full, partially finished walkout basement area.



Rear view existing dwelling on site



View to north of Pattagansett Lake



VALUATION OF SUBJECT PROPERTY:

All three approaches to value, namely the Cost Approach, Income Approach, and Sales Comparison Approach must be considered when evaluating any kind of property.

The Cost Approach is a method of estimating value by reference to the sum of the land value and the building cost. The land is valued as though it were vacant and available for improvement. The opinion of land value may be based upon recent sales of comparable sites, if any; or any analysis of the probable land value by means of the land residual process, assuming a hypothetical new and proper building. The building is valued on the hypothetical basis of its current cost of construction, less some amount for depreciation if it is not new.

The Sales Comparison Approach is based upon the assumption that property is worth what it will sell for in the absence of undue stress, when reasonable time is allowed to find a purchaser. Thus, the foundational work involved in this approach is the acquisition of data pertaining to sales, offering prices, listings, and opinions of well-informed persons. The market data, or comparative approach, may be employed in the comparison of replicas, cost, gross income, operating expense, net income, capitalization rates, sales, listings, offers, and/or opinions.

The Income Approach of appraising affirms that the value of property tends to be set by the expected net yield to its owner. In the application of this theory, the appraiser predicts the amount of future net income and applies appropriate discounts for interest. The process is known as capitalizing expected future income; it is simply, in effect, a process of discounting for interest. The result is the capitalized value of the property. This capital theory is based upon the belief that buyers and sellers of income producing properties, with exceptions, consider income the yardstick by which value is measured.

For the purpose of this report both the as is and upon completion values were requested.

VALUE AS IS :

The subject property was purchased in anticipation of demolition of the existing structure to allow for adaptive reutilization of the site with modern multi use buildings.

COST APPROACH:

The Cost Approach is a good indicator of value for a new property, however is seldom used to value circa 1960 single family dwellings as estimation of overall depreciation is difficult to establish with good credibility. Thus the cost approach will not be utilized in the "AS IS" valuation calculations.

INCOME APPROACH

The Income approach is not typically utilized in the valuation of single family homes, and in this instance the existing dwelling is slated for demolition to allow development of the site to its highest and best use. Therefore the Income Approach will not be utilized in the "AS IS" valuation calculations.

SALES COMPARISON APPROACH “ AS IS “

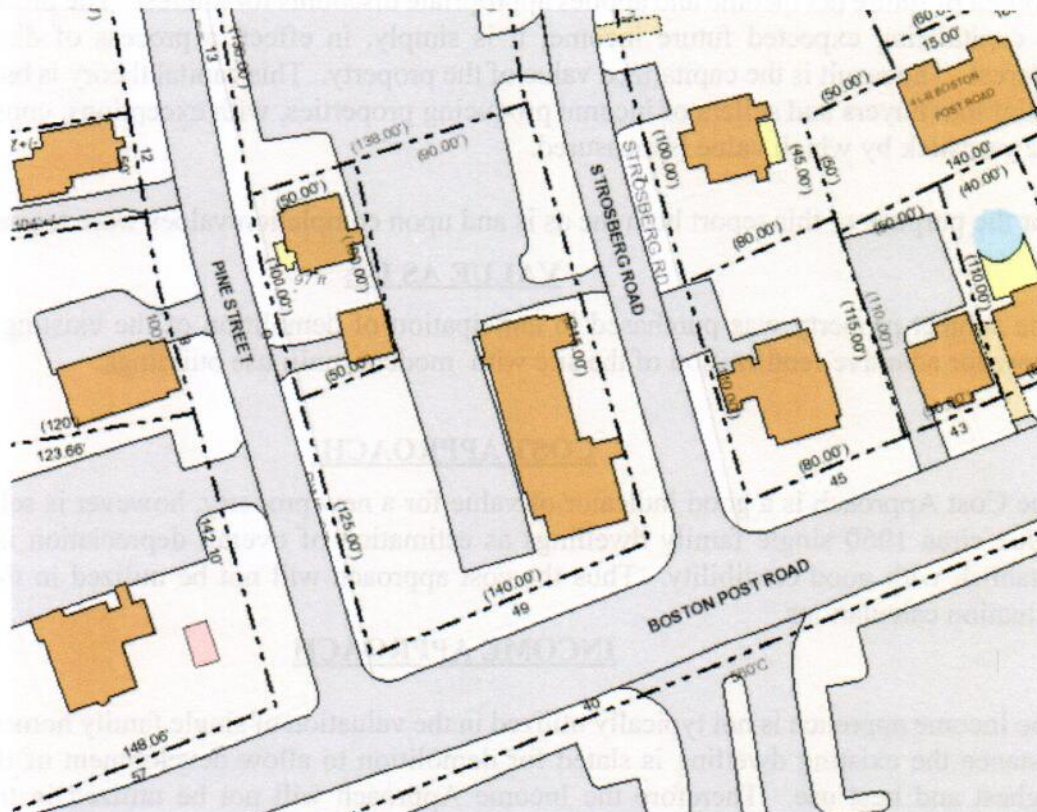
The following commercial land sales are considered to support a market value estimate of the subject property as unimproved commercially zoned land. All three sales are similar to the subject in that an existing building occupied the site, while these properties were purchased for demolition of the existing structure to allow modern commercial development of the site.

SALE 1 49 Boston Post Road, Waterford. CT

Grantor: Teddy B Realty Company, LLC

Grantee: 49 Boston Post Rd, LLC

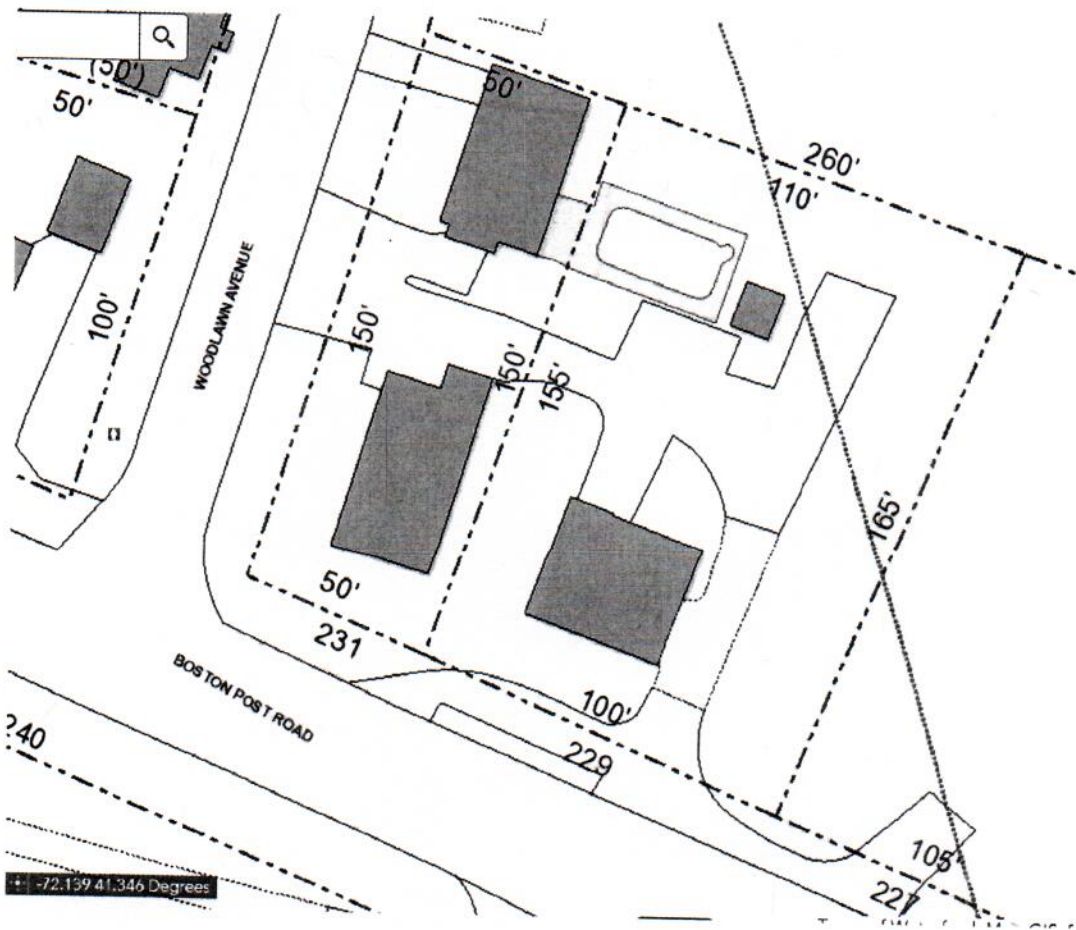
This 0.60 acre or 26,136 square foot CG general commercially zoned parcel of level land has 140 feet of primary road frontage on Boston Post Road Route 1 and secondary frontage of 125 feet on Pine Street and 215 feet of secondary road frontage on Strosberg Road. The site was improved with a dated two story restaurant that has been vacant over the past 15 years. This property is served by municipal water and sewer and was purchased for demolition of the existing dated building to allow construction of a modern office building. The sale occurred August 11, 2017 at the rate of \$175,000 or \$6,70 per square foot plus demolition costs. The sale was recorded in Volume 1521 page 229 of the Waterford Land records



SALE 2 229 Boston Post Road, Waterford. CT

Grantor: Estate of Robert Maynard
Grantee: Ivy & Ernest Mellow

This 0.39 acre or 16,988 square foot CG general commercially zoned parcel of level land has 100 feet of road frontage on Boston Post Road Route 1. The site was improved with a small dated one story former retail building in poor condition that has been vacant over the past 20 years. This property is served by municipal water and sewer and was purchased for demolition of the existing dated building to allow construction of a modern commercial building. The sale occurred June 1, 2017 at the rate of \$93,000 or \$5.47 per square foot of land area plus demolition costs. The sale was recorded in Volume 1511 page 305 of the Waterford Land records



SALE 3 156 Boston Post Road, East Lyme. CT

Grantor: Joseph Steele
Grantee: 144 Realty, LLC

This 2.04 acre or 88,862 square foot CA general commercially zoned parcel of level land has 207 feet of road frontage on the south side of Boston Post Road, Route 1 at the intersection of Church Lane. The site was improved with a dated two story residence and was purchased for demolition of the existing dated building to allow construction of a modern office building. The sale occurred August 5, 2014 at the rate of \$455,000 or \$5.12 per square foot of land area plus demolition costs. The sale was recorded in Volume 934 page 757 of the East Lyme Land records. In 2016 the site was transferred to a related entity for no money, and the new office building was constructed.



The three sales are all commercially zoned parcels along Boston Post Road acquired for demolition of the existing building on site to allow modern construction to occur. No market condition of time adjustments are required for Sales 1 & 2 while an upward market condition adjustment is warranted for Sale 3, located near the subject but dating to 2014. A measurable amount of appreciation has occurred in East Lyme since 2014.

LAND SALES SUMMARY OF ADJUSTMENTS							
ITEM	SUBJECT	COMPARABLE#1 49 Boston Post Road, Waterford, CT		COMPARABLE#2 229 Boston Post Road, Waterford, CT		COMPARABLE#3 156 Boston Post Road, East Lyme, CT	
Unadjusted Price			\$175,000		\$93,000		\$455,000
<i>Unadjusted Sale Price / SF</i>			\$6.70		\$5.47		\$5.12
ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+/- ADJ.	DESCRIPTION	+/- ADJ.	DESCRIPTION	+/- ADJ.
PROPERTY RIGHTS CONVEYED	Fee Simple	Fee Simple	0%	Fee Simple	0%	Fee Simple	0%
FINANCING	N/A	N/A	0%	N/A	0%	N/A	0%
CONDITIONS OF SALE	Arm's Length	Arm's Length	0%	Arm's Length	0%	Arm's Length	0%
MARKET CONDITIONS	4/12-18	7/10/2018	0%	6/1/2017	0%	8-5-2014	15%
<i>ADJUSTED SALE PRICE</i>			\$6.70		\$5.47		\$5.89
LOCATION	good RT 1	good RT 1	0%	good RT 1	0%	good RT 1	0%
ZONE	CA commercial	GC commercial	0%	GC comm	0%	CA commercial	0%
LOT AREA SF	51,400	26,136	-15%	16,988		88,862	
SHAPE	irregular	rectangular	0%	rectangular	0%	rectangular	0%
FRONTAGE	175	480	-15%	100	5%	207	-10%
VIEW	lake view	no view	5%	no view	5%	no view	5%
ACCESS	good RT 1	good RT 1	0%	good RT 1	0%	good RT 1	0%
TOPOGRAPHY	sloping down to rear	level	-5%	level	-5%	level	-5%
UTILITIES	water, tel & elec	w.s.t.e	-3%	w.s.t.e	-3%	w. t. e	0%
ENCUMBRANCES	bldg to demo	bldg to demo	0%	bldg to demo	0%	bldg to demo	0%
USE at sale date	res dwlg	closed restaurant	0%	closed retail	0%	dated residence	0%
HIGHEST AND BEST USE	new comm devel	new comm devel	0%	new comm devel	0%	new comm devel	0%
TOTAL ADJUSTMENT							
<i>ADJUSTED SALE PRICE / SF</i>			\$4.49		\$5.58		\$5.30

Fee Simple subject land value

\$5.00 / SF X

51,400 \$257,000 indicated land value
 say \$255,000

Total Acquisition cost \$189,000 February 2015 was the closing date for the excess land acquisition to allow the density of development proposed. Demolition and carting of the demolition debris from the existing building will be required. I have discussed demolition carting and excavation costs with a local contractor with an estimated price of \$15,000. Thus the owner will have approximately \$205,000 invested in the site. Current sales analysis supports an underlying land value of \$255,000.

