

APPRAISAL REPORT

OF

AN APPRAISAL

OF REAL PROPERTY LOCATED AT:

529 & 517 Gold Star Highway
Groton, CT 06340

PREPARED FOR:

The Town of Groton
c/o Suisman Shapiro
2 Union Plaza
New London, CT 06320

FOR THE PURPOSE OF ESTIMATING MARKET VALUE

DATE OF VALUATION: June 10, 2014
DATE OF APPRAISAL: August 11, 2014

Robert Champagne
Champagne Appraisals
185 Randall Rd
Lebanon, CT 06249

August 11, 2014

Attorney Raymond Baribeault
Suisman Shapiro
2 Union Plaza
New London, CT 06320

RE: 529 & 517 Gold Star Highway, Groton, CT 06340

Dear Attorney Baribeault

At your request, I have prepared an Appraisal Report of an appraisal of real property known as 529 & 517 Gold Star Highway, Groton, CT 06340. The purpose of the appraisal is to estimate the market value of the fee simple estate for real estate tax foreclosure purposes. Consistent with USPAP Standard 2, this Appraisal Report is a summary of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in the appraiser's file. The property was inspected on June 10, 2014. This appraisal is based upon an inspection of the subject property from the road; I did not attempt to access the interior of the subject property. Information regarding the subject property is drawn from tax and land records, as well as from conversations with town officials and real estate professionals. After viewing the subject property and considering all pertinent data, it is my considered opinion that the market value of the subject property as of June 10, 2014 was:

\$235,000.00

TWO HUNDRED THIRTY FIVE THOUSAND DOLLARS

Please do not hesitate to contact me if you have any questions, or if I may be of further service.

Sincerely,



Robert H. Champagne
Certified General Appraiser
State of CT license #RCG.0001242
Expiration Date: 4/30/2015

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SUMMARY OF FINDINGS

Property Address -	529 & 517 Gold Star Highway, Groton, CT 06340
Owner of Record -	Dangelo Realty Three LLC (529 Gold Star Highway) Dangelo Realty (517 Gold Star Highway)
Type of Report -	Appraisal Report
Purpose of Appraisal -	Market valuation for tax foreclosure
Date of Appraisal -	June 10, 2014
Land Area -	10.05 acres (529 Gold Star Highway) 1.70 acres (517 Gold Star Highway) 11.75 acres total
Zone -	CB-15
Assessment & Tax Data (2012 Grand List)	
Assessment	\$315,000.00
Current tax burden	\$ 11,172.00
Building Area -	None
Property Type -	Vacant Land
Highest and Best use -	Commercial Development
Estimated Values -	
Sales Comparison Approach -	\$235,000.00
Income Approach -	Not Developed
Cost Approach -	Not Developed
Reconciliation of Value	\$235,000.00

