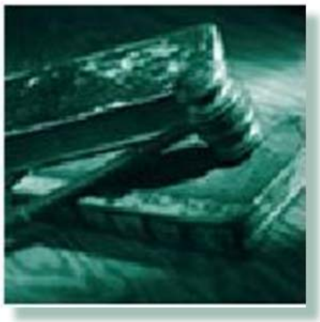

SUMMARY APPRAISAL REPORT

Remaining Development Rights at Baron's South
60 Compo Road South
Westport, Connecticut

AUTHORIZED BY:

Ira W. Bloom, Esquire
Senior Partner
Berchem, Moses & Devlin, P.C.
27 Imperial Avenue
Westport, Connecticut 06880

EFFECTIVE DATE OF APPRAISAL:

February 28, 2012

PREPARED BY:

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W D & K

Real Estate Appraisal & Consulting

March 28, 2012

Ira W. Bloom, Esquire
Senior Partner
Berchem, Moses & Devlin, P.C.
27 Imperial Avenue
Westport, Connecticut 06880

Re: Remaining Development Rights at Baron's South
60 Compo Road South
Westport, Connecticut

Dear Mr. Bloom:

Per the authorization of the Town of Westport's Board of Finance we have examined the above-referenced property for the purpose of estimating its fee simple market value under various use alternatives as well as estimating the annual tax revenues that those use alternatives would produce. Value estimates will be provided for the following use alternatives:

Market Value Based on the Following Use Alternative	Projected Development Density
Single Family Residential	16 to 20 Single Family Houses
Age Restricted PUD	65 to 75 Units
CCRC (PUD Units with Ancillary Senior Housing Alternatives)	40 Independent and 80 Assisted Living Units
Commercial Office Space	100,000 to 120,000 square feet

It is our understanding that this appraisal report is being prepared to assist the Town of Westport in understanding 1) the underlying value of the asset based upon its existing zone; and 2) the value of the asset based upon a variety of hypothetical uses, both without affordability restrictions. These figures will be compared with offer prices that may be received from the market for a planned affordable Senior Residential Community that would consist of an independent living facility and a full care facility that would also address the town's need for affordable housing. The Board of Finance indicated that our Scope of Work was not to estimate the value of the land for the planned affordable Senior Residential Community that is the subject of an RFP as the market responses would indicate the value under that scenario. That being said, to the extent that there are affordability restrictions placed upon a development, the underlying land value and potential real estate taxes associated with such a use would typically be less than a market oriented development.

As you requested, this report is in a summary format. The Scope of Work includes any necessary data and analysis in support of the assignment results with a thorough presentation of the relevant data, analysis, and conclusions using the Sales Comparison and Income Capitalization Approaches to value to produce credible results. Further, the results and analysis are summarized rather than fully described. This report satisfies appropriate federal, state and industry (USPAP) standards.

It is noted that the entire Baron's South property represents a 988,421 square foot, or 22.691-acre parcel of land that is bound to the north by Post Road East, to the east by Compo Road South, to the south by residential properties and to the west by Imperial Avenue. It is noted that this entire property was acquired by the Town of Westport in January of 1999 for the consideration of $7,000,000. A portion of the site has been dedicated to the Westport Center for Senior Activities (WCSA) building as well as parking and access to support this use. We estimate that of the entire site approximately 2.691 acres is used to support this development meaning that approximately 20 acres remain available for additional development. It is this development potential that will be valued in this appraisal.

The overall Baron's South site is situated in three zoning districts. Land to a depth of 200 feet along Post Road East is zoned GBD. This area is a "U"-shaped site that has 40.20 feet of frontage along its western section and another 107.59 feet of frontage along its eastern section. Given the irregular configuration of this site and the limited amount of contiguous frontage it is probably best assembled with adjoining properties for commercial development and/or used for access to the larger section of residential land.

A small section of land along Imperial Avenue is zoned RPOD. This represents the land formerly known as 23 Imperial Avenue and it would permit a smaller commercial development. Presently this land is used to access the WCSA building and if development of this land for a commercial use were desired it would necessitate moving the access road to the Senior Center to a point further south on Imperial Avenue.

The balance of the land is situated in the Residence A zoning district. In general this land has a very irregular topography with extreme changes in elevation. Absent an improbable amount of grading it is likely that the site would be developed to a lower density single family use.

While we would note that values will be based on a variety of use alternatives the present zoning of the site is such that only a primarily residential use, possibly with a modest amount of commercial space along Imperial Avenue and Post Road East, would be permitted under existing zoning. Therefore, all other values are based upon the hypothetical assumption that zoning entitlements could be obtained for alternative uses – assumptions that we believe are highly speculative given the character of the surrounding neighborhood and concerns over traffic in the area.

The other function of this appraisal was to estimate the tax revenues that various use alternatives for the site could generate. To do so we reviewed comparable assessments from the Town of Westport (where available) and/or from other communities where similar uses did not exist in Westport.

The basic assumptions and limiting conditions on which our valuation is based are detailed within the body of this report. These include all assumptions regarding environmental conditions and the Americans with Disabilities Act.

In our opinion, the market value of the fee simple interest is best represented by the following amounts:

Market Value Based on the Following Use Alternative	Market Value Estimate
Single Family Residential	$8,250,000
Age Restricted PUD	$13,300,000
CCRC (PUD Units with Ancillary Senior Housing Alternatives)	$13,600,000
Commercial Office Space	$9,900,000

In our opinion, the annual amount of real estate taxes that could be generated by the respective uses given our projected development densities is best represented by the following amounts:

Use Alternative	Estimated Stabilized Real Estate Taxes
Single Family Residential	$500,000 to $525,000
Age Restricted PUD	$950,000 to $1,000,000
CCRC (PUD Units with Ancillary Senior Housing Alternatives)	$750,000 to $825,000
Commercial Office Space	$500,000 to $525,000

The appraisal report and Addenda that follows set forth in summary form pertinent data and analyses leading to the conclusions presented.

Very truly yours,

Patrick J. Wellspeak, MAI
License No. RCG.0000618

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EXECUTIVE SUMMARY

Property Type	Remaining Development Rights for Baron's South
Property Address	Portion of 60 Compo Road South, Westport, Connecticut
Property Owner of Record	Town of Westport
Purpose of Appraisal	To estimate market value under various use alternatives as well as to estimate the annual tax revenues that those use alternatives would produce
Intended User/Client	Town of Westport
Intended Use of Appraisal	To assist the Town of Westport in comparing the underlying value of the asset based upon its existing zone and based upon hypothetical uses with offer prices that may be received from the market for a planned affordable Senior Residential Community.
Property Interest Appraised	Fee simple estate
Effective Date of Appraisal	February 28, 2012
Zones	The overall Baron's South site is situated in three zoning districts which are GBD, ROPD and Residence A
Land Area	22.691 acres (for entire Baron's South property); with the subject of this appraisal being an estimated 20 acres of remaining land after allocating a portion of the site to the WCSA
Highest and Best Use	It is our opinion that the highest and best use for the remaining development rights would be a mix of residential uses. Even if other uses generated a higher value based upon hypothetical zoning entitlements we believe that obtaining zoning approvals is highly speculative at this point and more intense uses are not in conformance with the predominately residential character of the surrounding neighborhood.
Estimated Exposure/ Marketing Time	12 months

VALUES INDICATED:

Cost Approach .... Not Applicable

Sales Comparison Approach
Single Family Residential $8,250,000
Age Restricted PUD $13,300,000
CCRC $13,600,000
Commercial Office Space $9,900,000

Income Capitalization Approach .... Not Applicable

ESTIMATED STABILIZED REAL ESTATE TAXES (PER ANNUM):

Single Family Residential .... $500,000 to $525,000
Age Restricted PUD .... $950,000 to $1,000,000
CCRC .... $750,000 to $825,000
Commercial Office Space .... $500,000 to $525,000

VALUATION SUMMARY

PROPERTY IDENTIFICATION

A copy of the legal description for the entire Baron's South property is attached as Exhibit A of the Addenda. All exhibits pertaining to the property identification and use, including subject maps/sketches, can be found in Exhibit B of the Addenda.

Location:	Portion of 60 Compo Road South, Westport, Connecticut
Tax Map Reference:	Map D09, Lot 046
Property Type:	Remaining Development Rights for Baron's South
Property Owner of Record:	Town of Westport

VALUATION ISSUES

Property Interest Appraised:	Fee simple estate
Purpose of Appraisal:	To estimate market value under various use alternatives as well as to estimate the tax revenues that those use alternatives would produce
Intended User of Appraisal:	The client, Town of Westport
Intended Use of Appraisal:	To assist the Town of Westport in comparing the underlying value of the asset based upon its existing zone and based upon hypothetical uses with prices that may be received from the market for a planned affordable Senior Residential Community.
Effective Date of Appraisal:	February 28, 2012
Date of Inspection:	February 28, 2012

DEFINITIONS

The definitions of value, interest appraised, and other pertinent real estate appraisal terms can be found in the *Glossary of Terms* section of the appraisal report.

SALES HISTORY

It is noted that this entire Baron's South property was acquired by the Town of Westport in January of 1999 for the consideration of $7,000,000. A portion of the site has been dedicated to the WCSA building and parking and access to support this use. We estimate that of the entire site approximately 2.691 acres is used to support this development meaning that approximately 20 acres remain available for additional development. It is this development potential that will be valued in this appraisal. There is no recent sales history of the portion of the property being appraised to consider within this analysis.

SCOPE OF WORK

The estimate of market value presented in this report was developed after inspecting the subject property and reviewing any available site plans; inspecting the subject market area; reviewing public records in the tax assessors, town clerks, planning/zoning and building department offices; reviewing and analyzing a document entitled Master Plan for Jesup Green and Baron's South, completed in September of 2007 by Weston & Sampson and analyzing comparable land sale data as well as real estate taxes on improved properties with similar uses.

CRITICAL DISCLOSURES AND LIMITING CONDITIONS

The value estimated in this appraisal report is subject to the following critical disclosures and limiting conditions, in addition to the standard Assumptions and Limiting Conditions located at the end of this report.

Standards: This appraisal report satisfies appropriate federal (FIRREA), and industry (USPAP), standards.

ADA: We have not made a specific compliance survey and analysis of the improvements to determine whether or not they would be in conformance with the various detailed requirements of the Americans with Disabilities Act (ADA), nor have we considered possible noncompliance with the requirements of ADA in estimating the market value of the property.

Hazardous: This appraisal is predicated on the assumption that hazardous substances do not exist at the subject property. Hazardous substances cover any material within, around, or near a property that may have a negative effect on its value, including, without limitation, hazards that may be contained within the property, such as friable asbestos or lead paint; and external hazards, such as toxic waste or contaminated ground water. No apparent evidence of contamination or potentially hazardous materials was observed or reported on the date of inspection. Members of this appraisal office are not qualified to determine the existence of, nor is any certification made as to the presence or absence of, any hazardous substances. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

EXPOSURE/MARKETING TIME

Inherent in our estimate of market value for the subject property is an estimate of both exposure and marketing time. Exposure time is presumed to precede the effective date of valuation, while marketing time is presumed to occur subsequent to the valuation date. Exposure time is described as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at our estimate of market value on the effective date of the appraisal. Marketing time is an estimate of the amount of time it might take to sell the property interest appraised at our estimate of market value during the period immediately after the effective date of valuation.

Market value conclusions recognize the characteristics of the subject real estate and consider the current economic environment and its effect on real property. An exposure and marketing period of 12 months is considered reasonable in which to induce sale of the subject property at the value estimated within this report. This estimate of exposure and marketing times presume the property is actively exposed and aggressively marketed through commonly accepted marketing channels. The stated exposure and marketing periods are based on discussions with local real estate professionals and considers typical exposure and marketing times for similar property in the market area.