MARKET VALUE ESTIMATE "AS IS" TWO HUNDRED FIFTY FIVE (\$255,000) DOLLARS

PROPOSED DEVELOPMENT

The development proposal is to demolish the existing ranch style dwelling and construct two adjacent two story buildings with full finished walk out basements. In total the two buildings will contain 12 one bedroom apartments plus 3,930 +/- SF ground floor unfinished office / retail space (4,410 +/- SF less 480 +/- SF consisting of six 80 +/- SF interior stairwells cut from the retail / office space for access to the upper floor apartments) .

Proposed Building 1 45 feet X 44 feet or 1,980 SF per floor, 3,960 SF combined above grade
Plus 1,980 SF full finished walkout basement

Proposed Building 2 45 feet X 54 feet or 2,430 SF per floor, 4,860 SF combined above grade
Plus 2,430 SF full finished walkout basement

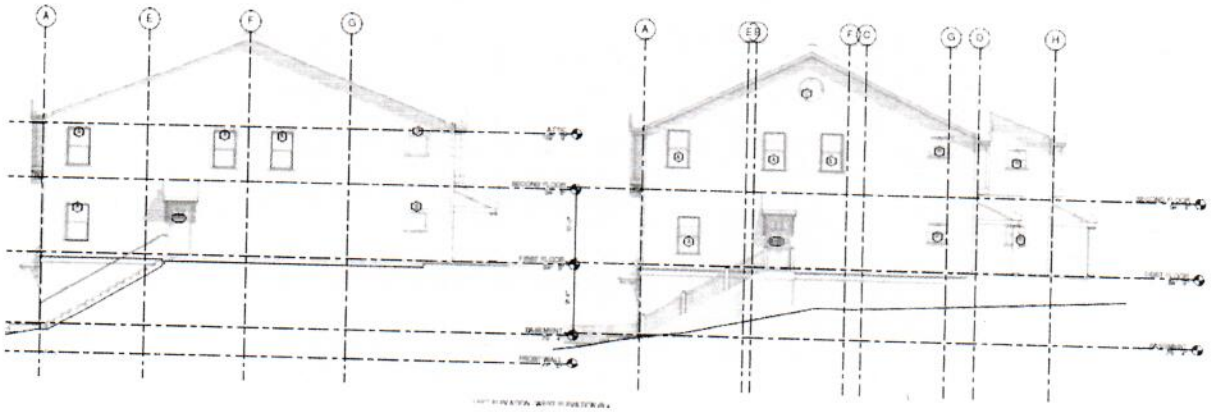
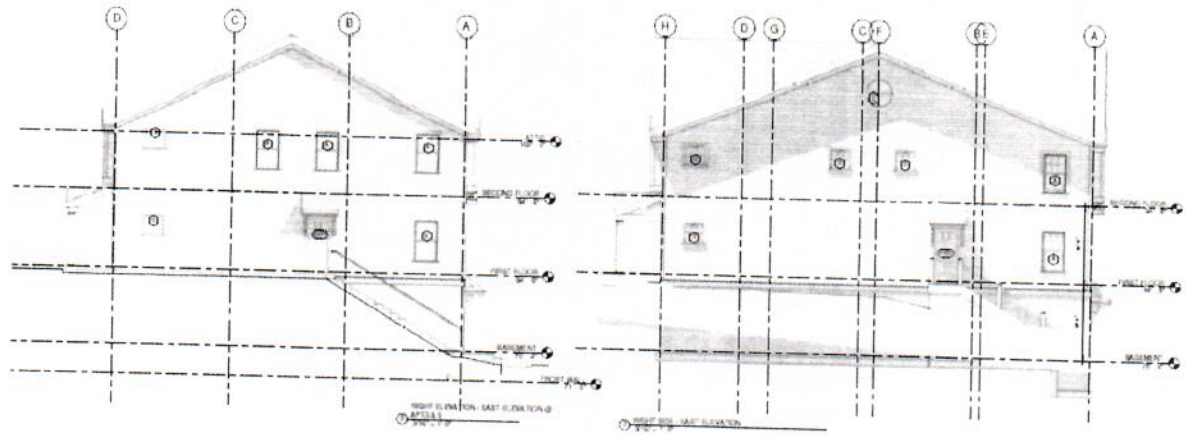
PROPOSED FRONT VIEW RENDERING



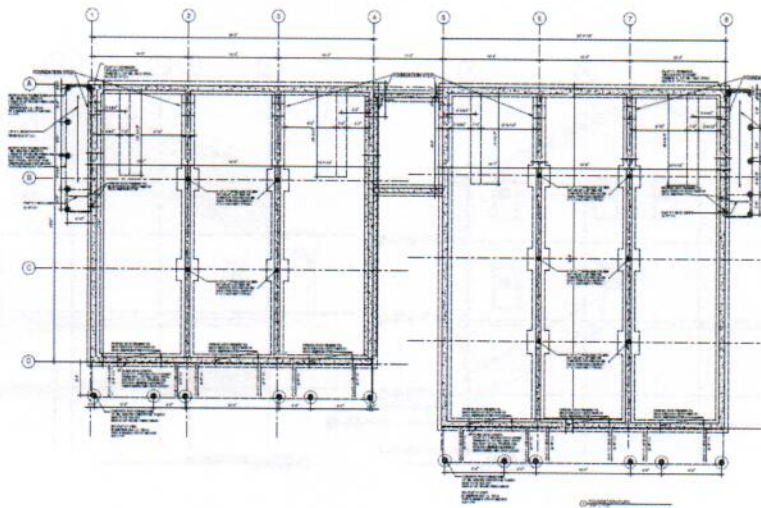
PROPOSED REAR VIEW RENDERING



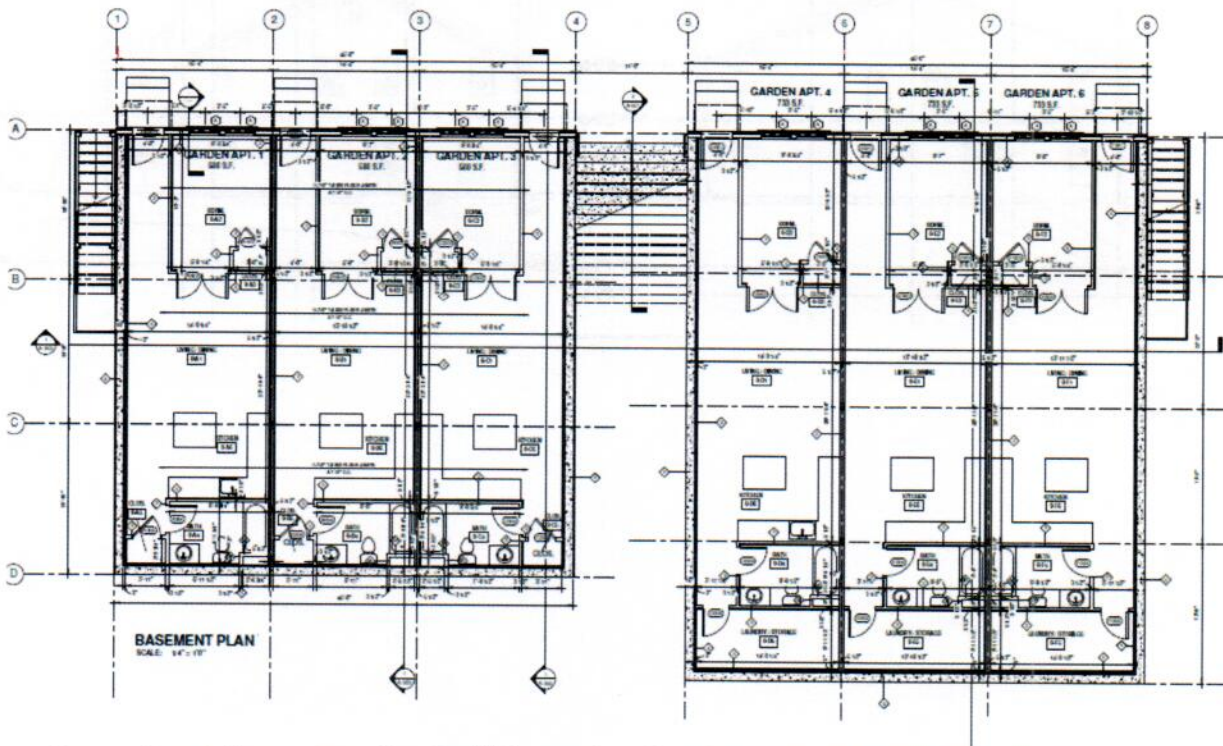
Building Elevations



FOUNDATION PLAN

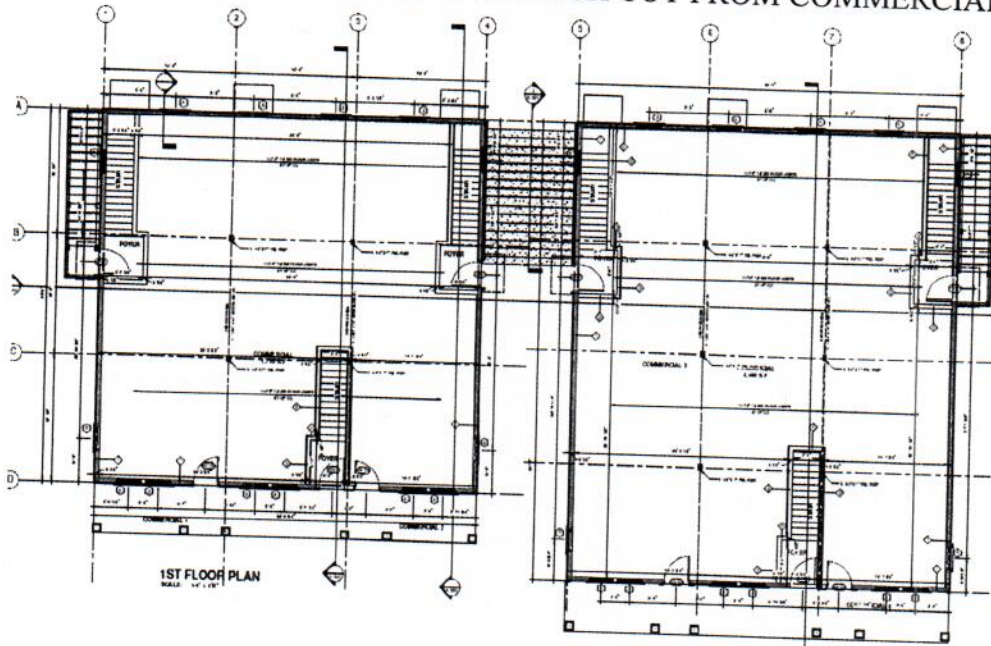


FINISHED REAR WALKOUT BASEMENT LEVEL PLAN THREE ONE BEDROOM ONE BATH APARTMENTS PER BUILDING

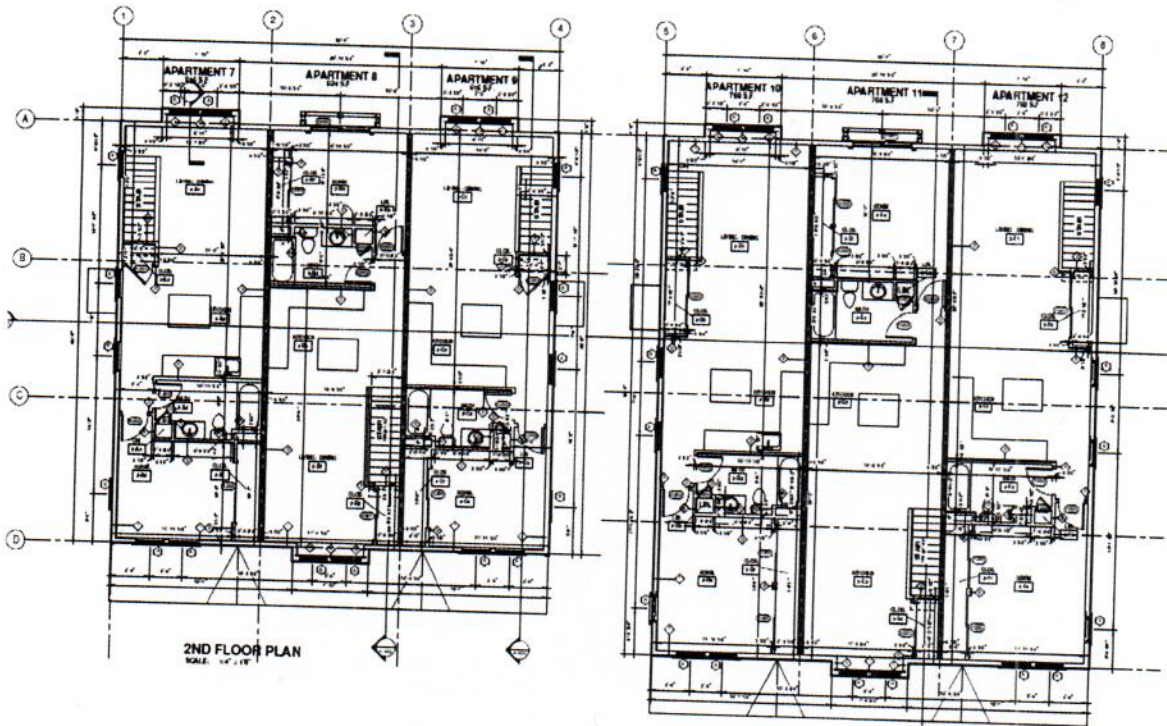


Lower Level Apartments 1 – 6 will have plumbing hookups only for laundry equipment

