

# INVOICE

**FROM:**

WAYNE WRIGHT  
 GW REAL PROPERTY ANALYSTS  
 P.O. BOX 67 - NEW ADDRESS  
 TAX ID#06-1213061  
 WALLINGFORD, CT 06492  
 Telephone Number: 203-269-9338 Fax Number: 203-269-8709

**INVOICE NUMBER**

GW51458

**DATE**

5/12/2008

**REFERENCE**

Internal Order #: GW51458  
 Lender Case #:  
 Client File #:  
 Main File # on form: GW51458  
 Other File # on form:  
 Federal Tax ID: 06-1213061  
 Employer ID:

**TO:**

\*GLASS & BRAUS  
 2452 BLACK ROCK TURNPIKE  
 SUITE 7  
 FAIRFIELD, CT 06825  
 Telephone Number: (203) 371-2213 Fax Number: (203) 371-2962  
 Alternate Number: E-Mail: gblaw@sprynet.com

**DESCRIPTION**

Lender: \*FAIRBANKS CAPITAL CORP. Client: \*GLASS & BRAUS  
 Purchaser/Borrower: MARDIE LANE HOMES  
 Property Address: LOT 3-12, 20-28 MARDIE LANE  
 City: GROTON  
 County: NEW LONDON State: CT Zip: 06340  
 Legal Description: VOLUME 848 PAGE 3

**FEES**

**AMOUNT**

\$500.00 LAND APPRAISAL 500.00  
 ORDERED BY: JESSICA BRAUS  
 5/12/2008 \$500.00 LAND APPRAISAL  
 UPON RECEIPT (POSTED TO WEBSITE)

\$500.00 **SUBTOTAL** 500.00

**PAYMENTS**

**AMOUNT**

Check #: Date: Description:  
 Check #: Date: Description:  
 Check #: Date: Description:

**SUBTOTAL**

500.00 **TOTAL DUE** \$ 500.00



**APPRAISAL OF REAL PROPERTY**

**LOCATED AT:**

LOT 3-12, 20-28 MARDIE LANE  
VOLUME 848 PAGE 3  
GROTON, CT 06340

**FOR:**

\*FAIRBANKS CAPITAL CORP.  
P.O. BOX 65250  
SALT LAKE CITY, UT 84165

**AS OF:**

5/1/2008

**BY:**

WAYNE WRIGHT

# LAND APPRAISAL REPORT

File No. GW51458

IDENTIFICATION	Borrower <u>MARDIE LANE HOMES</u>	Census Tract <u>400143-70</u> Map Reference <u>35980</u>
	Property Address <u>LOT 3-12, 20-28 MARDIE LANE</u>	
	City <u>GROTON</u> County <u>NEW LONDON</u> State <u>CT</u> Zip Code <u>06340</u>	
	Legal Description <u>VOLUME 848 PAGE 3</u>	
	Sale Price \$ <u>0</u> Date of Sale <u>n/a</u> Loan Term <u>N/A</u> yrs. Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD	
Actual Real Estate Taxes \$ <u>1,000</u> EST (yr) Loan charges to be paid by seller \$ <u>NONE</u> Other sales concessions <u>NONE</u>		
Lender/Client <u>*FAIRBANKS CAPITAL CORP.</u> Address <u>P.O. BOX 65250, SALT LAKE CITY, UT 84165</u>		
Occupant <u>VACANT LAND</u> Appraiser <u>WAYNE WRIGHT</u> Instructions to Appraiser <u>ESTIMATE MARKET VALUE</u>		

NEIGHBORHOOD	Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural							
	Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%		Employment Stability	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg.	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor	
	Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow		Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining			Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Demand/Supply	<input type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input checked="" type="checkbox"/> Oversupply			Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.			Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Present Land Use	<u>34%</u> 1 Family <u>25%</u> 2-4 Family <u>   </u> % Apts. <u>5%</u> Condo <u>25%</u> Commercial					Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Change in Present Land Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)			Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<u>5</u> % Vacant			Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Single Family Price Range	\$ <u>100,000</u> to \$ <u>400,000</u>		Predominant Value \$ <u>200,000</u>			Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Age	<u>0</u> yrs. to <u>200</u> yrs.		Predominant Age <u>60</u> yrs.			Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
						General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
						Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): THE NEIGHBORHOOD IS LOCATED IN THE NORTHEAST SECTION OF GROTON. THE AREA IS AN OLDER ESTABLISHED NEIGHBORHOOD WITH A WIDE RANGE OF PROPERTY TYPES AND STYLES. THE AREA HAS NEW COLONIALS WHICH ARE UNDER CONSTRUCTION, APARTMENT BUILDINGS AND A SUBDIVISION OF DUPLEXES. ACCESS TO SCHOOLS, SHOPPING AND HIGHWAYS IS VIA ROUTE 12.

SITE	Dimensions <u>SEE LEGAL DESCRIPTION</u> = <u>.34</u> Sq. Ft. or Acres <input type="checkbox"/> Corner Lot
	Zoning classification <u>RESIDENTIAL R-12, 12,000SF, 80 WIDTH</u> Present Improvements <input checked="" type="checkbox"/> do <input type="checkbox"/> do not conform to zoning regulations
	Highest and best use <input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other (specify) _____
	Elec. <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other (Describe) _____
	Gas <input checked="" type="checkbox"/> _____
	Water <input checked="" type="checkbox"/> _____
	San. Sewer <input checked="" type="checkbox"/> _____
	<input checked="" type="checkbox"/> Underground Elect. & Tel. _____
	OFF SITE IMPROVEMENTS
	Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private
Surface <u>ASPHALT</u>	
Maintenance <input type="checkbox"/> Public <input type="checkbox"/> Private	
<input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb/Gutter	
<input type="checkbox"/> Sidewalk <input type="checkbox"/> Street Lights	
Topo <u>ROLLING/LEVEL</u>	
Size <u>LARGER THAN MOST</u>	
Shape <u>IRREGULAR</u>	
View <u>AVERAGE</u>	
Drainage <u>APPEARS ADEQUATE</u>	
Is the property located in a HUD Identified Special Flood Hazard Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): THE SITE IS LOCATED ON THE NORTH SIDE OF MARDIE LANE. THE SITE IS SIMILAR TO OTHERS ON THE STREET AND IN THE NEIGHBORHOOD. SEE THE ADDENDUM.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

