

Roger S. Palmer, MAI

Real Estate Appraiser & Consultant

620 Arbutus Street, Middletown, CT 06457-5121

(860) -344-8589

**SUMMARY REAL ESTATE APPRAISAL REPORT
OF A
RIVERFRONT PROPERTY**

PROPERTY ADDRESS:

44 River Road
Middletown, Connecticut 06457

Parvells

PROPERTY OWNER:

City of Middletown

PREPARED FOR:

William Warner, AICP
Director of Planning, Conservation & Development
City of Middletown
245 DeKoven Drive
Middletown, CT 06457

PREPARED BY:

Roger Palmer, MAI, CCMA
620 Arbutus Street
Middletown, Connecticut 06457-5121

DATE OF VALUATION:

December 31, 2001

Roger S. Palmer, MAI

Real Estate Appraiser & Consultant

620 Arbutus Street, Middletown, CT 06457-5121

(860) -344-8589

January 16, 2002

William Warner, AICP
Director of Planning, Conservation & Development
City of Middletown
245 DeKoven Drive
Middletown, CT 06457

RE: Property owned by the City of Middletown
Located at 44 River Road in
Middletown, Connecticut 06457

Dear Mr. Warner:

As requested, a summary appraisal of a riverfront property located at 44 River Road in Middletown, Connecticut, has been completed. Reportedly owned by the City of Middletown, this 1.49± acre (AC) parcel is within the Riverfront Recreation (RF) zone. The property is improved with a vacant 3,552±SF garage/office building, plus site improvements. *A hypothetical condition of this report is that the subject property is not improved with the 3,552±SF garage/office building. These building improvements will neither be described nor valued in this appraisal report.*

This letter of transmittal accompanies a summary report consisting of 50 pages, including exhibits and addenda. This limited appraisal is subject to the Assumptions and Limiting Conditions addressed in this report. The following report has been prepared in conformance with Uniform Standards of Professional Appraisal Practice (USPAP). The undersigned are fully aware of the nature and scope of the appraisal assignment and have sufficient experience in appraising similar properties to comply with the Competency Provision of USPAP.

William Warner, AICP
Director of Planning, Conservation & Development
City of Middletown
January 16, 2002
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Based on the inspection of the subject property on December 31, 2001, pertinent facts about this and comparable market data, research and analysis presented in following report, the market value of the fee simple interest of the subject property, as of December 31, 2001, is estimated to be:

THREE HUNDRED FORTY THOUSAND DOLLARS
\$340,000

Respectfully submitted,

A handwritten signature in cursive script that reads "Roger Palmer".

Roger Palmer, MAI, CCMA
Appraiser
CT Certification No. 484

PHOTOGRAPHS OF SUBJECT PROPERTY



S-1 -- View of the subject property taken from across River Road, facing in an easterly direction.

PHOTOGRAPHS OF SUBJECT PROPERTY (cont.)



S-2 -- View of the interior portion of the subject property, facing in an easterly direction towards the Connecticut River.

PHOTOGRAPHS OF SUBJECT PROPERTY (cont.)



S-3 -- View of the central portion of the subject property taken from near the Connecticut River, facing in a westerly direction.

PHOTOGRAPHS OF SUBJECT PROPERTY (cont.)



S-4 -- View of the wood floating dock and "dolphins"/wood pilings along in the Connecticut River.

PHOTOGRAPHS OF SUBJECT PROPERTY (cont.)



S-5 -- Street scene along River Road near the subject property, facing in a southerly direction.

PURPOSE OF THIS REPORT

The purpose of this report is to estimate the market value of the subject property as of December 31, 2001.

USE OF THIS REPORT

The use of this report is to provide the client with an estimate of market value for use in possibly obtaining grant funding from the State of Connecticut, Department of Environmental Protection. This report is only intended for use by the City of Middletown and the Department of Environmental Protection. The appraiser is not responsible for unauthorized use of this report.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In estimating the market value of the subject property, the scope and process of collecting, confirming and reporting data is as follows:

- Inspection of the subject property, which included, but is not limited to, the site and the improvements;
- Review of municipal records and information supplied by the property owner to establish the property interests and constraints affecting the subject property;
- Conduct a market survey for market data that is considered comparable to the subject property;
- The market area surveyed is limited to Middletown and the surrounding communities; and,
- The market data is confirmed and verified with one or more of the following sources: the property owner, grantor/grantee, broker(s), attorney for the parties involved, deeds of conveyance, town land records, assessors records, public officials, and other public information.

A hypothetical condition of this report is that the subject property is not improved with the 3,552±SF garage/office building. These building improvements will neither be described nor valued in this appraisal report.

The appraisal development and reporting process did not invoke the Departure Provision of USPAP.

DATE OF ESTIMATE OF VALUE

The date of the estimate of market value is December 31, 2001.

DATE OF INSPECTION

The date of inspection of the property is December 31, 2001.

EFFECTIVE DATE OF APPRAISAL

The effective date of this appraisal is December 31, 2001.

BASIS OF ESTIMATE OF VALUE

The estimate of value in this report is expressed in terms of cash to the seller and typical market financing being available to the buyer.

DEFINITION 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 the sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) buyer and seller are typically motivated;
- 2) both parties are well informed or well advised, and acting in what they consider their best interests;
- 3) a reasonable time is allowed for exposure in the open market;
- 4) payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale." [OCC Rule 12 CFR 34.42 (f)]

PROPERTY INTEREST APPRAISED

The property interest being appraised is the *Fee Simple Estate*. Fee Simple Estate is defined as, "Absolute ownership unencumbered by any other interest or estate, subject to only the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." [Appraisal Institute, The Dictionary of Real Estate Appraisal, Third Edition, (Chicago: Appraisal Institute, 1993, p. 140).

IDENTIFICATION OF PROPERTY

The subject property is a riverfront parcel that is located at 44 River Road in Middletown, Connecticut. Title in the property was conveyed to the City of Middletown in a warranty deed from Wm. R. Peterson Oil Company, Incorporated. This document is recorded in volume 1253, page 147 of the Middletown Land Records. A copy of this instrument is in the addenda. The property is further identified as Map 34, Block 24-2, Lot 2 in the Middletown Assessor's Records.

IDENTIFICATION OF ITEMS OTHER THAN REAL PROPERTY

No items other than real property, such as personal property or trade fixtures, will be listed or valued. Only real property will be valued in this appraisal.

SALES HISTORY

On January 25 1999, the City of Middletown entered into an Option Agreement with the Wm. R. Peterson Oil Company, Incorporated for possible purchase and sale of the subject property. The Option Agreement was granted for a consideration of \$50,000, which would be applied against the agreed upon purchase price of \$325,000, if the City of Middletown exercised the option. The term of the Option Agreement was for two (2) years. The City of Middletown exercised its option to purchase the property in an Agreement for Purchase and Sale of Real Estate dated February 26, 2001. On the same date the City of Middletown acquired title to the property via a warranty deed from Wm. R. Peterson Oil Company, Incorporated. There has been no sale of the property since that date, and neither has it been listed for sale.

COMMUNITY AND LOCATION ANALYSIS

The subject property is located in the south-central section of the State of Connecticut, within Middlesex County, in the City of Middletown. Middletown has excellent access to the State and Interstate highway network. Currently, Middletown can be characterized as an active community, with large residential and commercial sectors. Over the past forty years the Middletown population has grown at a compounded rate of 0.65% per year, with the 2000 census being 43,167 persons. According to the 2000 US Census, there are 19,697 housing units within Middletown. The housing available to the community is diversified. Almost one-half the housing stock is composed of single-family houses, with the remainder being in multi-unit buildings. Single-family dwellings are located throughout Middletown, with the older houses being located near the central section of the community. Newer homes are generally found in the more outlying suburban/rural areas. Multi-family dwellings are located throughout Middletown. Most of the older and smaller multi-family buildings are near downtown. The larger apartment complexes are generally located near the main roads and thoroughfares. The pace of new housing construction within Middletown has varied drastically over the past few years. During 1985-87 the construction of new housing units reached a peak. From 1988 to 1990 the construction of housing units steadily decreased. During the past few years the pace of construction of new single-family dwellings has increased. This is

COMMUNITY AND LOCATION ANALYSIS (cont.)

primarily due to the recent regional economic upturn and the low interest rates available on mortgages.

Middletown has a significant commercial base. The commercial activity is located in several areas: Main Street, South Main Street, Newfield Street, Saybrook Road and Washington Street. The Main Street area has historically served as the economic center for the community. During the early 1990's many businesses have either closed or moved from the Main Street area. Recently several new business have moved into downtown Middletown, and all this new leasing activity has considerably reduced the vacancy rate for retail and office space. Outside the downtown area the demand for retail space is steady. Washington Street and South Main Street are both commercial thoroughfares. The commercial properties in these areas include: strip shopping centers, convenience stores, single-tenant retail buildings, restaurants, gas stations, office buildings, repair garages and bank offices.