FIRST FLOOR PLAN
VANILLA BOX RETAIL / OFFICE SPACE
NOTE 6 INTERIOR STAIRWELLS 80 +/- SF EACH CUT FROM COMMERCIAL SPACE

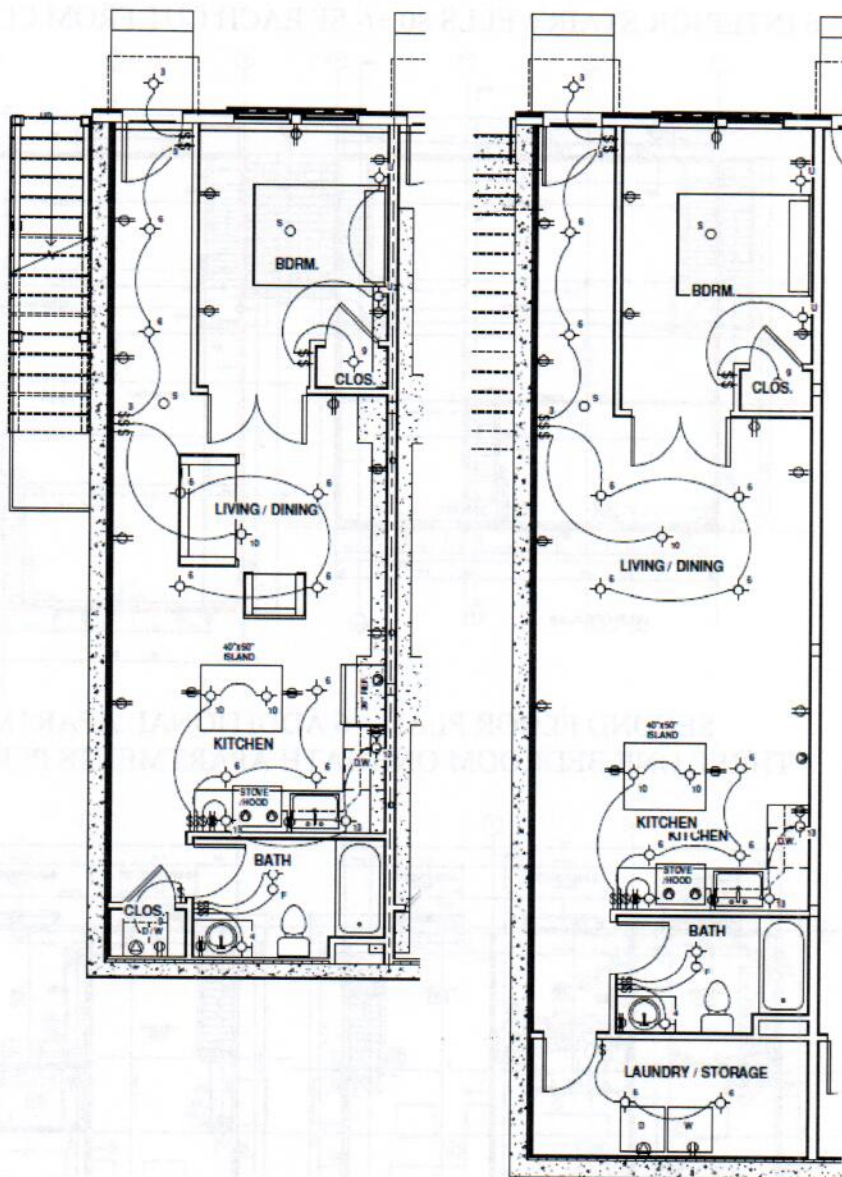


SECOND FLOOR PLAN 6 ADDITIONAL APARTMENTS
THREE ONE BEDROOM ONE BATH APARTMENTS PER BUILDING



Upper Level Units 7 - 12 will not have plumbing for laundry hookups.

FLOOR PLAN DETAIL



LYED

GARDEN APT. 1

SIMILAR: APT. 2

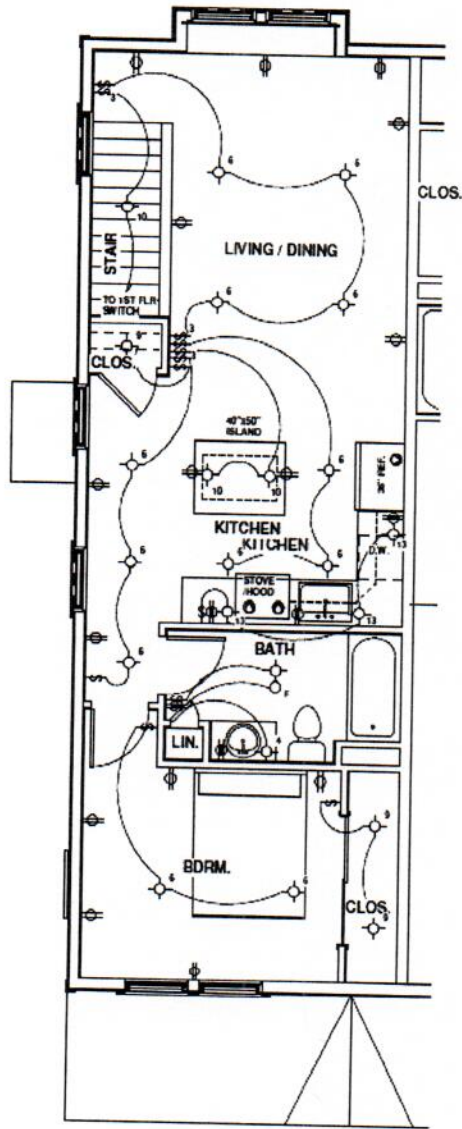
SIMILAR REVERSED: APT. 3

GARDEN APT. 4

SIMILAR: APT. 5

SIMILAR REVERSED: APT. 6

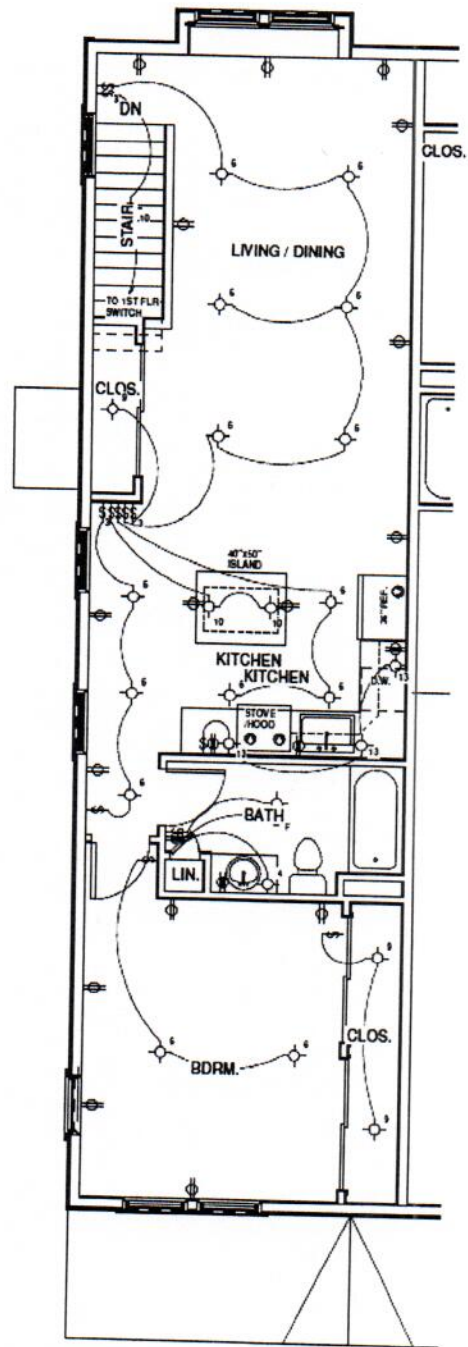
FLOOR PLAN DETAIL



APARTMENT 7

SIMILAR: APT. 8

SIMILAR REVERSED: APT. 9



APARTMENT 10

SIMILAR: APT. 11

SIMILAR REVERSED: APT. 12

EXTERIOR

The exterior will be sided with concrete clapboard siding with an asphalt shingled roof. Windows will be energy efficient double hung window units. There will be 44 paved parking spaces, a connection to municipal water available in Boston Post Road plus an new on site extensive septic system, grading, drainage and landscaping.

APARTMENTS LOWER LEVEL REAR WALKOUT FINISHED BASEMENT

Concrete footers and fully poured concrete floor and foundation walls. The buildings will be built into the existing slope with the rear or northerly wall constructed of frame with windows and walkout access at grade to the north for the lower level fully finished apartments overlooking the pond. The lower apartments will be completely fitted with kitchen appliances including stove, refrigerator, microwave and dishwashers. All apartments are one bedroom units, the westerly building apartments at 588 square feet are slightly smaller than the easterly building units at 733 square feet. These six lower level units will have plumbing for washers /dryers but will not have the appliances installed upon completion of the units. Each unit will have individual utilities and individual ductless HVAC heat/ and air conditioning. Carpet in living room and bedroom area, tile in kitchens and vinyl flooring in bathrooms. Contractor grade cabinetry and fiberglass tub - shower units.

GROUND FLOOR COMMERCIAL SPACE

The ground floor area will be finished as a vanilla box with wallboard walls and ceilings taped and painted with recessed ceiling light cans, unfinished sub floor and no interior partitions except studded partition walls and capped waste line and supply lines around two future toilet rooms per each commercial unit. The interior finish would be completed by the future tenants as leasehold improvements. The total useable commercial area is calculated as follows:

Bldg 1 @1,980 SF + Bldg 2 @2,430 SF = 4,410 SF less 6 stairwells at 80 SF each = 3,930 SF

SECOND FLOOR WALKUP APARTMENTS

The upper apartments will be completely fitted with kitchen appliances including stove, refrigerator, microwave and dishwashers. All apartments are one bedroom units, the westerly building apartments at 588 square feet are slightly smaller than the easterly building units at 733 square feet. The upper level apartments will have an unobstructed water view of the lake, however these six apartments will not have the washer dryer plumbing hookups.

COST APPROACH UPON COMPLETION

The property would require a septic system, tie into existing water and electric services and would require construction of the site improvements including paving, drainage landscaping and completion of the two buildings.

DEVELOPERS COST PROJECTIONS WITH LIMITED ENTREPRENEURS PROFIT

COST ESTIMATES

COSTS INCURRED TO DATE

Acquisition	\$ 180,000.00
Additional Parcel	\$ 5,000.00
Legal & Approvals	\$ 15,000.00
Subtotal - Paid to Date	\$ 200,000.00

CONSTRUCTION COSTS

Permits		\$ 7,500.00
Engineering		\$ 10,000.00
House plan		\$ 10,000.00
Excavation		\$ 25,000.00
Septic system		\$ 22,000.00
Drainage		\$ 30,000.00
paving		\$ 15,000.00
Conduit		\$ 3,500.00
City water		\$ 15,000.00
Sprinkler		\$ 32,000.00
side walks		\$ 10,000.00
landscaping		\$ 5,000.00
Yard spread and seeded		\$ 4,000.00
Foundation		\$ 26,000.00
House floors 55 yards		\$ 11,000.00
Foundation Coating		\$ 2,000.00
foundation windows		\$ 500.00
rebar		\$ 2,000.00
Framing Material		\$ 55,000.00
Framing Labor		\$ 40,000.00
Roofing Material		\$ 7,000.00
Roofing Labor	60 square	\$ 4,000.00
Kitchen/granite/bath cabinets	12	5000 \$ 60,000.00
Appliances	12	1700 \$ 20,400.00
Plumbing	36	550 \$ 19,800.00
Plumbing Fixtures	36	70 \$ 2,520.00
Toilets	12	80 \$ 960.00
Tub shower	12	350 \$ 4,200.00
Gutters	720	3 \$ 2,160.00
Electrical	12	4000 \$ 48,000.00
Electrical Fixtures	12	200 \$ 2,400.00
Hvac	12	5500 \$ 66,000.00
Water Heater	12	400 \$ 4,800.00
Insulation	1	18000 \$ 18,000.00
Siding Materials	85	140 \$ 11,900.00
Siding Labor	85	100 \$ 8,500.00
Drywall	1400	60 \$ 84,000.00
Paint	1	12000 \$ 12,000.00
Flooring	12	3200 \$ 38,400.00
Misc labors/equipment	1	60000 \$ 60,000.00
Mirrors/glass/toilettress	12	125 \$ 1,500.00
Dumpster/port-o-let	1	5000 \$ 5,000.00
Tim and labor	12	2800 \$ 33,600.00
Staircase-main-basement	6	2500 \$ 15,000.00
Windows	75	325 \$ 24,375.00
Doors	23	200 \$ 4,600.00
Interior/exterior door handles	23	30 \$ 690.00
Exterior stairs cases	3	5000 \$ 15,000.00
Subtotal - Construction Costs		\$ 900,305.00
Contingency (5% of construction costs)		\$ 45,015.25
Total Project Costs		\$ 1,145,320.25

As the two proposed buildings are not the same size I will utilize a cost approach that values each building separately, then add for common site improvements and underlying land value.