MARKET DATA ANALYSIS	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
	Address	<u>LOT 3-12, 20-28 MARDIE LANE GROTON</u>	<u>107 HALEY ROAD GROTON(MYSTIC)</u>	<u>643 BUDDINGTON ROAD GROTON</u>	<u>HEARTWELL DRIVE GROTON</u>
	Proximity to Subject		<u>4.08 miles NE</u>	<u>0.58 miles NE</u>	<u>1.93 miles NW</u>
	Sales Price	\$ <u>0</u>	\$ <u>462,500</u>	\$ <u>650,000</u>	\$ <u>680,000</u>
	Price	\$	\$	\$	\$
	Data Source	<u>INSPECTION</u>	<u>VOLUME 902 PAGE 715</u>	<u>PENDING SALE</u>	<u>VOLUME 939 PAGE 150</u>
	Date of Sale and Time Adjustment	<u>DESCRIPTION</u>	<u>DESCRIPTION</u> +(-)\$ Adjust.	<u>DESCRIPTION</u> +(-)\$ Adjust.	<u>DESCRIPTION</u> +(-)\$ Adjust.
		<u>n/a</u>	<u>4/14/2005</u>	<u>PENDING SALE</u>	<u>3/21/2006</u>
	Location	<u>AVERAGE</u>	<u>GOOD</u> -46,250	<u>AVERAGE</u>	<u>AVERAGE</u>
	Site/View	<u>10.47 AC/AVG</u>	<u>6.11 AC/AVG</u>	<u>11.34 AC/AVG</u>	<u>5.34 AC/AVG</u>
	ZONING	<u>R-12</u>	<u>R-40</u>	<u>R-12</u>	<u>R-12</u>
	WATER/SEWER	<u>PUBLIC</u>	<u>PUBLIC</u>	<u>PUBLIC</u>	<u>PUBLIC</u>
	APPROVED LOT	<u>NOT APPROVED</u>	<u>APPROVED</u>	<u>NOT APPROVED</u>	<u>APPROVED</u>
	TOPOGRAPHY	<u>ROLLING</u>	<u>LEVEL</u>	<u>SLOPING</u>	<u>UPSLOPE</u>
	Sales or Financing Concessions	<u>LOT YIELD 19 LOTS</u>	<u>LOT YIELD 4 LOTS</u>	<u>LOT YIELD TO BE DETERMIN</u>	<u>LOT YIELD 13 LOTS</u>
	Net Adj. (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-46,250</u>	<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$
	Indicated Value of Subject		<u>Net 10.0 % \$ 416,250</u>	<u>Net % \$ 650,000</u>	<u>Net % \$ 680,000</u>

Comments on Market Data: SEE ADDENDUM

Comments and Conditions of Appraisal: THE SUBJECT IS NO LONGER APPROVED BY THE TOWN OF GROTON. THE APPROVAL EXPIRED ON NOVEMBER 10, 2003. THE MARKET VALUE OF THE SUBJECT PROPERTY REFLECTS THE VALUE OF THE LAND AS RAW LAND NOT AN APPROVED SUBDIVISION.

Final Reconciliation: THE DIRECT SALES COMPARISON APPROACH IS THE ONLY APPROACH DEVELOPED AND CONSIDERED IN THIS REPORT. IT IS THE ONLY APPROACH WHICH IS APPLICABLE IN THE APPRAISAL OF VACANT LAND.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF MAY 1 20 08 to be \$ 380,000

Wayne Wright

WAYNE WRIGHT  Did  Did Not Physically Inspect Property  
Appraiser(s) Review Appraiser (if applicable)

# LAND APPRAISAL REPORT MARKET DATA ANALYSIS

	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6		
MARKET DATA ANALYSIS	Address	LOT 3-12, 20-28 MARDIE LANE GROTON	17 FOG PLAIN ROAD WATERFORD		54 OLD NORWICH ROAD WATERFORD		WHITAKER LANE GROTON		
	Proximity to Subject		4.20 miles W		Less than 1 mile NW		1.64 miles SW		
	Sales Price	\$ 0		\$ 825,000		\$ 340,000		\$ 680,000	
	Price	\$		\$		\$		\$	
	Data Source	INSPECTION	VOLUME PAGE		VOLUME PAGE		ACTIVE LISTING		
	Date of sale and Time Adjustment	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	
		n/a	12/8/2004		5/15/2006		ACTIVE LISTING		
	Location	AVERAGE	GOOD	-82,500	GOOD	-34,000	AVERAGE		
	Site/View	10.47 AC/AVG	32.34 ACRES		40.00 ACRES		13.57 AC/AVG		
	ZONING	R-12	R-12		R-40		R-12		
	WATER/SEWER	PUBLIC	PUBLIC		PUBLIC		PUBLIC		
	APPROVED LOT	NOT APPROVED	APPROVED		NOT APPROVED		APPROVED		
	TOPOGRAPHY	ROLLING	SLOPING		LEVEL/SLOPE		DOWNSLOPE		
	Sales or Financing Concessions	LOT YIELD 19 LOTS	LOT YIELD 14 LOTS		LOT YIELD 4 LOTS		LOT YIELD 13 LOTS		
	Net Adj. (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -82,500	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 31,000	<input type="checkbox"/> + <input type="checkbox"/> -	\$	
	Indicated Value of Subject		Net 10.0 %	\$ 742,500	Net 9.1 %	\$ 371,000	Net %	\$ 680,000	
	COMMENTS	Comments:							

