

# SUMMARY REAL ESTATE APPRAISAL

*Real Estate Located at:*

**Assessor's Map 34, Block 24-9, Lot 6  
DeKoven Drive and James A. Moses Avenue  
Middletown, Connecticut**

***Owner:*** Young Men's Christian Association  
of Northern Middlesex County, Connecticut

***Client:*** City of Middletown, Municipal Building  
Planning and Zoning Department  
245 DeKoven Drive  
Middletown, CT 06457

***Attention:*** Bill Warner

***Date of Value:*** August 8, 2003

***Prepared by:*** John W. Nitz, MAI  
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September 4, 2003

Mr. Bill Warner  
City of Middletown, Municipal Building  
Planning and Zoning Department  
245 DeKoven Drive  
Middletown, CT 06457

**Re: *Real Estate Located at***  
**Assessor's Map 34, Block 24-9, Lot 6**  
**DeKoven Drive and James A. Moses Avenue**  
**Middletown, Connecticut**

**Owner: Young Men's Christian Association**  
**of Northern Middlesex County, Connecticut**

Dear Mr. Warner:

As requested, the following summary narrative appraisal report of the above referenced real estate has been prepared in order to establish the "as is" market value of the fee simple estate as of August 8, 2003.

## **Subject Property Description**

The subject property consists of 1.67 acres or 72,800 square feet of gradually sloping land at the southeasterly border of DeKoven Drive and James A. Moses Avenue. The subject property is improved with a macadam-paved parking area containing approximately 44,800 square feet which is enclosed by a chain link fence. The southeasterly boundary of the site represents the middle of Summer Creek.

**Valuation Methodology**

Currently, Middlesex Hospital leases the subject property on a short-term basis for parking. A copy of the lease was unavailable; however, the lease is reportedly short-term or month-to-month. Therefore, the market value of the fee simple estate has been established in this report. The sales comparison approach has been developed exclusively in valuing the subject property as vacant land.

**Summary**

Based upon an analysis and investigation of market conditions in the Middletown market area as they pertain to the subject property, the market value of the fee simple estate, as of August 8, 2003, is as follows:

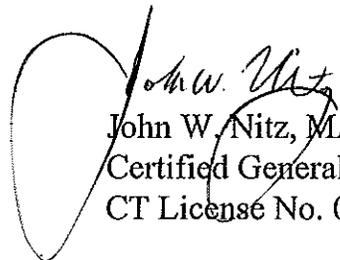
**TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS**

**(\$275,000)**

**There is no apparent evidence of ground contamination; however, determination of the presence of such hazards is beyond the technical capability of your appraiser. Therefore, no certification is made as to the presence or absence of hazardous wastes or ground contamination on the subject site.**

This appraisal report has been prepared in conformity with and is subject to the requirements of the Uniform Standards of Professional Practice (USPAP), the Code of Professional Ethics, and the Standards of Professional Practice of the Appraisal Institute.

Respectfully submitted,



John W. Nitz, MAI  
Certified General Appraiser  
CT License No. 00000449

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**TABLE OF CONTENTS**

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Executive Summary .....	1
Subject Photographs .....	2
Scope of the Appraisal .....	6
Identification of the Property .....	6
Property Rights Appraised .....	7
Purpose of the Appraisal .....	7
Intended Use and the Intended User of the Appraisal .....	7
Competency Provision .....	7
Exposure Time and Marketing Period .....	7
Definitions .....	8
History of the Property .....	10
Community and Regional Analysis .....	11
Neighborhood Analysis .....	15
Site Data and Analysis .....	16
Zoning .....	18
Assessment and Real Estate Taxes .....	18
Description of the Improvements .....	18
Highest and Best Use .....	19
The Appraisal Process .....	21
Valuation Premise .....	21

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**TABLE OF CONTENTS (Continued)**

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Sales Comparison Approach .....	22
Correlation and Final Value Conclusions .....	42
Final Value Estimate .....	42
Certification of Value .....	43
Assumptions and Limiting Conditions .....	44

***Addenda:***

- Connecticut Map
- City Map
- Zoning Map
- Survey Map
- Middletown Assessor's Map
- Middletown Assessor's Field Card
- Deed and Legal Description
- Engagement Letter
- Qualifications of the Appraiser