LAND VALUE

The underlying land value with approvals in place have previously been calculated as \$255,000.

SITE IMPROVEMENTS

Excavation & Grading	\$22,000
Septic System	\$22,000
drainage	\$30,000
paving	\$15,000
landscaping	\$9,000
	\$98,000

COST NEW OF THE BUILDINGS

From the Marshall Valuation Service Section 13 page 33 the proposed new construction will most closely resemble a Class D or wood frame mixed use retail with apartment building. The base cost for an average quality buildout is \$80.95 per square foot above grade. Building A (westerly structure) will be 44 feet deep by 45 feet in width or 1,980 square feet footprint as per plans and specifications submitted. Building B (easterly structure) will be 54.5 feet deep by 45 feet in depth, or 2,452 SF footprint. Both structures will have identical buildout, with the exception of area. The apartments in Building B will have the same general layout as the apartments in the smaller Building A excepting that the kitchens, bedrooms and bathrooms in Building B will be larger and there will be walk in laundry rooms & storage areas for each apartment in Building B not found in Building A. Entrepreneurial profit is estimated at 15%. A deduction of \$85.00 / SF is taken from the vanilla box commercial space for unfinished condition to be completed by initial tenants.

DEPRECIATION

As the buildings will be new, and constitute the highest and best use of the site, no physical, functional depreciated would be deducted. A 10% economic obsolescence economic obsolescence factor would be deducted due to depressed regional conditions.

SUMMARY OF COST APPROACH

Indicated Value Building A (commercial space unfinished)			\$353,850
Indicated Value Building B (commercial space unfinished)			\$401,714
Depreciated Contributory Value Site Improvements			\$98,000
	<u>SF</u>	<u>\$ / SF</u>	
SITE VALUE:	51,400	\$5.00	\$257,000
Entrepreneurial Profit		15%	\$1,110,564
VALUE INDICATED BY COST APPROACH			\$1,277,149
	ROUNDED		\$1,275,000

Please see the calculations on the following pages.

COST APPROACH UPON COMPLETION BLDG A

Type:	Mixed Retail with Residential Use		
Section:			
Page:	13		
Occupancy	33		
Building Class	Commercial with Apartments		
Quality	D wood frame		
Exterior Walls	Average		
Number Of Stories	siding		
Average Height Per Story	2		
Perimeter	14		
Gross Square Feet Of Building Area above grade	178		
Effective Age	3,960		
Total Economic Life	0		
Condition	40		
Region	AS NEW		
Climate	EASTERN		
	EXTREME		
Base Cost Per Square Foot			
Square Foot Refinements			\$80.95
Heating, Cooling, Ventilation	\$0.00		
Security	\$0.00		
Sprinklers	\$0.00		
Base Cost Plus Refinements	\$0.00		\$80.95
Height And Size Refinement Multipliers			
Story Height Multiplier	1.000		
Floor Area Perimeter Multiplier	0.969		
Combined Height and Size Multiplier		0.969	
Final Calculations			
Refined Square Foot Cost		\$78.44	
Current Cost Multiplier		1.07	
Local Cost Multiplier		1.14	
ADJUSTED SQUARE FOOT COST NEW			\$95.68
Gross Building Area above grade			3,960
Cost New per Sq Ft			<u>\$95.68</u>
			\$378,900
plus fully finished basement residential apartments		\$75.00	
Current Cost Multiplier		1.07	
Local Cost Multiplier		1.14	
ADJUSTED SQUARE FOOT COST NEW			\$91.49
Gross Building Area			1,980
Cost New per Sq Ft			<u>\$91.49</u>
			\$181,140
REPRODUCTION COST NEW OF BUILDING			\$560,040
Less Depreciation:			
Physical	0.00%	\$0	
Functional	0.00%	\$0	
Economic	-10.00%	(\$37,890)	
TOTAL DEPRECIATION FROM ALL CAUSES			(\$37,890)
DEPRECIATED VALUE BUILDING			\$522,150
less complete buildout commercial space	-\$85.00	1,980	<u>(\$168,300)</u>
Indicated Value Building A (commercial space unfinished)			\$353,850

COST APPROACH UPON COMPLETION BLDG B

Type:	Mixed Retail with Residential Use	
Section:		13
Page:		33
Occupancy	Commercial with Apartments	
Building Class	D wood frame	
Quality	Average	
Exterior Walls	siding	
Number Of Stories		2
Average Height Per Story		14
Perimeter		178
Gross Square Feet Of Building Area above grade		4,860
Effective Age		0
Total Economic Life		40
Condition	AS NEW	
Region	EASTERN	
Climate	EXTREME	
Base Cost Per Square Foot		\$80.95
Square Foot Refinements		
Heating,Cooling,Ventilation	\$0.00	
Security	\$0.00	
Sprinklers	\$0.00	
Base Cost Plus Refinements	\$0.00	\$80.95
Height And Size Refinement Multipliers		
Story Height Multiplier	1.000	
Floor Area Perimeter Multiplier	0.969	
Combined Height and Size Multiplier		0.969
Final Calculations		
Refined Square Foot Cost		\$78.44
Current Cost Multiplier		1.07
Local Cost Multiplier		1.14
ADJUSTED SQUARE FOOT COST NEW		\$95.68
Gross Building Area above grade		4,860
Cost New per Sq Ft		\$95.68
		\$465,013
plus fully finished basement residential apartments		
		\$75.00
Current Cost Multiplier		1.07
Local Cost Multiplier		1.14
ADJUSTED SQUARE FOOT COST NEW		\$91.49
Gross Building Area		1,980
Cost New per Sq Ft		\$91.49
		\$181,140
REPRODUCTION COST NEW OF BUILDING		
		\$646,154
Less Depreciation:		
Physical	0.00%	\$0
Functional	0.00%	\$0
Economic	-10.00%	(\$37,890)
TOTAL DEPRECIATION FROM ALL CAUSES		(\$37,890)
DEPRECIATED VALUE BUILDING		\$608,264
less complete buildout commercial space	-\$85.00	2,430
		(\$206,550)
Indicated Value Building B upon Completion		\$401,714

SALES COMPARISON APPROACH:

No recent sales of newly constructed mixed use properties containing unfinished vanilla box commercial space were discovered. Sales of multifamily properties were researched with a review of recent sales of small scale good quality area apartment complexes. Apartment sales considered to have similarity to the subject are presented below with analysis following to provide a range of value on a per unit basis for the apartment component at the subject location.

These sales were analyzed and adjusted to the subject property for pertinent factors that include:

- Date of sale – considering whether the market has increased or decreased since the date of the comparable sale.
- Financing – considering whether financing arrangements affected the sale price.
- Location
- Building/unit size – recognizing that normally larger buildings/units tend to sell for a lower per unit value and conversely smaller buildings/units tend to sell for a higher per unit value. This common real estate axiom has been supported by sales for an extended period of time.
- Age/condition – based on observed exterior inspection and interior inspection where possible
- Land area
- Overall utility

Prior to any adjustments, the most appropriate apartment sales considered indicate a range of value of between a low of \$41,472 unit to a high of \$72,813 per unit.

		ADDRESS		DATE	PRICE	UNITS	\$/UNIT
Sale 1	6	Redden Ave	New London	1/23/2018	\$746,500	18	\$41,472
Sale 2		Moosup Pond Rd & Lake St	Moosup	7/29/2016	\$875,000	14	\$62,500
Sale 3		Broad & Amity	New London	1/23/2018	\$975,000	18	\$54,167
Sale 4	5	Mill Road	East Lyme	6/8/2017	\$425,000	8	\$53,125
Sale 5	140-142	Hanover Rd	Sprague	9/6/2015	\$1,165,000	16	\$72,813

These sales indicate that a modern 12 unit apartment complex would command a higher than average resale value, especially found in this good location with direct lake views from the upper level apartments, most likely in the \$65,000 - \$70,000 range per apartment

This, then, is my estimate of the portion of overall value contributed by the proposed apartment units in the subject complex via the Sales Comparison Approach. The following sales are offered in support of a portion of the overall value estimate:

$$\text{Apartment contribution to value } 12 \text{ units} \times \$70,000 = \$840,000$$

No sales of vanilla box finish commercial space were discovered, thus no adjustment grid utilized. This information is for support of the Cost and Income Approaches. .

SALES COMPARISON APPROACH (Continued):

Sale #1 6 Redden Avenue, New London, CT



Grantor:	6 Redden Avenue, LLC
Grantee:	6 Redden CLC, LLC
Instrument:	Warranty Deed
Recorded:	Volume 2242 Page 227
Date of Sale:	1/23/2018
Sales Price:	\$746,500
Land Area:	0.28 Acres
Zone:	R 2 multi family
Total Floor Area:	7,350 Sq. ft. above grade
Basement:	partial unfinished utility basement
Construction:	Frame / masonry veneer exterior walls
Units:	18 Units
Heat/Air:	gas fired central heat & hot water by owner.
Age:	1970
Condition:	Fair / Average condition for age
Price per Unit:	\$41,472 per apartment unit
Financing:	conv
Verification:	MLS, Exterior inspection, city data, deed.
Remarks:	Rents \$675 / month studio units.

SALES COMPARISON APPROACH (Continued)

Sale #2

523 & 531 Moosup Pond Road and 267 Lake Street, Moosup, CT



Grantor: Moosup Pond Terrace, LLC
 Grantee: Baldi, LLC
 Instrument: Warranty Deed
 Recorded: Volume 503 Page 241
 Date of Sale: July 29, 2016
 Sales Price: \$875,000
 Land Area: 1.24 Acres / 3 tracts
 Zone: Residential
 Total Floor Area: 11,233 Square Foot & basement
 Basement: Mostly full basements
 Construction: Frame
 Units: 14 (Six 3-br / Seven 2-br / One 1-br)
 Heat/Air: Electric Baseboard
 Age: 1966 / Remodeled
 Condition: Good
 Price per Unit: \$62,500 Per Unit
 Financing: conv
 Verification: Deed, Assessor, Warren Group
 Remarks: Lake View Apartments, 3 contiguous tracts of land,
 523 Moosup Pond = 4 units
 531 Moosup Pond = 6 units
 267 Lake Street = 4 units
 Prior sales \$950,000 on 8/25/2005
 Prior sales \$625,000 on 4/25/2011.
 Prior sales \$760,000 on 4/25/2012

SALES COMPARISON APPROACH (Continued)

Sale # 3

105 – 109 Broad St & 12 Amity, New London, CT



Grantor:	111 Broad Street, LLC
Grantee:	105 & 111 Broad NLC, LLC
Instrument:	Warranty Deed
Recorded:	Volume 1589 Page 147 New London Land records
Date of Sale:	1/23/2018
Sales Price:	\$975,000
Land Area:	0.33 Acres
Zone:	MF multi family
Total Floor Area:	10,466 sq. ft. above grade in 2 buildings, total of 18 apartments
Basement:	Full basements each building
Construction:	Frame
Units:	18 Units
Heat/Air:	gas fired central heat hot water by owner.
Age:	1850 & 1900
Condition:	Average condition
Price per Unit:	\$54,167 per unit
Financing:	conv
Verification:	MLS, Exterior inspection, city data, deed.
Remarks:	Older buildings partially recently renovated

Sale # 4

SALES COMPARISON APPROACH (Continued)*5 Mill Road, East Lyme, CT*

Grantor: Mapatt, LLC
 Grantee: The Denver Co, LLC
 Instrument: Warranty Deed
 Recorded: Volume 981 Page 561
 Date of Sale: 6/8/17
 Sales Price: \$425,000
 Land Area: 1.88 Acres
 Zone: CA commercial zone
 Total Floor Area: 5,460 sq. ft. above grade average unit area 500 SF
 Basement: Full basement
 Construction: Frame
 Units: 8 Units all 1 bedroom apartments
 Heat/Air: Individual electric heat.
 Age: 1973
 Condition: Average condition
 Price per Unit: \$53,125 per unit
 Financing: Conv
 Verification: MLS, Exterior inspection, city data, deed.
 Remarks: Rents \$1,150/ month .