PHOTOGRAPHS OF THE SUBJECT PROPERTY



View of subject from Gold Star Highway



View of subject property from adjacent property

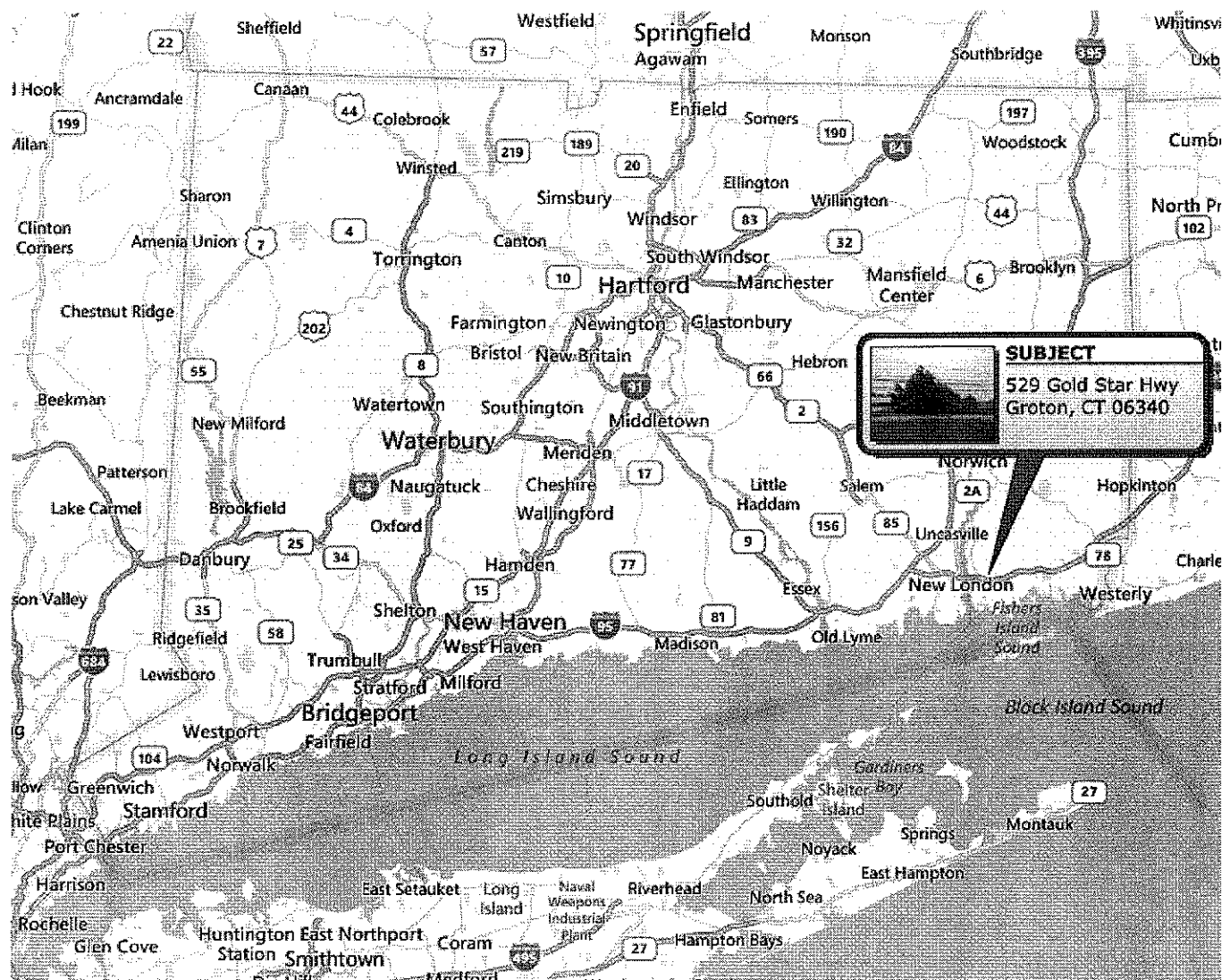


Street scene, facing west

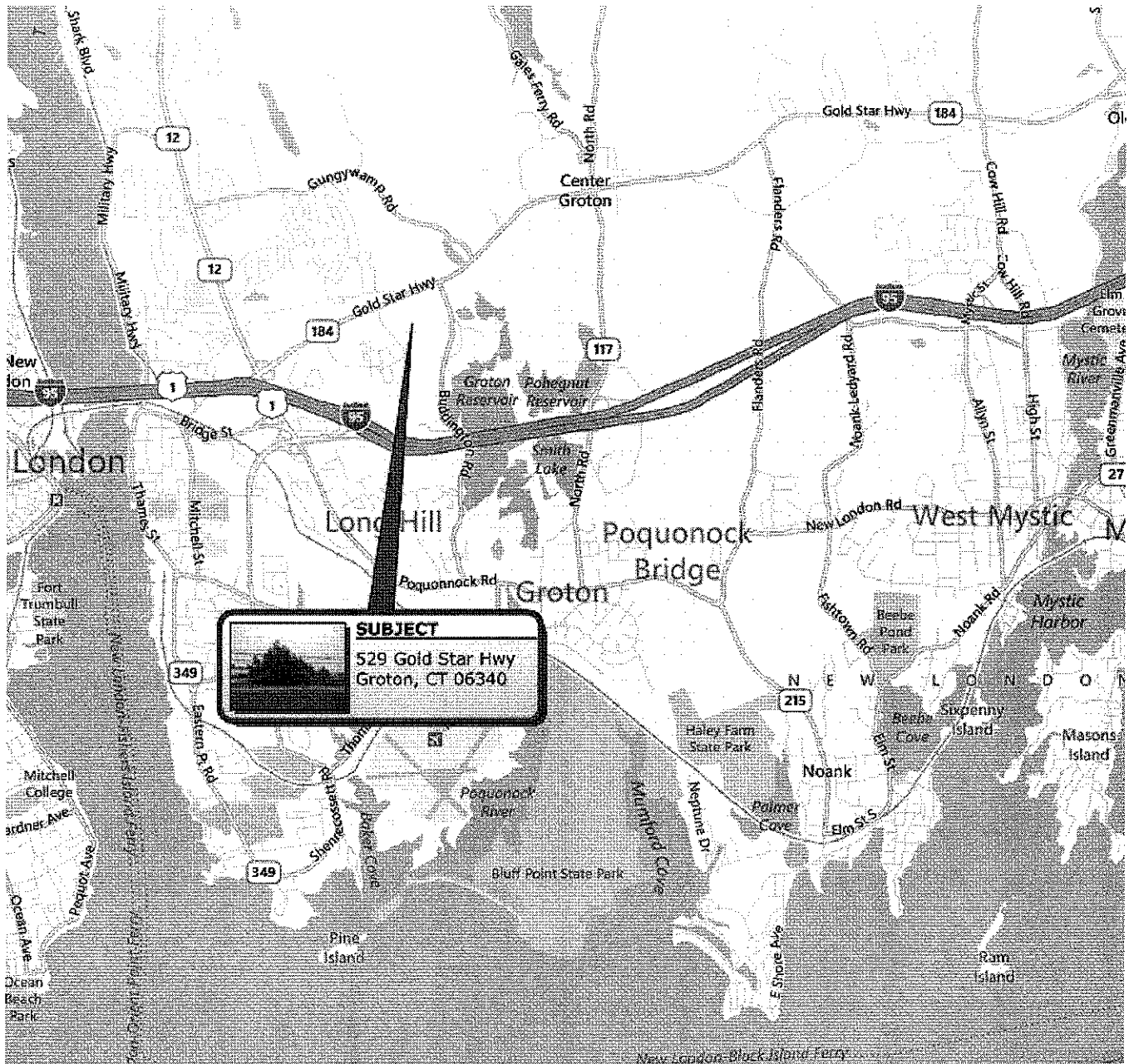


Additional view of subject from adjacent property

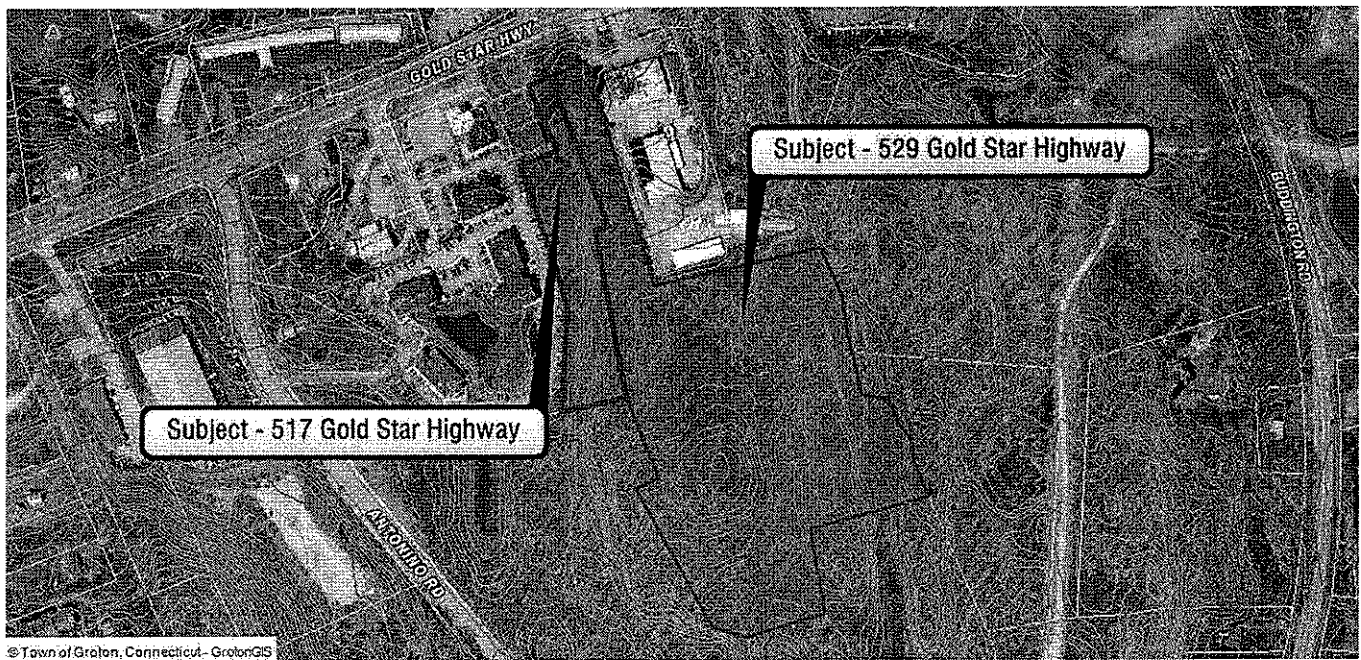
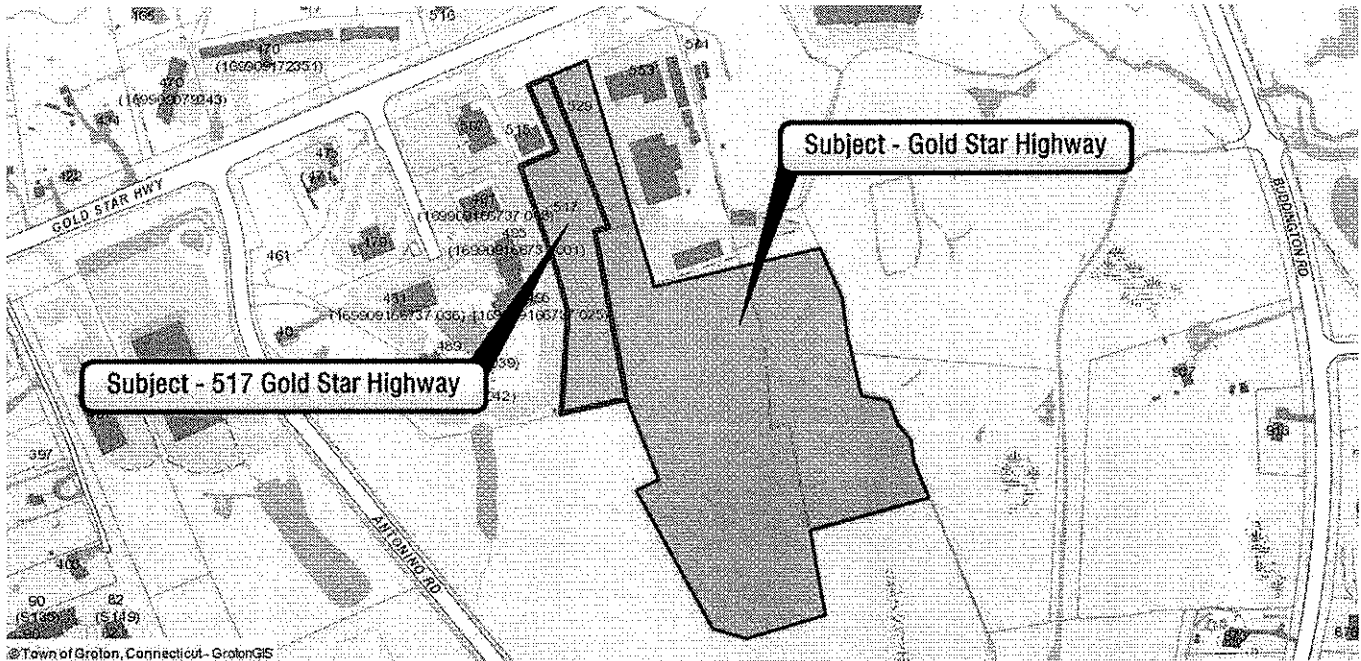
CONNECTICUT LOCATION MAP



GROTON LOCATION MAP



GROTON GIS MAPS



PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the "market value" of real property located at 529 & 517 Gold Star Highway, Groton, CT 06340. The intended use of this appraisal is to provide a market value estimate for real estate tax foreclosure purposes. The intended users of this appraisal are the client, The Town of Groton, care of Attorney Raymond Baribeault. Third parties are not authorized to use this appraisal without the prior written consent of the appraiser.

MARKET VALUE

The definition of "market value" as used in this appraisal is as follows:

"Market value means the most probable price which a property should bring in a competitive and open market under all the 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 specific date, and the passing of title from seller to buyer under the following conditions:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and are acting in what they consider to be their own best interests;
3. A reasonable time is allowed for exposure of the subject property in the open market;
4. Payment is made in terms of cash in United States dollars, or in terms of comparable 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."

ASSIGNMENT CONDITIONS

The subject property is valued in its "as is" condition on June 10, 2014 based upon an exterior inspection only and assumes that there are no detrimental environmental conditions. No extraordinary assumptions or hypothetical conditions have been adopted in this analysis.

PROPERTY RIGHTS APPRAISED

The property rights appraised in this report consist of the fee simple interest. A fee simple estate consists of absolute ownership unencumbered by any other interests or estate. It is absolute ownership subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

SCOPE OF WORK & APPRAISAL DEVELOPMENT

This Appraisal Report is a summary of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in the appraiser's file. Per the agreement with the client, this appraiser performed an exterior only inspection of the subject property from the road.

The extent of the process of collecting, confirming and reporting the market data utilized in this report is as follows: Data were collected from such sources as Assessor's, Town Clerk's, Zoning and Tax Collector's records, various real estate publications including the Commercial Record and Multiple Listing Service, local newspapers as well as property owners, real estate brokers, Conn Comp, appraisers, and attorneys. The data collected, where applicable, were verified with the grantors and/or grantees involved with various real estate transactions, town officials, brokers, attorneys, and applicable documents of records. The pertinent facts, analyses and conclusions have been reported in compliance with the requirements of the Federal Government, the State of Connecticut, and the Code of Professional Ethics and Standards of Professional Practice (U.S.P.A.P.) of the Appraisal Institute. In preparing this report, they have been set forth in the following manner. The salient factors have been set forth on individual data sheets, including plot sketch and photographs. The conclusions that follow are the appraiser's own conclusions based upon the market data researched.