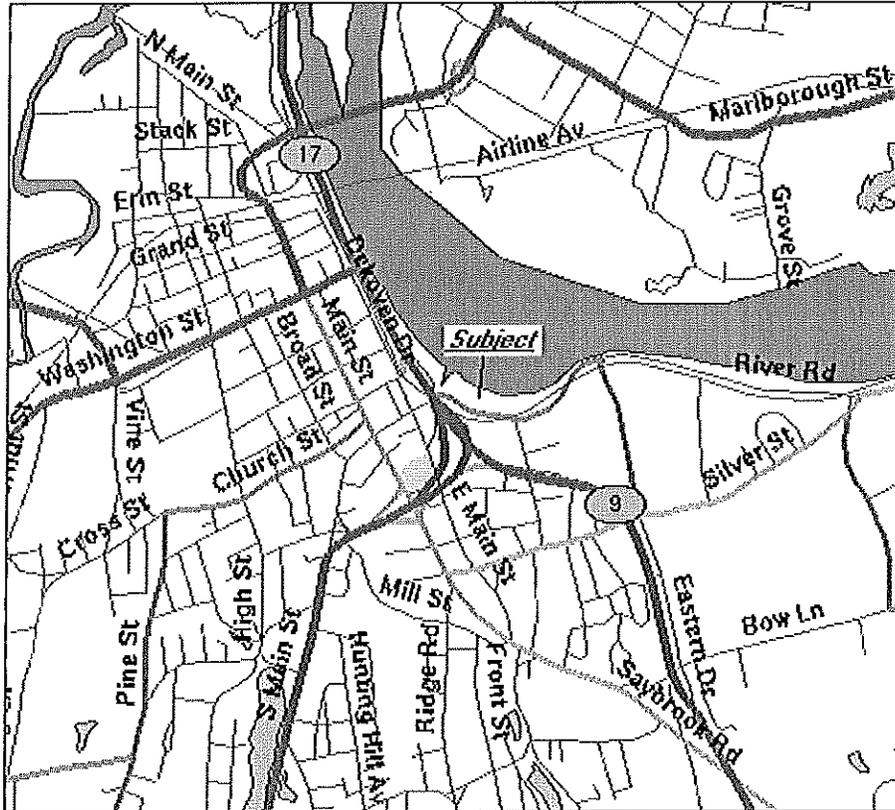
Middletown's industrial sector is spread throughout the city. In the north-central sections there are several older industrial "mill" buildings. Over the past decade a few of these "mill" buildings have been converted to residential apartments or professional offices. Most of the recent industrial development has taken place in western Middletown near Interstate 91. This development ranges from distribution warehouses to large manufacturing facilities to multi-tenant "flex" buildings.

During the early to mid 1990's Middletown experienced an economic decline as evidenced by increasing unemployment rates. This is in part a result of the prolonged downturn in the regional economy. During this period Middletown's unemployment rate was below the State and National averages. Over the past few years the central Connecticut region has experienced an upturn, as evidenced by low unemployment rates, an increase in new housing construction, and lower vacancy rates & higher rents for commercial and industrial properties.

The subject property is located immediately outside the downtown Main Street Central Business District (CBD). The neighborhood is characterized by its diverse use of real estate. The predominate uses of real estate in the immediate vicinity of the subject property are residential, commercial and industrial. The residential uses of real within the neighborhood vary. Single-family and multi-family dwellings are located throughout the neighborhood. Most of these dwellings range in age from 40± years to 70± years, with several houses being over 100± years old. The recent construction of new single-family dwellings has been limited due to the lack of vacant residential land. Most of the multi-family dwellings are wood frame buildings containing three to six units. Middlesex Hospital has recently constructed a 70± unit elderly housing complex on Crescent Street near MacDonough Place. The vast majority of the commercial properties servicing the neighborhood are located along Main Street and Washington Street, and the commercial properties in these areas include strip shopping centers, single-tenant retail stores, convenience stores, restaurants, gas stations, office buildings, repair garages and bank branch offices. The vast majority of the industrial uses in the subject neighborhood are in the immediate area of the subject property. Most of the larger industrial properties are multi-story "mill" type structures. These "mill" buildings are being used for manufacturing and warehouse purposes, and these facilities tend to exhibit a high rate

COMMUNITY AND LOCATION ANALYSIS (cont.)

Location Map



COMMUNITY AND LOCATION ANALYSIS (cont.)

of vacancy. Several repair garages and small manufacturing facilities are also scattered throughout the neighborhood. Connecticut Valley Hospital (CVH) and the Whiting Forensic Institute, two State operated mental health facilities, are located near Route 9. The State also operates the Riverview Hospital for Children along River Road. Other uses in the neighborhood include: the Middletown municipal offices, churches, State Courts, funeral homes, public & parochial schools, WCNX radio station, the Rushford Center, the Middletown Water Treatment Plant, and the John S. Roth Public Water Supply Well Complex.

Electricity, public water, sanitary sewer, natural gas, telephone service and cable television are available throughout the neighborhood. Garbage removal is provided by the City of Middletown.

Access to and from the neighborhood is good. State Route 9 is located in the neighborhood, and it provides excellent access to Interstate 91 and the capitol city of Hartford. South Main Street (Route 17) also facilitates access to southern Middletown. Washington Street (Route 66) and Newfield Street (Route 3) provide direct access to the surrounding communities to the north and west. The Middletown Transit Authority has a bus route servicing the neighborhood. A rail line runs along Route 9, and another rail line travels in a east-west direction from Wallingford to Portland.

Overall, the City of Middletown has benefited from its central location, growing population and access to the highway network. During the past few years the local economy has experienced an upturn which is evidenced by low unemployment rates, an increase in new housing construction, and a rebound in commercial & industrial real estate.

SITE AND DATA ANALYSIS

The subject property is located on the east side of River Road just south of the intersection with Harbor Drive and directly east of State Route 9. River Road is a paved two-way city maintained street. The land is bounded by Sumner's Creek to the north, the Connecticut River to the east, other land owned by the City of Middletown to the south, and River Road to the west. The subject site is an irregularly shaped parcel that contains 1.49±AC, with 59.05±FT of frontage along River Road. The depth of the land ranges from 290±FT at the south boundary to 440±FT at the north. The property has 290±FT of frontage along the Connecticut River and 400±FT on Sumner's Creek.

The main portion of the site is basically level and at grade with River Road. Elevations for the central section range from 18±FT to 22±FT. The land slopes downward towards the Connecticut River and Sumner's Creek. According to a study entitled "Wetlands Analysis and Mapping", July, 1982, prepared by Purcell Associates, the vast majority of the property does not contain inland-wetlands. Only small areas near the Connecticut River and Sumner's Creek are designated as inland-wetlands. According to the Flood Insurance Rate Map (F.I.R.M.) community panels #090068-0006 & 0007-C (Revised 3/7/01), the entire subject parcel is located in an area of the 100-year flood with "base flood elevations (23') determined."

In an interview with William Warner, Director of Planning, Conservation & Development for the City of Middletown, he stated that the sub-soil of the subject site is not contaminated. Mr. Warner indicated that this was documented in information provided to the State of Connecticut, Department of Environmental Protection as part of the application to obtain "open-space" grant funding. This information was not procured as part of this appraisal. **It will be an assumption basic to this report, that the subject property meets and conforms to all Federal, State, and Municipal health and environmental regulations. If the property does not conform to these regulations, the values as estimated in this report should be modified.**

In reviewing the legal description and maps procured, the northwest corner of the appraised parcel near Sumner's Creek is subject to a right-of-way in favor of the Middletown Sewer Authority. This encumbrance is described in volume 421, page 124 of the Middletown Land Records. Also, the eastern section near the Connecticut River is subject to a 25' wide right-of-way in favor of the City of Middletown from its property located to the south to the Connecticut River. These right-of-ways and encumbrances are located near the property boundaries, and they are mostly within setbacks that are required by zoning. As such, these encumbrances do not appear to have a material adverse affect on the current or possible future utilization of the subject property.

Public water, sanitary sewer, natural gas, telephone service, and cable television are available to the subject site. Sanitation/garbage removal is provided by the City of Middletown.

SITE DATA AND ANALYSIS (cont.)

The appraised property was formerly part of a 2.99±AC parcel which was improved with a 53,500± barrel above ground bulk oil storage facility. In 1998 this larger property was subdivided into two (2) pieces, and the oil storage tanks and associated equipment were removed. Currently, the subject property is being used for storage and docking of a boat operated by the Middletown Police & Fire Departments. Also, the property is temporarily being used for the storage of construction equipment by a contractor that is separating nearby sewer lines for the City of Middletown.

The property is improved with a vacant 3,552±SF garage/office building, plus site improvements. *A hypothetical condition of this report is that the subject property is not improved with the 3,552±SF garage/office building. These building improvements will neither be described nor valued in this appraisal report.* The major site improvements on the property include:

- Wood bulkhead, a wood floating dock and three “dolphins”/wood pilings. These improvements are located along or in the Connecticut River.
- Chain link fencing with barbed wire surrounds most of the property.
- An asphalt, concrete & gravel driveway and parking area. The asphalt and concrete paving is in poor condition.
- Exterior and site lighting.

Overall, the size, shape, topography and overall utility of the subject parcel make it suitable for its current use as a site for a vacant 3,552±SF garage/office building, plus site improvements. The land also has sufficient size, shape, topography, road frontage and overall utility to be put an alternative use or for future development. The subject land also has sufficient area and frontage along the Connecticut River to allow the property to be used for some water related use, such as a park, boat ramp or marina.