EXTRAORDINARY ASSUMPTIONS/HYPOTHETICAL CONDITIONS

Recognizing that the intended use of this appraisal is to assist the Town of Westport in understanding 1) the underlying value of the asset based upon its existing zone; and 2) the value of the asset based upon hypothetical uses we have made extraordinary assumptions and used hypothetical conditions in this report. Essentially we estimated reasonable density levels for the site based upon a variety of use alternatives to include single family residential, an age restricted PUD, a CCRC consisting of independent and assisted living units and an office use of the site. While we are not opining on the likelihood of such uses being permitted we have assumed for purposes of providing value estimates to the town that entitlements could be obtained for said uses.

PHOTOGRAPHS OF THE SUBJECT PROPERTY

Easterly view of frontage along Post Road East

Westerly view of frontage along Post Road East

Northerly view of frontage along Compo Road South

Southerly view of frontage along Compo Road South

Southerly view of frontage along Imperial Avenue

View of Westport Senior Activities Center Building

View of existing structure on site

View of existing structure on site

Interior view of southwest corner of site

Interior view from western half of site towards decline in elevation

Interior view of site in a southerly direction from higher elevation area

Interior view of site from northern section of property

Interior view of site in a western direction noting change in elevation

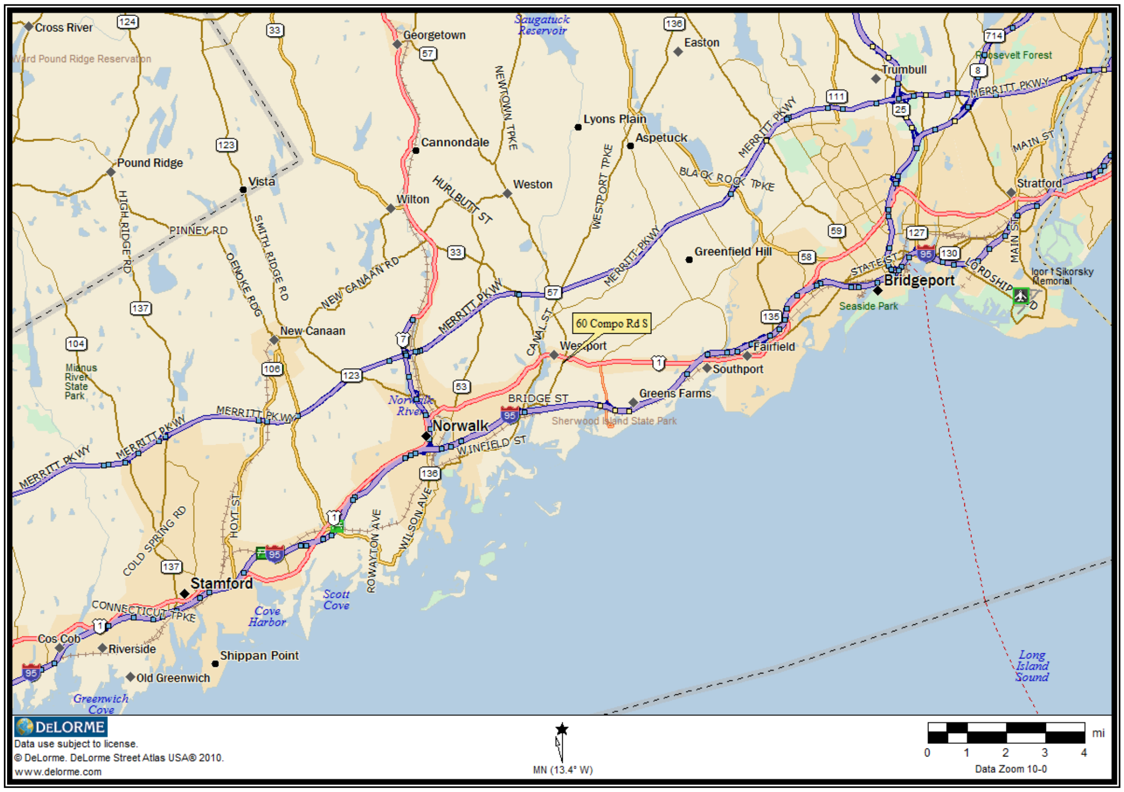
View of western portion of Post Road land

View of eastern portion of Post Road land

Aerial view of property

MARKET ANALYSIS

COMMUNITY AND REGIONAL ANALYSIS



Regional Map – 60 Compo Road South, Westport, CT

Community Type: The subject property is located in the town of Westport, which can generally be characterized as a suburban community within the southwest portion of the state of Connecticut. Westport is strongly influenced by the high paying employment bases of Stamford and New York City to the southwest, as well as the employment bases of Bridgeport and New Haven to the northeast. The following description of the Town of Westport is provided from Connecticut Town Profiles published by the Connecticut Department of Economic and Community Development.

Total Population/Trend: The 2010 population in Westport is 25,602. The 2000 Census revealed a population of 25,749, and in 1990 it was 24,410 representing an increase of 5.5% between 1990 and 2000. The gain is modified by a loss of 0.5% between 2000 and 2010. It is estimated that the population in Westport will decline further to 24,977 by 2015. The current population is 48% male and 52% female. In 2010, the median age of the population in this area was 44, compared to the median age of 40 reported in Fairfield County and the State of Connecticut. The population density in Westport is 1,279 people per square mile.

Housing Units/Trend: The total housing stock in Westport consists of 10,090 units as of year-end 2010. This demonstrates an increase of 1.1% from the total housing stock for 2000, which was estimated at 9,989 units. Single-family homes comprise the majority of the total housing inventory at 90.9%. Consistent with statewide trends, the number of permits for new homes in Westport has shrunk in recent years and prices are moderating as the inventory of unsold homes increases. As of 2009, the median price of a single family home in Westport was $1,030,000 which was well above the county and statewide medians of $495,000 and $265,000, respectively.

Median Household Income: In 2010, the median household income in Westport was $160,451, compared to the Fairfield County median which was $77,620, and the State of Connecticut median which was $65,686, according to DECD.

Local and Regional Employment/Trends: Westport is located in the Bridgeport-Stamford Labor Market Area (LMA), which consists of 25 communities. The State Labor Department estimates the unemployment rate for Westport at 5.1% as of December 2011. This compares to a 7.1% unemployment rate for the Bridgeport-Stamford Labor Market Area and a 7.6% rate for the State of Connecticut, before seasonal adjustment. The trend for the Town of Westport, the LMA and the State is one of higher unemployment as a result of a recent national recession. While unemployment seems to be declining it is remaining stubbornly high.

Within Westport, larger employers include the Town of Westport, Save the Children Federation, Bridgewater Associates and Hall-Brooke Behavioral Health (St. Vincent's).

Transportation/Linkages: Westport is serviced by both Interstate Route 95 and the Merritt Parkway. The former has interchanges at Exits 17, 18 and 19 that serve the community while the latter has interchanges at Exits 41 & 42. Additionally, there are train stops at Greens Farms and Westport (Saugatuck). Local highways in Westport include CT 53, 57, 136 and U.S. Route 1.

Conclusion: Westport is a stable, suburban community that is home to many professionals working in the nearby employment centers of Stamford and New York City that are accessible via daily commuter train service. As exhibited by the economic data, Westport is a very affluent and desirable suburban community in Connecticut. However, it has felt the effects of an economic recession with more vacancies in its commercial sectors and a softening of rents.

NEIGHBORHOOD ANALYSIS

Neighborhood Map

General Characteristics: The appraised property is located in the central portion of the Town of Westport. The subject neighborhood can be generally defined as that section of town bound by Post Road East to the north, Hillspoint Road to the east, Interstate Route 95 to the south and the Saugatuck River to the west. Other than more intensive commercial properties along Post Road East and lower density commercial uses along Imperial Avenue the neighborhood is primarily residential. Along Post Road East specific surrounding land uses include Colonial Green, Prudential Connecticut Real Estate, Playhouse Square, Westport Country Playhouse, Winslow Park, Fairfield County Bank and Sunoco and Getty gas stations.

Along Imperial Avenue there are a mix of residential uses and lower density commercial uses in converted residences whereas Compo Road South is almost entirely residential other than the First Church of Christ Scientist.

Other than the more intense uses found along the Post Road we view the majority of the subject land area to be more suitable for residential uses as these provide a buffer between the two distinct uses found in the broader neighborhood.

PROPERTY DESCRIPTION

SITE

Land Area: The Baron's South property is a 22.691-acre parcel. Portions of this land have been dedicated to the WCSA building. We estimate that between the building, access and parking that this use takes up approximately 2.691 acres leaving approximately 20 acres for additional development.

Street Frontage: The subject property has approximately 147.79 linear feet of non-contiguous frontage on the south side of Post Road East; 1,017.5 feet of frontage along the west side of Compo Road South and additional non-contiguous frontage along the east side of Imperial Avenue.

Topography/Shape: Very irregular/irregular; the elevation of the site rises initially from the Post Road frontage before declining and then rising again to the south. Likewise, the site rises from the frontage along Imperial Avenue before declining substantially, rising again and then declining toward Compo Road South. While there are very severe changes in elevation we would note that in general the site is higher toward the south than along Post Road East and higher along Compo Road South than Imperial Avenue.

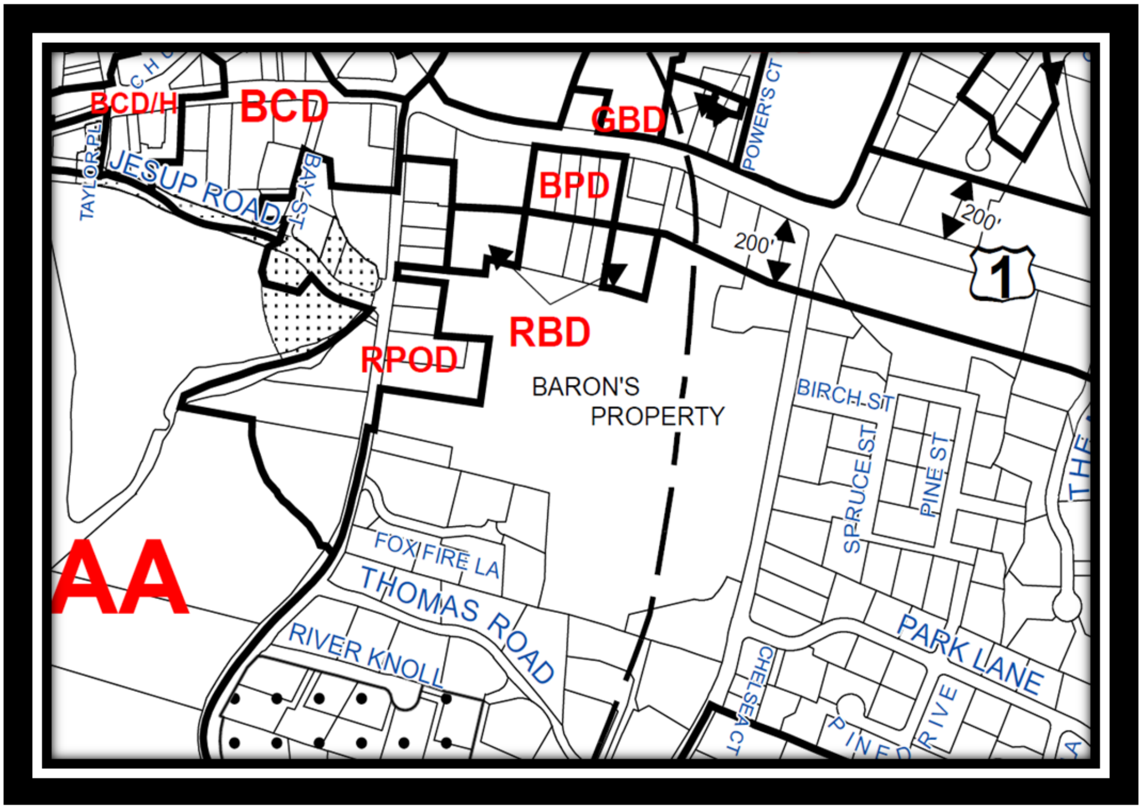
Utilities: The site has access to all public utilities including water, sewer, electric, telephone and natural gas.