The subject property consists of vacant land. Only the Sales Comparison Approach has been utilized in valuing the subject property. The Cost Approach has not been developed as the property is unimproved. Similarly, the Income Approach has not been developed as the property is vacant and vacant land does not typically generate rental income in this market.

LOCATION OF SUBJECT PROPERTY

The subject property consists of two parcels of vacant land located at 529 & 517 Gold Star Highway, Groton, CT 06340. 529 Gold Star Highway is described by the Town of Groton Assessor as PIN: 169909262469. 517 Gold Star Highway is described by the Town of Groton Assessor as PIN: 169909168945. The properties are situated on the southern side of Gold Star Highway (CT Route 184) in the western portion of the town of Groton.

LEGAL DESCRIPTION OF THE SUBJECT PROPERTY

The legal description of 529 Gold Star Highway appears in Volume 778, Page 39, dated 7/24/2002, in the Town of Groton, Connecticut Land Records. The legal description of 517 Gold Star Highway appears in Volume 342, Page 388, in the Town of Groton, Connecticut Land Records.

ASSESSMENT DATA AND TAX BURDEN

529 Gold Star Highway

Date of last revaluation:	10/1/2011
Appraised Value:	\$ 450,000.00
Equalization rate:	70%
Total assessed value:	\$ 315,000.00
Taxes as of 2013:	\$ 9,526.00

517 Gold Star Highway

Date of last revaluations:	10/1/2011
Appraised Value:	\$ 75,000.00
Equalization rate:	70%
Total assessed value:	\$ 52,500.00
Taxes as of 2013:	\$ 1,646.00

Total taxes:	\$ 11,172.00
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Comments: The tax burden, which equals \$950.80 per acre, appears consistent with similar vacant commercial land in Groton. According to the Groton Tax Collector, the subject property is currently under foreclosure for back taxes.

ZONING CHARACTERISTICS

The Town of Groton zoning map indicates that the subject is in the CB-15 zone, which is a general commercial zone. Permitted uses include a variety of residential, recreational, professional, personal, and retail uses. The minimum lot size in the CB-15 zone is 15,000 square feet, The minimum frontage is 100 feet on an approved road, and the maximum lot coverage is 30%. The surrounding neighborhood is predominantly commercial in character, with intensive development along Gold Star Highway. There are high density residential developments in close proximity to the subject (condominium ownership), and suburban residential neighborhoods to surrounding Gold Star Highway.

The property is located within the Water Resource Protection District (WRPD), an overlay zone that limits some uses that would otherwise be permitted in the CB-15 zone. Specifically, prohibited uses include any use involving the manufacture, use, storage, transport, process, or disposal of hazardous materials or waste, auto service stations, auto repair, auto dealerships, machine shops, dry cleaners, dental office, beauty salon, and car washes.

The subject property consists 10.05 +/- acres, with 90 feet of frontage. The property exceeds the minimum lot size requirement in the CB-15 zone, and contains sufficient frontage to be considered an interior lot.

Based upon information obtained from the Groton Planning Office, the subject property was part of an assemblage for a proposed Super Walmart. The proposal was denied by the town due to concerns over water run-off. There are presently no approvals or proposals for prospective use of the subject property.

FLOOD ZONE CHARACTERISTICS

According to the Flood Insurance Rate Map, Panel 1 of 1, Community Panel # 09011C0506J, revised August 5, 2013, the subject property is located in the X zone, outside of the 500 year flood plain. Flood insurance is not required in this zone. The pertinent flood map is included as an addendum to this report.

DESCRIPTION OF THE SUBJECT PROPERTY

The subject property is located in the northwestern portion of the town of Groton. It consists of two adjacent, commercially zoned parcels of vacant land, known as 529 & 517 Gold Star Highway. The two properties are owned by different LLC's, though the LLC's are owned by the same entity. The properties are separately deeded but contiguous, and per the request of the client, have been valued as a single property. The property is located on Gold Star Highway (CT Route 184), the main east-west route through the northern portion of the town. The property is located in an intensively developed commercial area, with surrounding uses included hotels and motels, auto dealerships, professional and medical offices, and retail sales. According to the CT Department of Transportation, Gold Star Highway in the vicinity of the subject property has an average daily traffic count of 11,500. The area to the west of the property, near the intersection of Route 12, 184, and I-95, is the busiest section of the Gold Star Highway, and has the highest density of development. The subject is located in a somewhat less developed area at the boundaries of the main commercial neighborhood. The subject property was part of a larger assemblage for a proposed Super Walmart. This proposal was denied by the town due to concerns over water run-off. The property is located in close proximity to town owned reservoirs and is located within the Water Resource Protection District (WRPD), an overlay zone.

The subject lot is irregular in shape, with a total of 140 feet of frontage on the south side of Gold Star Highway. Based upon GIS maps, the property has a level to rolling topography, and is almost completely wooded. Due to the shape of the property, with a narrow fronting area, the parcel has limited visibility, and potential development would likely be set back at least 400 +/- feet from the road, where the parcel widens. While it appears that most of the acreage is developable, potential uses would be limited by the property's small amount of frontage. Uses that typically require good visibility, such as retail, would likely not be appropriate for the property. The property does not appear to be encumbered with wetlands or excessive ledge.

ENVIRONMENTAL CHARACTERISTICS

This appraiser is not qualified to conduct an environmental assessment and makes no representations regarding the environmental conditions of the subject property. In this context, it is noted that no one whom this appraiser interviewed reported any environmental flaws on the subject property, nor did this appraiser's physical inspection of the subject property reveal any apparent environmental hazards. Should a licensed individual discover any environmental hazards on the subject property, this appraiser reserves the right to revise the estimation of market value contained in this report in the context of such findings.

MARKETING ENVIRONMENT

There is currently a limited demand for vacant commercial land in the southeastern Connecticut market. Very little commercial or residential development is currently underway in Groton or the surrounding towns, and very few if any developers are buying vacant land for development. There are a number of vacant commercial parcels for sale in the immediate area, many of which have been available for sale for an extended period. MLS data indicate that there have been 22 active and expired listings since 1/1/2010 of vacant parcels on Gold Star Highway and the surrounding streets between I-95 and Tollgate Road. The mean days on market for these listings was 331 days. These data also indicate that many of the listings do not sell within the period of a standard 3 or 6 month listing term, and many properties have been relisted multiple times. Price reductions are common, and competition is high. The market is currently heavily oversupplied. Discussions with local brokers indicate that a marketing time of at least 12 months could be involved in successfully marketing the subject property if priced correctly.

This appraisal assumes an exposure period of 12-24 months.

MARKETING HISTORY

According to the town records, the property last transferred on 7/24/2002. This transfer appears to have been between family members, for nominal consideration. The subject property has been on and off the market since 2009. It was listed on 4/30/2009 for \$1,120,000. The price was reduced to \$650,000, then to \$475,000 on 6/5/2010. The price was reduced to \$395,000 on 5/23/2011, then to \$350,000 on 2/6/2012. The price was reduced to \$250,000 on 8/20/2013, and the most recent listing expired after 350 days on 3/24/2014. The subject property is not currently offered for sale.