SALES COMPARISON APPROACH (Continued):

Sale # 5

140 – 142 Hanover Road, Sprague, CT

Grantor:	Hanover Park Apartments
Grantee:	AVL Investments LLC
Instrument:	Warranty Deed
Recorded:	Volume 97 Page 138
Date of Sale:	09/16/2015
Sales Price:	\$1,165,000
Land Area:	8.4 Acres
Zone:	CR – 40 zone
Total Floor Area:	12,948 sq. ft. above grade
Basement:	Full, part finished individual washer dryer hookups
Construction:	Frame
Units:	16 Units all two bedroom 1 bath 900 SF rent \$1,000 to \$1,100 month
Heat/Air:	Heat & hot water by owner
Age:	1965
Condition:	Good condition
Price per Unit:	\$72,812 per unit
Financing:	cash
Verification:	MLS, Exterior inspection, town data, deed.
Remarks:	Good visibility and superior parking area. Hardwood floors & dishwasher all units have individual basements for storage.

INCOME APPROACH:

The subject upon completion of proposed construction will consist of two adjacent buildings on one lot with six one bedroom units containing 588 square feet each plus 6 one bedroom units containing 733 square feet of area each. All the apartments will have appliance kitchens and individual heat and utilities. The upper units (3 at 588 square feet and 3 at 733 square feet) will have unobstructed views of Pattagansett Lake. The lower units will have partially obstructed views of the lake.

In addition to the apartments there will be approximately 3,930 net leasable square feet of commercial / retail / office space constructed with a minimal vanilla box interior rough in, awaiting full buildout by prospective tenants. (Net commercial area calculates as 4,410 square feet of gross area building footprints less six interior stairwells at 80 +/- square feet each or minus 480 square feet from footprint for access to the upper level apartments encroaching into total first floor area.) The initial commercial tenants would be given a reduction on the initial term lease rate as they must complete the buildout with finish flooring, HVAC, partitions, wall covering, etc.

A Direct Capitalization model will be utilized to value the subject property by the Income Approach.

I have surveyed competing rents in the area.

Apartment rents and retail / office were surveyed and considered to support market rental rates at the subject.

5 Mill Rd, East Lyme, CT	studio	500 SF	\$1,350 / MO plus utilities
Gateway Commons, E Lyme	Studio		\$1,350 / MO plus utilities
Gateway Commons, E Lyme	1 BR		\$1,350 / MO plus utilities
Gull Harbor, New London	1 BR		\$ 850 / MO plus utilities
Ledges, Groton	1 BR		\$1,150 / MO plus utilities
Rose Hill Apts, Norwich	1 BR	700 SF	\$890 / MO includes heat / hot water
Meadow Ridge Apts, Norwich	1 BR	900 SF	\$1,100 / MO plus utilities
Country Glen Apts, Groton	1 BR	900 SF	\$1,175 / MO plus utilities

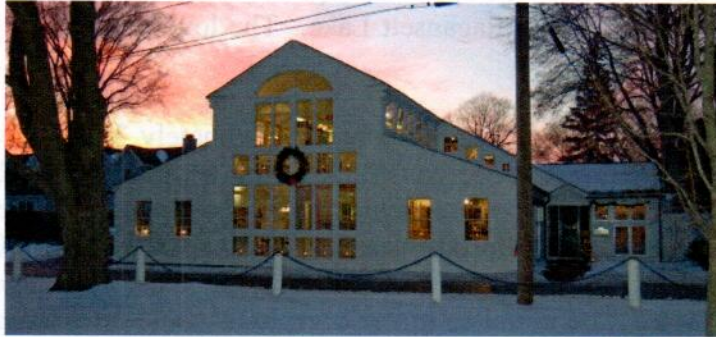
In my opinion the market rental rates for the subject apartments would be as follows:

588 SF one bedroom lower level apartments	\$750 / month plus utilities
588 SF one bedroom upper level apartments	\$900 / month plus utilities
733 SF one bedroom lower level apartments	\$1,150 / month plus utilities
733 SF one bedroom upper level apartments	\$1,350 / month plus utilities.

RETAIL RENTAL DATA

There will be 3,930 +/- square feet of commercial space available for tenants to complete interior buildout.

8 Novelty Lane, Essex, CT 3,000 SF asking \$26.00 / SF includes heat



2 Essex Square, Essex, CT 800 SF asking \$22.50 / SF includes heat



49 Sherwood Terrace, Old Saybrook, CT 2,710 SF asking \$10.62/SF plus util



138 East Main St, Clinton, CT

3,325 SF available asking \$15.00 triple net



31 Main Street, Centerbrook, CT

1,000 SF available asking \$13.25 / SF plus util.



8 East Main Street, Clinton, CT

3,460 SF 2nd floor avail asking \$14.00 / SF



75 Main Street, Old Saybrook, CT 3,000 Sf unfinished basement space asking \$6.00 / SF



INCOME APPROACH (Continued):

In my opinion the market rental rate for the vanilla box unfinished retail / office spaces would be \$6.50 / SF with the initial tenants responsible for interior buildout as leasehold improvements to remain upon vacating the commercial space at the end of the lease.

Vacancy

The current area apartment vacancy rate is low. I will estimate a vacancy and rent loss estimate of 7% annually for the apartments. I would anticipate a 30% initial year vacancy for the vanilla box finish retail space. I will use an overall 20% vacancy factor for year one of the calculations.

Expenses

No expense history is available as this is proposed new construction. Expenses are estimated as follows based on analysis of other commercial and apartment buildings in the area.

Taxes:	\$1.74 / SF
Insurance:	\$0.26 / SF
Septic system maintenance	\$1,500 / year
Common electric & exterior lighting	\$1,500 / year
Maintenance & Repair	\$0.32 / SF
Yard & snow plowing	\$3,500 / year
Rubbish	\$7,200 / year
Management	3.0% of gross rental income
Office expense	1.5% of gross rental income
Legal & Accounting	2.0% of gross rental income

A reserve expense is estimated for short lived items

ITEM	RESERVES FOR REPLACEMENT			ECONOMIC LIFE	ANNUAL RESERVE
	COST/UNIT	Units	COST NEW		
Appliances per unit	\$850	12	\$10,200	15	\$680
Hot Water Heaters	\$275	12	\$3,300	15	\$220
Roof	\$7,500	2	\$15,000	20	\$750
					\$1,650

Justification of Capitalization Rate-Rate

As there are few sales to extract an overall capitalization rate from, I have reviewed published surveys and have calculated a rate by the Band of Investment model. The following data from real Estate Research Corporation tracks national investment grade apartment properties. Due to the fact that the subject is not considered as a national investment grade property, additional basis points would be added to the indicated rates for risk.

National Apartment National Investment Criteria RERC Estimate Data			
Timeframe	Pretax Yield Avg	Going-In Avg	Terminal Cap Avg
1Q 2017	7.0	5.2	5.6
4Q 2016	7.2	5.2	5.7
3Q 2016	6.8	4.9	5.6
2Q 2016	6.8	4.6	5.5
1Q 2016	6.6	4.8	5.5
4Q 2015	6.7	4.8	5.4
3Q 2015	6.4	4.8	5.5
2Q 2015	6.8	4.8	5.4
1Q 2015	6.9	4.9	5.6

Adding 150 basis points to the 5.6% indicated for 2017 would indicate an overall capitalization rate of 7.1%.

Realty Rates Investors Survey shows a range of overall capitalization rates of between 4.87% to a high of 12.41 % for apartments. The average overall capitalization rate is 7.44% from this survey.

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2016*						
APARTMENTS - GARDEN/SUBURBAN TOWNHOUSE						
Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	0.70%	DCR Technique	1.10	0.038067	0.90	3.77
Debt Coverage Ratio	1.10	Band of Investment Technique				
Interest Rate	2.27%	Mortgage	90%	0.038067	0.034260	
Amortization	40	Equity	10%	0.064792	0.006479	
Mortgage Constant	0.038067	OAR				4.07
Loan-to-Value Ratio	90%	Surveyed Rates				3.87
Equity Dividend Rate	6.48%					
Maximum						
Spread Over 10-Year Treasury	5.78%	DCR Technique	1.71	0.110221	0.60	11.31
Debt Coverage Ratio	1.71	Band of Investment Technique				
Interest Rate	7.35%	Mortgage	60%	0.110221	0.066133	
Amortization	15	Equity	40%	0.144857	0.057943	
Mortgage Constant	0.110221	OAR				12.41
Loan-to-Value Ratio	60%	Surveyed Rates				11.79
Equity Dividend Rate	14.49%					
Average						
Spread Over 10-Year Treasury	3.24%	DCR Technique	1.36	0.065630	0.75	6.67
Debt Coverage Ratio	1.36	Band of Investment Technique				
Interest Rate	4.87%	Mortgage	75%	0.065630	0.049223	
Amortization	28	Equity	25%	0.100816	0.025204	
Mortgage Constant	0.065630	OAR				7.44
Loan-to-Value Ratio	75%	Surveyed Rates				7.84
Equity Dividend Rate	10.08%					

The average range of equity dividend rates is approximately 10%.

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2016*			
EQUITY DIVIDEND RATES			
Property Type	Min.	Max.	Avg.
Apartments	6.48%	15.69%	11.54%
Garden/Suburban TH	6.48%	14.49%	10.08%
Hi-Rise/Urban TH	6.48%	15.69%	10.62%

By the Band of Investment model, considering commercial fixed rate mortgages are available at a 5.5 % rate, and anticipating a 10 year holding period, with no appreciation or depreciation projected, and requiring a 10% equity yield rate, the indicate overall capitalization rate is therefore 7.0%

MARKET DERIVED CAPITALIZATION RATE BY BAND OF INVESTMENT

Holding Period (yrs)	=	10		
Equity Yield Rate	=	10.00%		
Loan Ratio	=	70.00%		
Loan Term (yrs)	=	20		
Loan Rate	=	5.50%		
Appreciation/Depreciation	=	0.00%		
Band of Investment Method				
Capital Source		Portion	Rate	
Mortgage Loan	=	70%	0.08255	0.05778
Equity Funds	=	30%	0.10000	<u>0.03000</u>
				= 0.08778
Less Equity Buildup through Debt Reduction				
Debt Reduction %	=	0.36616		
Sinking Fund Factor	=	0.06275		
Loan Ratio	=	70.00%		<u>-0.01608</u>
				= 0.07170
Less Equity Buildup through Appreciation/Depreciation				
Appreciation/Depreciation	=	0.00%		
Sinking Fund Factor	=	0.06275		<u>0.00000</u>
				= 0.07170
OVERALL CAPITALIZATION RATE				0.07170
				say 7.00%

The following direct capitalization at a 7.00 % overall capitalization rate is considered to be reasonable for this assignment. Considering the projected high capital return to the proposed buildings plus the substantial reserves cost allocated for short lived items in a newly constructed complex the 7.00% capitalization rate is deemed to be appropriate.

INCOME APPROACH (Continued):**VALUATION ANALYSIS VIA DIRECT CAPITALIZATION****Proposed Construction 283 BostonPost Rd East Lyme, CT**

	# units	RATE / Month	Gross Rent pe SF	Annual Rent
588 SF lower level 1 BR apts	3	\$750		\$27,000
588 SF upper level 1 BR apts	3	\$900		\$32,400
733 SF lower level 1 BR apts	3	\$1,150		\$41,400
733 SF upper level 1 BR apts	3	\$1,350		\$48,600
net SF vanilla box retail / office	3,930		\$6.50	\$25,545

gross Sf both buildings	13,230
-------------------------	--------

POTENTIAL GROSS RENTAL INCOME:

Vacancy & Inefficiency:	20%	\$174,945
		(\$34,989)

ADJUSTED GROSS INCOME RETAIL RENTALS:

ADJUSTED GROSS INCOME/MONTH:	\$11,663	\$139,956
-------------------------------------	-----------------	------------------

FIXED EXPENSES:

		Per SF GBA	
Real Estate Taxes (est)	est	(\$1.74)	(\$23,000)
Insurance	est	(\$0.26)	(\$3,500)

VARIABLE EXPENSES:

septic system maintenance	est	(\$0.11)	(\$1,500)
common electric	est	(\$0.11)	(\$1,500)
Trash Removal	est	(\$0.54)	(\$7,200)
Maintenance & Repair	3.00%	(\$0.32)	(\$4,199)
Lawn Care / Snow Removal	est	(\$0.26)	(\$3,500)
Office costs	1.50% est	(\$0.16)	(\$2,099)
Nonresident Management	3.00%	(\$0.32)	(\$4,199)
Legal Accounting	2.00%	(\$0.21)	(\$2,799)
Reserves for Repair		(\$0.12)	(\$1,650)

PROJECTED ANNUAL EXPENSES

Annual Estimated Expense per S.F.		(\$55,146)
Expense Ratio	39.40%	

STABILIZED NET ANNUAL INCOME

\$84,810

OVERALL CAPITALIZATION RATE

7.00%

INDICATED VALUE VIA DIRECT CAPITALIZATION
ROUNDED

\$1,211,574

\$1,210,000

RECONCILIATION:

Value AS IS Indicated by Cost Approach:	n/a	
Value "AS IS" Indicated by Sales Comparison Approach:	\$255,000	AS IS
Value AS IS Indicated by Income Approach:	n/a	
Value "UPON COMPLETION" by Cost Approach:	\$1,275,000	
Value "UPON COMPLETION" by Sales Comparison :	n/a	
Value "UPON COMPLETION" by Income Approach:	\$1,210,000	

The Cost Approach to value takes into consideration the estimated market value of the land, as if vacant and available for development, then adds the depreciated contributory value of all site improvements and buildings. In this particular situation, this approach is considered to be appropriate considering the new construction.