Other Improvements: In addition the WCSA building the site is improved with a variety of older residential structures. In our opinion these improvements would not be retained if the site were to be developed to its highest and best use. No contributory value has been assigned to these structures.

Conclusion: The site is suitable for development with a number of uses. However, our opinion is that the character of the surrounding area would make a residential oriented development most appropriate for the site. We view alternatives such as single family housing, a 55+ PUD, or these uses in conjunction with some senior housing as being most appropriate for the property.

ZONING

The subject is located three zoning districts. Respectively the land to a depth of 200' along Post Road East is situated in the GBD zone. The land previously identified as 23 Imperial Avenue, which is now used for access to the Senior Center, is zoned RPOD and the balance of the land is zoned Residence A.



Comments:

Respectively the purpose of each zone is summarized as follows: The Residence A zone is to allow single-family residences on a minimum ½ acre lot. The purpose of the RPOD zone is to allow for the limited use of land as professional offices and related activities. It essentially serves as a transition zone between residential and commercial areas. Finally, the purpose of the GBD zone is to allow general commercial and office development in designated areas located along arterial streets.

Within the Residence A District the most probable permitted use would be single family residential development. Within the RPOD zone the most probable permitted uses would include single family residential development or a small professional office building of 2,500 square feet (based on the maximum building size in the zone). Finally, within the GBD zone the most probable permitted uses would include residential development or smaller commercial uses such as retail and office. As there is approximately 30,000 square feet in this zone it could only support roughly 7,500 square feet of space (based upon a 0.25 FAR) if commercial uses were considered.

ASSESSMENT/TAXES

In Connecticut properties are generally assessed at 70% of their fair market value. The last revaluation in Westport was effective as of October 1, 2010.

Assessment: The subject property is presently tax exempt. However, its assessment is $16,349,600, with $13,387,500 allocated to land and $2,962,100 allocated to the improvements. As the assessment represents 70% of the Town's opinion of market value the implied 100% value is $23,356,500.

It is our opinion that this figure is high in relation to the market value of the remaining development rights at the site. We would note that this figure includes the WCSA building and several ancillary residential structures which are either not part of this appraisal or, in our opinion, do not contribute value to the property. Furthermore, this figure includes the approximately 2.691 acres of land that support the WCSA. Finally, as a tax exempt asset there is not the same level of concern about accuracy in value of the property as would exist for a taxable asset that would be subject to appeal. We would note that the current mill rate for the October 1, 2010 Grand List is 21.69 mills. Therefore, if the entire Baron's South property were taxable, the resulting real estate taxes would be $354,622.82 based on the current assessment.

HIGHEST AND BEST USE

Real estate is valued in terms of its highest and best use. The use that, over the long term, maximizes the return on an investment property represents the highest and best use. The public sector establishes the pool of possible uses; the imperfect real estate market determines the feasible, probable, and actual uses. The market, in terms of supply and demand, also influences those specific or typical uses that would be most needed in the area analyzed.

To properly analyze highest and best use, two determinations must be made. First, the highest and best use of the site as though vacant and available for use is made. Second, the highest and best use of the property as improved is analyzed and estimated. The highest and best use of the land as though vacant may be different from the highest and best use of the improved property. This may occur if the improvements contribute to the overall value of a property yet are deemed, in some manner, to be inappropriate. The highest and best use of the site as though vacant forms the basis for the Cost Approach. The highest and best use of the property as improved helps the appraiser select appropriate comparable properties from which the Sales Comparison and Income Capitalization Approaches can be developed.

The highest and best use of both land as vacant and property as improved must meet four criteria. Each is identified and described as follows:

1. **Physically Possible:** This criterion identifies those uses for which the subject site is physically suited. Factors such as size, shape, terrain, capacity and availability of public utilities, and soil conditions are particularly relevant in determining a highest and best use for land as though vacant as they affect its physical utility and adaptability. For improved properties, physical characteristics such as size, design, and condition of the improvements must also be analyzed.

2. **Legally Permissible:** This criterion concerns those uses that are physically possible and are permitted on the site. Legal permissibility depends on public and private restrictions, zoning, building codes, environmental regulations, and any other governmental laws and/or regulations that pertain to the property.

3. **Financially Feasible:** Alternative uses that are physically possible and legally permissible are then analyzed to determine which will produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All alternative uses anticipated to produce a positive return are regarded as financially feasible.

4. **Maximally Productive:** Among financially feasible uses, the use that produces the highest price or value consistent with the rate of return warranted by the market is the maximally productive use.

SUBJECT PROPERTY - AS VACANT

The subject represents the remaining development rights at the Baron's South property which contains a total of 22.691 acres of land. We have estimated that approximately 2.691 acres of the parcel is necessary to support the WCSA building leaving 20 acres available for development. Given the steep slopes in some of the areas of the site it is unlikely that the entire 20 acres is developable and, in fact, the Weston & Sampson Master Plan for Jesup Green and Baron's South that was completed in September of 2007 generally confined development to approximately 8.5 to 9.5 acres of the site.

The overall Baron's South site is situated in three zoning districts. Land to a depth of 200 feet along Post Road East is zoned GBD. This are is a "U"-shaped site that has 40.20 feet of frontage along its western section and another 107.59 feet of frontage along its eastern section. Given the irregular configuration of this site and the limited amount of contiguous frontage it is probably best assembled with adjoining properties for commercial development and/or used for access to the larger section of residential land.

A small section of land along Imperial Avenue is zoned RPOD. This represents the land formerly known as 23 Imperial Avenue and it would permit a smaller commercial development. Presently this land is used to access the Westport Senior Activities Center Building and if development of this land for a commercial use were desired it would necessitate moving the access road to the Senior Center to a point further south on Imperial Avenue.

The balance of the land is situated in the Residence A zoning district. In general this land has a very irregular topography with extreme changes in elevation. Absent an improbable amount of grading it is likely that the site would be developed to a lower density single family use.

While we would note that values will be based on a variety of use alternatives the present zoning of the site is such that only a primarily residential use, possibly with a modest amount of commercial space along Imperial Avenue, would be permitted under existing zoning. Therefore, all other values are based upon the hypothetical assumption that zoning entitlements could be obtained for alternative uses – assumptions that we believe are highly speculative given the character of the surrounding neighborhood and concerns over traffic in the area.

To ascertain the amount of development that would be suitable for the site we considered the impact of Westport zoning regulations as well as development yields for other sites improved with commercial and residential uses in Westport.

After deducting out the land associated with the WCSA building we estimated that approximately 20 acres remained available for development. Given the steep slopes in some of the areas of the site it is unlikely that the entire 20 acres would be usable and we noted earlier that the Weston & Sampson Master Plan for Jesup Green and Baron's South generally confined development to approximately 8.5 to 9.5 acres of the site. With respect to a single family residential use of the property we considered the lot yield at several nearby developments including Compo Commons (1.21 lots per acre), Foxfire Lane (1.63 lots per acre) and The Mews (1.57 lots per acre). As Compo Commons (also known as Gault subdivision) did not have the physical constraints (slopes) that impact the subject we do not believe it would be practical to project that a similar number of lots could be developed on the subject property. If the subject could obtain the same lot yield it would imply up to 24 lots on the subject property. On the other hand a low number of projected lots given the topographical constraints at the property would be to apply the lot yield of Foxfire Lane and The Mews to usable land in the Weston & Sampson Master Plan. At 1.6 lots per acre times 8.5 to 9.5 acres this would indicate 14 to 15 lots. We have considered a range between the low point and the mid-point of these two extremes and concluded that 16 to 20 lots (say 19) would be a fair estimate for the property by which to determine its value for a residential use. We used a higher lot yield in lieu of adding any commercial development potential to several small areas of the site.

For an office related use we again believe it is most practical to make more conservative assumptions than maximizing development density. If a 0.25 FAR were applied to the 20 acres of remaining developable land this would imply approximately 217,800 square feet could be developed on the site. However, given the surrounding residential influence and the various topographical constraints it is our opinion that this would be a misleading assumption as it would likely result in a development out of scale with the area. Rather, we believe it is more practical to project a density in line with a project such as 55 Greens Farms Road which has a campus environment and nearby residential uses. This property includes approximately 120,161 square feet of rentable area on 21.93 acres. Therefore, to estimate that the site could accommodate between 100,000 square feet and 120,000 square feet (say 110,000 square feet) would be a more reasonable assumption for an office alternative.

For a variety of senior housing alternatives (such as an age restricted PUD or a CCRC) we relied on the work contained in the Weston & Sampson Master Plan. Based upon Conceptual Residential Layouts we presumed that an age restricted PUD with some ancillary senior housing would be consistent with Conceptual Residential Layout B and include approximately 65 to 75 total units. This is supported by the development density at Terra Nova at Westport, a PRD that includes 54 units on 16.17 acres. Finally, a CCRC would contain approximately 40 independent living units (two townhouse clusters) and 80 assisted living units in two to three story senior housing buildings. This would essentially replace the increased number of units in age restricted PUD concept with smaller units found in an assisted living development.

The end result is the table below summarizes our assumptions regarding Highest and Best Use. It is based upon these assumptions that our value conclusions and projected tax revenues are reached. We would note that within reason if more aggressive or conservative amounts of development are projected that these could be applied to our unit values. However, we would caution that our projected levels of density are considered reasonable given the characteristics of the surrounding area, topographical constraints and actual density achieved at other properties.

Use Alternative	Projected Development Density
Single Family Residential	16 to 20 Single Family Houses
Age Restricted PUD	65 to 75 Units
CCRC (PUD Units with Ancillary Senior Housing Alternatives)	40 Independent and 80 Assisted Living Units
Commercial Office Space	100,000 to 120,000 square feet

VALUATION PROCEDURES

Appraisers estimate property value by applying specific appraisal procedures that reflect three distinct methods for analyzing data - Sales Comparison, Cost, and Income Capitalization. These traditional approaches are defined below:

> COST APPROACH - *A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.*
>
> SALES COMPARISON APPROACH - *A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales are available.*
>
> INCOME CAPITALIZATION APPROACH - *A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.*

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal,* 4th ed., s.v. "Cost Approach, Sales Comparison Approach, Income Capitalization Approach." (Chicago: Appraisal Institute, 2002)

In the case of the subject property, the most likely purchaser would be a developer. The valuation procedures contained in this report attempt to replicate the analysis that a prospective purchaser would likely use.

The three traditional approaches to value, Cost, Sales Comparison, and Income Capitalization, have been considered in estimating market value for the subject property. Based upon available market data and the likely motivations of the typical purchaser, the Sales Comparison Approach is the primary valuation procedure in this appraisal for purposes of estimating market value for the property based upon a number of use alternatives. The only exception was the presentation of a subdivision analysis for a single family residential alternative for the site.

SALES COMPARISON APPROACH

INTRODUCTION

In this section we will discuss each of the use alternatives presented in our highest and best use analysis and the value conclusions we have reached for these. In the time frame between January 1, 2009 and February 29, 2012 there were less than 10 land sales over five acres in the "Gold Coast" communities from Fairfield to Greenwich. We investigated these sales and found that most were not comparable to the subject and that it would be better to rely upon older data in the relevant marketplace to form our conclusions. Where applicable this has been supplemented with more recent transactions.

SINGLE FAMILY ALTERNATIVE

We noted in our Highest and Best Use analysis that the subject could support 16 to 20 single family homes with 19 homes representing a reasonable density of development. We used a higher lot yield in lieu of adding any commercial development potential to several small areas of the site. We found very little evidence of bulk land sales (i.e., land acquired for the development of multiple lots) in the subject marketplace but found several free standing lot sales to arrive at the gross sell-out of lots if a subdivision were completed at the property. Sales data is summarized on the following page.