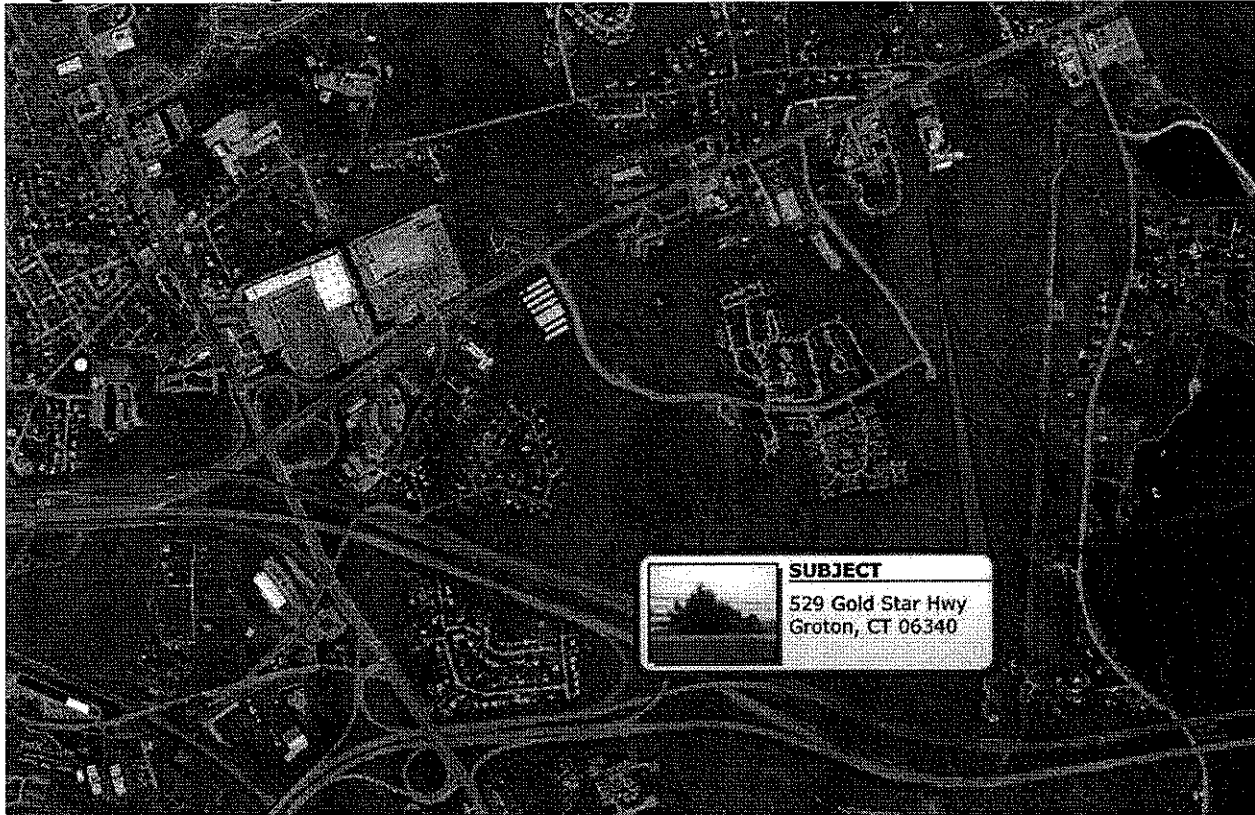
COMMUNITY AND NEIGHBORHOOD CHARACTERISTICS

Located midway between New York and Boston, Groton is the largest municipality between New Haven, Connecticut, and the cities surrounding Providence, Rhode Island. Framed by the Thames River and the Mystic River, Groton is notable for its shores on Long Island Sound, just East of the end of Long Island. Groton is located in the southeastern part of Connecticut along Long Island Sound between New London and Stonington. Groton has a population of 40,340 (2004) and has an area of 38.3 square miles. Groton has a Council/Manager form of government. Groton has 9 elementary schools, 4 intermediate schools and Fitch Senior High School.

The town of Groton contains the villages of Mystic, Noank, and Groton Long Point, as well as an urbanized city center known as Groton City. Groton is the home of the US Naval Submarine Base, the submarine construction facilities of the Electric Boat Division of General Dynamics, Inc. Other industries in Groton range from a traditional fishing boat fleet to advanced medical supply manufacturing. The University of Connecticut at Avery Point is located in Groton. Groton has been a popular place of residence due to close proximity the Thames River and Long Island Sound, as well as to employment opportunities at Pfizer, Electric Boat, and the submarine base. The town has experienced a decrease in population in the last ten years.

The subject property is located on Gold Star Highway, CT Route 184. The immediate neighborhood consists predominantly of commercial properties. Groton is served by state highways 1, 184, 117, 215, 649, 615, 349 and 12, as well as Interstate Route 95.

Neighborhood Image

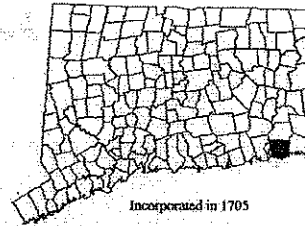


Groton, Connecticut

CERC Town Profile 2013

Town Hall
45 Fort Hill Road
Groton, CT 06340
(860) 441-6630

Belongs to
New London County
LMA Norwich - New London
Southeast Economic Dev. Region
Southeastern Connecticut Planning Area



Incorporated in 1705

Demographics

Population (2011)	Town	County	State	Race/Ethnicity (2011)	Town	County	State
2000	39,907	259,088	3,405,565	White	31,714	225,661	2,796,198
2010	40,254	272,360	3,545,837	Black	2,274	14,833	347,941
2011	40,190	272,891	3,558,172	Asian Pacific	2,085	11,566	135,435
2020	38,172	279,893	3,690,997	Native American	138	1,606	8,104
'11-'20 Growth / Yr	-0.6%	0.3%	0.4%	Other/Multi-Race	3,979	19,225	270,494
				Hispanic (any race)	3,780	22,261	463,407
Land Area (sq. miles)	31	666	4,845	Poverty Rate (2011)	7.4%	7.7%	9.5%
Pop./Sq. Mile (2011)	1,284	410	734	Educational Attainment (2011)			
Median Age (2011)	33	40	40	Persons Age 25 or Older	Town	%	State
Households (2011)	15,691	107,115	1,360,115	High School Graduate	7,159	29%	678,312 28%
Med HH Inc. (2011)	\$59,887	\$67,010	\$69,243	Associates Degree	2,180	9%	176,216 7%
				Bachelors or More	7,902	32%	861,770 36%
Age Distribution (2011)							
	0-4	5-17	18-24	25-49	50-64	65+	Total
Male	1,532 4%	3,006 7%	4,354 11%	6,691 17%	3,131 8%	2,071 5%	20,785
Female	1,316 3%	3,062 8%	2,147 5%	6,648 17%	3,320 8%	2,912 7%	19,405
County Total	15,032 6%	44,780 16%	26,737 10%	92,272 34%	55,872 20%	38,198 14%	272,891

Economics

Business Profile (2012)	Units	Employment	Top Five Grand List (2012)	Amount	% of Net
Sector			Pfizer Inc.	\$521,550,458	13.5%
Total - All Industries	1,047	25,754	Electric Boat Corp.	\$214,321,036	5.5%
23 Construction	48	192	LCOR Groton Apartments LLC	\$21,381,370	0.6%
31 Manufacturing	NA	NA	Exit 88 Hotel LLC	\$20,090,307	0.5%
44 Retail Trade	158	2,052	Groton Devel. Assoc. LTD	\$17,533,460	0.5%
54 Professional, Scientific, and Techni	142	2,259	Net Grand List (2012)	\$3,868,863,246	
62 Health Care and Social Assistance	101	1,830	Top Five Major Employers (2012)		
72 Accommodation and Food Services	121	2,175	U.S. Navy Submarine Base	Town of Groton	
Total Government	53	3,594	Electric Boat Corporation	TASMG	
			Pfizer, Inc.		

Education

2010-2011 School Year	Town	State	Connecticut Mastery Test Percent Above Goal						
Total Town School Enrollment	5,222	548,313	Grade 4	Grade 6	Grade 8				
Most public school students in Groton attend Groton School District, which has 4,965 students.			Town	State	Town	State	Town	State	
			Reading	64 63	76 76	76 75			
			Math	63 67	67 72	66 67			
			Writing	66 67	62 65	72 65			
For more education data see:	Students per Computer	Town	State	Average Class Size			Average SAT Score		
http://sdeportal.ct.gov/Cedar/WEB/ResearchandReports/SSReports.aspx	Elementary:	2.5	4.1	Grade K 17.1	Grade 2 18.5	Reading 487	502		
	Middle:	1.2	2.7	Grade 5 20.3	Grade 7 18.3	Writing 497	506		
	Secondary:	1.4	2.9	High School 18.9	Math 504	506			

Groton Connecticut



Government

Government Form: Council-Manager		Annual Debt Service (2011)		\$7,036,684	
		As % of Expenditures		5.7%	
Total Revenue (2011)	\$123,214,945	Total Expenditures (2011)	\$122,663,093		
Tax Revenue	\$78,333,574	Education	\$78,536,129	Eq. Net Grand List (2009)	\$5,973,519,503
Non-tax Revenue	\$44,881,371	Other	\$37,090,280	Per Capita	\$148,632
Intergovernmental	\$42,525,983	Total Indebtness (2011)	\$63,520,662	As % of State Average	98%
Per Capita Tax (2011)	\$1,949	As % of Expenditures	51.8%	Date of Last Revaluation (2011)	
As % of State Average	77.2%	Per Capita	\$1,581	Moody's Bond Rating (2011)	Aa2
		As % of State Average	69.9%	Actual Mill Rate (2011)	18.42
				Equalized Mill Rate (2011)	12.77
				% of Grand List Com/Ind (2009)	25.5%

Housing/Real Estate

Housing Stock (2012)	Town	County	State	Owner Occupied Dwellings (2011)	8,092	74,325	937,339
Existing Units (total)	18,153	120,185	1,481,396	As % Total Dwellings	45%	62%	63%
% Single Unit	54.4%	68.5%	64.4%	Subsidized Housing (2012)	3,666	12,166	161,379
New Permits Auth. (2012)	20	291	4,669	Distribution of House Sales (2010)			
As % Existing Units	0.11%	0.24%	0.32%	Number of Sales			
Demolitions (2012)	5	39	955	Less than \$100,000	37	157	1,114
House Sales (2010)	208	1,346	17,157	\$100,000-\$199,999	69	449	5,005
Median Price	\$204,998	\$215,000	\$246,000	\$200,000-\$299,999	49	377	4,614
Built Pre 1950 share (2011)	23.7%	30.8%	30.6%	\$300,000-\$399,999	20	180	2,589
				\$400,000 or More	33	183	3,835

Labor Force

Place of Residence (2012)				Connecticut Commuters (2010)			
Labor Force (Residence)				Commuters into Town from:		Town Residents Commuting to:	
Employed	17,092	134,657	1,722,407	Groton	4,821	Groton	4,821
Unemployed	1,648	12,468	157,074	Stonington	1,652	New London	1,403
Unemployment Rate	8.8%	8.5%	8.4%	Ledyard	1,636	Ledyard	1,101
Place of Work (2012)				Waterford	1,407	Stonington	1,039
# of Units	1,047	6,970	111,933	New London	1,315	Montville	669
Total Employment	25,754	122,866	1,628,028	Norwich	1,211	Waterford	653
2000-12 AAGR	-0.3%	-0.2%	0.2%	East Lyme	1,113	Norwich	528
Mfg Employment	n.a.	13,850	165,206	Montville	1,062	Hartford	352
				Griswold	486	East Lyme	250
				North Stonington	472		