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**EXECUTIVE SUMMARY**

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Location of Property: Assessor's Map 34, Block 24-9, Lot 6  
DeKoven Drive and James A. Moses Avenue  
Middletown, Connecticut

Owner of Record: Young Men's Christian Association  
of Northern Middlesex County, Connecticut

Legal Reference: Volume 550, Page 164  
of the Middletown Land Records

Purpose of Appraisal: To establish the market value of the fee simple  
estate

Date of Value Estimate: August 8, 2003

Zone: MX, Mixed Use Zone

Annual Real Estate Taxes: \$3,538 or \$2,119 per acre

Land Area: 1.67 acres or 72,800 square feet

Improvements: Approximately 44,800 square feet of macadam  
pavement and chain-link fencing

Highest and Best Use: To develop the site with a retail and/or office  
facility with apartments located on the upper floors

**Valuation Indicators**

Cost Approach: Not developed

Sales Comparison Approach: \$275,000

Income Capitalization Approach: Not developed

**FINAL VALUE ESTIMATE: \$275,000**

Value Per Square Foot: \$3.78 per square foot

Exposure Time/Marketing Period: Six months or less

**SUBJECT PHOTOGRAPHS**



*1. Front view of the subject property, looking southwesterly;  
dated August 8, 2003*



*2. General view of the subject property, looking easterly  
from the rear of the site; dated August 8, 2003*



***3. Front view of the site, looking southerly toward Summer Creek;  
dated August 8, 2003***



***4. General view of James A. Moses Avenue, looking easterly;  
dated August 8, 2003***

***SUBJECT PHOTOGRAPHS (Continued)***



***5. General view of James A. Moses Avenue, looking westerly;  
dated August 8, 2003***



***6. General view of DeKoven Drive, looking northerly;  
dated August 8, 2003***



*7. General view of DeKoven Drive, looking southerly;  
dated August 8, 2003*

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## *SCOPE OF THE APPRAISAL*

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The scope of this appraisal includes:

1. A physical inspection and measurement of the improvements.
2. A discussion of the property with Frank Sumpter, President of the YMCA of Middletown.
3. Community and neighborhood data as well as market data within the subject general area were analyzed.
4. An analysis of the subject highest and best use.
5. Collection, verification, and analysis of public data relative to the valuation of the subject and the approaches developed.
6. Preparation of a summary, narrative appraisal report in compliance with the Appraisal Institute and USPAP (Uniform Standards of Professional Appraisal Practice).

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## *IDENTIFICATION OF THE PROPERTY*

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The property being appraised is commonly known as Assessor's Map 34, Block 24-9, Lot 6, DeKoven Drive and James A. Moses Avenue, in the city of Middletown, the county of Middlesex, and the state of Connecticut. Young Men's Christian Association of Northern Middlesex County, Connecticut, is the owner of the subject property. The subject is referenced in Volume 550, Page 164, of the Middletown Land Records. The property is also identified on the Middletown Assessor's Tax Map as Map 34, Block 24-9, Parcel 6.

Reference also has been made to a certain survey map entitled, "*Middletown Redevelopment Agency, Middletown, Connecticut, Metro South Urban Renewal Project, UR-Conn. R-105 Disposition, Parcels E-1 & E-2, dated February 1979,*" prepared by John D. Conklin, L.S. A copy of said survey map has been included in the *Addenda* of this report.

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***PROPERTY RIGHTS APPRAISED***

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The fee simple interest has been appraised in the subject property as of August 8, 2003.

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***PURPOSE OF THE APPRAISAL***

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The purpose of this appraisal is to establish the market value of the fee simple estate in the property known as Assessor's Map 34, Block 24-9, Lot 6, DeKoven Drive and James A. Moses Avenue, Middletown, Connecticut, as of the effective date August 8, 2003.

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***INTENDED USE AND THE INTENDED USER OF THE APPRAISAL***

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The intended use of the appraisal is for the potential sale of the subject property. The City of Middletown is the intended user of the appraisal.