# LAND APPRAISAL REPORT MARKET DATA ANALYSIS

File No. GW51458

	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 7	COMPARABLE NO. 8	COMPARABLE NO. 9	
MARKET DATA ANALYSIS	Address	LOT 3-12, 20-28 MARDIE LANE GROTON	341 LAMBTOWN ROAD GROTON	LAMBTOWN ROAD GROTON	GOLD STAR HIGHWAY GROTON	
	Proximity to Subject		3.55 miles NE	3.63 miles NE	1.20 miles N	
	Sales Price	\$ 0	\$ 219,000	\$ 116,000	\$ 535,000	
	Price	\$	\$	\$	\$	
	Data Source	INSPECTION	VOLUME 811 PAGE 549	VOLUME 836 PAGE 473	VOLUME 977 PAGE 818	
	Date of sale and Time Adjustment	DESCRIPTION	DESCRIPTION + (-)\$ Adjust.	DESCRIPTION + (-)\$ Adjust.	DESCRIPTION + (-)\$ Adjust.	
		n/a	4/1/2003	8/27/2003	4/26/2007	
	Location	AVERAGE	AVERAGE	AVERAGE	AVERAGE	
	Site/View	10.47 AC/AVG	48.49 AC/AVG	38.08 ACRES	17.57 AC/AVG	
	ZONING	R-12	R-40	R-40	R-12	
	WATER/SEWER	PUBLIC	PUBLIC	PUBLIC	PUB WTR & SEPT	
	APPROVED LOT	NOT APPROVED	NOT APPROVED	NOT APPROVED	APPROVED	
	TOPOGRAPHY	ROLLING	LEVEL	LEVEL	LEVEL	
	Sales or Financing Concessions	LOT YIELD 19 LOTS	LOT YIELD 20 LOTS	LOT YIELD 10 LOTS	LOT YIELD 10 LOTS	
	Net Adj. (Total)		<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$	
	Indicated Value of Subject		Net % \$ 219,000	Net % \$ 116,000	Net % \$ 535,000	
	COMMENTS	Comments:				

# LAND APPRAISAL REPORT MARKET DATA ANALYSIS

	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 10	COMPARABLE NO. 11	COMPARABLE NO. 12
MARKET DATA ANALYSIS	Address	LOT 3-12, 20-28 MARDIE LANE GROTON	GREAT BROOK ROAD GROTON	COLONEL LEDYARD HIGHWAY GROTON	110 NEW LONDON ROAD GROTON
	Proximity to Subject		1.41 miles NW	5.37 miles NE	2.07 miles SE
	Sales Price	\$ 0	\$ 2,550,000	\$ 1,125,000	\$ 215,000
	Price	\$	\$	\$	\$
	Data Source	INSPECTION	VOLUME 990 PAGE 861	VOLUME 979 PAGE 757	VOLUME 997 PAGE 67
	Date of sale and Time Adjustment	DESCRIPTION	DESCRIPTION + (-)\$ Adjust.	DESCRIPTION + (-)\$ Adjust.	DESCRIPTION + (-)\$ Adjust.
		n/a	8/24/2007	5/15/2007	11/16/2007
	Location	AVERAGE	AVERAGE	AVERAGE	AVERAGE
	Site/View	10.47 AC/AVG	136.69 AC/AVG	17 ACRES/AVG	30.34 ACRES/AV
	ZONING	R-12	R-40	R-40	R2-20
	WATER/SEWER	PUBLIC	PUB WTR & SEPTI	WELL & SEPTIC	WELL & SEPTIC
	APPROVED LOT	NOT APPROVED	APPROVED	APPROVED	RAW LAND
	TOPOGRAPHY	ROLLING	LEVEL	ROLLING	ROLLING
	Sales or Financing Concessions	LOT YIELD 19 LOTS	LOT YIELD 51 LOTS	LOT YIELD 15 LOTS	LOT YIELD 15 LOTS
	Net Adj. (Total)		<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$
	Indicated Value of Subject		Net % \$ 2,550,000	Net % \$ 1,125,000	Net % \$ 215,000

	Comments:
COMMENTS	

**Supplemental Addendum**

File No. GW51458

Borrower/Client	MARDIE LANE HOMES						
Property Address	LOT 3-12, 20-28 MARDIE LANE						
City	GROTON	County	NEW LONDON	State	CT	Zip Code	06340
Lender	*FAIRBANKS CAPITAL CORP.						

**DIGITAL SIGNATURES:**

THE DIGITAL SIGNATURES ARE ORIGINAL. THE SIGNATURES ARE SCANNED INTO THE APPRAISAL SOFTWARE. THE REVIEW APPRAISER IS THE ONLY PERSON TO ADMINISTER THE SIGNATURES THAT APPLY TO THE REPORT. ACCORDING TO THE SOFTWARE VENDOR AL A MODE, DIGITAL SIGNATURES MEET THE USPAP GUIDELINE.

**COMMERCIAL INFLUENCE:**

THE COMMERCIAL INFLUENCE IN THE AREA CONSISTS OF RETAIL AND OFFICE SPACE LOCATED ALONG ROUTE 12. THIS INFLUENCE DOES NOT NEGATIVELY IMPACT THE SUBJECT PROPERTY OR THE NEIGHBORHOOD AS IT IS SUFFICIENTLY BUFFERED FROM THE RESIDENTIAL AREAS.

**SITE:**

THE SITE IS LOCATED IN THE RESIDENTIAL R-12 ZONE. THE SITE CONSISTS OF A 19 LOTS THAT WERE PART OF A 27 LOT SUBDIVISION WHICH LOST ITS APPROVAL ON NOVEMBER 10, 2003. THE SITE IS NOW AN UNAPPROVED, UNIMPROVED PARCEL OF LAND. THE LOTS INCLUDED IN THIS VALUATION TOTAL 10.47 ACRES. THIS PARCEL WILL BE EVALUATED AS RAW LAND AND NO CONSIDERATION WILL BE GIVEN TO THE FORMAL APPROVAL FOR SUBDIVISION.

**DIRECT SALES COMPARISON:**

THE MARKET DATA IS LIMITED. THE GROTON MARKET WAS SEARCHED SALES OF TRACTS OF LAND SIMILAR IN SIZE TO THE SUBJECT AS WELL AS IN A SIMILAR ZONE. THERE HAVE BEEN FEW SALES OF LOTS SIMILAR TO THE SUBJECT IN LOCATION, SIZE AND ZONING. THE MARKET WAS RE-SEARCHED OVER THE LAST 2 YEARS FOR SALES. THE SALES INCLUDED IN THIS REPORT ARE THE BEST AVAILABLE AT THE PRESENT TIME. A ROUGH ESTIMATE WAS MADE ON EACH OF THE COMPARABLES TO DETERMINE HOW MANY BUILDING LOTS MIGHT BE DEVELOPED FROM THE PARCEL. THE SHAPE OF THE PARCEL AS WELL AS EXISTING ROAD FRONTAGE WAS CONSIDERED. THE ZONING ON EACH PARCEL WAS TAKEN INTO CONSIDERATION ALSO.