Other Information

Library (2011)			Families Receiving (2013)		Residential Utilities	
Public web computers	84		Temporary Assistance	295	Electric Provider	
Circulation per capita	11.6		Population Receiving (2013)	3623	Groton Utilities Electric Division	
			Food Stamps		(860) 446-4000	
Crime Rate (2011)	Town	State	Distance to Major Cities	Miles	Gas Provider	
Per 100,000 Residents	1,923	2,256	Hartford	45	Yankee Gas Company	
			Boston	86	(800) 989-0900	
			New York City	110	Water Provider	
			Providence	46	Groton Utilities Water Division	
					(860) 446-4000	
					Cable Provider	
					Thames Valley Communications, Inc	
					860-446-4009	

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that will support the highest and present value, as defined, as of the effective date of the appraisal. Alternatively, it is that use from among the reasonably probable and legal alternative uses found to be physically feasible, and which results in the highest land value. The highest and best use of the land or site being appraised, if vacant and available for use, may differ from the highest and best use of a property already improved. Identifying highest and best use as though vacant, helps to determine the characteristics of the site, and the use that contributes the greatest value to the land. It also allows the appraiser to determine properties similar to the subject for comparison. Because the property consists of vacant land, no analysis of the "as improved" use is possible.

The subject property is located in the CB-15 zone, intended for general commercial uses. The subject property consists of 11.75 +/- acres, with 90 feet of frontage on Gold Star Highway. Vacant commercial land is scarce in the southeastern Connecticut market. However, at this time, very little development is occurring in Groton. Demand for vacant land, both commercial and development, is limited. Despite the limited demand, commercial development constitutes the Highest and Best Use for the subject property.

VALUATION OF THE SUBJECT PROPERTY

Three approaches to value may be used when valuing any kind of property. They are the Cost Approach, the Sales Comparison Approach, and the Income Approach. The results of applying each to the subject property are provided here.

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 estimate of land value may be based on one of two methods. First, it may be determined by reference to recent sales. Second, by means of a residual process assuming a hypothetical new building, the building may be valued on the hypothetical cost of new construction, less the value of depreciation for the subject. The Cost Approach is not developed in this appraisal as the subject property consists of vacant land.

THE SALES COMPARISON APPROACH is based on the assumption that the subject property is worth what it will garner on the open market in the absence of undue stress, and given reasonable time to find a purchaser. Therefore, this approach is based upon data pertaining to recent sales, offering prices, listings, and opinions of well-informed persons. This approach is developed in the present appraisal.

THE INCOME APPROACH, or capital value theory, affirms that the value of a property is determined by the expected net yield of income to its owner. The appraiser predicts anticipated future net income as well as discounts for interest. In this approach, replicas of cost, gross income, operating expense, net income, capitalization rates, sales, listings, offers, and opinions are appropriate for use. The subject property consists of commercially zoned land. In this market, land does not typically generate rental income. As a result, this approach has not been developed.

SCOPE OF WORK

The Sales Comparison Approach has been utilized in estimating the value of the subject property. This approach is used to estimate the market value of the subject property in its "as is" condition. Sales of similar properties are identified and compared to the subject property and adjusted for factors such as condition, location, and utilities. A per acre value is estimated based upon these adjustments, and a value conclusion for the subject property is made. The Cost Approach is not considered to be applicable as the property consists of vacant land. Similarly, the Income Approach has not been developed as the property is vacant land, and in this market, vacant land does not typically generate rent. I have performed an exterior inspection of the subject property from the street.

SALES COMPARISON APPROACH

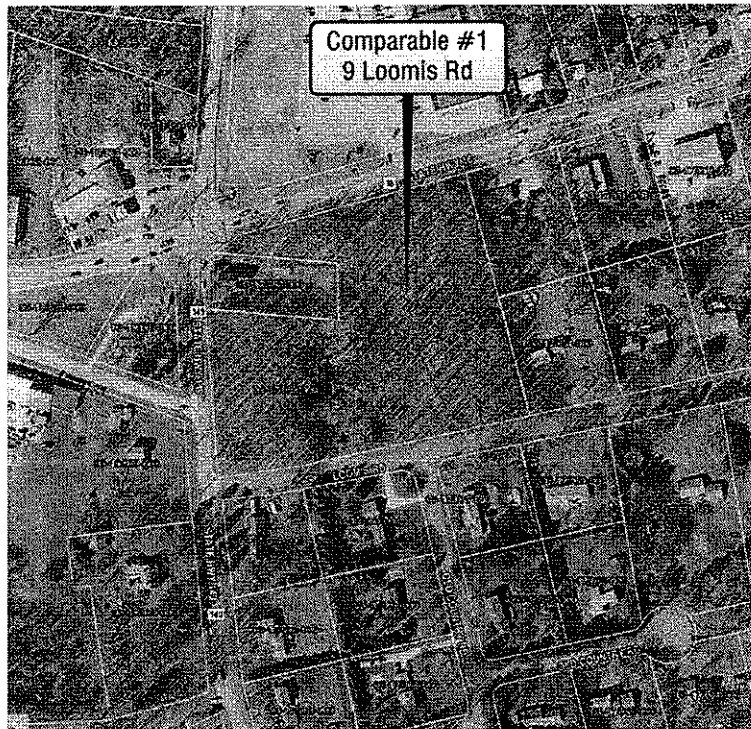
The subject property consists of 11.75 acres. It consists of two vacant parcels of commercially zoned land located on Gold Star Highway (CT Route 184) in the western portion of the town of Groton. Per the Highest and Best Use analysis, the property is valued as a commercial development parcel. In selecting comparable sales, primary emphasis has been placed upon recent sales of commercially zoned land similar in location, size, utility, and zone. The available sales data is extremely limited. There has been one sale of commercially zoned land in Groton in the prior 4 years, and this sale was not comparable to the subject as it is much larger and in an industrial use zone. As a result, it has been necessary to expand the search area to all of southeastern Connecticut (New London County).

Four comparable sales have been identified in Colchester, North Stonington, Griswold, and Old Lyme. The data from these sales are summarized as follows.

Sales Comparables: Vacant Commercial Land, New London County

	Address	Sale date	Seller/Buyer	Lot size in acres	Zone	Sale Price	Price per acre
1.	9 Loomis Rd Colchester, CT	5/16/2013	Carli/ 9 Loomis Rd LLC	5.32 ac	C	\$200,000.00	\$37,594
2.	0 Providence New London Rd North Stonington, CT	8/30/2012	Maggs/ Michael Christie	9.06 ac	HC	\$160,000.00	\$17,660
3.	688 Hopeville Rd Griswold, CT	10/27/2011	McNicol/ Kreative Prop Dev LLC	9.50 ac	C-1	\$350,000.00	\$36,842
4.	0 Davis Rd E Old Lyme, CT	10/13/2011	Huntley & Halls LLC/ BGP Developers LLC	12.67 ac	C30	\$300,000.00	\$23,678
	Subject: 529 Gold Star Highway Groton, CT	N/A	N/A	10.05 ac	CB-15	N/A	N/A

Comparable Sales

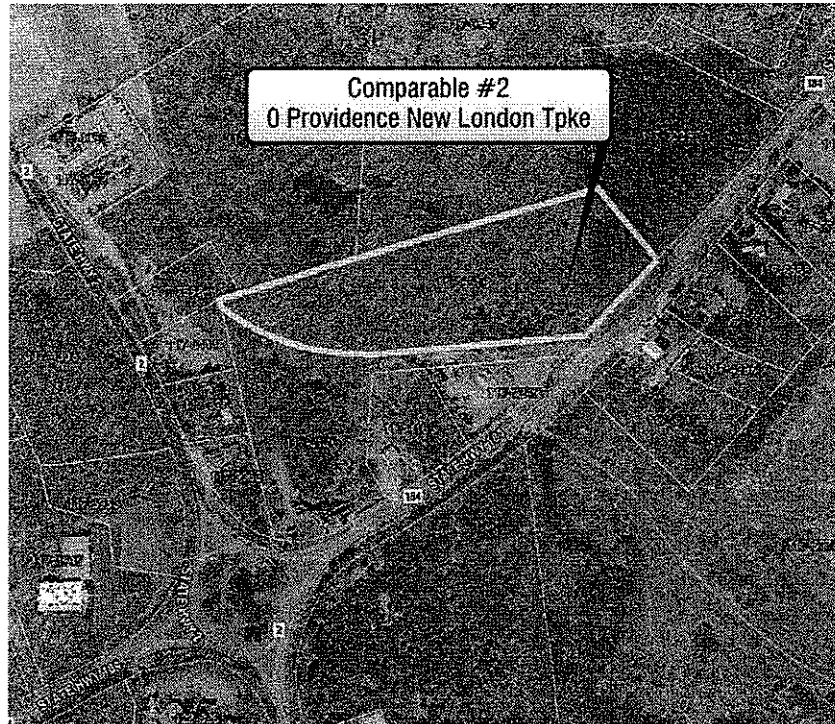


Sale #1: 9 Loomis Rd, Colchester, CT

Sale #1: The sale property consists of a 5.32 acre vacant parcel of land located at the intersection of Routes 16 and 149 in the western portion of the town of Colchester. The property fronts on three roads, with 503' of frontage on Route 16, 317' of frontage on Route 149, and 582' of frontage on Loomis Road. The parcel is rectangular in shape, except that there is a half acre home site situated in the northwest corner of the property.