We attempted to find transfers of lots both inferior and superior to the subject. In our opinion the range of the mid $400,000's to the mid $600,000's associated with lots in the Residence A zone represents the low end of the range that would be expected for lots if a 19-lot subdivision were built on the Baron's property because of the unique center of town location and scale that creates a defined neighborhood that would be offered by the subject. On the other hand a full one-acre sale in the Residence AAA zone (78 Maple Avenue South) for $800,000 is too high to achieve an acceptable level of absorption. We discussed price points on lots and end unit homes with area residential builders and have estimated that each potential lot at the subject could command $700,000 so that if 19 lots were built a developer could anticipate revenues from the sale of lots of $13,300,000.

However, there are numerous costs of development to include road construction, sales commissions, marketing and promotion, overhead, developer's profit and a return on funds invested to complete the project. We developed a discounted cash flow analysis that presumes that the infrastructure could be built in six months and lots then sold over the ensuing 18 months at a rate of just over one lot per month. The results of these cash flow projections are included in Exhibit C of the Addenda to this report. It supports a value estimate of $8,250,000 for a potential subdivision which would equate to $434,211 per potential lot. Despite the lack of bulk sale activity we would note that in New Canaan three rear lots (Soundview Lane) were acquired in one transfer in June of 2010. The price was $1,500,000, or $500,000 per potential lot for end lots valued in the low $700,000's that did not require the build out of infrastructure. As a result we believe that the lower unit value assigned to the subject, which includes more lots and the need to build out roads to support a subdivision, is appropriate.

RECAPITULATION OF SINGLE FAMILY LAND SALES							
Sale No.:	**Subject Property**	**Sale 1**	**Sale 2**	**Sale 3**	**Sale 4**	**Sale 5**	**Sale 6**
Sale Data:							
Address	Baron's Subdivision	7 Court of Oaks	35 Silent Grove	15 Brook Lane	48 Turkey Hill Road S.	78 Maple Avenue South	28 Reichart Circle
City/State	Westport, CT	Westport, CT	Westport, CT	Westport, CT	Westport, CT	Westport, CT	Westport, CT
Grantor	---	Dorothy Carpenter	Chester Lee	Joan Bassett	Southridge R.E. Partners, L.P.	Antonia Menoudakos	Alfred & Patricia Michaud
Grantee	---	7 Court of Oaks, LLC	Victor Construction, LLC	Able Construction, Inc.	Victor Construction, LLC	CFJ Realty Development	Sabin Builders, LLC
Legal Reference		Vol. 3263, Page 210	Vol. 3240, Page 256	Vol. 3227, Page 201	Vol. 3201, Page 200	Vol. 3140, Page 305	Vol. 3089, Page 26
Date of Sale	---	29-Dec-11	21-Oct-11	1-Sep-11	14-Jun-11	11-Nov-10	28-Apr-10
Sale Price	---	$695,000	$409,000	$630,000	$440,000	$800,000	$655,000
Prop. Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Land Data:							
Zone	Residence A	Residence A	Residence AA	Residence A	Residence AA	Residence AAA	Residence A
Land Area (Acres)	20 (Overall)	0.54	0.57	0.58	1.00	1.00	0.68
Land Area (Sq. Ft.)	0.5 (Lot Size)	23,359	24,742	25,265	43,562	43,560	29,621
Lots Per Acre	0.90	N/A	N/A	N/A	N/A	N/A	N/A
Proposed Improvements:							
Property Type	Single Family	Single Family	Single Family	Single Family	Single Family	Single Family	Single Family
Comments:							
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Financing	Market Terms	Market Terms	Market Terms	Market Terms	Market Terms	Market Terms	Market Terms
Unit Price:							
Sale Price/Lot	**---**	**$695,000**	**$409,000**	**$630,000**	**$440,000**	**$800,000**	**$655,000**

ESTIMATED MARKET VALUE OF SINGLE FAMILY ALTERNATIVE
VIA SALES COMPARISON APPROACH.. $8,250,000[1]

[1] Value estimate is for a residential use of the property with our estimate being that the site could support approximately 19 lots.

AGE RESTRICTED PUD

We noted in our Highest and Best Use analysis that the subject could support 65 to 75 units under this scenario. Land acquired for higher end PUD developments was considered to reach our conclusions as to value under this scenario. Our expectation is that the development would be consistent with a project such as Terra Nova in Westport or Redding Woods in Redding. We spoke with area developers of this type of housing and considered the sales data summarized on the following page.

In analyzing these sales we concluded that sales such as 19 Trefoil Drive in Trumbull and the Toll Brothers project in Ridgefield are priced far lower than the subject site would command due to their inferior locations where far lower price points would be expected for end units. Conversely, the acquisition of land for River Oaks in Stamford was at a premium price to what the subject could obtain given the better expectations for unit absorption at the time of this sale as well as a targeted price point of $1.3 to $1.4 million per unit. The price per unit for land associated with Palmer Hill and Terra Nova is probably the best barometer for the site as a PUD development. We would expect higher end unit prices approaching $1,000,000 or slightly above for finished PUD units at the subject location. However, the pricing premium would be largely offset by the slower absorption of units that would be anticipated in the present market. We have concluded to a value range of $180,000 to $200,000 per unit for the development rights for 70 PUD units, or $13,300,000.

ESTIMATED MARKET VALUE OF AGE RESTRICTED PUD ALTERNATIVE WITH ANCILLARY SENIOR HOUSING VIA SALES COMPARISON APPROACH .... $13,300,000[2]

[2] Value estimate is for a PUD use of the property with our estimate being that the site could support approximately 70 units.

RECAPITULATION OF CONDOMINIUM LAND SALES						
Sale No.:	**Subject Property**	**Sale 1**	**Sale 2**	**Sale 3**	**Sale 4**	**Sale 5**
Sale Data:						
Address	Baron's PUD	19 Trefoil Drive	77 Havemeyer Lane	Ethan Allen Highway	River Oaks	Terra Nova
City/State	Westport, CT	Trumbull, CT	Stamford, CT	Ridgefield, CT	Stamford, CT	Westport, CT
Grantor	---	Sound Trefoil, LLC	Starwood Buckingham, LLC	Bakes Family Limited Partnership	Mountain Venture Stamford, LLC	Leo Nevas Family Foundation, Inc.
Grantee	---	Woodland Hills, LLC	Palmer Hill Partners, LLC	Toll Land XVIII, L.P.	Pipers Three, LLC	Westport Land and Home Company
Legal Reference		Vol. 1457, Page 129	Vol. 8901, Page 2	Vol. 819, Page 492	Vol. 7559, Page 221	Vol. 2029, Page 228
Date of Sale	---	27-Feb-08	28-Feb-07	15-Dec-05	26-May-04	4-Aug-02
Sale Price	---	$6,000,000	$34,000,000	$8,435,575	$16,230,000	$10,000,000
Prop. Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Land Data:						
Zone	Residence A	IL	CD	RCDD	R-20D	PRD
Land Area (Acres)	20 (Overall)	5.62	19.69	26.83	28.29	16.17
Land Areas (SF)	871,200	245,105	857,696	1,168,755	1,232,186	704,365
Units Per Acre	3.50	10.68	9.90	2.72	2.09	3.34
Proposed Improvements:						
Property Type	PUD/Condos	Condominiums	Condominiums	Condominiums	Condominiums	Condominiums
Units	70	60	195	73	59	54
Comments:						
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Financing	Market Terms	Market Terms	Market Terms	Market Terms	Market Terms	Market Terms
Unit Price:						
Sale Price/Unit	**---**	**$100,000**	**$174,359**	**$115,556**	**$275,085**	**$185,185**

Sale 1: Development planned for 60 condominium units which were approved at time of sale.

Sale 2: Development includes 81 condominiums priced in the mid $500,000's and 114 townhouses priced at more than $1,000,000. Also included 10% affordable.

Sale 3: Development planned for 73 age restricted units of which four were designated as affordable.

Sale 4: Recorded price of $18,000,000 adjusted to $16,230,000 due to favorable financing. Units planned for $1.3 to $1.4 million price point.

Sale 5: Development planned for 54 unit luxury townhouse development with end unit prices projected at $800,000.

CCRC ALTERNATIVE

We noted in our Highest and Best Use analysis that the subject could support 40 independent and 80 assisted living units under this scenario. Land acquired for higher end PUD developments was considered for the independent living units meaning that the $190,000 per unit value from the preceding section was multiplied by 40 units for this portion of the development rights (or $7,600,000) while land acquired for more traditional apartment or assisted living/nursing home sites was considered for the other 80 units. While sales data for the independent units was summarized on the previous page sale data for the latter type of unit is summarized on the following page.

Again, while concluding to a unit value of $190,000 per unit for the 40 independent units a lower value applies to assisted living/nursing home units which are much smaller units on average. For the assumed development rights for this latter use we believe that a unit price in the $70,000 to $80,000 range is appropriate. Given the smaller scale of the Darien project and the superior demographics of that community a lower price point than $83,333 is warranted. However, the remaining sales for either traditional apartments or the Norwalk assisted living facility have inferior locations to the subject. Between the range of the mid $40,000's from the better Norwalk apartment sales to the mid $80,000's of the Darien assisted living sale the subject should be valued above the mid-point which is why we established a $70,000 to $80,000 per unit range. We also discussed land acquisition prices on a per unit basis with brokers working with principals from Maplewood Senior Living Communities. Maplewood is headquartered in Westport and they have developments of this type built or on-going in Darien, Norwalk, Danbury, Newtown and Orange. They have also confirmed the reasonableness of this price point. Multiplying $75,000 per unit by 80 assisted living units provides an additional $6,000,000 of value beyond the $7,600,000 from 40 independent living units for a total land value under the CCRC alternative of $13,600,000.

ESTIMATED MARKET VALUE OF CCRC ALTERNATIVE
VIA SALES COMPARISON APPROACH .... $13,600,000[3]

[3] Value estimate is for a CCRC use of the property with our estimate being that the site could support approximately 40 independent and 80 assisted living units.

RECAPITULATION OF APARTMENT/ASSISTED LIVING LAND SALES					
Sale No.:	**Subject Property**	**Sale 1**	**Sale 2**	**Sale 3**	**Sale 4**
Sale Data:					
Address	Baron's CCRC	20 North Water Street	599 Boston Post Road	8 Norden Place	73 Strawberry Hill Ave.
City/State	Westport, CT	Norwalk, CT	Darien, CT	Norwalk, CT	Norwalk, CT
Grantor	---	Building & Land Technologies	599 Boston Post Road, LLC	Norden Place, LLC & Summit Saugatuck, LLC	Associated Properties, LLC
Grantee	---	Spinnaker Real Estate Partners, LLC	Darien ALF Property, LLC	Avalon Norden Place, LLC	Norwalk ALF Property, LLC
Legal Reference		Not Applicable	Vol. 1428, Page 135	Vol. 7426, Page 62	Vol. 7317, Page 65
Date of Sale	---	Current Contract	24-Aug-11	22-Jul-11	20-Dec-10
Sale Price	---	$6,750,000	$5,500,000	$9,775,000	$2,600,000
Prop. Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Land Data:					
Zone	Residence A	RPDC	DB-2 & R 1/2	RD & RI	B
Land Area (Acres)	20 (Overall)	1.90	1.56	38.37	2.75
Land Area (Sq. Ft.)	871,200	82,546	68,016	1,671,397	119,790
Units Per Acre	3.50	78.63	42.27	6.25	30.55
Proposed Improvements:					
Property Type	PUD	Comm./Apartment	Assisted Living	Apartment	Apartment
Units	120	149	66	240	84
Comments:					
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Financing	Market Terms	Market Terms	Market Terms	Market Terms	Market Terms
Unit Price:					
Sale Price/Unit	**---**	**$45,302**	**$83,333**	**$40,729**	**$30,952**

Sale 1: This represents the purchase of a 45% interest for $3,037,500. Plan is for 125 units and 24,000 sf of commercial space which we have equated to 149 units

Sale 2: This was an improved property where the building shell offered little to no contribution. On the Post Road in a high end community.