MOST DEVELOPERS DO NOT PURCHASE LAND OUTRIGHT AND THEN ATTEMPT TO GO THROUGH THE APPROVAL PROCESS. MOST OF THE TIME THE DEVELOPER TAKES OUT AN OPTION ON THE LAND, PUSHES THE PROPERTY THROUGH THE APPROVAL PROCESS, WHICH TAKES YEARS TO OBTAIN AND THEN THE OWNERSHIP OF THE PROPERTY IS TAKEN BY THE DEVELOPER. THE FINAL PURCHASE PRICE IS DETERMINED BY THE # OF LOTS THE LAND WILL YIELD.

COMPARABLE #2 643 BUDDINGTON ROAD IS UNDER DEPOSIT. THE # NUMBER OF LOT IS CURRENTLY BEING DECIDED BY THE TOWN OF GROTON. THIS LAND SALE IS DIFFERENT FROM THE SUBJECT AND OTHER SALES AS THE PROPERTY HAS 1600 FEET OF ROAD FRONTAGE. THE SUBJECT AND COMPARABLES NEED ROADS TO BE CUT INTO THE PROPERTY TO DEVELOP THE LAND TO ITS HIGHEST AND BEST USE. THE FINAL PRICE FOR THIS PROPERTY WILL BE DETERMINED AFTER THE APPROVALS ARE IN PLACE.

COMPARABLES 3, 4 AND 6 ARE MOST SIMILAR IN THE NUMBER OF LOTS THE LAND WILL YIELD. THESE SALES WERE GIVEN THE MOST CONSIDERATION. HOWEVER, THESE SUBDIVISIONS ARE APPROVED AND READY TO BUILD. THE SUBJECT IS NOT. THE SUBJECT LOST ITS APPROVALS AND NEEDS TO GO THROUGH THE PROCESS AGAIN. THE APPROVAL PROCESS TAKES YEARS.

A PURCHASER OF THIS TYPE OF PROPERTY IS AN INVESTOR LOOKING FOR A RETURN ON INVESTMENT. THE TIME VALUE OF MONEY IS TAKEN INTO CONSIDERATION BY THE INVESTOR ALONG WITH CURRENT MARKET CONDITIONS.

AT THE PRESENT TIME THERE IS AN OVER SUPPLY OF HOMES IN THE GROTON MARKET. AN ANALYSIS OF THE MARKET INDICATES AN OVER SUPPLY IN THE \$251,000 - \$300,000 PRICE RANGE. AT THE CURRENT RATE OF SALES 5.41 SALES/MONTH THERE IS A 3.5 MONTH SUPPLY OF HOMES ON THE MARKET.

THERE IS AN OVER SUPPLY IN THE \$301,000 - \$350,000 PRICE RANGE. THE CURRENT RATE OF SALES 3.75 SALES/MONTH THERE IS A 7.7 MONTH SUPPLY OF HOMES ON THE MARKET.

THERE IS AN OVER SUPPLY IN THE \$351,000 - \$400,000 PRICE RANGE. AT THE CURRENT RATE OF SALES 1.8 SALES/MONTH THERE IS A 5 MONTH SUPPLY OF HOMES ON THE MARKET.

THERE IS AN OVER SUPPLY IN THE \$401,000 - \$450,000 PRICE RANGE. AT THE CURRENT RATE OF SALES 2.33 SALES/MONTH THERE IS A 6.86 MONTH SUPPLY OF HOMES ON THE MARKET.

THERE IS AN OVER SUPPLY IN THE \$451,000 - \$500,000 PRICE RANGE. AT THE CURRENT RATE OF SALES 1.42 SALES/MONTH THERE IS A 7 MONTH SUPPLY OF HOMES ON THE MARKET.

THIS SUPPLY OF HOMES DOES NOT TAKE INTO ACCOUNT THE SUBDIVISIONS WHICH ARE HAVE BEEN APPROVED AND WILL BE COMING TO THE MARKET. ACCORDING TO THE TOWN OF GROTON, ZONING DEPARTMENT, THERE ARE 80 MORE UNITS OF SINGLE FAMILY HOUSING WHICH IS APPROVED TO BE BUILT. THESE ADDITIONAL 80 UNITS WILL CONTRIBUTE TO THE OVER-SUPPLY AND INCREASE MARKETING TIMES. IN ADDITION, THESE OVER SUPPLY NUMBER REPRESENT PROPERTIES WHICH ARE IN THE LOCAL MLS. THERE ARE SEVERAL WEB SITES WHICH ASSIST SELLERS IN MARKETING SO THEY CAN SELL THEIR HOMES PRIVATELY. THE MLS CONTROLS APPROXIMATELY 80% OF THE MARKET. THE BALANCE IS SOLD PRIVATELY.

THE INVESTOR IS LOOKING FOR A RETURN ON INVESTMENT WHICH REWARDS THE RISKS TAKEN. STOCKS, BONDS, AND CD'S ARE MORE LIQUID THAN REAL ESTATE AND HAVE RATES OF RETURN BETWEEN 5% AND 10% DEPENDING UPON THE INVESTMENT.

THE REAL ESTATE INVESTOR IS LOOKING FOR A HIGHER RATE OF RETURN BECAUSE A GREATER RISK IS BEING TAKEN AND BECAUSE OF THE TIME INVOLVED IN FINISHING THE PROJECT. GIVEN THE AFOREMENTIONED FACTORS OF OVER SUPPLY, RISK AND RATES OF RETURN THE TYPICAL PURCHASER OF A PROPERTY LIKE THE

**Supplemental Addendum**

File No. GW51458

Borrower/Client	MARDIE LANE HOMES						
Property Address	LOT 3-12, 20-28 MARDIE LANE						
City	GROTON	County	NEW LONDON	State	CT	Zip Code	06340
Lender	*FAIRBANKS CAPITAL CORP.						