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***COMPETENCY PROVISION***

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As a certified general appraiser with the State of Connecticut, your appraiser is competent to appraise the subject property. Your appraiser has appraised numerous parcels of land throughout Middlesex County and the state of Connecticut. Moreover, your appraiser currently is a Member of the Appraisal Institute (MAI). As of the date of this report, your appraiser has completed the requirements under the continuing education program of the Appraisal Institute.

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***EXPOSURE TIME AND MARKETING PERIOD***

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The established market value reflects an exposure time of six months, reflecting the period prior to the date of value. A marketing period within six months is implicit with this analysis, recognizing the time period after the date of value to liquidate the subject property. The exposure time and the marketing period are based on the known marketing time of the sales examined in the sales comparison approach.

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## **DEFINITIONS**

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### **Market Value**

The definition of *market value*, as taken from the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of The Appraisal Foundation and as referenced in 12 CFR Part 323 FDIC final rule on Title IX of the FIRREA Enforcement Act:

*"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- 1. Buyer and seller are typically motivated;*
- 2. Both parties are well informed or well advised, and each acting in what they consider their own best interests;*
- 3. A reasonable time is allowed for exposure in the open market;*
- 4. Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and*
- 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

### **Fee Simple**

*"The most complete form of ownership is title in fee. Such ownership establishes an interest in real property known as fee simple interest; i.e., absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat."*

*The Appraisal of Real Estate Twelfth Edition, published by the Appraisal Institute, 875 North Michigan Avenue, Chicago, Illinois, 2001, Page 68.*

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## *HISTORY OF THE PROPERTY*

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The following represents the most recent transfer of ownership with respect to the subject property:

Location: Assessor's Map 34, Block 24-9, Lot 6  
DeKoven Drive and James A. Moses Avenue  
Middletown, Connecticut

Grantor: City of Middletown

Grantee: Young Men's Christian Association  
of Northern Middlesex County, Connecticut

Legal Reference: Volume 550, Page 164  
of the Middletown Land Records

Date of Sale: August 1, 1979

Sale Price: \$57,250

Type of Deed: Quitclaim

A copy of the deed and the legal description of record is included in the *Addenda* of this report. Currently, the subject property is not listed or under contract for sale.

### History of the Subject Use

The subject property currently is utilized as a parking lot for the YMCA and Middlesex Hospital, as well as potentially others requiring all-day parking. Reportedly, the YMCA has the right to use the subject property for passive recreation including volleyball courts and a walking/jogging track. Moreover, the YMCA will maintain 48 parking spaces on the site along with the passive recreation.

**Geographic Characteristics**

The city of Middletown is located geographically in the center of the Connecticut within Middlesex County and within the Hartford/New Haven corridor. The city is bordered on the north by the town of Cromwell; on the northwest by the town of Berlin; on the west by the city of Meriden; on the southwest by the town of Middlefield; on the south by the towns of Durham and Haddam; and on the east by the Connecticut River. The towns of Portland and East Hampton are situated just east of the Connecticut River.

**Population Characteristics**

The geographical area of Middletown is 40.89 square miles and the estimated population, as of 2000 U.S. Census, was approximately 43,167 residents. The town currently is ranked 21<sup>st</sup> among the 169 communities in Connecticut with respect to population size. From 1990 to 2000, the population has increased by .9%. Growth trends and population statistics of neighboring communities are as follows:

<u>Municipality</u>	<u>Land Area (Sq. Miles)</u>	<u>2000 Population</u>	<u>1990 - 2000</u>	<u>Density</u>
<b>Middletown</b>	<b>40.9</b>	<b>43,167</b>	<b>.9%</b>	<b>1,055</b>
Cromwell	12.4	12,871	4.8%	1,038
Berlin	26.5	18,215	8.5%	687
Meriden	23.7	58,244	-2.1%	2,458
Middlefield	12.7	4,203	7.1%	331
Durham	23.6	6,627	15.6%	281
Haddam	44.0	7,157	5.7%	163
Portland	23.4	8,732	3.7%	373
East Hampton	35.6	13,352	28.0%	375
Middlesex County	369.3	155,071	8.3%	420
State of Connecticut	4,845.4	3,405,565	3.6%	703
Average Per Town	28.7	20,151	3.6%	703

**Population Characteristics (Continued)**

Connecticut as a whole lost its residents since between 1990 – 1995, primarily due to the soft Connecticut economy. Demographics statistics indicate that population growth has returned to equilibrium in Connecticut in recent years. Population growth in the subject area and throughout Middlesex County has been steady, similar to the state of Connecticut as a whole. In general, rural/suburban communities in Connecticut have experienced population growth; whereas, major cities throughout the state, such as Waterbury, Bridgeport, Hartford, and New Haven, have exhibited significant population declines over the past four years.