Sale 3: The price includes an adjustment for the contribution of houses on site. Development includes 10% affordable component.

Sale 4: This was an improved property where the building shell offered little to no contribution. Building required abatement and location was average at best.

<u>OFFICE ALTERNATIVE</u>

Finally, we noted in our Highest and Best Use analysis that the subject could support 100,000 to 120,000 square feet of office space (say 110,000 square feet). Land sales for an office use were considered to reach our conclusions as to value under this scenario. The sales data is summarized on the following page.

We would note that there have been very few land sales for office space over the past decade. Most larger sites acquired for office space have been in peripheral areas of Fairfield County such as Danbury and/or Shelton and most new office development has come from re-using existing sites or on excess land from a site (such as new development that occurred in Wilton or Norwalk).

Other than the sales presented on the following page we would note that 25-35 Glover Avenue in Norwalk was acquired for the Towers at Merritt River development in 2001 for $27 per buildable foot. However, this was an exceedingly expensive site to build out given the larger size of the development, extensive structured parking requirement and the need to complete a flyover bridge to support the development. Also, RBS assembled a site in Stamford in 2006 for their headquarters. The main portion of this assemblage was a development site acquired from Dreyfus for $65 per buildable foot. Like the Towers at Merritt River this was a much more expensive site to develop given its higher density that required structured parking. However, it had a superior location across the highway from the Stamford Transportation Center.

We believe that the smaller scale and unique location of the subject would command a premium over the price per square foot of the RBS sale and/or the Norwalk site acquired by the American Cancer Society (Sale 3 on the following page). Rather the price point indicated by a 2012 option for a medical office site in Fairfield ($100 per buildable foot); a 2008 option for another medical office site in Fairfield; and the older sales in Westport – which are in a consistent range of $80 to $90 per square foot – are most appropriate for the subject.

We have multiplied the mid-point of this range, or $90 per square foot by 110,000 square feet projected for the site to conclude to a value of the site for an office use of $9,900,000

ESTIMATED MARKET VALUE OF OFFICE ALTERNATIVE
VIA SALES COMPARISON APPROACH .... $9,900,000[4]

[4] Value estimate is for an office use of the property with our estimate being that the site could support approximately 110,000 square feet of building area.

RECAPITULATION OF OFFICE LAND SALES						
Sale No.:	**Subject Property**	**Sale 1**	**Sale 2**	**Sale 3**	**Sale 4**	**Sale 5**
Sale Data:						
Address	Baron's Office	4185 Black Rock Tpke.	5545 Park Avenue	38 Richards Avenue	300 Post Road West	1563 Post Road East
City/State	Westport, CT	Fairfield, CT	Fairfield, CT	Norwalk, CT	Westport, CT	Westport, CT
Grantor	---	New Way Associates, LLC	Confidential	The Lirona Limited Partnership	PRW Associates	1563 PRE Associates, LLC
Grantee	---	Fairfield Gateway, LLC	Sound Development	American Cancer Society, New England Division, Inc.	300 Post Road West, LLC	G&L Westport Medical
Legal Reference		Not Applicable	Not Applicable	Vol. 6617, Page 309	Vol. 1708, Page 98	Vol. 1668, Page 80
Date of Sale	---	2012 Option	2008 Contract	9-Aug-07	10-Aug-99	29-Jan-99
Sale Price	---	$3,500,000	$2,000,000	$925,000	$1,750,000	$815,000
Prop. Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Land Data:						
Zone	Residence A			B1	CPD	GBD & Residence A
Land Area (Acres)	20 (Overall)	2.42	3.00	0.51	2.03	0.91
Land Area (Sq. Ft.)	871,200	105,623	130,680	22,041	88,253	39,509
Square Feet Per Acre	5,500	14,481	8,333	26,680	9,872	10,831
Proposed Improvements:						
Property Type	Office	Medical Office	Medical Office	Medical Office	Office	Medical Office
Square Feet	110,000	35,043	25,000	13,500	20,000	9,824
Comments:						
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Financing	Market Terms	Market Terms	Market Terms	Market Terms	Market Terms	Market Terms
Unit Price:						
Sale Price/SF	**---**	**$99.88**	**$80.00**	**$68.52**	**$87.50**	**$82.96**

CONCLUSION

Based upon these options we have concluded that the lowest value would be associated with a single family residential alternative while the highest value range would be derived from the age restricted PUD and CCRC alternatives. The office alternative would fall between these extremes which we attribute to the lower density that we estimated for an office use. However, we believe that this assumption regarding lower density was warranted given the characteristics of the surrounding neighborhood. In any event we believe that on a broad level that a value range of $10,000,000 to $14,000,000 would apply to the remaining development rights at Baron's South if uses other than single family residential were pursued and a value of $8,000,000 to $8,500,000 would apply to a single family residential alternative. This range can then be compared with offer prices that may be received from the market for a planned affordable Senior Residential Community that would consist of an independent living facility and a full care facility that would also address the town's need for affordable housing.

COMPARATIVE REAL ESTATE TAX ANALYSIS

COMPARATIVE TAX ANALYSIS

To establish an estimate of tax revenues that would be generated by the uses outlined in our land valuation we conducted a comparative assessment analysis on each proposed use. We relied upon single family residential assessments for the potential 19 housing units on the site; PUD or condo assessments for the potential 70 multi-family units on the site; PUD or condo assessments and assisted living assessments from other nearby communities for the potential CCRC use on the site; and office assessments for the potential 110,000 square feet of office space on the site. The table on the following page summarizes our estimate of tax revenues from each use and the source of our conclusions. We would note that this is not the same as a fiscal impact analysis as we are not measuring the costs associated with said uses. However, it is reasonable to assume that the costs would be highest under a single family residential use where additional students would be added to the school population whereas the other uses do not generate such a burden.

Single Family Residential

We projected a total of 19 single family houses could be built on the site. We reviewed the assessments on nearby residential subdivisions with the most notable in scale being Compo Commons (Gault subdivision). Homes in this development are typically about 4,000 square feet with assessments approximating $1,100,000. Recognizing a 10% to 15% premium for the subject being new construction if it were built out with a residential use would imply an average assessment for each improved residential lot of $1,250,000. Multiplying this by the Westport mill rate of 21.69 would result in taxes per improved lot of $27,112.50 and a cumulative tax burden from 19 homes of $515,137 (or a range of $500,000 to $525,000 per year).

Age Restricted PUD

We projected a total of 70 PUD/Condo units could be built on the site. We reviewed the assessments on PUDs such as The Mews and Terra Nova and found typical units ranging in size from 2,400 to 2,900 square feet with assessments of $550,000 to $650,000. We believe that more successful PUDs in the current economic environment tend to have units on the lower end of the size range (i.e., 2,400 square feet) but that the high end of the assessment range would apply to the subject if new PUD units were constructed. This would imply an average assessment for each improved PUD lot of $650,000. Multiplying this by the Westport mill rate of 21.69 would result in taxes per improved PUD lot of $14,098.50 and a cumulative tax burden from 70 PUD units of $986,895 (or a range of $950,000 to $1,000,000 per year).

CCRC

We projected a total of 40 independent living and 80 assisted living units could be built on the site. Consistent with the age restricted PUD analysis we used an average assessment for each improved PUD lot of $650,000. Multiplying this by the Westport mill rate of 21.69 would result in taxes per improved PUD lot of $14,098.50 and a cumulative tax burden from 40 independent living units of $563,940.

Westport had no new assisted living developments by which to measure a reasonable assessment for this use but we found that Brighton Gardens in Stamford had an assessment of $13,167,240 for a 114 unit development (or $115,502 per unit). Using a range of $100,000 to $150,000 per unit for Westport would imply an assessment of $8,000,000 to $12,000,000 for 80 assisted living units or a tax burden of $173,520 to $260,280. Adding this to the projected taxes of $563,940 from the 40 PUD units would imply cumulative annual taxes of $737,460 to $824,220 (or a range of $750,000 to $825,000 per year).

<u>Commercial Office Space</u>

We projected a total of 110,000 square feet of office space could be built on the site. We reviewed the assessments on Class A office buildings in Westport including Gorham Island, Nyala Farms, 1 Glendinning, 450 Post Road East and 355 Riverside Avenue. We found that taxes per square foot were generally in a range of $4.00 to $4.50 per square foot. Recognizing a 10% to 15% premium for the subject if it were built out with new Class A office space would imply a tax burden of $522,500 based on $4.75 per square foot for 110,000 square feet of space (or a range of $500,000 to $525,000 per year).

Use Alternative	Estimated Stabilized Real Estate Taxes
Single Family Residential	$500,000 to $525,000
Age Restricted PUD	$950,000 to $1,000,000
CCRC (PUD Units with Ancillary Senior Housing Alternatives)	$750,000 to $825,000
Commercial Office Space	$500,000 to $525,000

RECONCILIATION AND FINAL VALUE ESTIMATE

Within this appraisal we developed market value estimates for the subject property based upon a number of hypothetical uses. The purpose of developing these figures would be to compare them with offer prices that may be received from the market for a planned affordable Senior Residential Community that would consist of an independent living facility and a full care facility that would also address the town's need for affordable housing. To estimate values it was determined that the most applicable valuation procedure was the Sales Comparison Approach and sole reliance was placed upon this valuation procedure. The only exception was the presentation of a subdivision analysis for a single family residential alternative for the site.

Based upon our analysis of the subject, as presented within this appraisal report, it is our opinion that the fee simple market value of the subject property, as of February 28, 2012, is best represented by the following amounts:

Market Value Based on the Following Use Alternative	Market Value Estimate
Single Family Residential	$8,250,000
Age Restricted PUD	$13,300,000
CCRC (PUD Units with Ancillary Senior Housing Alternatives)	$13,600,000
Commercial Office Space	$9,900,000

In our opinion, the amount of real estate taxes that could be generated by the respective uses given our projected development densities is best represented by the following amounts:

Use Alternative	Estimated Stabilized Real Estate Taxes
Single Family Residential	$500,000 to $525,000
Age Restricted PUD	$950,000 to $1,000,000
CCRC (PUD Units with Ancillary Senior Housing Alternatives)	$750,000 to $825,000
Commercial Office Space	$500,000 to $525,000

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, with include the Uniform Standards of Professional Appraisal Practice.

3. In compliance with the ethics rule of USPAP, I hereby certify that this appraiser has no current or prospective interest in the subject property or parties involved, and has not performed any services regarding the subject property within the 3 year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

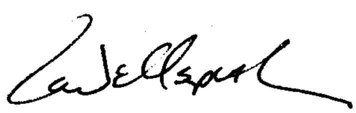
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

8. No one provided significant real property appraisal assistance to the person(s) signing this report.

9. Patrick J. Wellspeak MAI made a personal inspection of the property that is the subject of this report.

As of the date of this report, Patrick J. Wellspeak, MAI, has completed the requirements of the continuing education program of the Appraisal Institute.



Patrick J. Wellspeak, MAI
State of Connecticut - General Certified Real Estate Appraiser
License No. RCG.0000618

ASSUMPTIONS AND LIMITING CONDITIONS

1. No investigation of title to the property has been made, and the premises are assumed to be free and clear of all deeds of trust, use restrictions and reservations, easements, cases or actions pending, tax liens, and bonded indebtedness, unless otherwise specified. No responsibility for legal matters is assumed. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, unless otherwise specified.

2. A request was made for all pertinent information regarding the subject property for the purpose of this valuation. The request included any data deemed relevant to this analysis. The valuation contained herein reflects all such information received.

3. The maps, plats, and exhibits included in this report are for illustration only to help the reader visualize the property. They should not be considered as surveys or relied upon for any other purpose. No appraiser responsibility is assumed in connection therewith.

4. This appraiser, by reason of this report, is not required to give testimony or be in attendance in any court or before any governmental body with reference to the property in question unless arrangements have been previously made.

5. No engineering survey has been furnished to the appraiser, and no responsibility is assumed for engineering matters, mechanical or structural. Good mechanical and structural condition is assumed to exist.