The Sales Comparison approach takes into consideration actual sales of the most similar properties available to your appraiser, with careful consideration given to the overall adjustment process. In this particular situation, your appraiser has cited a variety of sales of apartments to support a value range estimate contributed by the proposed apartments at the subject location. No sales were discovered of vanilla box retail / office in the immediate area. The unadjusted price per apartment unit is provided for discussion purposes only, and does not consider the additional contributory value of the commercial space.

The Income Approach to value takes into consideration the ability of a property to produce income in careful relationship to the overall operating expenses. In this particular situation, your appraiser has reviewed competing apartment and commercial rental rates. I have projected a market rental rate based on a survey of competing properties with a substantial discount given to the vanilla box unfinished commercial space to be built out by the initial tenants. I have made projections as to the anticipated expenses to be generated at the subject location upon construction of the proposed improvements. I have deducted estimated expenses, and capitalized the resulting net income at current market supported overall capitalization rate via the Direct Capitalization model. A Direct Capitalization valuation model is considered to be an appropriate indicator of value, and is the primary approach in this instance.

In conclusion, as a result of my appraisal and analysis, it is my considered opinion that the market value of the subject property, in its present "AS IS" condition, with a circa 1960 residence to be demolished, as of the date of my inspection, namely, March 24, 2018, was:

\$255,000 (Two Hundred Fifty Five Thousand Dollars) AS IS

In conclusion, as a result of my appraisal and analysis, it is my further considered opinion that the market value of the subject property, as if the proposed new construction is completed as of the date of my inspection, namely, March 24, 2018, was:

**\$1,210,000 (One Million Two Hundred Ten Thousand Dollars)
AS IF COMPLETED PER PLANS WITH COMMERCIAL SPACE UNFINISHED**

Extraordinary Assumptions:

The final value estimate set forth assumes the site is free and clear of all hazardous and toxic wastes. I recommend the necessary tests be conducted, to determine if the site is, in fact, free of all hazardous and toxic wastes. If, in fact, the property has any type of environmental problems, I reserve the right to alter my value estimate.

Hypothetical Conditions:

A hypothetical condition for this appraisal is that the prospective value estimate is based on completions as per plans and specifications and issuance of the certificate of occupancy for the buildings.

The use of extraordinary assumptions and hypothetical conditions may affect the value estimate. The following pages are offered in support of the value conclusion for the subject property.

Howard B. Russ

Howard B. Russ, SRPA

CT Certified RCG.0000538

CT Certificate valid through April 30, 2019

RI Certified CGA.0A00318

RI Certificate valid through December 20, 2018

ADDENDUM

APPRAISER'S QUALIFICATIONS:
QUALIFICATIONS OF HOWARD B. RUSS, SRPA
REAL ESTATE APPRAISER AND VALUATION CONSULTANT

I have been employed in the valuation of Real Estate and Personal Property since May, 1975.

General Education: Syracuse University, Bachelor of Science Degree, Real Estate Major
Designations & Licenses:

State of Connecticut, Department of Revenue Services

CCMA (Certified Connecticut Municipal Assessor) Designation inactive

CCMA II (Certified Connecticut Municipal Assessor) Designation inactive

Appraisal Institute, SRPA Designation

As of the date of this report, I have completed the continuing education requirements of the Appraisal Institute.

Board of Directors Connecticut Chapter – Appraisal Institute 2006 – 2010

State of Connecticut, Certified General Appraiser # RCG.0000538

My continuing education requirements for the Connecticut Certification are current through 4/30/2019.

State of Rhode Island, Certified General Appraiser # CGA.0A00318

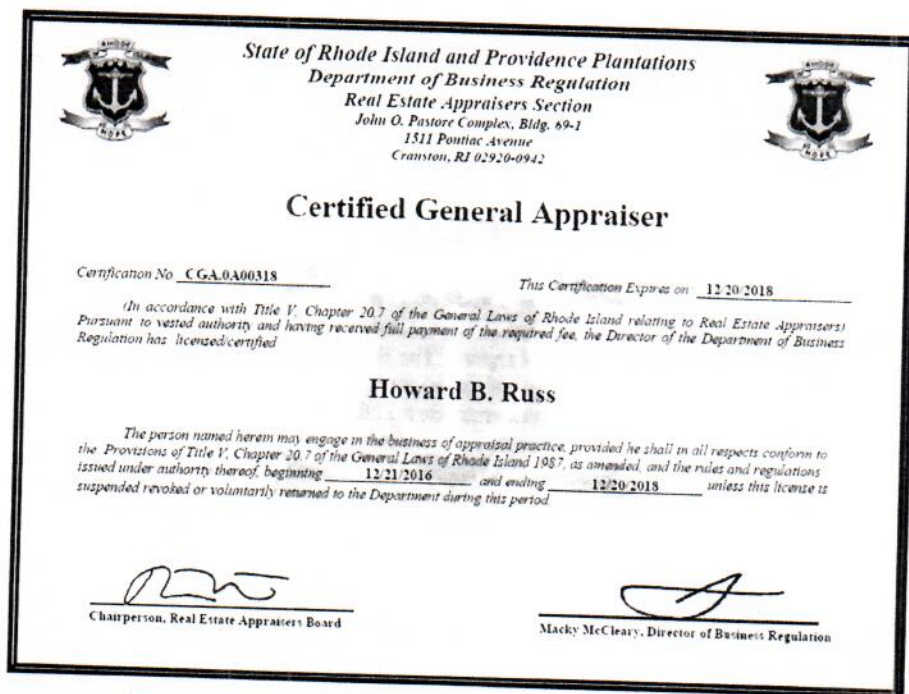
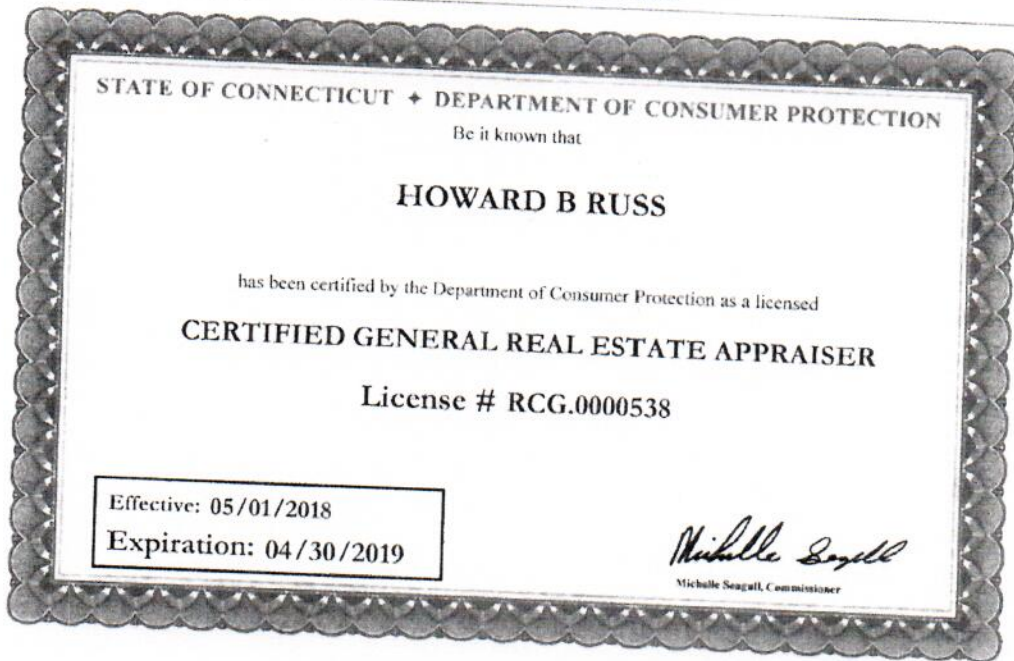
My continuing education requirements for the Rhode Island Certification are current through 12/20/2018.

I have been retained to provide valuation services and Feasibility Analysis on all types of commercial, industrial, residential and special purpose properties, including complex and unique valuation on existing and proposed apartment complexes, existing and proposed office buildings and office parks, existing and proposed hotels, inns and bed and breakfast facilities, existing and proposed industrial buildings and industrial parks including antique mills, existing and proposed retail shopping centers, existing and proposed commercial, industrial and residential condominiums. I have appraised existing and proposed marinas and dockominiums, active waterfront deep water port facilities and ferry terminals and active railroad properties. I have appraised beaches and aquaculture parcels including underwater shellfish grounds in Long Island Sound. I have appraised existing and proposed commercial buildings of all descriptions including automobile dealerships, parking garages, gas stations, restaurants, mini storage warehouse facilities, small single tenant commercial buildings, neighborhood retail centers, large scale multi building shopping centers, industrial buildings of all types including antique mills and modern flex buildings, multi tenant high rise offices, corporate office centers and apartments. I have appraised exclusive waterfront residential estates including unique antique homes, agricultural farms, and horse farms. I have prepared conservation easement valuations on extensive tracts of land meeting the Uniform Appraisal Standards for Federal Land Acquisition requirements. I have completed residential subdivision analysis on existing and proposed developments. I have prepared appraisals and testified on environmental contamination issues that affect valuation. I have completed valuation assignments on wetland property, reservoir property, municipal land fill property, and partial interest valuation of subsurface easements, surface easements and air rights including rail corridors, water main corridors, gas main corridors and electric transmission line corridors for state and municipal clients and for utility companies. I have provided damages valuations for partial takings on residential, commercial and industrial properties. I have prepared appraisals and testified on eminent domain valuation issues including partial and total takes of residential, commercial and industrial properties for highway acquisition, and utility transmission line acquisition purposes. I have valued damages caused by partial

taking by eminent domain from significant commercial and industrial properties. I have valued cell tower sites and broadcast antenna sites, mobile home parks and cemeteries.

I have testified as a Qualified Expert Witness on valuation matters in the following Courts since 1977:

United States Federal Courts	State of Connecticut Superior Courts
United States Federal Bankruptcy Court	State of Rhode Island Superior Courts
Appraisal Licenses Held	



ENGAGEMENT LETTER:

2/22/2018

VIA E-MAIL:

russappraisal@atlanticbb.net

Mr. Howard Russ
Russ Appraisal
PO Box 1
Waterford CT 06385

Property to be Appraised: 283 Boston Post Rd. East Lyme CT

Interest To Be Appraised: Fee Simple **Report Type:** As-Is and As-Complete Appraisal Report

Fee (Including All Expenses) **Property Contact Person:** Jason Pazzaglia

Property Contact #: 860 961-2364

Required Completion Date: 3/29/18 **Scope of Work** former summary format/level of detail.
Comments:

Number of Report Copies: 2 hard copies & 1 PDF copy

Dear Howard:

Dime Bank (the "Bank") hereby requests your services in providing an appraisal on the above referenced real estate, including all applicable valuation approaches. The purpose of the appraisals is to estimate the Market Value of the Fee Simple interest in the above-captioned real estate in As-Is and As-Complete condition. Federal financial institutions regulations and guidelines require an As-Is value consisting of "the current market value of the property in its actual physical condition and subject to the zoning in effect as the date of the appraisal".

The intended user/client is the Bank with an intended use for potential mortgage underwriting purposes. In the event all or any portion of this credit is purchased by another bank, said bank shall be considered a part of the intended user(s)/client(s).

Under the Gramm-Leach Bliley Act, all provided information concerning the subject property and Borrower, as well as the opinions and results of the appraisal, are confidential and cannot be distributed or discussed with any other user/client without prior approval from the Bank.

You are authorized to commence with the appraisal upon acceptance of this engagement letter. The above referenced, agreed upon appraisal fee is a gross fee, inclusive of all expenses, and will be paid by the Bank upon receipt and review approval of the appraisal report. The Bank reserves the right, at its opinion or in accordance with state and federal law, to provide a copy of the appraisal or to disclose information contained in the appraisal to the Borrower or other entities. The Bank understands that the Borrower is an unintended user.

In order to comply with federal regulations, the appraisals are required to conform to the following minimum standards:

- 1) **Compliance:** the Appraisal must conform to generally accepted standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) and be consistent with the FDIC Interagency Guidance on Appraisal and Evaluation Guidelines, dated December 2, 2010.
- 2) **Format:** Your appraisal(s) must be in writing and contain sufficient information and analysis to support the Bank's decision to engage in the transaction.
- 3) **Deductions:** The Appraisal must analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units.
- 4) **Market Value:** Your opinion must be based on market value. "Market Value" as defined by par 323.2 (g) of FDIC Rules and Regulations means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. 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:
 - a. Buyer and seller are typically motivated.
 - b. Both parties are well informed or well advised, and acting in what they consider their own best interest.
 - c. A reasonable time is allowed for exposure in the open market.
 - d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - e. 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.
- 5) **Certified General Appraiser:** The Appraisal must be performed and signed by an appraiser certified in the state where the property is located (state certified general appraiser).