ZONING DATA

According to the most recent zoning map of the City of Middletown, the subject property is within the Riverfront Recreation (RF) zone. Section 31 of the Middletown Zoning Code addresses the RF zone. The purpose and intent of the Riverfront Recreation (RF) zone is described as follows:

“It is the intent of this section to protect the natural character of the Connecticut River Greenway and insure that any development within the zone proceeds in an environmentally sensitive manner. Therefore, tree clearances and other alterations within the zone shall be held to a minimum, as determined by the Commission.”

The dimensional and yard requirements for the RF zone are as follows:

<u>ITEM</u>	<u>REQUIREMENT</u>
Maximum Building Height	
-Immediate Harbor Area.....	35 ft.
-Outside Immediate Harbor Area	20 ft.
Minimum Lot Area.....	None
Minimum Lot Width.....	100 ft.
Minimum Yards.....	None
Maximum Lot Coverage.....	30%

The permitted uses for the Riverfront Recreation (RF) zone are as follows: “Permitted uses are limited to water oriented and other recreational uses and those uses permitted in Flood Area Management Regulations (Section 46).” A copy of the Flood Area Management Regulations is presented in the addenda. Some of the special exception uses allowed within the RF zone are as follows:

- 60.02.11 – Public utility buildings and structures.
- 60.02.16 – Adaptive historic preservation use harmonious with the physical characteristics and originally designed use of the structure.
- 60.02.18 – Restaurants, providing service for customers either at counters or at tables including the sale of alcoholic beverages.
- 60.02.19 – Marinas and boatyards for the building, storage, repair, sale, or rental of boats; docks, wharfs, piers for the storage and transport of goods, merchandise, and/or people. If such a facility is located adjacent to an industrial zone, it shall be treated as a permitted use subject to site plan approval.
- 60.20.27 – Outdoor Recreational uses such as: Parks, Playgrounds, Playfields, Golf courses, Boating areas, Arboreta, Botanical and Zoological gardens and similar uses.
- 60.02.32 – Bus stop passenger shelter.

ZONING DATA (cont.)

It should be noted that the current use of the subject property as a site for a vacant 3,552±SF garage/office building is a nonconforming use within the Riverfront Recreation (RF) zone. A review of the Middletown Zoning Code appears to indicate that this use can continue to exist without any change, except those changes outlined in Section 14 of the Middletown Zoning Code.

The appraised property also appears to have all necessary permits for the wood floating dock and three “dolphins”/wood pilings located along or in the Connecticut River. A copy of the permit issued by the State of Connecticut, Department of Environmental Protection, Office of Long Island Sound Program is presented in the addenda.

Conclusion

In reviewing the Middletown Zoning Code and the files of the Middletown Planning & Zoning Office, the current use of the subject property as a site for a vacant 3,552±SF garage/office building is a nonconforming use within the Riverfront Recreation (RF) zone. Since a hypothetical condition of this report is that the subject property is not improved with the 3,552±SF garage/office building, this nonconformity of use will not have a bearing on this appraisal. The appraised property also appears to have all necessary permits for the wood floating dock and three “dolphins”/wood pilings located along or in the Connecticut River. The appraised parcel could be developed with an alternative use such as a park/playground, boating area/marina, or a restaurant. These special exception uses would require a permit to be issued by the Middletown Planning & Zoning Commission. Also, any new utilization of the property on or near the Connecticut River could require permits and approval by the State of Connecticut, Department of Environmental Protection, Office of Long Island Sound Program and/or the U.S. Army Corp of Engineers.

TAXES AND ASSESSMENT DATA

According the City of Middletown Assessor’s Office, based on a city-wide revaluation in 1998, the subject property is assessed as follows:

MAP 34, BLOCK 24-2, LOT	
BUILDING	\$39,310
OUTBUILDING	\$40,260
LAND	<u>\$125,160</u>
TOTAL	\$204,730

Since the appraised property is owned by the City of Middletown, this property is exempt from the payment of real estate taxes.

DESCRIPTION AND ANALYSIS OF IMPROVEMENTS

The property is improved with a vacant 3,552±SF garage/office building, plus site improvements. *A hypothetical condition of this report is that the subject property is not improved with the 3,552±SF garage/office building. These building improvements will neither be described nor valued in this appraisal report.*

HIGHEST AND BEST USE ANALYSIS

Highest and best use is a market driven concept that identifies the most profitable, competitive use to which a property can be put. The term highest and best use is defined as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” [Appraisal Institute, The Appraisal of Real Estate, Tenth Edition, (Chicago: Appraisal Institute, 1992), p. 275]

In determining the highest and best use of the property, four inherent elements of highest and best use must be considered.

- | | |
|-------------------------|---|
| 1) Legally permissible | The uses that are permitted according to zoning or other restrictions. |
| 2) Physically possible | The legally permissible uses the site can physically accommodate. |
| 3) Financially feasible | Legally permitted uses that produce a positive return. |
| 4) Maximally productive | The financially feasible uses that produce the highest value or return. |

Since a hypothetical condition of this report is that the subject property is not improved with the 3,552±SF garage/office building, the highest and best use of the subject property will be determined by assuming that the appraised parcel is vacant of all buildings. Each of the four elements will be addressed sequentially to determine the highest and best.

- 1) The subject property could be developed with an alternative use. Some of the more reasonably probable and legally permitted uses allowed by the Middletown Zoning code are as a site for a park/playground, boating area/marina, or a restaurant. These special exception uses would require a permit to be issued by the Middletown Planning & Zoning Commission. Also, any new utilization of the property on or near the Connecticut River could require permits and approval by the State of Connecticut, Department of Environmental Protection, Office of Long Island Sound Program and/or the U.S. Army Corp of Engineers. Estimating the likelihood of obtaining these permits would be highly speculative.

HIGHEST AND BEST USE ANALYSIS (cont.)

- 2) The physically possible uses of the property are controlled by the site characteristics. As stated earlier, the appraised parcel has sufficient size, shape, topography, road frontage and overall utility to be put an alternative use or for future development. The subject land also has sufficient area and frontage along the Connecticut River to allow the property to be used for some water related use, such as a restaurant, park/playground, boat ramp or marina. Restaurant use on the property is unlikely because a sewer treatment plant is in the immediate vicinity, and this nearby use would have a direct adverse impact on any restaurant development.
- 3) Financially feasible uses are those that deliver a positive return. The utilization of the property as a park/playground would be a financially feasible use. This is illustrated by the fact that several years ago the City of Middletown purchased a riverfront property along Harbor Drive, and a park was subsequently developed on this land. This is further supported by the fact that another parcel of riverfront land in Old Saybrook was recently purchased for passive recreation and park use.

The financial feasibility of utilizing the property for a marina would be questionable. Several marinas are located directly across the river in Portland. There appears to be sufficient supply of marina facilities in the surrounding area that would raise the question of whether or not another marina in the region would be financially feasible. This is further supported by the fact that no new marina has been developed along the Connecticut River for the past few decades. Also, the cost and time involved in obtaining all the necessary permits for a marina, as compared to a park/playground, would further draw into question the financial feasibility of a marina.

- 4) Of the uses that are physically possible, legally permitted and financially feasible, the use that delivers the highest net return is the highest and best use. The net return of utilization of the property as a park/playground would be financially feasible. This will be supported in the valuation section of this report. The net return for a marina is highly questionable.

Based upon the four key elements of highest and best use, the highest and best use for the subject property is for the development of a riverfront park/playground, other some other similar use.

VALUATION PROCESS

The Sales Comparison Approach will be utilized to estimate market value of the subject property. The application of the Cost Approach and the Income Capitalization Approach are not appropriate in this instance. The Sales Comparison Approach involves the gathering and analysis of recent land sales. The sales are then converted to a common unit of comparison, i.e., sale price per acre of land. Adjustments are made to the sale prices per acre to account for differences between the sales and the subject. Based on the adjusted sale prices an estimated value for the subject site is indicated.

A survey of recent riverfront land sales within Middletown and the surrounding region was conducted. On the following pages are the results of that survey. These land sales were presented because they reflect a similarity, as compared to the subject in terms of riverfront location, use, size, topography, development potential, zoning and overall utility.

VALUATION PROCESS (cont.)

LAND SALE #1 – College Street, Old Saybrook, CT

GRANTOR: The Connecticut River Foundation at Steamboat Dock, Inc.

GRANTEE: Fort Saybrook Monument Park, Inc.

VOL./PAGE: 390/794 DEED: Warranty DATE X: 4/16/01
R: 4/20/01
INSP: 12/31/01

SALE PRICE: \$270,000 C.T.: None Collected

MORTGAGE: Seller \$145,000 (54%) @ 7.0%, with monthly payments of interest only. The mortgage is due and payable on April 16, 2002. According to Sallie Boody, representative of the buyer, this financing did not have a measurable affect on the purchase price. Ms. Boody stated that this financing was used as a measure to purchase the property before a grant could be obtained from the State of Connecticut, Department of Environmental Protection.

ZONING: Saybrook Point-2 (SP-2)

UTILITIES: Water, Gas, Electricity

LOT AREA: 0.91±AC FRONTAGE: None. Access is via ROW over adjoining land from College Street.

TOPOGRAPHY: The land is basically level and at grade with surrounding properties. The parcel is 4±FT - 6±FT above the Connecticut River. There are some inland-wetlands near the river. The entire property is within areas of the 100 year flood.

EASEMENTS: There do not appear to be any adverse easements or encumbrances that have a measurable impact on the utilization of the site.