**Employment and Economic Characteristics**

As of 1999, Middletown had a per capita income of \$24,100, which compares to \$29,300 for the state of Connecticut. With respect to unemployment, the city demonstrated an unemployment rate of 5.6% in June of 2003, which compares to a 5.5% rate for the Hartford Labor Market area, 5.2% for the entire state of Connecticut, and 6.5% for the United States. Employment opportunities are available in Middletown, Meriden, New Britain, Hartford, and New Haven, as well as the smaller suburban towns.

**New Developments**

- 1) Three new industrial buildings approved for construction by Middletown Planning and Zoning with gross building areas ranging between 10,000 and 20,000 square feet. The sites are located in the general Westfield area. Two additional industrial sites are proposed for the city to be located near the Aetna-Middletown complex. CES Corporation is the major new building proposed for construction.
- 2) New retail and municipal construction is occurring along the East Main Street area, including a CVS and Hollywood Video store. A new strip shopping center is in the works. A new 50,000 square foot retail area and city police station is being constructed in the Main Street area. There is also strong consideration for a movie theater complex in downtown Middletown.
- 3) Three to four residential subdivisions, each with over 100 lots, are in various stages of receiving approvals and early construction. Currently, a moratorium exists for new residential subdivisions throughout the city. The moratorium will be lifted in November 2003.

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## ***COMMUNITY AND REGIONAL ANALYSIS (Continued)***

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### **New Developments (Continued)**

- 4) A new 204-unit apartment complex in the Forest Glen section (Westlake area near the Cromwell town line) is approved for construction.
- 5) A 127 lot residential subdivision "The Hunt Club" located off East Street, north of the subject property is nearing completion. Single-family homes are being sold in the \$140,000 to \$170,000 price range.
- 6) An 18-hole public golf course located on Atkins Street near the Berlin town line has been developed and opened in 2000. The name of the new course is Pistol Creek.
- 7) The Meadows at Riverbend off East Street and Tuttle Road has been approved for construction. The site will include 359 single-family dwellings on 10,000 square foot lots. Houses will range in size from 2,000 – 2,600 square feet, priced between \$170,000 and \$220,000. An 18 hole gold course will be constructed as part of the subdivision development.
- 8) The Inn at Middletown, currently under construction at Crescent/Main Street in the Middletown CBD, will contain 100 rooms for upscale accommodations. The Inn also features 4,500 square feet of meeting and banquet space and a restaurant/tavern.

According to the Middletown City Planner, new construction is increasing in the city of Middletown.

### **Market Conditions**

Middletown is diverse with respect to its commercial and residential real estate. Similar to most areas of Connecticut, property values of all types generally have improved in the city since 1995. According to *The Commercial Record*, residential sales activity has declined by approximately 4.89% over the past year, based on 447 sales as opposed to 470 in 2002. The median sale price of a home is at a reasonable price of \$159,875 (excluding condominiums), as of the June 2003, which represents an increase of 13.39% since 2002.

According to published surveys, the industrial market in the Greater Hartford area has been improving over the past year with the overall industrial vacancy rate decreasing from 11% to 8%, as of the Second Quarter of 2003. Commercial brokers in Middletown also indicate gradual improvement in the office, industrial, and retail market.

**Transportation Facilities**

The city benefits from good highway access to Interstate 91 and Route 9. Routes 72 and 66 also provide routing to points throughout the city, as well as neighboring communities. Public bus transportation is available along most major routes of transportation. Air transportation is within 30 miles via Bradley International Airport in Windsor Locks, CT. Rail service also is available in the community.