The Bank's Appraisal Policy requirements are highlighted below.

- 1) **Property Description:** Your appraisal should adequately describe the property including: tax parcel number, legal description, zoning (current zoning and whether the current use is a legal and conforming), availability of utilities, and condition of the improvements/deferred maintenance (if applicable). Your appraisal must state whether or not the National Flood Insurance Program indicates the subject property to be in a flood plain (it is preferred that a copy of the flood plain map be included in the appraisal).
- 2) **Sales History:** the appraisal must present a three-year sales history of the subject property and analysis of current listing/offers if available during the normal course of business.
- 3) **Exposure & Marketing Period:** Your appraisal must report an estimate of how long the property is assumed to have been (exposure time) and will be (marketing time) on the market at the indicated market value.
- 4) **Highest and Best Use:** Your appraisal must analyze (in sufficient detail for the scope of the appraisal) and specify which specific use you conclude to be the subject property's highest and best use, both as vacant land and as improved.
- 5) **Methods of Valuation:** You must value the property using each of three common approaches to value (the Cost, Sales Comparison, and Income Approaches); or explain any omission of an approach that is not applicable. Your reconciliation should explain your reliance on the approaches included. Even if you determine that the Cost Approach is not applicable, an allocation of land value is deemed necessary for an accurate Highest and Best Use analysis.
- 6) **Adjustments:** to the land, sale and rent comparables (if Applicable) are to be adequately disclosed, preferably set out in an adjustment grid.
- 7) **Trend Analysis / Feasibility:** Your appraisal must report and analyze current market conditions and government, economic, social and environmental influence and trends that will affect projected income such as increasing vacancy rates, greater use of rent concessions, or declining sale prices.

Although not considered to be a feasibility or marketability study, the appraisal must address overall market conditions and the feasibility of the subject property (i.e., the probability of a stabilized property to "hold its own" in the market area, or the prospects for proposed/non-stabilized projects to achieve normal occupancy at market rates within a reasonable time).

- 8) **Revenues, Vacancies, Expenses and Capitalization Rates:** If the property is currently and is expected to continue as an income producing property, the current income of the property must be analyzed and reported from historical data, preferably three years. Forecast income, vacancy and expense figures must be included and be based on market rates with separate line items for miscellaneous income, management, and replacement reserves. Please compare your Capitalization Rate to current market derived rates/comparables when possible.
- 9) **Photographs and Maps:** The appraisal must include photographs of the subject site, improvements (if any), and surrounding area; as well as including maps depicting the location of the subject and comparable properties.
- 10) **Personal Property, Fixtures, and Intangible Items:** Your appraisal must state that no personal property, fixtures or intangible items are included in your opinion of market value or it must identify and separately value any personal property, fixtures or intangible items.
- 11) **Time is of the Essence for Completion Dates:** Unless prior extension is given, the "Bank" reserves the right to reduce appraisal fees by 5% per day for appraisals received after the stated completion date in this letter. Please note any requests for an extension of an agreed upon delivery date must be submitted in writing no less than five (5) business days prior to the agreed upon delivery date.

Please note that neither your engagement to make this appraisal (or any future appraisals for this client) nor any compensation therefore are contingent upon the reporting of a predetermined value, the amount of the value, the attainment of a stipulated result, or the occurrence of a subsequent event. Any questions regarding this engagement letter or concerns arising during the valuation of the subject property should be directed to the undersigned.

Sincerely,

Andrea Bundy
Appraisal Review and Flood Insurance Manager

ACKNOWLEDGEMENT

The undersigned Real Estate Appraiser has read the above from the Bank and understands its terms and scope and hereby agrees to accept the offer.

Executed this 25th day of February, 2018.

Firm: Russ Appraisal

By: Howard B. Russ

LEGAL DESCRIPTION

VOL 0939 PAGE 538

3030

Return to: Jason Pazzaglia 21 Darrows Ridge East Lyme CT 06333
WARRANTY DEED

Alice I. Finn CT acting herein by Ramona E. DeSalvo her Attorney-In-Fact
For consideration paid in the amount of:
One Hundred Eighty-Seven Thousand Five Hundred Dollars and XX/100
(\$187,500.00) grants to:

Jason D. Pazzaglia of 21 Darrows Ridge, East Lyme CT 06333
WITH WARRANTY COVENANTS the following described parcel of land:
See Attached Legal Description

Known as 283 Boston Post Road East Lyme CT 06333
Subject to easements restrictions and agreements as of record appear, building and
building line restrictions, any and all provisions of any ordinance, municipal
ordinances, including planning, zoning, conservation and inland wetland
regulations of the Town of East Lyme public or private law and taxes and/or
assessments to the Town of East Lyme and/or its boroughs, villages and districts
hereafter coming due.

Dated at New London CT this 14th day of November 2014

Witnessed by:

[Signature]
Stephanie D. Horn

Alice I. Finn by Ramona E. DeSalvo
Edel
Alice I. Finn by Ramona E. DeSalvo
Her Attorney-In-Fact

[Signature]
Jason D. Pazzaglia

State of Connecticut)

SS: New London CT Nov 14, 2014

County of New London)
On this the 14th day of Nov. 2014 before me the undersigned officer, personally
appeared Ramona E. DeSalvo, Attorney In Fact for Alice I. Finn known to me or
satisfactorily proven to be the person whose name is subscribed to the within
instrument, and acknowledged that she executed the same for the purposes therein
contained for herself and on behalf of Alice I. Finn.

In witness whereof I hereunto set my hand,



[Signature]
Commissioner of Superior Court Notary Public
\$1400.35
\$462.75
CONVEYANCE TAXES COLLECTED
STEPHANIE D. HORN
NOTARY PUBLIC
MY COMMISSION EXPIRES AUG. 31, 2015
[Signature]
TOWN CLERK OF EAST LYME

LEGAL DESCRIPTION

VOL 0939 PAGE 539

SCHEDULE A, PROPERTY DESCRIPTION

A certain tract of land with the buildings thereon, situated in the Town of East Lyme, County of New London and State of Connecticut and being known and designated as Lot No. 7 on a plan entitled, "Island and Property Patagansett Lake owned by Michael & Helen Tverdak Scale 1" = 100' Sept. 1959," which plan is on file in the East Lyme Land Records. Said premises are more particularly bounded and described as follows:

Northerly one hundred sixty (160) feet, more or less, by Lot No. 8 as shown on said plan; easterly one hundred seventy (170) feet, by Patagansett Drive; Southerly one hundred eleven and four tenths (111.4) feet by Boston Post Road; and westerly one hundred sixty (160) feet, more or less, by land of Charles H. and Elizabeth H. Hurschman.

LEGAL DESCRIPTION

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EXECUTOR'S DEED

300

KNOW ALL MEN BY THESE PRESENTS,

THAT DIME BANK, duly qualified and authorized Executor of the Last Will and Testament of Benjamin I. Orvedal, late of East Haddam (hereinafter the "Grantor"), for consideration paid, grant to JASON D. PAZZAGLIA, of the Town of East Lyme, County of New London and State of Connecticut (hereinafter the "Grantee"), does hereby give, grant, bargain, sell and convey to the Grantee, with Executor's Covenants, real property known as Pattagansett Drive Extension, East Lyme, Connecticut and as further described in Schedule A attached hereto and made a part hereof.

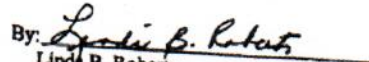
In Witness Whereof, I have hereunto set my hand this 10th day of February, 2015.

Signed and Delivered in the presence of

WITNESS

EXECUTOR - DIME BANK


Christopher DeLuca


By: 
Linda B. Roberts
Administrative Trust Officer


THOMAS N. McHugh Jr.

STATE OF CONNECTICUT)
COUNTY OF NEW LONDON) ss: Norwich, CT

On this the 10th day of February, 2015, before me, the undersigned officer, personally appeared LINDA B. ROBERTS, Administrative Trust Officer of Dime Bank, Executor of the Estate of Benjamin I. Orvedal, known to me (or satisfactorily proven) to be the person described in the foregoing instrument, and acknowledged that she executed the same in the capacity therein stated and for the purposes therein contained.


In Witness Whereof I hereunto set my hand.


Commissioner of the Superior Court
Notary Public

41M4861.DOC - 161667

11/20/17

NO
CONVEYANCE TAXES COLLECTED


TOWN CLERK OF EAST LYME

LEGAL DESCRIPTION

VOL 0943 PAGE 238

SCHEDULE A

All of my interest in the private road known as Pattagansett Drive Extension and more fully described as follows:

Beginning at a point on the southerly corner of Lot 14 at its intersection with Islanda Drive and Pattagansett Drive Extension as shown on a map entitled, "Island and Property Pattagansett Lake owned by Michael and Helen M. Tverdak, Scale 1" = 100', September 1949", recorded in the East Lyme Town Clerk's Office, Map Book 4, Page 80, Thence westerly along the northerly line of Pattagansett Drive, as shown on said plan, along lots 14, 13, 12, 11, 10, 9, and 8, as shown on said plan, thence turning southerly and following the easterly line of lot 7 to the northerly line of the Boston Post Road, thence turning easterly and following the northerly line of Boston Post Road to the southwesterly corner of lot 6 on said plan, thence turning northerly along the westerly edge of said lot 6 until said lot's northwesterly corner, thence turning to the east and running easterly along the northern boundaries of lots 6., 5 and 1, to the intersection of the Pattagansett Drive Extension and Islanda Drive, thence turning northerly along the westerly edge of Islanda Drive to the place of beginning.

ASSESSORS CARD

Property Location: 283 BOSTON POST RD
 Vision ID: 5676
 Account # 002278
 MAP ID: 30.11/601/1
 Bldg Name: 6045 EAST LYME, CT
 State Use: 1010
 Print Date: 03/28/2018 13:43

RECORD OF OWNERSHIP

Year	Type	Description	Amount	Code	Description	Number	Amount	Comm. Int.
2017	1-1	RES LAND	79,800	1-1	RES LAND	04	187,500	
2017	1-2	RES EXCES DWELLING	1,700	1-2	RES EXCES DWELLING			
2017	1-3	RES OUTBL	500	1-3	RES OUTBL			
2017	1-4			1-4				
Total:			162,000				187,500	

PREVIOUS ASSESSMENTS (HISTORY)

Year	Code	Assessed Value	Yr	Code	Assessed Value
2016	1-1	55,860	2016	1-1	55,860
2015	1-2	1,190	2015	1-2	1,190
2014	1-3	56,000	2014	1-3	56,000
2013	1-4	350	2013	1-4	350
Total:		113,400	Total:		113,400

EXEMPTIONS

Year	Type	Description	Amount
2017	04	SALE PRICE P.C.	0

OTHER ASSESSMENTS

Year	Type	Description	Amount
2017	04	SALE PRICE P.C.	0

ASSESSING NEIGHBORHOOD

STREET INDEX NAME: TRACING
 NOTES: BAUTCH

NET TOTAL APPRAISED PARCEL VALUE

Appraised Bldg. Value (Card): 80,000
 Appraised XF (B) Value (Bldg): 0
 Appraised OB (L) Value (Bldg): 500
 Appraised Land Value (Bldg): 81,500
 Total Appraised Parcel Value: 162,000
 Valuation Method: C
 Adjustment: 0

APPROXIMATE VALUE SUMMARY

Appraised Bldg. Value (Card): 80,000
 Appraised XF (B) Value (Bldg): 0
 Appraised OB (L) Value (Bldg): 500
 Appraised Land Value (Bldg): 81,500
 Total Appraised Parcel Value: 162,000
 Valuation Method: C
 Adjustment: 0

BUILDING PERMIT RECORD

Permit ID	Issue Date	Type	Description	Amount	Imp. Date	% Comp.	Date Comp.	Comments

VISIT/CHANGE HISTORY

Date	Type	IS	ID	CD	Purpose/Result
8/16/2016		DM		03	Review
10/20/2011		MM		03	Review
12/31/2010		GLM		00	Measur+Listed
1/16/2001		GM		02	Measur+2 Visit - Info Carr

LAND LINE VALUATION SECTION

Units	Unit Price	Factor	Acres	ST	Factor	Acres	ST	Factor	Acres	ST	
7,500 SF	14.18	1.00	1.0000	1.00	1.00	1.0000	1.00	1.00	1.00	1.0000	
0.34 AC	6,500.00	1.00	1.0000	1.00	1.00	1.0000	1.00	1.00	1.00	1.0000	
Total Card Land Units:		0.51 AC		Parcel Total Land Area:		0.51 AC		Total Land Value:		81,500	