PRICE PER ACRE: \$295,701

REMARKS: According to Sallie Boody of Fort Saybrook Monument Park, Inc., this was an "arms length" transaction, and the sale price was considered to be reflective of market value at the time of sale. Ms. Boody stated that this property was purchased for use as park & passive open space recreation.

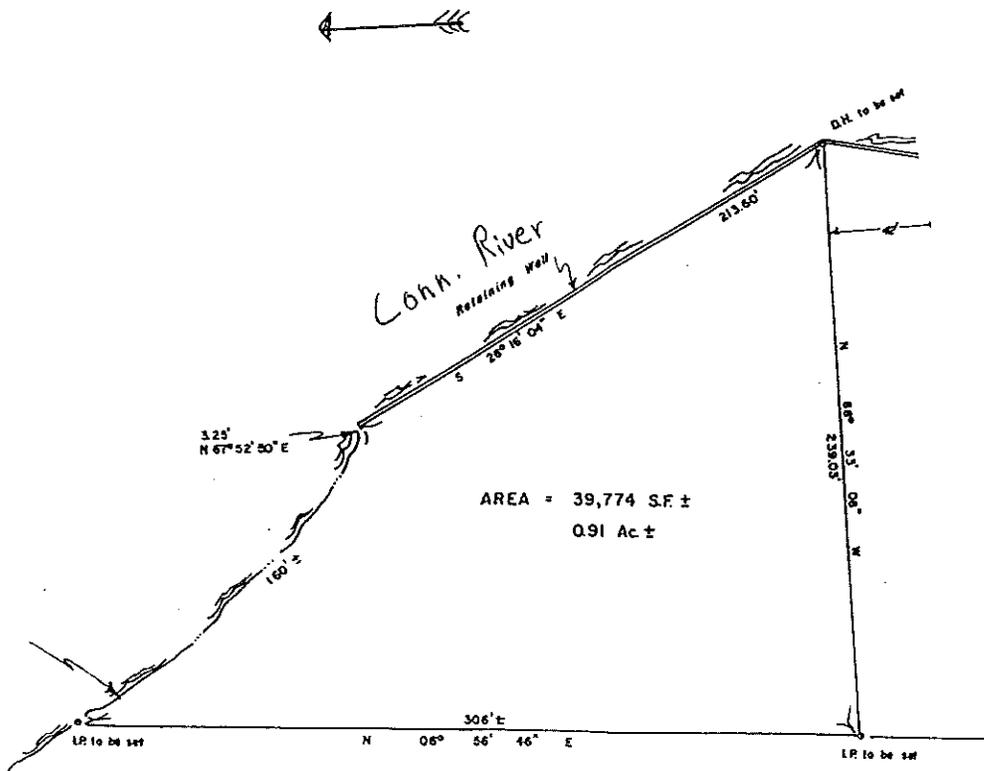
This triangularly shaped parcel of land has 373.60±FT of frontage along the Connecticut River. A concrete retaining wall is along a portion of this river frontage. This property is in the Saybrook Point section of Old Saybrook, near the mouth of the Connecticut River. Surrounding uses include parks, restaurants, hotels and other river related uses. This property

VALUATION PROCESS (cont.)

LAND SALE #1 – College Street, Old Saybrook, CT (cont.)

REMARKS (cont.): is also described in Map No. 1751 of the Old Saybrook Land Records, and it is further identified as Map 32, Block 42, Lot 2 in the Old Saybrook Assessor's Records.

Site Sketch - Not to Scale



VALUATION PROCESS (cont.)

LAND SALE #2 – 44 River Road, Middletown, CT

GRANTOR: Wm. R. Peterson Oil Company, Inc.

GRANTEE: The City of Middletown

VOL./PAGE: 1253/147 DEED: Warranty DATE X: 2/26/01
R: 2/26/01
INSP: 12/31/01

SALE PRICE: \$325,000 C.T.: None Collected

MORTGAGE: No financing was recorded with the sale. Cash to the seller.

ZONING: Riverfront Recreation (RF)

UTILITIES: Water, Gas, Sewer, Electricity

LOT AREA: 1.49±AC FRONTAGE: 59.05±FT

TOPOGRAPHY: The main portion of the site is basically level and at grade with River Road. The land slopes downward towards the Connecticut River and Sumner's Creek. There are some inland-wetlands near the river and creek. The entire property is within areas of the 100 year flood.

EASEMENTS: A right-of-way in favor of the Middletown Sewer Authority and a 25' wide right-of-way in favor of the City of Middletown from its property located to the south to the Connecticut River. These right-of-ways and encumbrances are located near the property boundaries, and they are mostly within setbacks that are required by zoning. As such, these encumbrances do not appear to have a material adverse affect on the current or possible future utilization of the property.

PRICE PER ACRE: **\$218,121**

REMARKS: This sale involves the property being appraised in this report. On January 25 1999, the City of Middletown entered into an Option Agreement with the Wm. R. Peterson Oil Company, Incorporated for possible purchase and sale of the subject property. The Option Agreement was granted for a consideration of \$50,000, which would be applied against the agreed upon purchase price of \$325,000, if the City of Middletown exercised its option. The term of the Option Agreement was for two (2) years. The City of Middletown exercised its option to purchase the property in an Agreement for Purchase and Sale of Real Estate dated February 26, 2001.

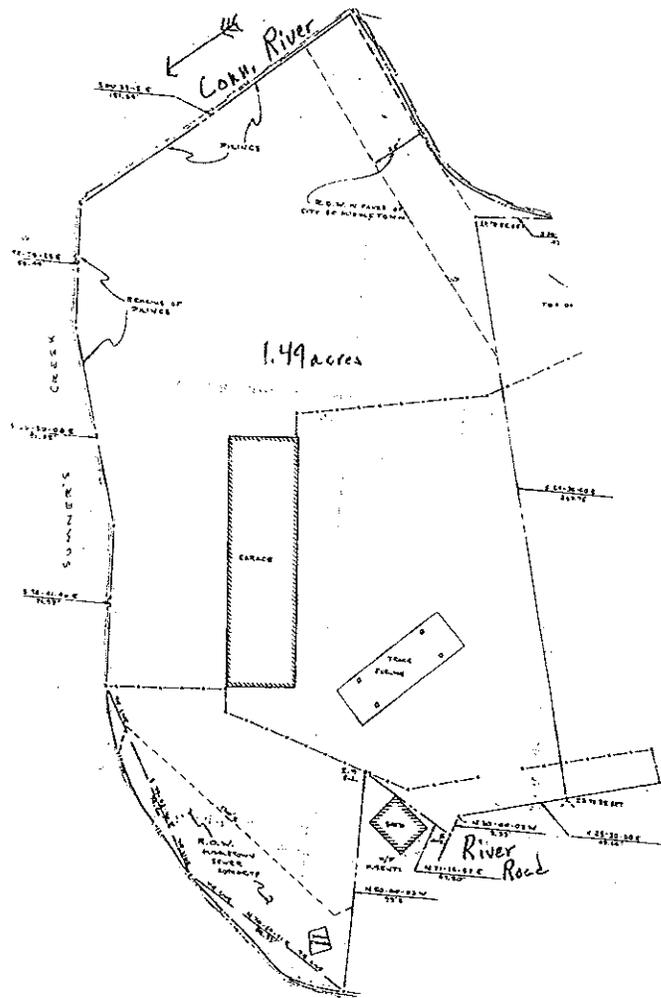
VALUATION PROCESS (cont.)

LAND SALE #2 – 44 River Road, Middletown, CT (cont.)

REMARKS (cont.): At the time of sale, the property was improved with a 3,552±SF garage/office building. William Warner, Director of Planning, Conservation & Development for the City of Middletown, stated that any interim contributory value of these building improvements was offset by their demolitions costs. Other improvements on the property at the time of sale include: a wood bulkhead, a wood floating dock, and three “dolphins”/wood pilings. Mr. Warner stated that City of Middletown did not have any immediate plans to develop this property, but that there were preliminary discussions to develop this and other nearby properties in the long term with associated riverfront recreational uses.

This property has 290±FT of frontage along the Connecticut River and 400±FT of frontage along Sumner’s Creek. This property is located central Middletown in a mixed use area of commercial, industrial and residential uses. Route 9 is in the immediate vicinity. This property is identified as Map 34, Block 24-4, Lot 2 in the Middletown Assessor’s Records.

Site Sketch - Not to Scale



VALUATION PROCESS (cont.)

LAND SALE #3 – E/S River Road, Middletown, CT

GRANTOR: Wm. R. Peterson Oil Company, Inc.

GRANTEE: The City of Middletown

VOL./PAGE: 1194/214 DEED: Warranty DATE X: 3/23/99
R: 3/23/99
INSP: 12/31/01

SALE PRICE: \$325,000 C.T.: None Collected

MORTGAGE: No financing was recorded with the sale. Cash to the seller.

ZONING: Riverfront Recreation (RF)

UTILITIES: Water, Gas, Sewer, Electricity

LOT AREA: 1.50±AC FRONTAGE: 307.38±FT

TOPOGRAPHY: The main portion of the site is basically level and at grade with River Road. The land slopes downward towards the Connecticut River and Sumner's Creek. There are some inland-wetlands near the river and creek. The entire property is within areas of the 100 year flood.

EASEMENTS: A 15' right-of-way and a "right to work" along the southern boundary. The southeast corner is subject to the "right to slope & grade". Both of these encumbrances are in favor of the City of Middletown. These encumbrances are located near the property boundaries, and they are mostly within setbacks that are required by zoning. As such, these encumbrances do not appear to have a material adverse affect on the current or possible future utilization of the property.