SUBJECT WOULD REQUIRE A SUBSTANTIAL DISCOUNT FROM THE SALES PRICES OF THE COMPARABLES.

IN ADDITION TO THE COST OF THE LAND THE INVESTOR HAS TO TAKE INTO CONSIDERATION THE SITE DEVELOPMENT COSTS WHICH HAVE AN IMPACT ON THE PRICE PAID FOR THE LAND. SITE DEVELOPMENT COSTS IN GENERAL WILL ADD \$30,000 TO THE COST OF EACH LOT. THE DEVELOPER MUST TAKE THIS INTO CONSIDERATION WHEN BIDDING ON LAND AS THE FINISHED LOT COST HAS THE GREATEST IMPACT ON THE PROFIT OF EACH HOUSE IN THE SUBDIVISION. MOST OF THE PROFIT FOR THE DEVELOPER IS IN THE LAND AS THE COST TO BUILD A HOUSE DOES NOT ALLOW A PROFIT MARGIN WHICH WILL BE ADEQUATE REWARD FOR TIME AND RISK TAKEN.

ANOTHER FACTOR WHICH MUST BE TAKEN INTO CONSIDERATION IS POPULATION GROWTH. POPULATION GROWTH IS THE PRIMARY DRIVER OF THE REAL ESTATE MARKET, IT DRIVES SUPPLY AND DEMAND. ACCORDING TO THE US CENSUS THE STATE OF CONNECTICUT GROW 3.6% BETWEEN 1990 AND 2000. ACCORDING TO THIS CENSUS THE TOWN OF GROTON LOST 5,237 PEOPLE OR 11.6% OF ITS POPULATION. ACCORDING TO THE LATEST STATISTICS AVAILABLE THE TOWN IS EXPECTED TO CONTINUE TO LOOSE POPULATION, CERC IS PROJECTING A LOSS OF .8% BETWEEN 2002 AND 2007. THE LOSS OF POPULATION HAD A NEGATIVE IMPACT ON THE REAL ESTATE MARKET IN GROTON IN THE PAST AND MAY HAVE A NEGATIVE IMPACT IN THE FUTURE.

AS CAN BE SEEN IN THE SALES PRICES OF THE COMPARABLES THERE IS VERY LITTLE CORRELATION TO THE TOTAL SIZE OF THE LAND PURCHASED AND THE PURCHASE PRICE. THIS IS DUE TO THE AFOREMENTIONED ITEMS WHICH THE DEVELOPER ANALYZES.

THE SALE PRICE PER APPROVED LOT IS A BETTER INDICATION OF MARKET VALUE.

107 HALEY ROAD \$462,500/4 LOTS = \$115,625/LOT

HEARTWELL ROAD \$680,000/13 LOTS = \$52,308/LOT

17 FOG PLAIN ROAD \$825,000/14 LOTS = \$58,928.57/LOT

54 OLD NORWICH ROAD \$340,000/4 LOTS = \$85,000/LOT

WHITAKER LANE \$680,000/13 LOTS = \$52,308/LOT

GOLD STAR HIGHWAY, MILL POND ESTATES \$535,000/10 LOTS = \$53,500/LOT

COLONEL LEDYARD HIGHWAY, COLONEL LEDYARD ESTATES \$1,125,000/15 LOTS = \$75,000/LOT

GALES FERRY RD & DABOLL ROAD, GREAT BROOK PRESERVE, \$2,550,000/51 LOTS = \$50,000/LOT

COMPARABLE #2 643 BUDDINGTON ROAD IS UNDER DEPOSIT. THE # NUMBER OF LOT IS CURRENTLY BEING DECIDED BY THE TOWN OF GROTON. THIS LAND SALE IS DIFFERENT FROM THE SUBJECT AND OTHER SALES AS THE PROPERTY HAS 1600 FEET OF ROAD FRONTAGE. THE SUBJECT AND COMPARABLES NEED ROADS TO BE CUT INTO THE PROPERTY TO DEVELOP THE LAND TO ITS HIGHEST AND BEST USE. THE FINAL PRICE FOR THIS PROPERTY WILL BE DETERMINED AFTER THE APPROVALS ARE IN PLACE.

THE SUBJECT'S INDICATED VALUE PER APPROVED LOT IS APPROXIMATELY \$50,000 PER LOT. THERE ARE 19 POTENTIAL LOTS AS PART OF THIS ANALYSIS. THEREFORE 17 LOTS X \$50,000 = \$950,000. THIS FIGURE DOES NOT TAKE INTO CONSIDERATION CURRENT MARKET CONDITIONS, OVER-SUPPLY, LOSS OF POPULATION AND THE FACT THAT THE SUBJECT PROPERTY IS NOT AN APPROVED SUBDIVISION AND THERE IS NO GUARANTEE THAT THE TOWN WILL APPROVE THIS LAND FOR 19 LOTS.

COMPARABLES 7 AND 8 ARE EXAMPLES OF LARGE TRACTS OF LAND WHICH COULD BE SUBDIVIDED BUT WERE NOT PURCHASED AS APPROVED SUBDIVISIONS. THESE SALES DEMONSTRATE THE VALUE OF THE APPROVAL PROCESS.

SALE 7 341 LAMBTOWN ROAD HAS 48.49 ACRES AND AN ESTIMATED 20 LOT YIELD. 10,950/LOT

SALE 8 LAMBTOWN ROAD HAS 38.08 ACRES AND AN ESTIMATED 10 LOT YIELD. 11,600/LOT

5/1/2008

UPDATE OF GROTON MARKET STATISTICS FOR THE PAST 12 MONTHS, 5/1/2007 TO 5/1/2008.