ADDITIONAL OWNERS: PAZZAGLIA JASON D, FINN ALICE J, FINN JOHN A & ALICE I

UTILITIES: 1 Level, 2 Public Water, 6 Septic

SUPPLEMENTAL DATA: Block 000, Fire Tot Disabled, Heart CB-2002, Freeze

ASSOCIATED PIDs: 07161

SALE DATE: 11/14/2014

SALE PRICE: 187,500

ASSESSORS CARD

K

Property Location: 283 BOSTON POST RD		Account #002278		MAP ID: 30,1/60/11		Bldg Name:		State Use: 1010																																																																																							
Vision ID: 5676		CONSTRUCTION DETAIL (CONTINUED)		Bldg #: 1 of 1		Sec #: 1 of 1		Card 1 of 1																																																																																							
CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)		CONSTRUCTION DETAIL (CONTINUED)		CONSTRUCTION DETAIL (CONTINUED)		CONSTRUCTION DETAIL (CONTINUED)																																																																																							
Element	Cd.	Ch.	Description	Element	Cd.	Ch.	Description	Element	Cd.	Ch.	Description																																																																																				
Style	01		Ranch																																																																																												
Model	01		Residential																																																																																												
Grade	03		Average																																																																																												
Stories	1		1 Story																																																																																												
Occupancy	1																																																																																														
Exterior Wall 1	25		Vinyl Sliding																																																																																												
Exterior Wall 2	03		Gable/Hip																																																																																												
Roof Structure	03		Asph/F Gls/Cmp																																																																																												
Roof Cover	03		Drywall/Sheet																																																																																												
Interior Wall 1	05																																																																																														
Interior Wall 2	12		Hardwood																																																																																												
Interior Flr 1	14		Carpet																																																																																												
Interior Flr 2	02		Oil																																																																																												
Heat Fuel	05		Hot Water																																																																																												
AC Type	01		None																																																																																												
Total Bedrooms	02		2 Bedrooms																																																																																												
Total Bathms	1																																																																																														
Total Half Baths	0																																																																																														
Total Xtra Fixts	1																																																																																														
Total Rooms	7		7 Rooms																																																																																												
Bath Style	02		Average																																																																																												
Kitchen Style	02		Average																																																																																												
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ASSESSORS CARD

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Property Location: PATTAGANSETT DR (PRVT)
 Vision ID: 104657
 Account # 009893

MAP ID: 30.11/89/11
 Bldg #: 1 of 1
 Sec #: 1 of 1

State Use: 1320
 Print Date: 03/28/2018 13:44

CURRENT OWNER
 PATAZAGLIA JASON D
 21 DARROWS RIDGE RD
 EAST LYME, CT 06333
 Additional Owners:

UTILITIES
 2 Semi-Improved 3 Rural
 1 Level

TOPO
 009893
 Sub-Div
 Photo
 Devt Lot #
 Net Exempt
 Tract
 GIS ID: 30.1 89

RECORD OF OWNERSHIP
 PATAZAGLIA JASON D
 BK-VOLTAJE SALE DATE 02/13/2015 U V
 943 237 1,500 25

UTILITIES
 2 Semi-Improved 3 Rural
 1 Level

SUPPLEMENTAL DATA
 Block
 Fire
 Tent Disabled
 Heart
 Freeze
 ASSOC PID#

SALE PRICE V.C.
 02/13/2015 U V
 1,500 25

OTHER ASSESSMENTS

Year	Type	Description	Amount	Number	Comm. Int.
2017	S-1				
TOTAL:			6,860		

ASSESSING NEIGHBORHOOD
 STREET INDEX NAME TRACING BAUCH

NOTES
 10/7/15 PRVT PORTION OF ROAD
 (PREVIOUSLY OMITTED) ACREAGE ESTM
 MAP BK4/80: 282295 TVERDAK TO ORVEDAL
 ESMTS TO ABUTTING PROP OWNERS

EXEMPTIONS

Year	Type	Description	Amount	Number	Comm. Int.
TOTAL:					

PREVIOUS ASSESSMENTS (HISTORY)

Yr	Code	Assessed Value	Yr	Code	Assessed Value
2016	5-1	6,860	2016	5-1	6,860
TOTAL:			6,860		

APPRaised VALUE SUMMARY

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (L) Value (Bldg)	0
Appraised Land Value (Bldg)	9,800
Total Appraised Parcel Value	9,800

ADJUSTMENT:

Adjustment:	0
Net Total Appraised Parcel Value	9,800

BUILDING PERMIT RECORD

Permit ID	Issue Date	Type	Description	Amount	Imp. Date	% Comp.	Date Comp.	Comments
	8/16/2016	TYPE						

VISIT/ CHANGE HISTORY

Date	ID	ID	C/d	Purpose/Result
8/16/2016	DM	63		Review

LAND LINE VALUATION SECTION

Zone	D	Frontage	Depth	Units	Price	Factor	S.A	Acres	C	ST	Adj.	Notes
R40				28,770	SF	4.52	1.00	1.00000	0.10	0040	0.75	PRVT RD, ESMTS

Special Pricing
 Adj. Unit Price: 0.34
 Land Value: 9,800

Total Card Land Units: 0.66 AC
Parcel Total Land Area: 8.66 AC
Total Land Value: 9,800

ASSESSORS CARD

Property Location: PATTAGANSETT DR (PRVT) Account #009893 MAP ID: 30.1/89/11 Bldg #: 1 of 1 Card 1 of 1 State Use: 1320
 Vision ID: 104657 CONSTRUCTION DETAIL (CONTINUED) Bldg #: 1 of 1 Sec #: 1 of 1 Print Date: 03/28/2018 13:44

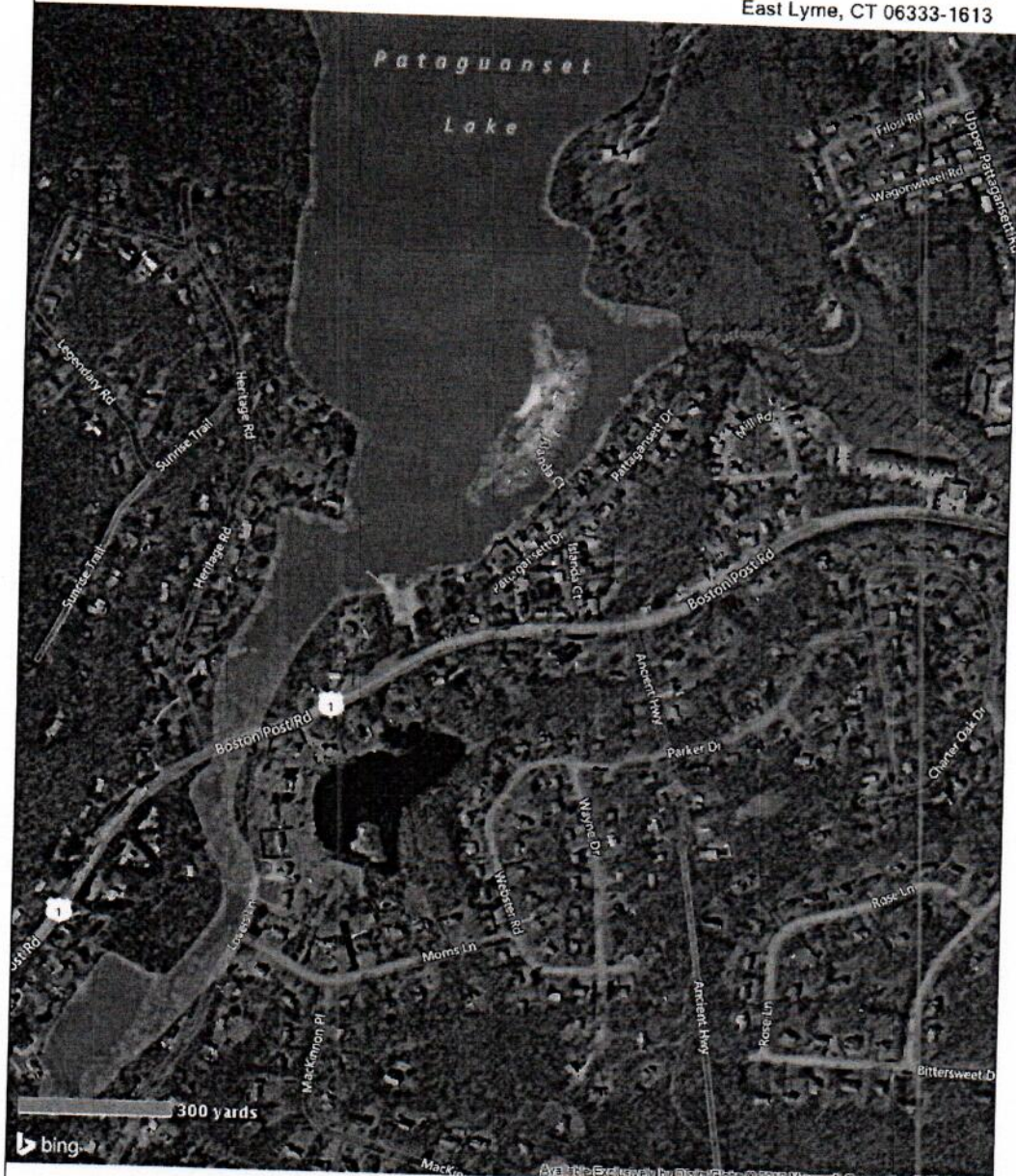
Element	Code	Description	Unit Cost	Underprc.	Value						
Model	00	Vacant									
CONSTRUCTION DETAIL (CONTINUED)											
MIXED USE											
Code	Description	Percentage									
1320	RES ACLNUD	100									
COST/MARKET VALUATION											
Adj. Base Rate		0.00									
Section RCN		0									
Net Other Adj.		0.00									
Replace Cost		0									
AYB		0									
EYB		0									
Dep Code											
Remodel Rating											
Year Remodeled											
Dep %											
Functional Obslnc											
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OB-OUTBUILDING & YARD ITEMS(L) /XF-BUILDING EXTRA FEATURES(B)											
Code	Description	L/B	Units	Unit Price	Gr	Dr	Rt	End	%Cnd	Apr	Value
BUILDING SUB-AREA SUMMARY SECTION											
Code	Description	Living Area	Gross Area	Eq. Area	Unit Cost	Underprc.	Value				
		0	0	0	0	0	0				
Ttl. Gross Liv/Lease Area:		0	0	0	0	0	0				

No Photo On Record

FLOOD MAP

InterFlood by a la mode







Prepared for: Russ Appraisal Services
200 Boston Post Rd
East Lyme, CT 06333-1613



MAP DATA

FEMA Special Flood Hazard Area: **No**
Map Number: **09011C0476G**
Zone: **X**
Map Date: **July 18, 2011**
FIPS: **09011**

MAP LEGEND

- | | |
|--|---|
|  Areas inundated by 500-year flooding |  Protected Areas |
|  Areas inundated by 100-year flooding |  Floodway |
|  Velocity Hazard |  Subject Area |

Powered by CoreLogic

Subject not in designated flood hazard zone

SPECIFIC QUESTIONS OF BUILDER REGARDING MATERIALS

Questions on Interior apartment finish

You verbally indicated each of the 12 apartment bathrooms would have fiberglass stub shower units and flooring would be vinyl.

Page 15 of 17 depicts carpet and tile installation. Will there be carpet throughout excepting vinyl bathroom and tiled Kitchen ?

Bedrooms will have carpet, Bathrooms will be tiled and kitchen and all other spaces will be vinyl.

You indicated kitchens would have range, refrigerator and dishwasher. Please give description of cabinetry, and kitchen counter material.

There will also be a microwave in addition to the range, refrigerator and dishwasher.

Cabinetry will be white builders grade

Counters will be formica/ post form

I see a rear laundry / storage room in Apartments 4, 5, & 6 with laundry hookups for full size washers and dryers in these three units on Sheet 16 of 17. Will the laundry equipment be installed or just provide the hookup?

Only hookups will be provided

Apartments 1, 2 & 3 have stackable washer & dryers in a small closet off the bathroom. Will these 6 units have the laundry equipment installed or just provide the hookup?

Only hookups will be provided

I do not see any washer / dryer hookups for apartments 7 – 12. Please clarify

There are no hookups for these units

Where will the hot water heaters be located and size of hot water heaters?

There will be on demand units in the closets

What are the heating / ac provisions for the apartment space?

There will be ductless heating and ac units

Questions on unfinished commercial space**2,160 SF + 1,710 SF = 3,880 +/- SF net leasable area combined**

I note ceiling lights on the wiring plan for the commercial space on sheet 17 of 17. Will the ceilings be sheet rocked ? taped ? painted?

Ceiling will be sheetrocked, taped, painted, with recessed cans, electrical future connections for tenant fit-out.

Will the exterior perimeter walls of the commercial space be sheet rocked or open showing studs and insulation?

Exterior perimeter walls will be sheetrocked.

Will both commercial spaces have two electrical panels? No other electrical plans shown for commercial space.

Yes, they will have 2 electrical panels.

Bare plywood floor in commercial space?

Yes

You indicated verbally that the commercial space would have toilet rooms, which are not shown on the plans. Will there be any interior finish in the toilet rooms or just studded partition walls and capped waste line and supply lines?

Just studded partition walls and capped waste line and supply lines.

What provisions for HVAC in the commercial space?

There will be ductless heating and ac units.