6. It is assumed, unless specifically disclosed, that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.

7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws, unless noncompliance is stated and considered in this report. Specifically, it is assumed that hazardous substances, including friable asbestos, lead paint, toxic waste or contaminated ground water do not exist at the subject property. Members of this office are not qualified to determine the existence of, nor is any certification made as to the presence or absence of, any hazardous substances. No responsibility is therefore assumed for such conditions.

8. No soil borings or analysis have been made of the subject. It is assumed that soil conditions are adequate to support standard construction consistent with the highest and best use as stated in this report.

9. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless noncompliance is stated and considered in this report.

10. We have not completed a compliance survey and analysis of the subject property to determine whether or not it is in conformity with the requirements of the Americans with

Disabilities Act (ADA), nor have we considered possible noncompliance with the requirements of ADA in estimating the value of the subject property.

11. The individual values estimated for the various components of the subject property are valid only when taken in the context of this report and are invalid if considered individually or as components in connection with any other appraisal.

12. When the Discounted Cash Flow Analysis is utilized, it is prepared on the basis of information and assumptions stipulated in this report. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon the occurrence of other future events that cannot be assured. Therefore, the actual results achieved may well vary from the projections and such variations may be material.

13. The date of value to which the opinions expressed in this report is set forth in a letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the opinions herein stated.

14. If this report is used within a credit sale-leaseback-type transaction, or the offering structure of a syndicate or syndication partnership, joint venture, or association, it is to be noted that the market value estimate rendered is restricted exclusively to the underlying real property rights defined in this report. No consideration whatsoever is given to the value of any partnership units or interest(s), broker or dealer selling commissions, general partners' acquisition fees, operating deficit reserves, offering expenses, atypical financing, and other similar considerations.

15. Our value estimate presumes that <u>all</u> benefits, terms, and conditions have been disclosed in any lease agreements, and we have been fully informed of any additional considerations (i.e., front-end cash payments, additional leasehold improvement contributions, space buybacks, free rent, equity options).

16. Neither all nor any part of the contents of this report shall be conveyed to the public, without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the authors or firm with which they are connected, or any reference to the Appraisal Institute, or to the MAI designation.

PROFESSIONAL RESUME OF THE APPRAISER

PATRICK J. WELLSPEAK, MAI

Real Estate Appraisal Experience

Principal of Wellspeak Dugas & Kane, since 1995. Specific areas of expertise include the appraisal of multitenanted office developments, industrial buildings, and low income housing developments. Proficient in the use of financial software including PRO-JECT, ARGUS, and LOTUS 1-2-3

Principal of Heberger Associates, Inc., between 1986 and 1995. Assignments included the preparation of narrative and bank form appraisals of commercial properties as well as marketability, feasibility, and highest and best use studies.

Qualified as an expert witness in the State of Connecticut and United States Federal court systems.

Qualified as an expert witness before tax review boards of numerous Connecticut municipalities.

State of Connecticut - General Certified Real Estate Appraiser - License No. 0618 Expires: April 30, 2012

Educational Background

Graduated Magna Cum Laude from the University of Bridgeport with a Master's Degree in Business Administration.

Graduated Magna Cum Laude from the University of Connecticut with a Bachelor of Science Degree in Business Administration.

Appraisal Education

Member of the Appraisal Institute, Member No. 9219.

The Appraisal Institute is the result of the January 1, 1991, unification of the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers. Completed courses that were formerly offered by AIREA and the Society are recognized by the Appraisal Institute.

Successfully completed courses or challenged examinations for the following:

- AIREA 1A1: Real Estate Appraisal Principles
- AIREA 1A2: Basic Valuation Procedures
- AIREA 1BA: Capitalization Theory and Techniques - Part A
- AIREA 1BB: Capitalization Theory and Techniques - Part B
- AIREA 2-1: Case Studies in Real Estate Valuation
- AIREA 2-2: Report Writing and Valuation Analysis
- AIREA SPP: Standards of Professional Practice

GLOSSARY OF TERMS

The following glossary defines terminology used by the real estate appraiser in the appraisal report. This list is not intended to represent a complete dictionary of real estate appraisal terms.

Assessed Value: Assessed value applies in ad valorem taxation and refers to the value of a property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a market value base.

Absorption: Short-term capture; the process whereby any specific commodity is occupied, leased, and/or sold to an end user.

Appraisal: The act or process of developing an opinion of value; an opinion of value. Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

Building Capitalization Rate: 1) The rate used in certain residual techniques or in a band of investment to convert building income into an indication of building value. 2) The ratio of building income to building value.

Capitalization Rate: Any rate used to convert income into value.

Comparative Analysis: The process by which a value indication is derived in the sales comparison approach. Comparative analysis may employ quantitative or qualitative techniques, either separately or in combination.

Direct Capitalization: 1) 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 income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor. 2) A capitalization technique that employs capitalization rates and multipliers extracted from sales. Only the first year's income is considered.

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 as well as the quantity and timing of the reversion and discounts each to its present value at a specified yield rate. DCF analysis can be applied with any yield capitalization technique and may be performed on either a lease-by-lease or aggregate basis.

Discount Rate: An interest rate used to convert future payments or receipts into present value. The discount rate may or may not be the same as the internal rate of return (IRR) or yield rate depending on how it is extracted from the market and/or used in the analysis.

Disposition Value: The most probable price that a specified interest in real property is likely to bring under all of the following conditions: 1) Consummation of a sale will occur within a limited future marketing period specified by the client; 2) The actual market conditions currently prevailing are those to which the appraised property interest is subject; 3) The buyer and seller is each acting prudently and knowledgeably; 4) The seller is under compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they consider their best interests; 7) An adequate marketing effort will be made in the limited time allowed for the completion of a sale; 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 9) 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.

Easement: An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.

Effective Rent: The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis.

Encumbrance: An interest or right in real property that may decrease or increase the value of the fee estate but does not prevent its conveyance by the owner. An encumbrance effects a permanent reduction in an owner's property rights, while a lien represents a claim against the owner's property rights, which may or may not become permanent. Mortgages, taxes, and judgments are liens; restrictions, easements, and reservations are encumbrances.

Excess Land: In regard to an improved site, the land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, the land not needed to accommodate the site's primary highest and best use. Such land may be separated from the larger site and have its own highest and best use, or it may allow for future expansion of the existing or anticipated improvement. See also surplus land.

Exposure Time: 1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions") Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. In the case of disposition value, the time frame allowed for marketing the property rights is somewhat limited, but the marketing effort is orderly and adequate. With liquidation value, the time frame for marketing the property rights is so severely limited that an adequate marketing program cannot be implemented. (The Report of the Appraisal Institute Special Task Force on Value Definitions qualifies exposure time in terms of the three above-mentioned values.) See also marketing time.

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.

Furniture, Fixtures, and Equipment (FF&E): The movable property of a business enterprise not classified as stock or inventory or leasehold improvements; frequently found in the ownership of hotels or motels, restaurants, assisted-living facilities, service stations, car washes, greenhouses and nurseries, and other service-intensive properties. Furniture, fixtures, and equipment frequently wears out much more rapidly than other components of those properties.

Going-concern Value: 1) The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; also called value of the going concern. 2) Tangible and intangible elements of value in a business enterprise resulting from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place. 3) The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value. (USPAP, 2002 ed.)

Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay all or most of the property's operating expenses and real estate taxes.

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 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. A hypothetical condition may be used in an assignment only if: 1) Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; 2) Use of the hypothetical condition results in a credible analysis; and 3) The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions. (USPAP, 2002 ed.)

Investment Value: The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached. See also market value.

Leased Fee Estate: An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

Leasehold Estate: The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions. The leasehold estate can be negative or positive. Negative Leasehold is a lease situation in which the market rent is less than the contract rent. Positive Leasehold is a lease situation in which the market rent is greater than the contract rent.

Liquidation Value: The most probable price that a specified interest in real property is likely to bring under all of the following conditions: 1) Consummation of a sale will occur within a severely limited future marketing period specified by the client; 2) The actual market conditions currently prevailing are those to which the appraised property interest is subject; 3) The buyer is acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated; 6) The buyer is acting in what he or she considers his or her best interest; 7) A limited marketing effort and time will be allowed for the completion of a sale; 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 9) 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.

Market Rent: The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby: 1) Lessee and lessor are typically motivated; 2) Both parties are well informed or well advised, and acting in what they consider their best interests; 3) A reasonable time is allowed for exposure in the open market; 4) The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and 5) The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

Marketing Time: 1) The time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal. 2) Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

Market Value: 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: 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 U.S. 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.

Modified Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay most, but not all, of the property's operating expenses and real estate taxes.

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 prevailing on the date of appraisal.

Net Lease: Generally a lease in which the tenant pays for utilities, janitorial services, and either property taxes or insurance, and the landlord pays for maintenance, repairs, and the property taxes or insurance not paid by the tenant. Sometimes used synonymously with single net lease but better stated as a partial net lease to eliminate confusion. Also called single net lease; modified gross lease single net lease; modified gross lease. Other variations of the net lease are as follows: 1) *Net Net Lease*: Generally a lease in which the tenant pays for utilities, janitorial services, property taxes, and insurance in addition to the rent, and the landlord pays for maintenance and repairs. Also called double net lease; 2) *Net Net Net Lease*: A net lease under which the lessee assumes all expenses of operating a property, including both fixed and variable expenses and any common area maintenance that might apply, but the landlord is responsible for structural repairs. Also called triple net lease; and 3) *Absolute Net Lease*: A lease in which the tenant pays all expenses including structural maintenance and repairs; usually a long-term lease to a credit tenant.

Occupancy Rate: The relationship or ratio between the income received from the rented units in a property and the income that would be received if all the units were occupied.

Personal Property: 1) Identifiable tangible objects that are considered by the general public as being "personal," for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all tangible property that is not classified as real estate. (USPAP, 2002 ed.) 2) Consists of every kind of property that is not real property; movable without damage to itself or the real estate; subdivided into tangible and intangible. (IAAO)

Prospective Value Opinion: A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

Real Estate: Physical land and appurtenances attached to the land, e.g., structures. An identified parcel or tract of land, including improvements, if any.

Real Property: All interests, benefits, and rights inherent in the ownership of physical real estate; the bundle of rights with which the ownership of the real estate is endowed. In some states, real property is defined by statute and is synonymous with real estate.

Rentable Area: 1) The amount of space on which the rent is based; calculated according to local practice; and 2) The tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to areas below. The rentable area of a floor is fixed for the life of a building and is not affected by changes in corridor sizes or configuration. Rentable area is recommended for measuring the total income-producing area of a building and for computing a tenant's pro rata share of a building for purposes of rent escalation. Lenders, architects, and appraisers use rentable area in analyzing the economic potential of a building. On multi-tenant floors, both the rentable and usable area for any specific office suite should be computed. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. No deductions should be made for columns and projections necessary to the building. (BOMA).

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout.

Reproduction Cost: The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Stabilized Value: 1) A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods, when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. 2) A value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a bonus or premium for material, the abnormal inefficiency of labor, the cost of delay or an excessive sale price, e.g., a premium paid due to a temporary shortage of supply.

Superadequacy: An excess in the capacity or quality of a structure or structural component; determined by market standards.

Surplus Land: Land not necessary to support the highest and best use of the existing improvement but, because of physical limitations, building placement, or neighborhood norms, cannot be sold off separately. Such land may or may not contribute positively to value and may or may not accommodate future expansion of an existing or anticipated improvement. See also excess land.

Usable Area: The area available for assignment or rental to an occupant, including every type of usable space; measured from the inside finish of outer walls to the office side of corridors or permanent partitions and from the centerline of adjacent spaces; includes subdivided occupant space, but no deductions are made for columns and projections. There are two variations of net area: single occupant net assignable area and store net assignable area.