\$251,000 - \$300,000 MARKET SEGMENT 41 SALES =3.42 SALES/MONTH  
\$251,000 - \$300,000 MARKET SEGMENT 18 LISTINGS/3.42 SALES/MONTH=5.26 MONTH SUPPLY

\$301,000 - \$350,000 MARKET SEGMENT 23 SALES =1.9 SALES/MONTH  
\$251,000 - \$300,000 MARKET SEGMENT 16 LISTINGS/1.9 SALES/MONTH=8.42 MONTH SUPPLY

\$351,000 - \$400,000 MARKET SEGMENT 23 SALES =1.9 SALES/MONTH  
\$351,000 - \$400,000 MARKET SEGMENT 20 LISTINGS/1.9 SALES/MONTH=10.5 MONTH SUPPLY

\$401,000 - \$450,000 MARKET SEGMENT 20 SALES =1.6 SALES/MONTH  
\$401,000 - \$450,000 MARKET SEGMENT 13 LISTINGS/1.6 SALES/MONTH=8.12 MONTH SUPPLY

\$451,000 - \$500,000 MARKET SEGMENT 14 SALES =1.2 SALES/MONTH  
\$401,000 - \$450,000 MARKET SEGMENT 8 LISTINGS/1.2 SALES/MONTH=6.67 MONTH SUPPLY

THE PRIOR ANALYSIS DONE ON AUGUST 18, 2006 INDICATED MORE SALES PER MONTH IN ALL MARKET SEGMENTS AND A SMALLER SUPPLY OF HOMES. THE CURRENT ANALYSIS SHOWS AN INCREASE IN THE SUPPLY AND A DECREASE IN THE NUMBER OF TRANSACTIONS.

**Supplemental Addendum**

File No. GW51458

Borrower/Client	MARDIE LANE HOMES			
Property Address	LOT 3-12, 20-28 MARDIE LANE			
City	GROTON	County	NEW LONDON	State CT Zip Code 06340
Lender	*FAIRBANKS CAPITAL CORP.			

GIVEN THE FACT THAT THE SUBJECT SUBDIVISION WAS APPROVED FOR DEVELOPMENT THE VALUE OF THE SUBJECT PROPERTY FALLS SOMEWHERE IN BETWEEN THE VALUE OF THE COMPARABLES WITH APPROVALS AND THE VALUE OF THE LAND WITH OUT APPROVALS.

THEREFORE AFTER TAKING INTO CONSIDERATION SUPPLY AND DEMAND, POPULATION LOSS, THE TIME NECESSARY TO GET THE PROPERTY APPROVED FOR DEVELOPMENT, THE RISK INVOLVED IN DEVELOPMENT AND THE FACT THAT 20 MONTHS LATER THE NUMBER OF SALES IN EACH OF THE MARKET SEGMENTS HAS DECLINED AND THE SUPPLY OF HOMES IN EACH SEGMENT HAS INCREASED THE VALUE OF THE SUBJECT PROPERTY IS LESS THAN ON AUGUST 18, 2006.

IT IS CONCLUDED THAT THE VALUE PER LOT IS APPROXIMATELY \$20,000

\$20,000 X 19 LOTS = \$380,000.

**Legal Description Map**

Borrower/Client	MARDIE LANE HOMES			
Property Address	LOT 3-12, 20-28 MARDIE LANE			
City	GROTON	County	NEW LONDON	State CT Zip Code 06340
Lender	*FAIRBANKS CAPITAL CORP.			

Doc ID: 000089760002 Type: LAN  
 BK **848** PG **3-4**

**TO ALL PEOPLE TO WHOM THESE PRESENTS SHALL COME. GREETING:**

**KNOW YE**, That **MARDIE LANE HOMES, LLC**, a Connecticut Limited Liability Company of the Town of Easton, County of Fairfield and State of Connecticut, herein designated as the Releasor,

for the consideration of **FIVE THOUSAND (\$5,000.00) DOLLARS** received to Releasor's full satisfaction from **OLYMPICORP INTERNATIONAL, LLC**, a limited liability company having a place of business in Rosedale, New York, herein designated as the Releasee, does by these presents remise and forever Quit-Claim unto the Releasee and unto its successors and assigns forever, all the right, title, interest, claim and demand whatsoever as the Releasor has or ought to have in or to

All those certain tracts, pieces or parcels of land situated in the City of Groton, County of New London and State of Connecticut, known and designated as Lot Nos. 13 and 29 and more particularly described in Schedule A attached hereto and made a part hereof.

**SAID PREMISES ARE SUBJECT TO:**

1. Any and all zoning and/or building restrictions, limitations, regulations, ordinances, and/or laws; any and all building lines; and all other restrictions, limitations, regulations, ordinances, and/or laws imposed by any governmental authority and any and all other provisions of any governmental restriction, limitation, regulation, ordinance and/or public and/or private law.
2. Real Property Taxes, which the buyer assumes and agrees to pay as additional consideration.

**TO HAVE AND TO HOLD** the premises hereby remised, released and quit-claimed with all the appurtenances unto the Releasee and unto its successors and assigns forever, so that neither the Releasor nor the Releasor's, successors or assigns nor any other person claiming under or through the Releasor shall hereafter have any claim, right title in or to the premises or any part thereof, but therefrom the Releasor and they are by these presents forever barred and excluded.

In all references herein to any parties, entities or corporations the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require.

**IN WITNESS WHEREOF**, the undersigned has hereunto caused to be set its hand and seal to this instrument this 12<sup>th</sup> day of November, 2003.

Signed, Sealed and Delivered in the Presence of  
 or Attested by

**MARDIE LANE HOMES, LLC**

*Gaunt L. Downs*  
 Gaunt L. Downs

By *[Signature]*  
 John Eoanou, Member

*Maegan F. Plunkett*  
 maegan F. Plunkett

STATE OF CONNECTICUT, COUNTY OF ~~FAIRFIELD~~ <sup>New London Groton</sup> ss. ~~Fairfield~~