PRICE PER ACRE: **\$216,667 – Stated**
\$250,000 – Adjusted for Environmental Remediation

REMARKS: On January 25 1999, the City of Middletown entered into an Agreement for Purchase and Sale of Real Estate. According to William Warner, Director of Planning, Conservation & Development for the City of Middletown, this was an "arms length" transaction, and the sale price was considered to be reflective of market value at the time of sale. Mr. Warner stated that City of Middletown did not have any immediate plans to develop this property, but that there were preliminary discussions to develop this and other nearby properties in the long term with associated riverfront recreational uses.

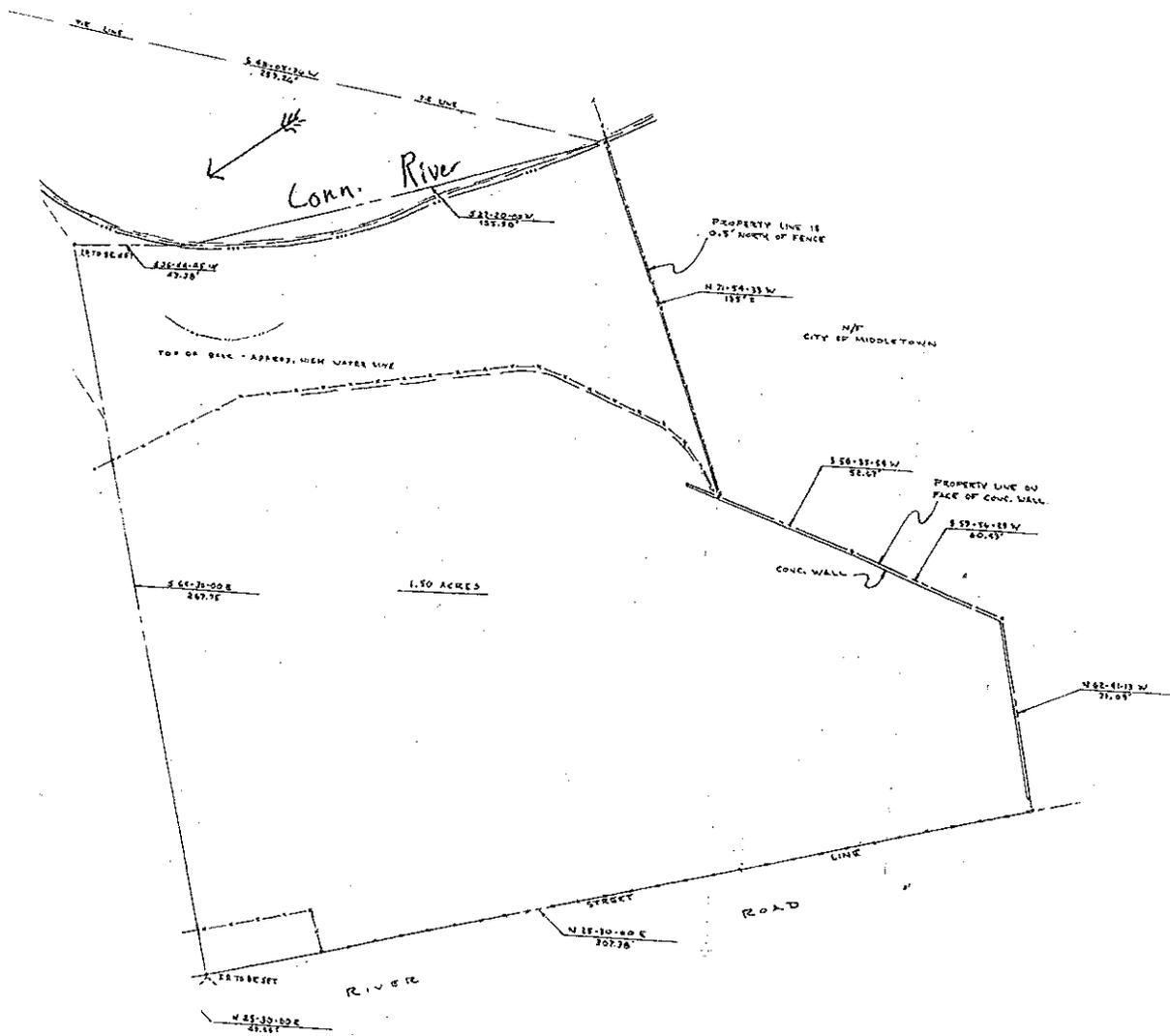
VALUATION PROCESS (cont.)

LAND SALE #3 – E/S River Road, Middletown, CT (cont.)

REMARKS (cont.): At the time of sale, the sub-soil was contaminated with petroleum products. Mr. Warner stated that the cost for the City of Middletown to remediate this contamination was approximately \$50,000, which results in an adjusted total sale price of \$375,000.

This property has 155.90±FT of frontage along the Connecticut River. This property is located central Middletown in a mixed use area of commercial, industrial and residential uses. Route 9 is in the immediate vicinity. This property is identified as Map 34, Block 24-4, Lot 2AA in the Middletown Assessor's Records.

Site Sketch - Not to Scale

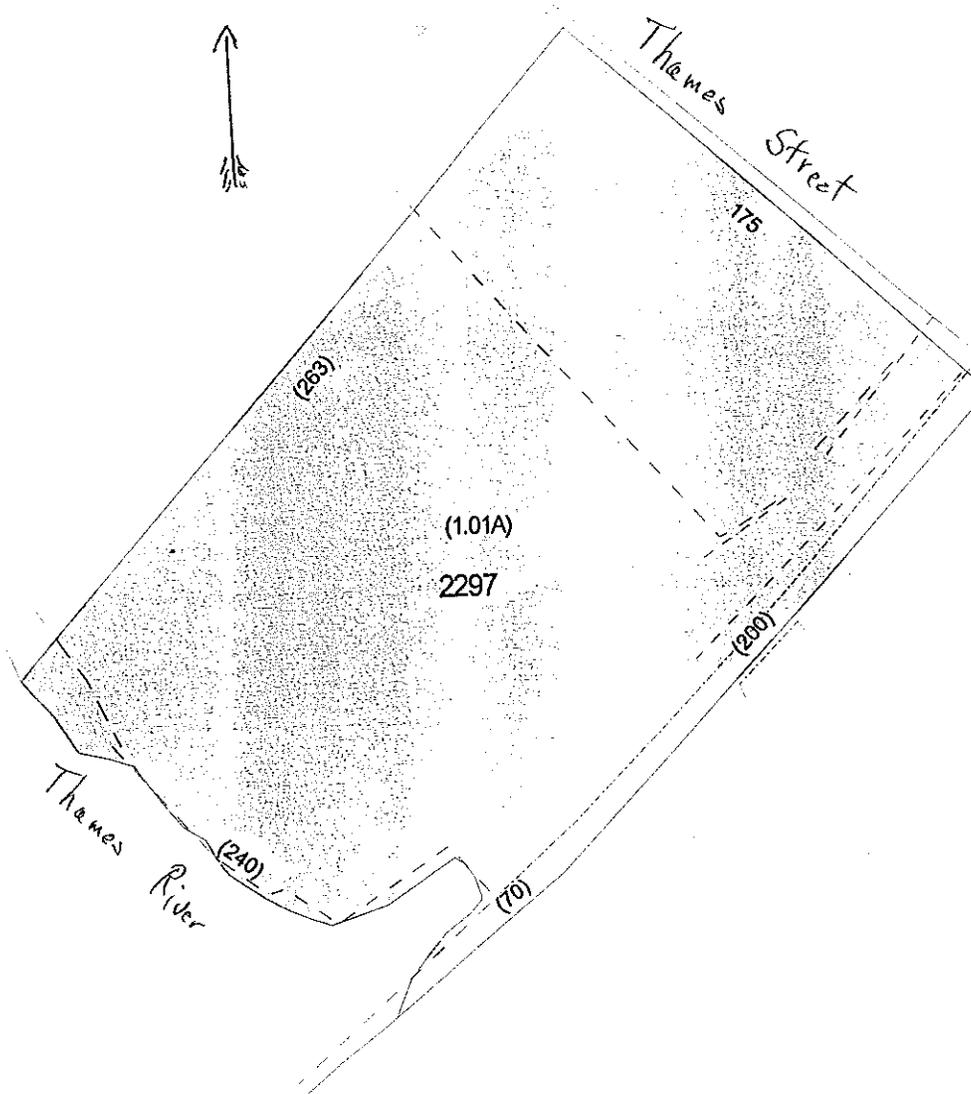


VALUATION PROCESS (cont.)

LAND SALE #4 – 435 Thames Street, Groton, CT (cont.)

REMARKS (cont.): and other river related uses in the immediate area. This property is identified as Parcel No. 168806392297 in Groton's GIS system.