Use Value: 1) In economics, the attribution of value to goods and services based upon their usefulness to those who consume them. 2) In real estate appraisal, the value a specific property has for a specific use; may be the highest and best use of the property or some other use specified as a condition of the appraisal; may be used where legislation has been enacted to preserve farmland, timberland, or other open space land on urban fringes.

Value in Use: The value a specific property has to a specific person or specific firm as opposed to the value to persons or the market in general. Special-purpose properties such as churches, schools, and public buildings, which are seldom bought and sold in the open market, can be valued on the basis of value in use. The value in use to a specific person may include a sentimental value component. The value in use to a specific firm may be the value of the plant as part of an integrated multiplant operation. See also use value.

Value Indication: An opinion of value derived through application of the appraisal process.

Sources:

1) *The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, 2002.

2) (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994; Federal Register, Vol. 75, No. 237, December 10, 2010.

3) The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2

ADDENDA

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EXHIBIT A: ....Legal Description

EXHIBIT B: ....Subject Survey

EXHIBIT C: ....Projected Cash Flows for Subdivision

<u>EXHIBIT A</u>

Legal Description

EXHIBIT A

Property Description

First Parcel:

ALL THAT CERTAIN tract or parcel of land, with the buildings thereon, situate in the Town of Westport, County of Fairfield and State of Connecticut, in quantity 1.13 acres, bounded and described as follows:

NORTHERLY: By land now or formerly of Catherine A. MacDonall;
EASTERLY: By Compo Road;
SOUTHERLY: By land now or formerly of Frederick W. Dau;
WESTERLY: By land now or formerly of Catherine A. MacDonall.

Said tract being indicated as No. 1 on “Map of Property of Angus MacDonall, Westport, CT., July 1920" on file in the Office of the Town Clerk of said Town of Westport, and numbered 179.

BEING the same premises described in a certain Probate Certificate dated March 5th 1935, recorded Westport Land Records, Volume 64, Page 339.

TOGETHER WITH a right to pass and repass over a driveway located or to be located substantially as indicated on said map as “Right of Way.”

Property known as 72 Compo Road South, Westport, Connecticut, Assess. Map 5318-1, Lot 99.

Second Parcel:

Two (2) certain pieces or parcels of land, situated in the Town of Westport, County of Fairfield and State of Connecticut, bounded and described as follows:

First Piece:

ALL THAT CERTAIN tract or parcel of land, with the buildings thereon standing, in quantity 7.17 acres, more or less, situated in the Town of Westport, County of Fairfield and State of Connecticut, bounded and described as follows:

NORTHERLY: By land formerly of Michael Russell, now of Lois A. Sherwood, in part and in part by land now or formerly of Ambrose S. Hurlbutt, and in part by land now or formerly of William G. Staples;
EASTERLY: by highway, Compo Street, so-called, in part; in part by Lot No. 1 on “Map of Property of Angus MacDonall, Westport, CT., July 1920, W. J. Wood, Jr. Civil Engineer,” which map is on file in the Office of the Town Clerk of said Town of Westport (said Lot No. 1 being now or formerly owned by Horace C. Hurlbutt);
SOUTHERLY: by Lot No. 1 aforesaid in part, and in part by land of the Misses Thomas; and
WESTERLY: by land formerly of W. S. Guyer, now of Charles W. Guyer and Eliza B. Guyer in part, and in part by land formerly of Michael Russell, now of Lois A. Sherwood.

Said premises being all of the premises shown on the aforesaid map with the exception of Lot No. 1.

Second Piece:

ALL THAT CERTAIN tract or parcel of land, situate in said Town of Westport, in quantity 4.3 acres, bounded and described as follows: Commencing at the Southwesterly corner bound on land formerly of W. E. Osborne; running thence along the Southerly boundary line of said Osborne's property, now or formerly of Edna V. Fleming, 317.3 feet; thence Northerly along land of said Fleming 196.5 feet to land formerly of C. B. Dolge; thence Easterly along land now or formerly of C. B. Dolge 320.6 feet to land now or formerly of Ambrose S. Hurlbutt; thence Southerly along land now or formerly of Ambrose S. Hurlbutt, and land now or formerly of Evelyn Langer, a total of 454 feet to land now or formerly of William H. Thomas; thence Westerly along land formerly of William H. Thomas, and land formerly of Eliza M. Guyer, 412 feet to land now or formerly of William D. Sherwood, Jr., et als; thence Northerly along land now or formerly of William D. Sherwood, Jr., et als, 62 feet, and Westerly along land now or formerly of William D. Sherwood, Jr., et als, 250 feet to Imperial Avenue; thence along the Easterly side of Imperial Avenue 126.4 feet to the point or place of beginning.

Said measurements and description being taken from a map made by W. J. Wood, Jr., Sept. 1911.

Property known as 68 Compo Road South, Westport, Connecticut, Assess. Map 5318-1, Lots 117 and 100.

Third Parcel:

ALL THAT CERTAIN tract or parcel of land, with the buildings thereon, situated in the Town of Westport, County of Fairfield and State of Connecticut, consisting of three (3) acres, more or less, and bounded:

NORTHERLY: By land now or formerly of Eloise Egan;
EASTERLY: By highway known as Compo Road;
SOUTHERLY: By land formerly of Catherine MacDonald, now or formerly of Evelyn Langer;
WESTERLY: By land now or formerly of Eloise Egan.

Property known as 52 Compo Road South, Westport, Connecticut, Assess. Map 5318-1, Lot 101.

Fourth Parcel:

Tract or parcel of land situated in the Town of Westport, County of Fairfield and State of Connecticut, shown and designated as 8.5± AC. on a certain map entitled "Survey Prepared for Chemical Research & Manufacturers, Inc., Westport, Conn. Scale: 1" = 40' Oct. 1967" certified substantially correct Charles S. Lyman, Land Surveyor, which map is on file in the Westport Town Clerk's Office as Map #6483; said premises being more particularly bounded and described as follows: Northeasterly, Northwesterly, Northeasterly, Northwesterly, Northeasterly, Southeasterly, Northeasterly again, Northwesterly and Northeasterly again: By land now or formerly of Iva M. Lumpkin, Leo Nevas, Phyllis M. & Phillmore I. Harrison, Raymon Hair Stylist Inc., Sand & Tide Inc., James E. Masiello, California Oil Co., East State Street, and Atlantic Richfield Co., each in part, a distance of 1,915.03 feet; Southeasterly: By So. Compo Road, so-called, a distance of 311.00 feet; Southerly, Southeasterly, Southerly and Southeasterly again: By land now or formerly of Chemical Research & Mfgrs. Inc., a distance of 677.60 feet; Southwesterly, Westerly, Southerly, Westerly, Southerly and Westerly again: By land now or formerly of Evelyn Langer; Robt. P. Scholl & John E. Watson, Jr.; Johanna M. Chandler; Margaret Orr Voshell, Marie Orr McMahon & Alice E. Jones; now or formerly of Florence Faile Brunberg; and Imperial Avenue, each in part, a distance of 1,268.45 feet.

Property known as 308 Post Road East, Westport, Connecticut, Assess. Map 5318-1, Lot 102.

EXCEPTING THEREFROM property known as 20 Compo Road South, also known as 189 Post Road East*, containing approximately 1.548 acres, and more particularly bounded and described as follows: A CERTAIN piece or parcel of land, situated in the Town of Westport, County of Fairfield and State of Connecticut, located on the westerly side of Compo Road South, as shown on a map entitled "Map of Property Prepared for Chemical Research and Manufacturers, Inc. Westport, Connecticut Scale 1" = 20' April 5, 1977 by Leonard Surveyors Certified "Substantially Correct" as a Class 'A 2" Survey Leo Leonard, P. E. & L.S. Conn. Reg. No. 2496" which map is filed with the Town Clerk of the Town of Westport as Map #7438, and more particularly bounded and described as follows: Beginning at a point on the southerly side of State Street East, which point is marked by the corner of a brick wall and which point is approximately 170 feet northwest of the intersection of the southerly side of State Street East with the westerly side of Compo Road South; proceeding thence in a southeasterly direction along said southerly side of State Street East S 54° 03 '00" E a distance of 151.58 feet, and S 35° 49' 00" E a distance of 13.55 feet to a point; thence along said westerly side of Compo Road South S 2° 44' 00" W 14.72 feet, and S 22° 57' 00" W a distance of 296.28 feet to a point; thence in a northwesterly direction along the northerly face of a brick wall N 70° 47' 00" W a distance of 117.11 feet to a point; thence continuing in a general northwesterly direction along other land of grantor S 69° 24' 16" W a distance of 34.23 feet, N 74° 09' 07" W a distance of 37.21 feet, and N 64° 52' 08" W a distance of 65.22 feet to the end of a stone retaining wall; thence in a northerly direction along other land of grantor N 18° 41' 04" E a distance of 74.76 feet, and N 25° 30' 34" E a distance of 22.45 feet, and N 34° 02' 56" E a distance of 29.66 feet to a point at the end of a brick wall; thence running along the southerly face of said brick wall S 69° 31' 04" E a distance of 69.04 feet to an angle point in the brick wall; thence running in a northeasterly direction along the easterly face of a brick wall N 24° 48' 12" E a distance of 255.46 feet to point or place of beginning.*

Fifth Parcel:

ALL THAT CERTAIN piece or parcel of land, together with all buildings and improvements thereon standing and being shown and designated on "Survey Prepared for Florence Faile Brunberg, Westport, Conn., Scale 1" = 20', June 1965," certified substantially correct by Charles S. Lyman, L.S., and filed for record on July 23, 1965 as Map No. 5997 in the Westport Town Clerk's Office, said premises being more particularly bounded and described as follows:

NORTHERLY: By land now or formerly of Eloise Egan, being a 20-foot strip, 160 feet;
EASTERLY: By other land now or formerly of Eloise Egan, 99 feet;
SOUTHERLY: By land now or formerly of Margaret O. Voshell and Marie O. McMahon, 150.86 feet;
WESTERLY: By a roadway, Imperial Avenue, so-called, 100.21 feet.

Property known as 23 Imperial Avenue, Westport, Connecticut, Assess. Map 5318-1, Lot 112.

Sixth Parcel:

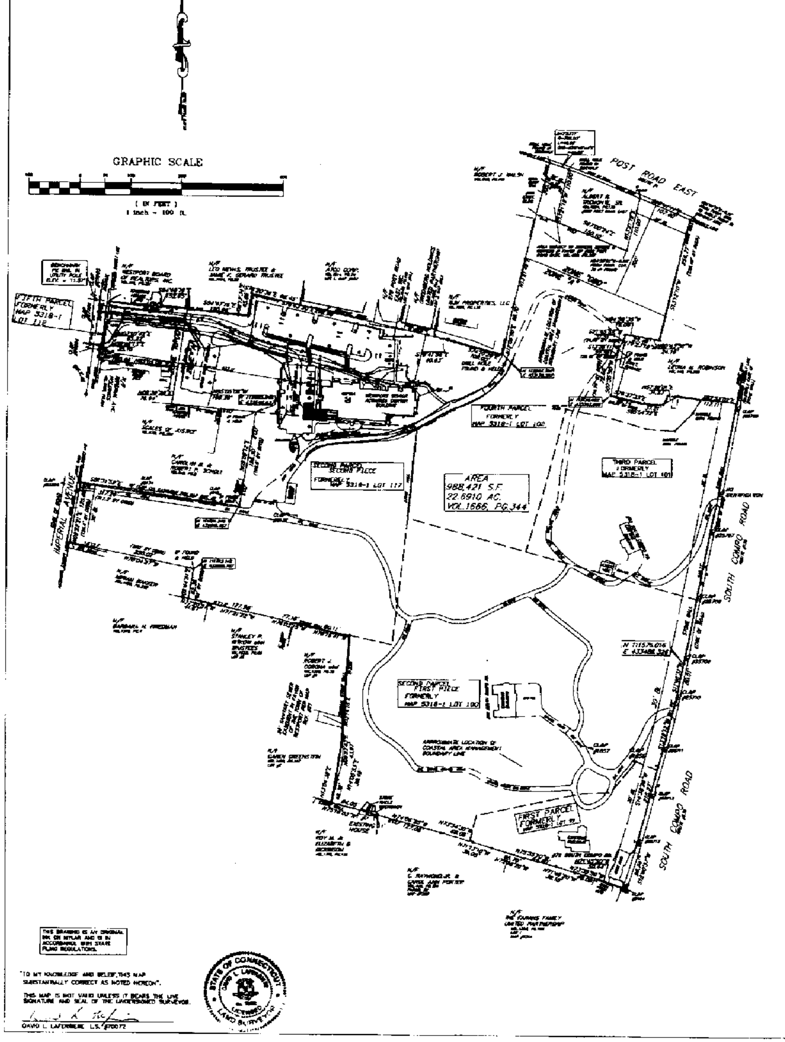
ALL THAT CERTAIN piece or parcel of land being shown and designated on “Map of Property Prepared for Chemical Research and Manufacturers, Inc. Westport, Connecticut, Scale: 1" = 20', July 28, 1981,” certified substantially correct by Leo Leonard, L.S., filed for record August 11, 1981 as Map No. 7879 in the Westport Town Clerk’s Office, said premises being more particularly bounded and described as follows:

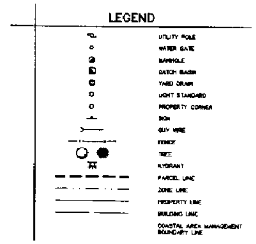
NORTHERLY: By land now or formerly of the Town of Westport, 27 feet, more or less;
EASTERLY: By a highway, Imperial Avenue, so-called, 10 feet;
SOUTHERLY: By land now or formerly of Joel B. Singer and Cynthia L. Singer, 34.9 feet, more or less;
WESTERLY: By the Saugatuck River (or Dead Man’s Brook, so-called, as shown on said map), 17 feet, more or less.

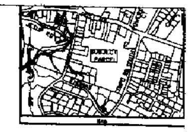
Property known as Imperial Avenue, Westport, Connecticut, Assess. Map #5318-1, Lot 134.

EXHIBIT B

Subject Survey







MAP REFERENCES:

SURVEYOR'S NOTES:

1) THIS SURVEY HAS BEEN PREPARED PURSUANT TO THE REGULATIONS OF CONNECTICUT STATE AGENCIES SECTIONS 20-300b-1 THROUGH 20-300b-20 AND THE "STANDARDS FOR SURVEYS AND MAPS IN THE STATE OF CONNECTICUT" AS ADOPTED BY THE CONNECTICUT ASSOC. OF LAND SURVEYORS, INC. ON SEPTEMBER 26, 1996.
2) THE TYPE OF SURVEY PERFORMED IS A LIMITED PROPERTY/BOUNDARY, ZONING LOCATION SURVEY.
3) THE BOUNDARY DETERMINATION CATEGORY IS DEPENDENT RESURVEY
4) THIS SURVEY CONFORMS TO HORIZONTAL ACCURACY CLASS A-2.
5) THIS SURVEY WAS PREPARED TO DEPICT FORMER PARCEL LINES.
6) BEARINGS ON THIS MAP ARE BASED ON NAD '27
7) THIS PARCEL IS DEPICTED ON ASSESSOR'S MAP #5318-1, LOTS 112,102, 117, 100, 99, &101.
8) THIS PARCEL IS LOCATED IN ZONES "A", "BBD", & "RPOD".

RECIEVED FOR FILING #9617
ON Feb 3,2004 @ 2:00 p.m.
RECIEVED BY: [signature], asst
TOWN CLERK/REP. TITLE

REV.	DESCRIPTION	BY	DATE

PROPERTY SURVEY PREPARED FOR THE
Town of Westport
TO DEPICT FORMER PARCEL LINES
AT THE BARON'S SOUTH PROPERTY
IMPERIAL AVE., POST ROAD, & COMPO RD. SO.

DRAWN BY:	D. LAFERRIERE
APPV'D BY:	P. RATKIEWICH
SCALE:	1"=100'
DATE:	2-02-04
REF:	I:\pro\Senior Center\DAVECOMPOSITE

Town of Westport
Department of Public Works
Engineering Division

PROJECT NO.
SHEET 1 OF 1

9617

EXHIBIT C

Projected Cash Flows for Subdivision

BARONS SUBDIVISION 17-Mar-12
COMPO ROAD SOUTH
WESTPORT, Connecticut

ESTIMATION OF GROSS SELL-OUT

AVERAGE LOT AREA (ACRES)	NUMBER OF LOTS	INITIAL MKT VALUE PER LOT	INITIAL MKT VALUE PER ACRE	INITIAL GROSS SELL-OUT
0.50	19	$700,000	$1,400,000.00	$13,300,000
0.00	0	$0	$0.00	$0
0.00	0	$0	$0.00	$0
0.00	0	$0	$0.00	$0
0.00	0	$0	$0.00	$0
0.50	19	$700,000	$1,400,000.00	$13,300,000

****************** DEVELOPMENTAL CASH FLOW ANALYSIS ******************

Periods in Analysis	8	
Number of Periods/Year	4	
Overall Rate of Absorption	0.79	............Lots Per Month

	Percent		
Increase in Lot price	0.00%	.... Quarterly	effective rate

Expenses which correlate with sales income.

Expense:	Percent	
Real Estate Commission	4.00%	.... Percent of Sales Income
Marketing & Promotion	0.50%	.... Percent of Sales Income
Overhead & Insurance	2.00%	.... Percent of Sales Income
State Conveyance Taxes	0.50%	.... Percent of Sales Income
Municipal Conveyance Taxes	0.11%	.... Percent of Sales Income

Expenses which do not correlate with sales income.

Initial Taxes/lot/period	$2,000.00	
Tax Increase per Period	0.75%	
Init. Av Develop. Cost/Lot	$0.00	Per Square foot
Develop. Cost Incr./Period	0.00%	
Closing Costs Per Lot Sold	$0	

Mortgage Terms	Percent	
Financing (Y/N)	N	
Interest Rate(nominal)	0.00%	
Interest Rate(effective)	0.00%	
Loan repayment percentage	0.00%	.... Percent of Net Estimated Revenues
Commitment fee (%)	0.00%	

Interest is charged against the average outstanding balance each period.

Equity Terms	Percent
Annual yield Requirement	15.00%
Effective Rate per Period	3.75%

Developers Anticipated Profit 10.00%

CASH FLOW ANALYSIS	#	TOTALS	#	PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8
Number of Lots Complete	#	19	#	0	4	4	4	4	3	0	0
Lots Available for Sale	#	0	#	0	4	8	9	10	10	7	4
Number of Lots Sold	#	19	#	0	0	3	3	3	3	3	4
Remaining Fin. Inventory	#	0	#	0	4	5	6	7	7	4	0
Income from lot sales	#	$13,300,000	#	$0	$0	$2,100,000	$2,100,000	$2,100,000	$2,100,000	$2,100,000	$2,800,000
Average sale price/lot	#	$700,000	#	$0	$0	$700,000	$700,000	$700,000	$700,000	$700,000	$700,000
	#		#								
SUMMARY OF REVENUES	#		#								
LOT SALES	#	$13,300,000	#	$0	$0	$2,100,000	$2,100,000	$2,100,000	$2,100,000	$2,100,000	$2,800,000
OTHER INCOME	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
GROSS ESTIMATED REVENUES	#	$13,300,000	#	$0	$0	$2,100,000	$2,100,000	$2,100,000	$2,100,000	$2,100,000	$2,800,000
minus	#		#								
Real Estate Commissions	#	$532,000	#	$0	$0	$84,000	$84,000	$84,000	$84,000	$84,000	$112,000
Closing Costs & Taxes	#	$81,130	#	$0	$0	$12,810	$12,810	$12,810	$12,810	$12,810	$17,080
NET ESTIMATED REVENUES	#	$12,686,870	#	$0	$0	$2,003,190	$2,003,190	$2,003,190	$2,003,190	$2,003,190	$2,670,920
minus Expenses:	#		#								
Site Work & Landscaping	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
Development Costs	#	$800,000	#	$400,000	$400,000	$0	$0	$0	$0	$0	$0
Real Estate Taxes	#	$87,455	#	$0	$8,060	$13,195	$15,338	$17,510	$17,638	$11,501	$4,214
Marketing & Promotion	#	$66,500	#	$0	$0	$10,500	$10,500	$10,500	$10,500	$10,500	$14,000
Arch. & Engineering	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
Legal, Audit, Appraisal	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
Overhead & Insurance	#	$266,000	#	$0	$0	$42,000	$42,000	$42,000	$42,000	$42,000	$56,000
TOTAL EXPENSES	#	$1,219,955	#	$400,000	$408,060	$65,695	$67,838	$70,010	$70,138	$64,001	$74,214
PROJECT INCOME	#	$11,466,916	#	-$400,000	-$408,060	$1,937,495	$1,935,353	$1,933,180	$1,933,053	$1,939,190	$2,596,706
	#		#								
Development loan repayment	#		#								
Acquisition Loan	#	$0	#	$0							
Commitment Fees	#	$0	#	$0							
Beginning balance	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
Loan takedown(100% of Exp)	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
Repayment funds	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
Repayment per Lot Sold	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
Ending balance	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
Average balance	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
Interest(accrued to Beg Bal)	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
Interest,if Paid in period	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL LOAN EXPENSE	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
SUMMARY OF CASH FLOWS	#	TOTALS	#	PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8
GROSS REVENUES	#	$13,300,000	#	$0	$0	$2,100,000	$2,100,000	$2,100,000	$2,100,000	$2,100,000	$2,800,000
LESS:	#		#								
SALES EXPENSES	#	$1,833,085	#	$400,000	$408,060	$162,505	$164,648	$166,820	$166,948	$160,811	$203,294
LOAN REPAYMENT	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
OUT OF POCKET EXPENSES	#	$0	#	$0	$0	$0	$0	$0	$0	$0	$0
EQUITY CASH FLOW	#	$10,136,916	#	-$400,000	-$408,060	$1,937,495	$1,935,353	$1,933,180	$1,933,053	$1,939,190	$1,266,706
DEVELOPER'S PROFIT	#	$1,330,000	#	$0	$0	$0	$0	$0	$0	$0	$1,330,000
SUMMARY OF DISCOUNTING	#	TOTALS	#	PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8
RESIDUAL EQUITY CASH FLOW	#	$10,136,916	#	-$400,000	-$408,060	$1,937,495	$1,935,353	$1,933,180	$1,933,053	$1,939,190	$1,266,706
DISCOUNT FACTOR				0.96386	0.92902	0.89544	0.86307	0.83188	0.80181	0.77283	0.74490
PRESENT VALUE OF CASH FLOWS	#	$8,240,955	#	-$385,542	-$379,095	$1,734,907	$1,670,351	$1,608,169	$1,549,940	$1,498,661	$943,563

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS

		AMOUNT	AMOUNT/ LOT
CUMULATIVE GROSS INCOME		$13,300,000	$700,000
LESS:			
SALES & OUT OF POCKET EXPENSES		$1,833,085	$96,478
CUMULATIVE LOAN REPAYMENT		$0	$0
CUMULATIVE DEVELOPERS PROFIT		$1,330,000	$70,000
CUMULATIVE CASH FLOW TO EQUITY		$10,136,916	$533,522
DISCOUNTED CASH FLOW STREAM (EQUITY)		$8,240,955	$433,734
ACQUISITION LOAN (DEBT)		$0	$0
TOTAL VALUE ESTIMATE		$8,240,955	$433,734
	ROUNDED TO:	$8,250,000	$434,211
FINAL ESTIMATE OF VALUE VIA INCOME APPROACH		$8,250,000	$434,211

EQUITY REQUIRED	$8,250,000
LOAN TO VALUE RATIO:	0.00%
Value per lot	$434,211
% of Initial Avg Price	62.03%