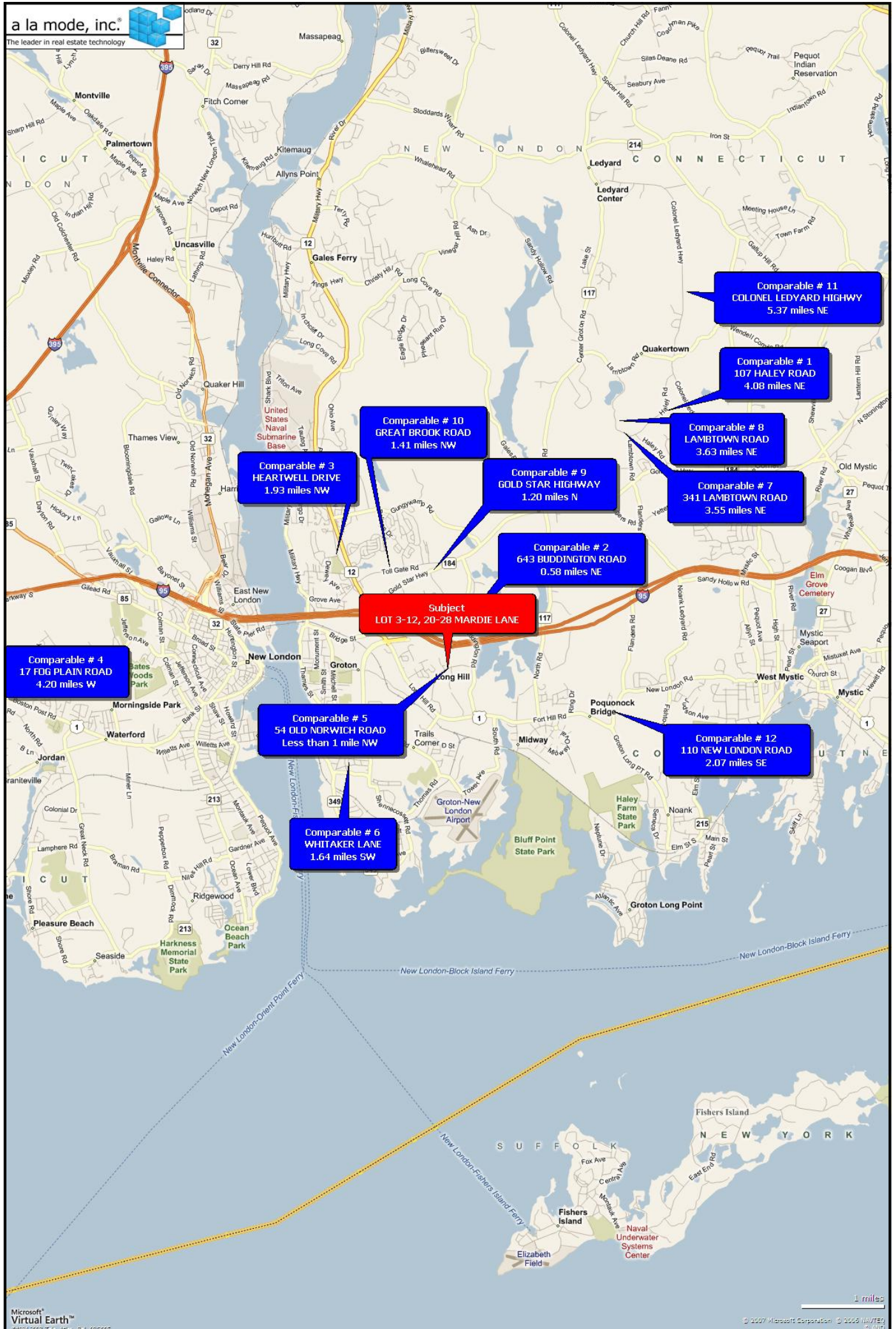
The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of November, 2003 by **JOHN EOANOU, MEMBER OF MARDIE LANE HOMES, LLC.**