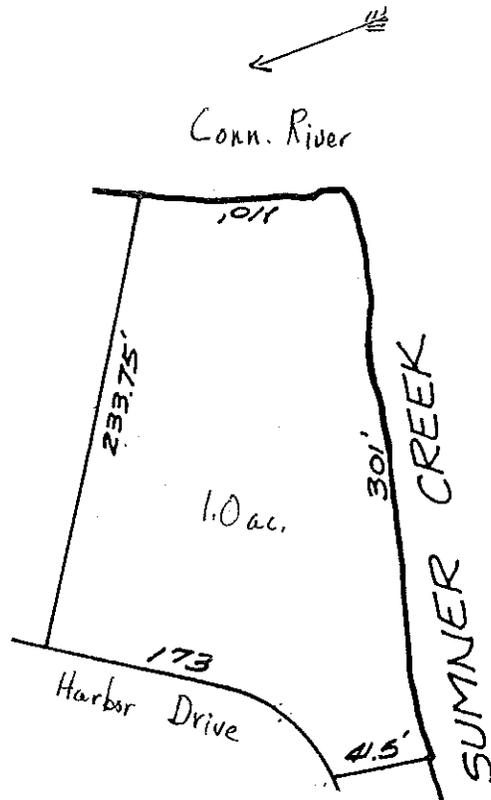
Site Sketch - Not to Scale



VALUATION PROCESS (cont.)

LAND SALE #5 - 24 Harbor Drive, Middletown, CT (cont.)

Site Sketch - Not to Scale



VALUATION PROCESS (cont.)

The land sales presented differ from the subject site in various respects. These items are generally referred to as "elements of comparison". Elements of Comparison are defined as "The characteristics or attributes of properties and transactions that cause the prices to vary; include real property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, and other characteristics, such as economic characteristics, use, and non-realty components of value." [Appraisal Institute, The Dictionary of Real Estate Appraisal Third Edition, Chicago: Appraisal Institute, 1993), p. 114]. The following is a discussion of these elements.

Land Sale Analysis

Sale 1 took place 8± months prior to the date of valuation, and during the intervening period there has been no measurable change in market conditions. No adjustment is required for changes in market conditions since the date of sale. Land sale 1 is located near the mouth of the Connecticut River, and this property is within an area that includes parks, restaurants, hotels, and other river related uses. The subject property is located in an mixed use area of commercial, industrial and residential uses. As a result, land sale 1 is within an area that is superior to that of the subject property in terms location upon the river and recreational appeal. The sale price per acre for land sale 1 will be adjusted downward to account for this difference in location. The topography of sale 1 is roughly comparable to that of the appraised site. No adjustment to the sale price per acre is required for topography. No other adjustments are required. The overall adjustment to the sale price per acre for sale 1 is downward.

Sale 2 involves the subject property, and this transaction closed 10± months before the date of valuation. However, it should be noted that the sale price was negotiated approximately three years prior when the City of Middletown entered into an Option Agreement to possibly purchase this land. Any adjustment for changes in market conditions should be made from the date the sale price was negotiated. During the intervening 3± years the general overall price levels for residential and commercial properties has been rising. In reviewing the land sale data presented, there is no definitive evidence that the values for riverfront recreation land has changed measurably. As a result, no adjustment to the sale price per acre for land sale 2 will be made for changes in market conditions since the purchase price was negotiated. No adjustment to the sale price per acre is necessary for location. There have been no changes in the topography for the appraised property over the past few years. No adjustment to the sale price per acre is required for topography. No other adjustments are required. There is no net overall adjustment to the sale price per acre for land sale 2.

Sale 3 occurred over 2½± years prior to the date of valuation, and during the intervening period there has been no measurable change in market conditions. As a result, no adjustment is required for changes in market conditions since the date of sale. Land sale 3 directly abuts the subject property to the south, and no adjustment to the sale price per acre is required for location. The topography of sale 3 is comparable to that of the appraised site. No adjustment to the sale price per acre is required for topography. No other adjustments are required. There

VALUATION PROCESS (cont.)

Land Sale Analysis (cont.)

is no net overall adjustment to the sale price per acre for land sale 3.

Sale 4 took place over 3½± years prior to the date of valuation, and no adjustment is required for changes in market conditions since this transaction occurred. Land sale 4 is located near the mouth of the Thames River, and this property is within an area that includes residential & commercial properties, marinas and other river related uses. The subject property is located in an mixed use area of commercial, industrial and residential uses. As a result, land sale 4 is within an area that is superior to that of the subject property in terms location upon the river and recreational appeal. The sale price per acre for sale 4 will be adjusted downward to account for this difference in location. The topography of land sale 4 is slightly inferior to that of the subject property, and the sale price per acre will be adjusted slightly upward to account for this difference in topography. No other adjustments are required. The overall adjustment to the sale price per acre for sale 4 is downward.

Sale 5 took place almost ten years prior to the date of this appraisal. This land sale is located a few hundred feet north of the subject property, and after this transaction closed it was developed into a recreational riverfront park. This sale was presented solely as an informative piece of market data because it is located in the immediate vicinity of the appraised land and it is being put to a use that is very similar to that of the highest and best use of the subject property. No detailed analysis will be made on this land sale.

Conclusion

In reviewing the data presented and the adjustments made to each sale, land sale 1 is the best indicator of market value because it is the most recent transaction, and it is most similar to the appraised land in terms of topography, location and highest & best use. Sales 2, 3, & 4 are considered to be good supporting indicators of value due to differences as compared to the appraised parcel in terms of date of sale, topography and shape/utility. Land sale 5 was presented solely as an informative piece of market data because it is located in the immediate vicinity of the appraised land and it is being used as a riverfront park. Based on the information and analysis presented, the value of the subject parcel is estimated to be \$230,000 per acre. The value of the property is calculated as follows:

SITE AREA	x	VALUE PER ACRE	=	ESTIMATED VALUE
1.49±AC	x	\$230,000	=	\$342,700
		Rounded	=	\$340,000

RECONCILIATION/CONCLUSION

The subject property is 1.49± acre (AC) parcel that is located is within the Riverfront Recreation (RF) zone. The property is improved with a vacant 3,552±SF garage/office building, plus site improvements. *A hypothetical condition of this report is that the subject property is not improved with the 3,552±SF garage/office building. These building improvements will neither be described nor valued in this appraisal report.* It was determined that the highest and best use for the subject property is for the development of a riverfront park/playground, other some other similar use. Five (5) riverfront land sales were presented. Adjustments to the sale prices per acre were made to accounts for differences between these land sales and the subject property. The final value determination was based on an analysis of these five (5) land sales. This valuation approach is considered to be very reliable, because the five land sales are similar to the subject property in terms of riverfront location, topography, size, and use.

Therefore, based on the inspection of the subject property on December 31, 2001, the market value of the fee simple interest of the subject property, as of December 31, 2001, is estimated to be:

THREE HUNDRED FORTY THOUSAND DOLLARS

\$340,000

ASSUMPTIONS AND LIMITING CONDITIONS

1. The legal description furnished is assumed to be correct and no responsibility is assumed for legal matters in character nor is any opinion rendered as to title which is assumed to be marketable.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. No warranty, however, is given for its accuracy. Should there be any material inaccuracy in the assumptions in this report, the results of this report are subject to review and revision.
5. All engineering and engineering assumptions are assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, 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.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

ASSUMPTIONS AND LIMITING CONDITIONS (cont.)

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any other person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
13. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.
15. The Americans with Disabilities Act ("ADA") became effective on January 26, 1992, I (we) have not made specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
16. It will be an assumption basic to this report, that the subject property meets and conforms to all Federal, State, and Municipal health and environmental regulations. If the property does not conform to these regulations, the values as estimated in this report should be modified.
17. Effective September 28, 1992, the State of Connecticut enacted new lead poisoning prevention and control regulations (C.S.R. 19a-111-1 through 19a-111-11). The appraisers are not qualified to determine if there is lead paint on or within the building improvements. No lead paint survey was procured in the preparation of this appraisal report. It is recommended that a qualified firm conduct a thorough and adequate interior and exterior survey of the building improvements to determine if there is lead paint on or within the structure. It will be an assumption basic to this report, that the subject property meets and conforms to all Federal, State, and Municipal regulations regarding lead paint. If the property does not conform to these regulations, the values as estimated in this report should be modified.

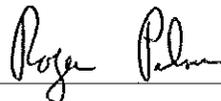
CERTIFICATION OF THE APPRAISER(S)

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on any action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- The preparation of the report and analyses, opinions and conclusions were developed in conformity with the Uniform Standards of Professional Appraisal Practice.
- The appraisal assignment and final value estimate(s) are not based on a requested minimum valuation, a specific valuation, or a range of valuation for the approval of a loan.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, and the Uniform Standards of Professional Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, Roger Palmer, have completed the requirements under the continuing education program of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person(s) signing this report.
- I, Roger Palmer, am currently licensed by the State of Connecticut to appraise and value real Estate of within the State of Connecticut (License No. 484). I have passed the uniform examination necessary for Certification.

January 16, 2002

DATE



ROGER PALMER, MAI, CCMA

QUALIFICATIONS OF APPRAISER

Roger Palmer, MAI, CCMA

EMPLOYMENT: Deputy Assessor/Revaluation Coordinator
Office of the Assessor – City of Milford, CT
April 1998 to Present

Independent Fee Real Estate of Appraiser
Real Estate of Appraiser and Consultant, Middletown, CT
October 1988 to March 1998

Associate, Patrick McMahon Associates, Inc.
Real Estate of Appraisers and Consultants, Worcester, MA
February 1987 to September 1988

Associate, Robert S. Palmer, MAI
Real Estate of Appraiser and Consultant, Middletown, CT
June 1985 to January 1987

EDUCATION: Columbia University, New York, NY
School of International and Public Affairs
Masters of International Affairs, May 1985

Clark University, Worcester, MA
Bachelor of Arts, May 1983
Major: Economics

Appraisal Institute, Chicago, IL
Attended various courses and seminars given throughout the country related to real Estate of valuation and required for the MAI designation.