The CT DOT Average Daily Traffic map indicates that Route 16 has an average daily traffic count of 8,500 vehicles at the intersection, and Route 149 has an average daily traffic count of 5,400 vehicles. The sale property is located in the C zone, a general commercial zone. There are a number of commercial uses on the intersection, surrounded by a predominantly residential suburban neighborhood. Commercial development in the western portion of Colchester is limited, and these commercial uses mainly service local residents. The neighborhood is located between the center of Colchester to the east and East Hampton to the west.

The property is generally level, and is completely wooded. The property was purchased by a Dunkin Donuts franchise owner, but no proposals for development of the property had been made as of the date of sale. Public utilities are not available in the immediate neighborhood.

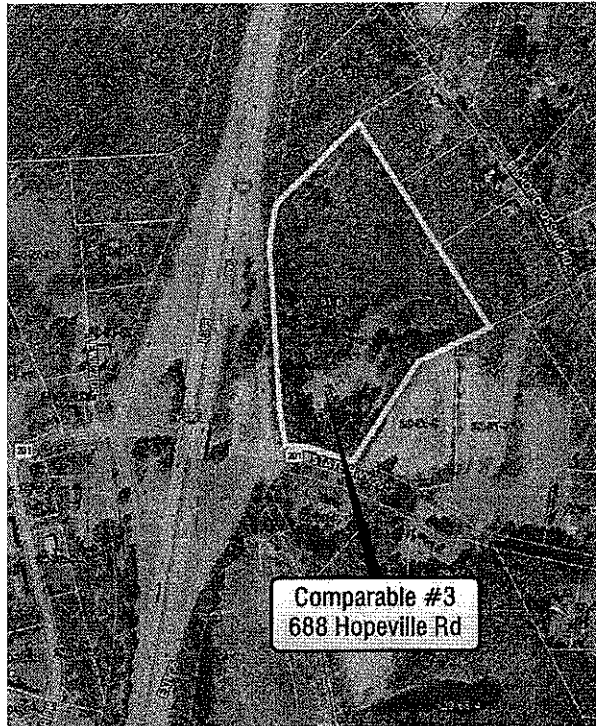


Sale #2: 0 Providence New London Turnpike, North Stonington, CT

Sale #2: The sale property consists of a 9.06 acre located in the southeastern portion of the town of North Stonington. The property is located just east of the Route 2 rotary on Route 184. Route 2 is the main east west route through town and runs between I-95 to the east and Foxwoods Casino to the West. Route 184 in the vicinity of the sale is a moderately travelled state highway leading to the state border. According to the CT DOT, Route 184 has an average daily traffic count of 6,100 vehicles just east of the rotary.

The sale parcel is irregular in shape, with approximately 323 feet of frontage on the north side of 184. The parcel is wooded and contains a small area of wetlands along the eastern boundary. The property is located in the VC zone, a village commercial zone.

The property was purchased by the owner of a landscaping company. No proposals for development of the property had been made as of the date of purchase.

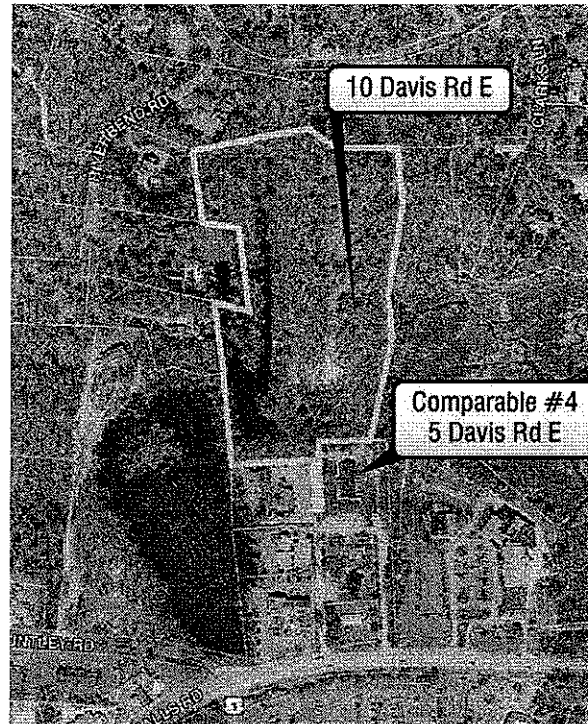


Sale #3: 688 Hopeville Rd, Griswold, CT

Sale #3: The sale property consists of a 9.50 acre parcel of land located in the northern portion of the town of Griswold. As of the date of sale, the property was improved with a log cabin and a mobile home, and was utilized as a residence. The property abuts the I-395 northbound on ramp at exit 86, and fronts on the north side of CT Route 201. According to the CT DOT, Route 201 just east of exit 86 has an average daily traffic count of 3,200 vehicles.

The property is irregular in shape, with approximately 260 feet of frontage on Route 201. It rises up from the road to a level area, then slopes down to an area of wetlands along the eastern property boundary. The majority of the property was wooded. Water and sewer are not available in the immediate neighborhood. This exit of I-395 has only one other commercial use, and is essentially undeveloped. The surrounding neighborhood is rural in character, with residential and agricultural uses predominating. The sale is situated in a small highway commercial zone surrounding the exit.

The property was purchased by a developer. The cabin and mobile home were demolished, and the site has been cleared and extensively graded. No proposals or approvals were in place prior to the date of sale.

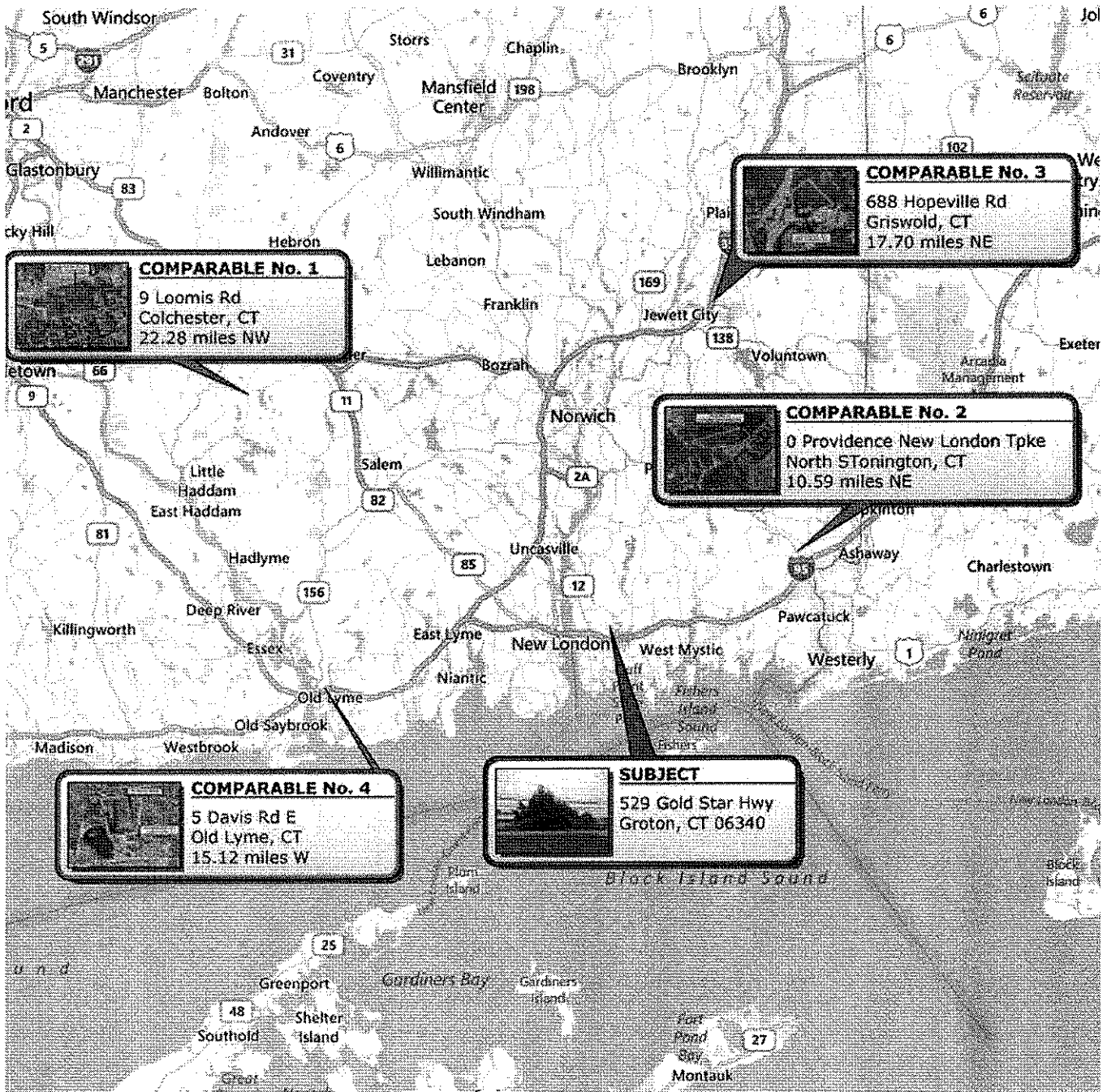


Sale #4: 0 Davis Rd E, Old Lyme, CT

Sale #4: The sale property consists of a 12.67 acre lot located in the western portion of the town of Old Lyme. The property is located on a small side street off Route 1 near exit 70 of I-95. Surrounding uses include office condominiums, retail, and personal services. According to the CT DOT, Route 1 in the vicinity of the sale property has an average daily traffic count of 8,900 vehicles.