12.50  
 LOCAL CONVEYANCE TAX RECEIVED  
 BARBARA TARBUCK

X RECEIVED

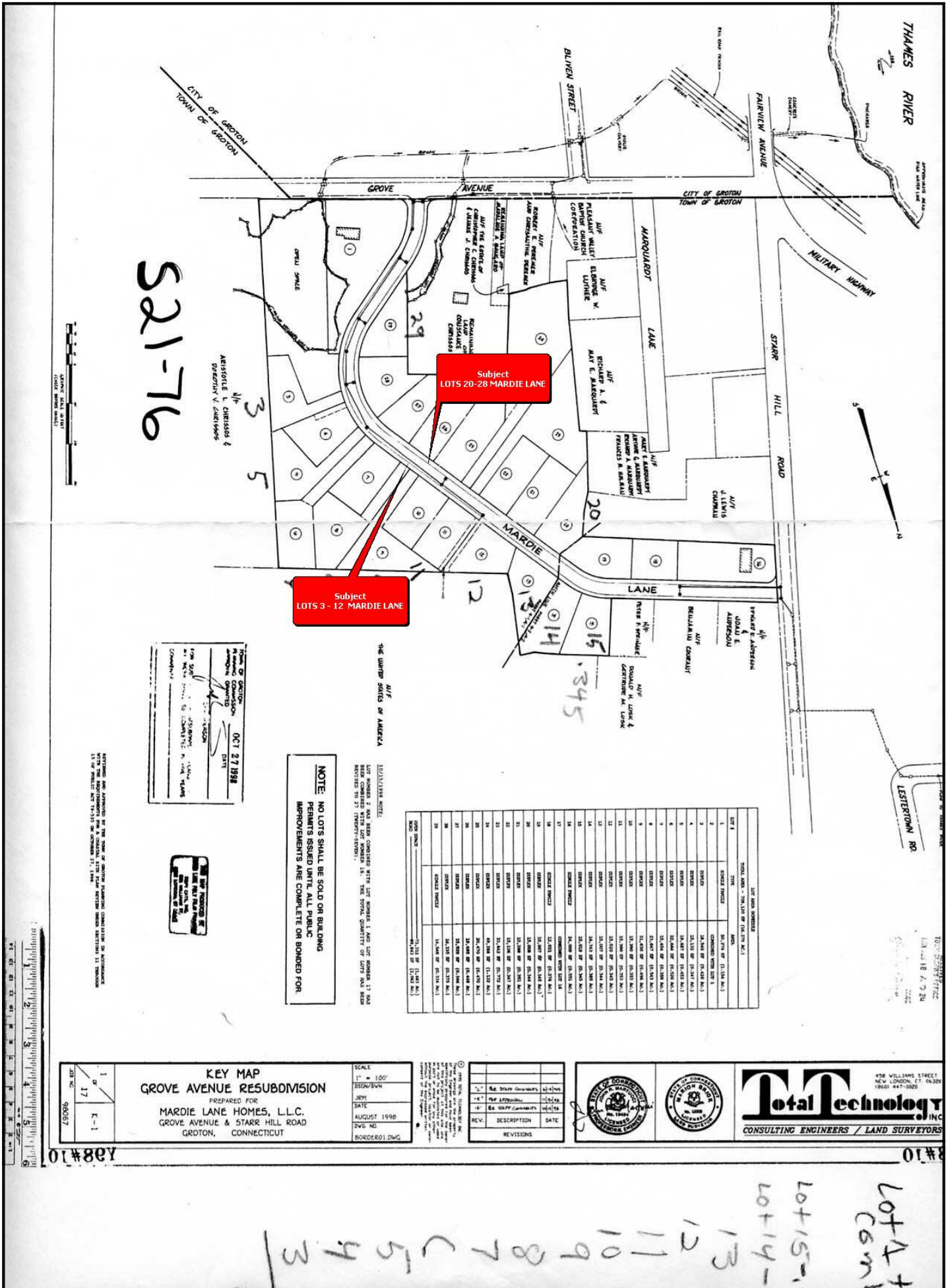
### Location Map

Borrower/Client	MARDIE LANE HOMES						
Property Address	LOT 3-12, 20-28 MARDIE LANE						
City	GROTON	County	NEW LONDON	State	CT	Zip Code	06340
Lender	*FAIRBANKS CAPITAL CORP.						



# Survey Map

Borrower/Client	MARDIE LANE HOMES			
Property Address	LOT 3-12, 20-28 MARDIE LANE			
City	GROTON	County	NEW LONDON	State CT
Lender	*FAIRBANKS CAPITAL CORP.			



## Subject Photo Page

Borrower/Client	MARDIE LANE HOMES						
Property Address	LOT 3-12, 20-28 MARDIE LANE						
City	GROTON	County	NEW LONDON	State	CT	Zip Code	06340
Lender	*FAIRBANKS CAPITAL CORP.						



### Subject Front

LOT 3-12, 20-28 MARDIE LANE  
 Sales Price           0  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location            AVERAGE  
 View                 10.47 AC/AVG  
 Site  
 Quality  
 Age



### Subject Rear



### Subject Street

### Subject Interior Photo Page

Borrower/Client	MARDIE LANE HOMES				
Property Address	LOT 3-12, 20-28 MARDIE LANE				
City	GROTON	County	NEW LONDON	State	CT
Lender	*FAIRBANKS CAPITAL CORP.				
				Zip Code	06340



**COMPLETED UNITS**  
 LOT 3-12, 20-28 MARDIE LANE  
 Sales Price 0  
 G.L.A.  
 Tot. Rooms  
 Tot. Bedrms.  
 Tot. Bathrms.  
 Location AVERAGE  
 View 10.47 AC/AVG  
 Site  
 Quality  
 Age



**FACING WEST**



**FACING EAST**

**DEFINITION OF 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, 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 each acting in what he considers his own best interest; (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.

\* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

## STATEMENT OF LIMITING CONDITIONS AND CERTIFICATION

**CONTINGENT AND LIMITING CONDITIONS:** The inspector's certification that appears in the appraisal report is subject to the following conditions:

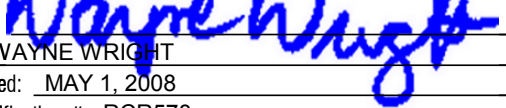
1. The inspector will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is valued on the basis of it being under responsible ownership.
2. Any sketch provided in the appraisal report may show approximate dimensions of the improvements and is included only to assist the reader of the report in visualizing the property. The inspector has made no survey of the property.
3. The inspector will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
4. Any distribution of valuation between land and improvements in the report applies only under the existing program of utilization. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
5. The inspector has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous waste, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The inspector will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist.
6. The inspector obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The inspector does not assume responsibility for the accuracy of such items that were furnished by other parties.
7. The inspector will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
8. The inspector has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
9. The inspector must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the inspector's identity and professional designations, and references to any professional appraisal organizations or the firm with which the inspector is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the inspector's prior written consent. The inspector's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
10. The inspector is not an employee of the company or individual(s) ordering this report and compensation is not contingent upon the reporting of a predetermined value or direction of value or upon an action or event resulting from the analysis, opinions, conclusions, or the use of this report. This assignment is not based on a required minimum, specific valuation, or the approval of a loan.

**CERTIFICATION:** The inspector certifies and agrees that:

1. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
2. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
3. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this analysis is contingent on the appraised value of the property.
4. I performed this analysis in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal.
5. I have personally inspected the exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. To the best of my knowledge and belief, all statements and information in this report are true and correct, and I have not knowingly withheld any significant information.
6. I personally prepared all conclusions and opinions about the real estate that were set forth in the inspection. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

**ADDRESS OF PROPERTY ANALYZED:** LOT 3-12, 20-28 MARDIE LANE, GROTON, CT 06340

**INSPECTOR:**

Signature:   
 Name: WAYNE WRIGHT  
 Date Signed: MAY 1, 2008  
 State Certification #: RCR578  
 or State License #: \_\_\_\_\_  
 State: CT  
 Expiration Date of Certification or License: 4/30/2009

**License**

Borrower/Client	MARDIE LANE HOMES			
Property Address	LOT 3-12, 20-28 MARDIE LANE			
City	GROTON	County	NEW LONDON	State CT Zip Code 06340
Lender	*FAIRBANKS CAPITAL CORP.			

STATE OF CONNECTICUT ♦ DEPARTMENT OF CONSUMER PROTECTION

Be it known that

**WAYNE WRIGHT**  
**5 NATHAN HALE LANE**  
**WALLINGFORD, CT 06492**

has been certified by the Department of Consumer Protection as a licensed

**CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER**

**License # RCR.0000578**

Effective: 05/01/2008  
Expiration: 04/30/2009

*Jerry Farrell, Jr.*  
Jerry Farrell, Jr., Commissioner