LICENSE: State of Connecticut (License No. 484)
Certified - Spring 1991 to date

MEMBERSHIP: Member of the Appraisal Institute (MAI)
No. 8908 - May 22, 1991 to date

APPRAISAL EXPERIENCE: Appraisal of properties for financial institutions, governmental agencies, and, individual clients

TYPES OF PROPERTIES APPRAISED: Retail, office, industrial, residential condominium developments, residential subdivisions agricultural, nursing homes, unimproved land, and, eminent domain

PAST AREAS OF ASSIGNMENT: Connecticut, Massachusetts, Rhode Island

POOR ORIGINAL

SCHEDULE A

A certain piece or parcel of land located on the easterly side of River Road in the City of Middletown, County of Middlesex and State of Connecticut, together with all improvements located thereon, said piece or parcel of land being the northerly portion of those premises shown on a map entitled: "PROPERTY OF WM. R. PETERSON OIL COMPANY, INC. TO BE CONVEYED TO CITY OF MIDDLETOWN RIVER ROAD, MIDDLETOWN, CONNECTICUT BOUNDARY SURVEY DATE: DEC. 1983 REV. SEPT. 28, 1998 SCALE: 1"=20' DAVID B. MYLCHREBST Consulting Engineer Civil - Structural - Survey Laurel Grove Rd. Middletown, Conn.", said land being more particularly bounded and described as follows:

Beginning at a iron pin in the Easterly street line of River Road, being the northwesterly corner of land of the City of Middletown and shown on said map as "1.50 ACRES", thence proceeding N 25° 30' 00" E a distance of 49.66 feet along the Easterly street line of said River Road to an iron pin, thence proceeding N 30° 00' 03" W a distance of 9.39 feet along the easterly street line of said River Road to an iron pin, thence proceeding N 71° 14' 57" E a distance of 47.50 feet along land now or formerly of Misenti to an iron pin, thence proceeding N 50° 00' 03" W a distance of 99 feet, more or less, to the southerly shore of Sumner's Creek, thence proceeding N 70° 24' 21" E a distance of 88.33 feet along said Sumner's Creek to a point, thence proceeding S 79° 42' 16" E a distance of 94.26 feet along said Sumner's Creek to a point, thence proceeding S 52° 41' 46" E a distance of 71.97 feet along said Sumner's Creek to a point, thence proceeding S 66° 30' 08" E a distance of 91.45 feet along said Sumner's Creek to a point, thence proceeding S 52° 58' 25" E a distance of 56.44 feet along said Sumner's Creek to a point, thence proceeding S 00° 33' 15" E a distance of 151.64 feet along said Sumner's Creek to a point, thence proceeding in a straight line in a westerly direction to the northeasterly corner of said "1.50 ACRES" parcel of land owned by the City of Middletown, thence proceeding N 64° 30' 00" W a distance of 267.75 feet along said "1.50 ACRES".

It is the intention of this deed to convey to the grantees whatever interest the grantor may have in and to any land lying between the northerly boundary of the above described parcel and the southerly boundary of Sumner's Creek as shown on said map.

Rec'd for Record FEB 26 2001 at 3 26 P.M.
Recorded by [Signature]

SECTION 46 FLOOD AREA MANagements REGULATIONS

46.01 PURPOSE

The purpose of these regulations is to provide for the identification of potential flood hazard areas and the control of any development activity within these areas.

46.02 IDENTIFICATION

Flood Hazard Boundaries are those shown on the latest revision of maps provided by the federal government through the Federal Emergency Management Agency. The latest version of the maps have an effective date of July 16, 1990, and are drawn at a scale of 1" = 1,000'. These maps are adopted as part of this Code.
(Effective date revised-eff. date 7\16\90)

Interpretation of the maps shall be by the Commission staff who may ask the assistance of the FEMA.

The flood areas are also shown in a simplified version on the Zoning Map for the purpose of alerting potential land-users to see the more detailed FEMA maps.

46.03 OBJECTIVE

To qualify the City for the National Flood Insurance Program as administered by the Federal Emergency Management Agency by following the provisions of this Section and other requirements of this Code. (Revised eff. 8\25\88.)

46.04 LAND USES

For land use purposes the flood areas are an overlay of the basic zones therefore uses and controls provided for elsewhere in this Code shall apply.

The following restrictions shall apply to the specific areas whose boundaries are shown in the Floodway Map.

- (a) Floodway. Development limited to utilitarian structures such as bridges and utility crossings or those uses permitted in the Riverfront Recreation Zone, provided such development shall comply with the National Flood Insurance Program regulations in its Section 60.3 (d)(3) which requires that a projects' encroachment not result in any increase in flood levels within the community during the occurrence of the base flood discharge.

The text of NFIP Section 60.3 (d)(3) is as following:
"Prohibit encroachment, including fill, new construction, substantial improvements, and other development within the adopted regulatory floodway unless it has been demonstrated through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachment would not result in any increase in flood levels within the community during the occurrence of the base flood discharge."

(b) One hundred year area, approximate 100 year area and 500 year area - no development permitted except as specified herein below.

(b-1) Structures already located in flood prone areas may be flood proofed up to, or above, the elevation of the base flood level of the area.

Flood proofing means any combination of structural or non-structural additions, change or adjustment to structure which reduces or eliminates flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents.

(b-2) Any non-residential use may be proposed and such proposed development shall be considered as a Special Exception following the procedures of Zoning Code Section 44.

All proposals shall be designed by a proper category of professional person as required by State law. Proposal shall be reviewed with the objective of determining potential impact on flooding and suitability of the facility to withstand potential flooding in accordance with the proposed use.

Design of the project shall be in accordance with the requirements of the National Flood Regulations with specific reference to Insurance Program Section 60.3 (c) (3&4).

Amended effective 9\11\90



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OFFICE OF LONG ISLAND SOUND PROGRAMS



June 16, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Deputy Chief Robert Ross
City of Middletown Fire Department
533 Main Street
Middletown, CT 06457

**SUBJECT: PERMIT NO. 199900057-MG, 44 River Road near the intersection of Union Street and Harbor Drive
City of Middletown, Middletown**

Dear Deputy Chief Ross:

Enclosed is the signed permit which constitutes the approval of your application to conduct regulated activities. Your attention is directed to the conditions of the enclosed permit. Construction or work must conform to that which is authorized.

If you have not already done so, you should contact your local Planning and Zoning Office to determine local permit requirements on your project, if any. Also, your activity may be eligible for General Permit authorization from the U.S. Army Corps of Engineers. The State of Connecticut forwarded a copy of its tentative determination for this activity to the Corps for its determination of General Permit eligibility. You do not need to apply directly to the Corps unless they notify you. If General Permit eligibility has already been determined, an authorization letter will be attached to this permit. Otherwise, authorization will be mailed separately. For more information regarding this new federal process, you may write to the Corps New England Division, Regulatory Branch, 696 Virginia Road, Concord, Massachusetts 01742-2751; or, call (978) 318-8335.

If you have any questions concerning your permit, please contact staff of the Permit section at (860) 424-3034.

Sincerely,

M.P. Grzywinski
Michael P. Grzywinski
Environmental Analyst

MPG/wlm
encl.

Sent Certified Mail, Return Receipt Requested to: Commissioner of Transportation, Adjacent Property Owners; All Parties; the Mayor, First Selectman or Town Manager; Shellfish Commission; the Planning and Zoning Commissions; and the Harbor Management Commission.

Copies Furnished to:

Conservation Commission
DEP/Wildlife Division
DEP/Fisheries Division
Dept. of Agriculture/Aquaculture Division

DEP/Water Mgt. Bureau
DOT/Bureau of Aeronautics and Ports
File No. 199900057-MG, Middletown
Desk Copy



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



PERMIT

Permit No.: 199900057-MG
City: Middletown
Work Area: Connecticut River off property located at 44 River Road
Permittee: City of Middletown

Pursuant to sections 22a-359 through 22a-363f of the Connecticut General Statutes ("General Statutes"), and in accordance with section 22a-98 of the General Statutes and the Connecticut Water Quality Standards dated April 1997, a permit is hereby granted by the Commissioner of Environmental Protection (Commissioner) to remove existing pilings, install and attach to an existing fixed pile and timber pier, a ramp and floating dock, and install anchor piles for the berthing of municipal emergency rescue vessels as is more specifically described below in the SCOPE OF AUTHORIZATION, in the Connecticut River off property identified as the "work area" above.

*******NOTICE TO PERMITTEES AND CONTRACTORS*******

**FAILURE TO CONFORM TO THE TERMS AND CONDITIONS OF THIS PERMIT
MAY SUBJECT THE PERMITTEE AND ANY CONTRACTOR TO ENFORCEMENT
ACTIONS, INCLUDING PENALTIES AND INJUNCTIONS, AS PROVIDED BY LAW.**

SCOPE OF AUTHORIZATION

- A. The Permittee is hereby authorized to conduct the following work as described in application #199900057-MG, including two sheets of plans submitted by the Permittee to the Commissioner and attached hereto, sheets 1 and 2 of 2 dated July 1998, revised April 1999:
1. remove two existing three-pile dolphin clusters as shown on sheet 1 of 2; and
 2. install and attach to an existing fixed pile and timber pier, a 4' wide by 24' long ramp to a 6' wide by 59' long floating dock, and install associated anchor piles as shown on sheets 1 and 2 of 2.
- B. The Permittee may, consistent with all terms and conditions of this permit, conduct routine maintenance, as that term is defined in section 22a-363a of the General Statutes, of the structures authorized herein.