The sale parcel is irregular in shape, with approximately 275 feet of frontage on Davis Rd East. Subsequent to the sale, a 1.19 acre fronting lot was divided from the larger parcel, leaving an 11.48 acre rear parcel with 25 +/- feet of frontage. The fronting parcel is located in the C-30 zone, a general commercial zone, while the rear portion is zoned residential. Prior to the sale, an 8,600 square foot medical office building had been proposed for the fronting parcel. This building has since been constructed. The rear acreage is undeveloped. Municipal water and sewer are not available at the site.

Location Map: Sales Comparables



The four sales are adjusted for varying factors in relation to the subject as summarized in the following grid:

Adjustments to Sales Comparables

	Address	Price per acre	Adjustments	Net adjustment	Adjusted \$/acre
1.	9 Loomis Rd Colchester, CT	\$37,594	Location +5% Date of Sale 0% Zone 0% Lot Size -25% Frontage -20% Topography 0%	-40%	\$22,556
2.	0 Providence New London Rd North Stonington, CT	\$17,660	Location +15% Date of Sale 0% Zone 0% Lot size 0% Frontage -5% Topography +5%	+15%	\$20,309
3.	688 Hopeville Rd Griswold, CT	\$36,842	Location -20% Date of Sale -10% Zone 0% Lot size 0% Frontage -15% Topography 0%	-45%	\$20,263
4.	0 Davis Rd E Old Lyme, CT	\$23,678	Location +5% Date of Sale -10% Zone 0% Lot size 0% Frontage -5% Topography +5%	-5%	\$22,494
	Subject: 529 Gold Star Highway Groton, CT	N/A	N/A	N/A	\$20,000

Location

The location of sale #1 is inferior to the location of the subject. It is located in a moderately populated suburban area with limited commercial development compared to the subject location. However, the sale is located on the corner of two state highways with excellent visibility and a traffic count only slightly inferior to that of the subject location. An upward adjustment of 5% has been applied. The location of sale #2 is significantly inferior to the location of the subject. The sale is located in a village commercial zone in a rural area with limited commercial development. An upward adjustment of 15% has been applied. The location of sale #3 is superior to the location of the subject. The sale is located adjacent to exit 86 of I-395, with excellent visibility and accessibility. However, the surrounding area is mostly undeveloped. A downward adjustment of 20% has been applied. The location of sale #4 is slightly inferior to the location of the subject. The sale is located in an established commercial neighborhood, with good highway accessibility. The property has inferior visibility at the end of a loop road, while the subject fronts on a busy state highway. An upward adjustment of 5% is applied.

Date of Sale

Sales #1 & #2 occurred within 24 months of the effective date of this appraisal. During this period sale prices for commercial land have remained relatively stable. Sales #3 & #4 both occurred more than 24 months prior to the date of this appraisal. Commercial property sale prices have declined

since these sales occurred. As a result, downward adjustments of 10% have been applied to both sales to reflect declining market conditions in southeastern Connecticut.

Zone

All four sales are located in either general commercial or village commercial zones. No adjustments for zone have been required.

Lot Size

Sale #1 is approximately half the size of the subject. Market data indicate that smaller pieces of land typically sell for a higher price per acre than larger pieces. As a result, a downward adjustment of 20% has been applied for lot size. Sales #2 - #4 are similar in size to the subject and require no adjustment for size.

Frontage

Sale #1 contains frontage on three roads, including two state highways. A downward adjustment of 20% has been applied for the sale's superior frontage. Sale #2 contains over 200 feet of frontage, compared to the subject's 90 feet. A downward adjustment of 5% has been applied. Sale #3 contains over 200 feet of frontage on Route 201, as well as over 600 feet on the northbound on ramp of exit 86 of I-395. A downward adjustment of 15% has been applied for the sale's superior frontage. Sale #4 contains over 250 feet of frontage, requiring a downward adjustment of 5%.

Topography

Sale #1 is mostly level and wooded, similar to the topography of the subject. Sale #2 contains an area of wetlands, requiring a small upward adjustment of 5%. Sale #3 has a similar topography to the subject, requiring no adjustment. The rear portion of sale #4 has limited utility due to slopes and rocky terrain, requiring an upward adjustment of 5%.

Conclusion

The four sales provide an adjusted range of value from \$20,263 to \$22,556 per acre. They are drawn from New London County in southeastern Connecticut. The sales are all located more than 10 miles away from the subject. Comparable #2 is the most proximate sale, while sale #1 is the least proximate. The sales all occurred within 36 months of the effective date of this appraisal. Sale #1 is the most recent of the four sales, and occurred approximately 13 months prior to the date of this appraisal. Sale #4 is the most dated of the four sales.

In reconciling value, equal weight is placed on all four sales. The sales are similar to the subject in regard to size, zone, and utility, and are the best available sales at this time. Taking into consideration the available data, a price per acre of \$20,000 is indicated for the subject property

A value for the subject is calculated by the Sales Comparison Approach as \$20,000 x 11.75 acres, resulting in a value of

\$235,000.00

TWO HUNDRED TWENTY THOUSAND DOLLARS

RECONCILIATION

Value by the Sales Comparison Approach	\$235,000.00
Value by the Income Approach	Not Developed
Value by the Cost Approach	Not Developed

The Sales Comparison Approach has been developed in estimating value. The Cost Approach has not been developed as the subject property consists of vacant land. Similarly, the Income Approach has not been developed due to the lack of income producing improvements on the subject property. The available market data is limited and is deemed to be of average quality. There have been very few recent sales of commercially zoned land, especially of parcels containing more than 5 acres, within southeastern Connecticut in the last 36 years. The sales utilized are the most locationally and physically similar of the available sales. Taking into consideration all of the available data, it is the opinion of the appraiser that the most probable market value of the subject property as of June 10, 2014 was:

\$235,000.00

TWO HUNDRED THIRTY FIVE THOUSAND DOLLARS

CERTIFICATION

The undersigned appraiser certifies that:

1. This Appraisal Report is consistent with Standard 2 of the Uniform Standards of Professional Appraisal Practice. This Appraisal Report is a brief summary of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in the appraiser's file.

2. To the best of the appraiser's knowledge and belief, all statements and information in this report are true and correct.

3. The reported analysis, opinions, and conclusions contained are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions and conclusions.

4. The appraiser has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

5. The appraiser has no personal interest with respect to the parties involved with the assignment, and no services were performed by the appraiser within the 3 year period immediately preceding acceptance of this assignment, as an appraiser or in any capacity.

6. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.

7. Compensation for this appraisal report is not contingent upon the developing or reporting of predetermined value, or direction of 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.

8. The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

9. The appraiser has inspected the exterior and those portions of the interior open to the public of the subject property and has made an exterior inspection of all comparable sales and leases listed in the report.

10. No one provided significant professional assistance to the person signing this report.

11. This appraisal report has been made consistent with Appraisal Institute Professional Standards and Ethics and subject to peer review.



Robert H. Champagne
Certified General Appraiser
State of CT License# RCG.0001242
Expires 04/30/2015

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the appraiser provided in this report is subject to the following conditions, as well as such additional conditions that are set forth in this report.

1. This appraiser assumes no responsibility for matters of a legal nature effecting 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. This appraiser has not made a survey of the property. Any sketch included in this report shows approximate dimensions and is included only to assist the reader in visualizing the property.
3. This appraiser is not required to give testimony in a court of law because of having undertaken this appraisal, unless such arrangements have been previously and explicitly made.
4. Any distribution of valuation in this report, as between land and improvements, pertain only to the existing program of utilization. Thus, these valuations are not valid for separate use in any other appraisals.
5. This appraiser assumes that there are no hidden or unapparent conditions of the subject property, its subsoil, or improvements, that either increase or decrease value. The appraiser assumes no responsibility for any such conditions, nor for engineering studies required to discover such conditions.
6. Information, estimates and opinions furnished to the appraisers are from sources deemed to be reliable and are believed to be true and correct. However, the appraiser assumes no responsibility for the accuracy of such information, estimates or opinions supplied to the appraiser.
7. Disclosure of the contents of this appraisal report is governed by the by laws and regulations of such professional appraisal organizations with which the appraiser may be affiliated.
8. On all appraisals of property subject to satisfactory completion, repairs, or alterations, the appraisal report and valuation conclusions therein are contingent upon completion of such improvements in a workmanlike manner.
9. Neither all nor part of the contents of this report, nor copy thereof (including conclusions regarding valuation, identity of the appraiser, professional designations, or the firm with which the appraiser is connected) shall be used by any person for any purpose other than the client specified in this report, including the mortgagee and/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, any state or District of Columbia, without the previous written consent of the appraiser; Nor shall this report 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.

10. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on, emanating from, or near the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of such materials on or in the property unless otherwise stated in this report. The appraiser, however, is not qualified to test for or detect such conditions. If the presence of such substances as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions may effect the value of the property, the value estimated is predicated on the assumption that there is not now nor has there ever been such conditions on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such condition nor for any expertise or engineering knowledge required to discover them.

11. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. The appraiser has made no specific compliance survey of this property to determine whether or not it is in compliance with the various detailed requirements of ADA. It is possible that a compliance study 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 this appraiser has no direct evidence relating to this issue, this appraiser did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

12. This appraisal report is prepared for the sole and exclusive use of the appraiser's client, The Town of Groton, c/o Attorney Baribeault. No third parties are authorized to rely upon this report without the express written consent of the appraiser.

Robert Champagne
Champagne Appraisals
Certified General Appraiser
185 Randall Rd, Lebanon, CT 06249
Phone: (860) 884 1008 Fax: (860) 886 0452
robert@champagneappraisals.com

EDUCATION

Bachelor of Arts, History. Trinity College, 2001. Graduated *cum laude*, member of *Phi Beta Kappa* honorary society.

Successfully completed courses Appraisal I, Appraisal II, & National U.S.P.A.P. University of Connecticut, 2003.

Completed course load requirements for both Certified Residential Appraiser (120 hours) and Certified General Appraiser (180 hours), A Professional Real Estate and Valuation School, Clinton, CT (2006-2007).

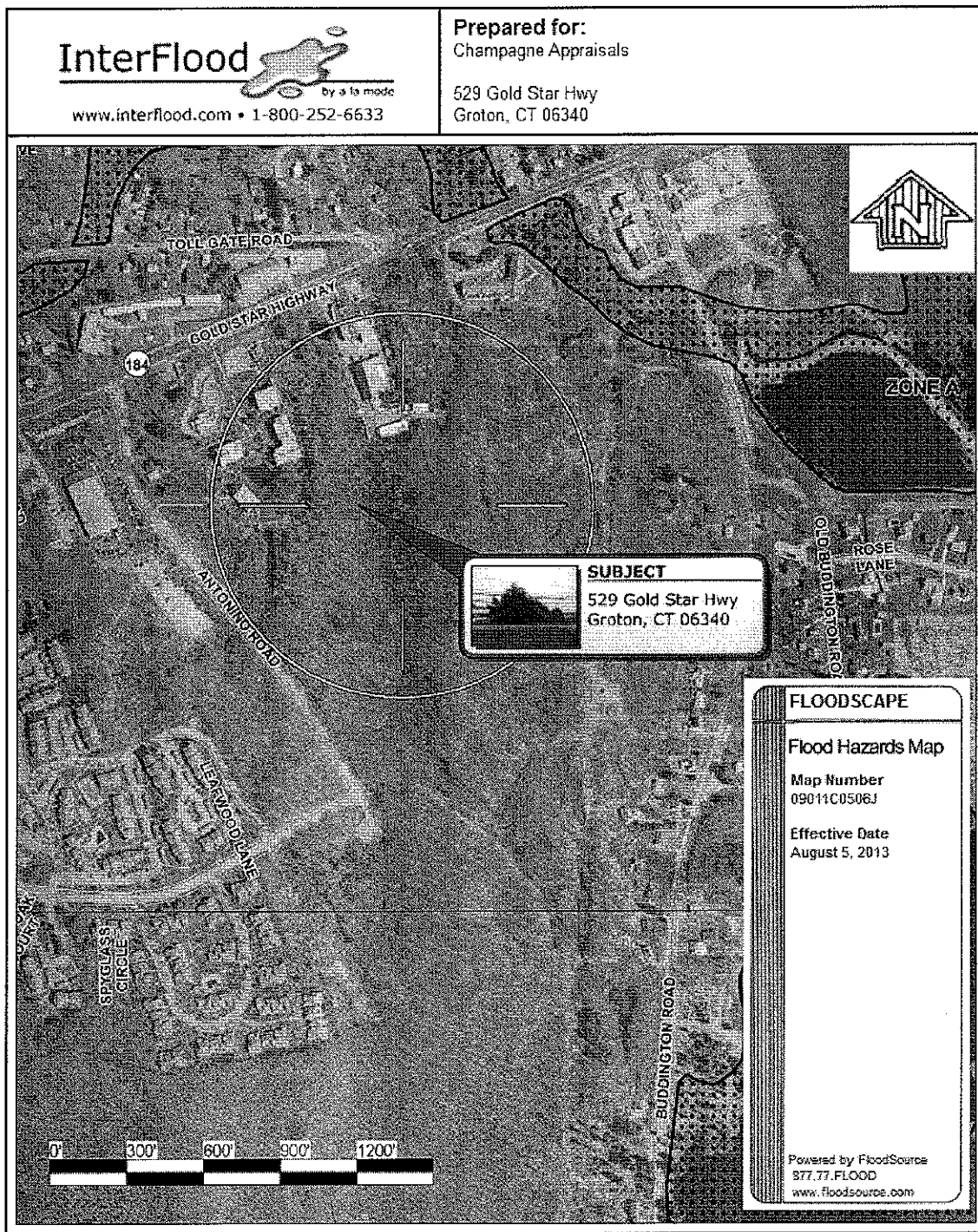
PROFESSIONAL HISTORY IN REAL ESTATE

Mr. Champagne entered the appraisal business in early 2004 and is a Connecticut Certified General appraiser. Since 2008, he has been the sole proprietor of Champagne Appraisals, a small appraisal company specializing in real estate valuations in southeastern Connecticut. Mr. Champagne has been affiliated with Connecticut Commercial Realty in New London, CT, since 2005 and has functioned as their sole staff appraiser since that date. He received his General Certification in Connecticut in 2009. Mr. Champagne has experience appraising a wide variety of residential and commercial properties, and is an approved FHA appraiser. He lives in Norwich, CT and has experience in building construction and restoration.

General Certification # RCG.0001242 Years of Appraisal Experience: 10



Addendum: Flood Map



© 1999-2014 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,578,816. Other patents pending. For Info: info@floodsource.com.

Addendum: Legal Description

(Page 1 of 2)

VOL 778 PG 039

QUIT-CLAIM DEED - STATUTORY

TO ALL PEOPLE TO WHOM THESE PRESENTS SHALL COME, GREETING:

KNOW YE THAT, D'ANGELO REALTY ONE (I), LLC, a Connecticut limited liability company with a place of business at 470 Gold Star Highway in the Town of Groton, County of New London and State of Connecticut, consisting of Philip D'Angelo, Dominic D'Angelo and Lucy Schiavone, as Executor of the Estate of Salvatore D'Angelo and as Successor Trustee of the Salvatore D'Angelo Trust Agreement, acting herein by Philip D'Angelo and John P. D'Angelo, its Managers, duly authorized, (hereinafter "Releasor")

for the consideration of ONE DOLLAR (\$1.00) and other valuable consideration

do give, grant and convey to D'ANGELO REALTY THREE (III), LLC, a Connecticut limited liability company with a place of business at 470 Gold Star Highway in the Town of Groton, County of New London and State of Connecticut, consisting of Philip D'Angelo, Dominic D'Angelo and Lucy Schiavone, as Executor of the Estate of Salvatore D'Angelo and as Successor Trustee of the Salvatore D'Angelo Trust Agreement, acting herein by Philip D'Angelo and John P. D'Angelo, its Managers, duly authorized, (hereinafter "Releasee")

WITH QUITCLAIM COVENANTS to the premises commonly known as 529, Route 184 in the Town of Groton, County of New London and State of Connecticut and more particularly described as follows:

That certain tract or parcel of land and buildings thereon situated on the Southerly side of Interstate Route #95 (formerly the Old Post Road) in the Town of Groton, County of New London and State of Connecticut, bounded and described as follows, to wit:

Beginning at the Northeasterly corner of said premises at the junction of said Interstate Route #95 and land of George Cisco, which point is opposite or nearly so of the old Toll Gate House, thence running Southerly by and with said Cisco's land to a corner, thence running Easterly by and with a stone wall to the Northwesterly corner of land of the Estate of Swarin, thence running Southerly by and with said Swarin land to land of the Estate of Carter, thence running westerly by and with land of said Carter thence Southerly by and with land of said Carter, thence Westerly by and with land of said Carter to the Southwesterly corner of said conveyed tract, thence running Northerly by and with land of said Carter, thence running Westerly by and with land of said Carter to lands of Fred and Annie Burrows, thence running Northerly by and with land of said Burrows, to land of Frank Colucci (formerly of Walter and Hilda Prew), thence running Easterly ninety (90) feet by and with lands of said Colucci, thence running Northerly one hundred sixty (160) feet by and with land of said Colucci to the Northwest corner of the premises and Interstate Route #95, and thence running Easterly by and with said Interstate Route #95 to the place or point of beginning. This conveyed tract of land is surrounded by a stone wall, except for the land running by and with the land of said Colucci.

Being the same premises conveyed to D'Angelo Realty by administrator's deed of Elizabeth Nunes, administratrix of the estate of James William Clark, dated June 26, 1980 and recorded in Volume 342, Page 382 of the Land Records of the Town of Groton. Reference is also made to a Notice of Conversion of General Partnership to Limited Liability Company dated April 12, 2000 and recorded in Volume 709, Page 848 of the Groton Land Records.

The parcels described in the following conveyances are excepted from the above described premises:

1. A warranty deed from James William Clark to Walter Prew and Hilda M. Prew dated December 22, 1944 and recorded in Volume 109, Page 299 of the Groton Land Records.

NO CONVEYANCE TAX COLLECTED