**UPON INITIATION OF ANY WORK AUTHORIZED HEREIN, THE PERMITTEE
ACCEPTS AND AGREES TO COMPLY WITH ALL TERMS AND CONDITIONS OF**

Permit Application #199900057-MG

Page 2 of 6

THIS PERMIT.**SPECIAL TERMS AND CONDITIONS**

1. Except as specifically authorized by this permit, no equipment or material including but not limited to, fill, construction materials, excavated material or debris, shall be deposited, placed or stored in any wetland or watercourse on or off-site, nor shall any wetland or watercourse be used as a staging area or accessway other than as provided herein.
2. All work associated with the driving and removal of pilings shall be conducted by a water-based barge during periods of high tide.
3. At no time shall the Permittee allow the barge to sit on the river bottom.
4. All waste material generated by the work authorized herein shall be disposed of at an approved upland disposal location.
5. The structures authorized herein are for the sole use of the City of Middletown Fire and Police Department emergency rescue vessels.
6. At no time shall the structures authorized herein be used to berth recreational boats unless authorized in writing by the Commissioner. Use of the structures to berth recreational boats shall constitute a change in use.
7. Not later than two weeks prior to the commencement of any work authorized herein, the Permittee shall submit to the Commissioner, on the form attached hereto as Appendix A, the name(s) and address(es) of any contractor(s) employed to conduct such work and the expected date for commencement and completion of such work.
8. On or before (a) 90 days after completion of the work authorized herein, or (b) upon expiration of the work completion date or any authorized one year extension thereof, whichever is earlier, the Permittee shall submit to the Commissioner "as-built" plans of the work area showing all contours, bathymetries, tidal datums and structures.

GENERAL TERMS AND CONDITIONS

1. All work authorized by this permit shall be completed within three years from date of issuance of this permit ("work completion date"), except that maintenance as specified in the SCOPE OF AUTHORIZATION may be conducted at any time, in accordance with all conditions of this permit and any other applicable law.
 - a. The Permittee may request a one year extension of the work completion date. Such

request shall be in writing and shall be submitted to the Commissioner at least 30 days prior to said work completion date. Such request shall describe the work done to date, work which still needs to be completed and the reason for such extension. The Commissioner shall grant or deny such request in his sole discretion.

- b. Any work authorized herein, other than maintenance authorized herein, conducted after said work completion date or any authorized one year extension thereof is a violation of this permit and may subject the Permittee to enforcement action, including penalties, as provided by law.
- 2. In conducting the work authorized herein, the Permittee shall not deviate from the attached plans, as may be modified by this permit. The Permittee shall not make de minimis changes from said plans without prior written approval of the Commissioner.
- 3. The Permittee shall, consistent with the SCOPE OF AUTHORIZATION, maintain all structures or other work authorized herein in good condition.
- 4. Prior to the commencement of any work authorized herein, the Permittee shall cause a copy of this permit to be given to any contractor(s) employed to conduct such work. At the work area the Permittee shall, whenever work is being performed, make available for inspection a copy of this permit and the final plans for the work authorized herein.
- 5. In undertaking the work authorized hereunder, the Permittee shall not cause or allow pollution of wetlands or watercourses, including pollution resulting from sedimentation and erosion. For purposes of this permit "pollution" means "pollution" as that term is defined by section 22a-423 of the General Statutes
- 6. Upon completion of any work authorized herein, the Permittee shall restore all areas impacted by construction, or used as a staging area or accessway in connection with such work, to their condition prior to the commencement of such work.
- 7. Any document required to be submitted to the Commissioner under this permit or any contact required to be made with the Commissioner shall, unless otherwise specified in writing by the Commissioner, be directed to:

Permit Section
 Office of Long Island Sound Programs
 Department of Environmental Protection
 79 Elm Street
 Hartford, Connecticut 06106-5127

- 8. The date of submission to the Commissioner of any document required by this permit shall be the date such document is received by the Commissioner. The date of any notice by the

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Commissioner under this permit, including but not limited to notice of approval or disapproval of any document or other action, shall be the date such notice is personally delivered or the date three days after it is mailed by the Commissioner, whichever is earlier. Except as otherwise specified in this permit, the word "day" as used in this permit means calendar day. Any document or action which is required by this permit to be submitted or performed by a date which falls on a Saturday, Sunday or a Connecticut or federal holiday shall be submitted or performed on or before the next day which is not a Saturday, Sunday, or a Connecticut or federal holiday.

9. The work specified in the SCOPE OF AUTHORIZATION is authorized solely for the purpose set out in this permit. No change in the purpose or use of the authorized work or facilities as set forth in this permit may occur without the prior written authorization of the Commissioner. The Permittee shall, prior to undertaking or allowing any change in use or purpose from that which is authorized by this permit, request authorization from the Commissioner for such change. Said request shall be in writing and shall describe the proposed change and the reason for the change.
10. This permit may be revoked, suspended, or modified in accordance with applicable law.
11. This permit is not transferable without prior written authorization of the Commissioner. A request to transfer a permit shall be submitted in writing and shall describe the proposed transfer and the reason for such transfer. The Permittee's obligations under this permit shall not be affected by the passage of title to the work area to any other person or municipality until such time as a transfer is authorized by the Commissioner.
12. The Permittee shall allow any representative of the Commissioner to inspect the work authorized herein at reasonable times to ensure that it is being or has been accomplished in accordance with the terms and conditions of this permit.
13. In granting this permit, the Commissioner has relied on representations of the Permittee, including information and data provided in support of the Permittee's application. Neither the Permittee's representations nor the issuance of this permit shall constitute an assurance by the Commissioner as to the structural integrity, the engineering feasibility or the efficacy of such design.
14. In the event that the Permittee becomes aware that he did not or may not comply, or did not or may not comply on time, with any provision of this permit or of any document required hereunder, the Permittee shall immediately notify the Commissioner and shall take all reasonable steps to ensure that any noncompliance or delay is avoided or, if unavoidable, is minimized to the greatest extent possible. In so notifying the Commissioner, the Permittee shall state in writing the reasons for the noncompliance or delay and propose, for the review and written approval of the Commissioner, dates by which compliance will be achieved, and the Permittee shall comply with any dates which may be approved in writing by the

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Commissioner. Notification by the Permittee shall not excuse noncompliance or delay and the Commissioner's approval of any compliance dates proposed shall not excuse noncompliance or delay unless specifically stated by the Commissioner in writing.

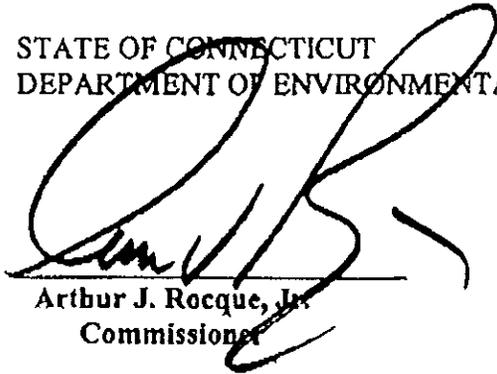
15. In evaluating the application for this permit, the Commissioner has relied on information and data provided by the Permittee and on the Permittee's representations concerning site conditions, design specifications and the purpose of the work authorized herein, including but not limited to representations concerning the commercial, public or private nature of the work or structures authorized herein, the water-dependency of said work or structures, its availability for access by the general public, and the ownership of regulated structures or filled areas. If such information proves to be false, deceptive, incomplete or inaccurate, this permit may be modified, suspended or revoked, and the Permittee may be subject to enforcement action.
16. The Permittee may not conduct any work waterward of the high tide line or in tidal wetlands at this work area other than work authorized herein, unless otherwise authorized by the Commissioner pursuant to section 22a-359 et. seq. and/or section 22a-32 et. seq. of the Connecticut General Statutes.
17. The issuance of this permit does not relieve the Permittee of his obligations to obtain any other approvals required by applicable federal, state and local law.
18. Any document, including but not limited to any notice, which is required to be submitted to the Commissioner under this permit shall be signed by the Permittee and by the individual or individuals responsible for actually preparing such document, each of whom shall certify in writing as follows: "I have personally examined and am familiar with the information submitted in this document and all attachments and certify that based on reasonable investigation, including my inquiry of those individuals responsible for obtaining the information, the submitted information is true, accurate and complete to the best of my knowledge and belief, and I understand that any false statement made in this document or its attachments may be punishable as a criminal offense."
19. This permit is subject to and does not derogate any present or future property rights or powers of the state of Connecticut, and conveys no property rights in real estate or material nor any exclusive privileges, and is further subject to any and all public and private rights and to any federal, state or local laws or regulations pertinent to the property or activity affected hereby.

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Issued on June 15, 1999.

STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Arthur J. Rocque, Jr.
Commissioner

Permit Application No. 199900057-MG, Middletown
City of Middletown
Certified Mail # _____
wlm