**Summary**

In summary, the city of Middletown has an above-average general and specific location with respect to proximity to major highways, employment centers, and urban amenities. The city has suffered in the early-1990's, similar to other urban areas with respect to its economic conditions. However, market conditions are improving gradually in the city and throughout the region.

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## *NEIGHBORHOOD ANALYSIS*

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The subject property is located at the southerly end of the Middletown Central Business District of the city of Middletown at the southwesterly corner of DeKoven Drive and James A. Moses Avenue. DeKoven Drive is a north/south thoroughfare that is one block east of Main Street and parallels Main Street and Route 9 immediately to its east. James A. Moses Avenue, a.k.a. Greenfield Avenue, is a segment of road that runs the length of the subject property's northern boundary approximately 270 feet where it ends without connecting to another street. Access to and from Route 9, an important north/south arterial, is good and generally within one quarter of a mile.

The subject property is proximal to the Middlesex Hospital, Middletown's YMCA, the yet-to-be-completed, 100-room, Inn and Conference Center at Middletown Metro Plaza and the southern portion of a vibrant Main Street that is distinguished within its regional area for its cluster of ethnic restaurants. Wesleyan University, an important economic mover within the city of Middletown, lies three to four blocks west of the subject.

The subject neighborhood is defined by the Connecticut River, Silvermine Road and Bartholomew Road to the east; Randolph Road to the south; Long Lane, Butternut Street, and the Coginchaug River to the west; and the Mattabasset and the Coginchaug Rivers to the north. The neighborhood has several significant components: 1) a classic, predominantly intact, small-town, main-street environment with shops, restaurants, apartments, and governmental buildings; 2) an older, industrial area with multi-story factory buildings that has had its core gutted through demolition and partly replaced with low-density, light industrial type buildings; 3) residential areas near the Central Business District which are urban and blue collar in character and residential areas and their commercial districts in the southern and western parts of the subject's neighborhood which are suburban in their land use features; and finally 4) the campuses of Wesleyan University and the now defunct Long Lane School.

The immediate neighborhood which surrounds the subject property consists of the Connecticut Rental Center, infrastructure for Yankee Gas, the Personal Auto Care Service Center, the Zion Baptist Church, a branch bank of Fleet Bank, a small residential area, One MacDonough Place - Residential Assisted Living, the Middletown YMCA, Hubbard Park which is composed of two Little League baseball fields, and Route 17 which is elevated considerably above grade level, and a City of Middletown sewage plant.

In summary, the subject property is a physical part of a vibrant Central Business District, in particular, a burgeoning South Main Street. Market conditions are generally improving with a continuing decline in the percentage of retail and office vacancy. The subject property has average visibility and good access to Route 9.

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**SITE DATA AND ANALYSIS**

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<b>Frontage:</b>	340.63 feet on the westerly side of DeKoven Drive; 269.77 feet on the southerly side of James A. Moses Avenue
<b>Land Area:</b>	1.67 acres or 72,800 square feet
<b>Shape:</b>	Roughly rectangular
<b>Topography:</b>	The subject property has generally a slope of low gradient that is level with street grade.
<b>View:</b>	The property has commercial views in northerly, easterly, and westerly directions; whereas, the site has a wooded southerly view.
<b>Visibility/Exposure:</b>	The subject site presents good visibility from the vantage of DeKoven Drive and James A. Moses Avenue.
<b>Excess Land:</b>	Not applicable
<b>Inland Wetlands:</b>	A small quantity located along the subject property's southerly boundary, which is the centerline of Summer Creek. Some potential developments for the subject property such as automotive repair may not be permitted due to the presence of a waterway in proximity of the subject property.
<b>Easements/ Encroachments:</b>	The property is subject to certain deed restrictions in the Metro South Urban Renewal Project, which apparently expires on September 2, 2009, per Volume 550, Page 168, of the Middletown Land Records. A copy of Metro South Urban Renewal Project was unavailable. For purposes of this appraisal, the subject property has been valued as if deed restrictions do not hinder the development potential and/or use of the subject property. A copy of said deed restriction has been included in the <i>Addenda</i> of this report.

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*SITE DATA AND ANALYSIS (Continued)*

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**Flood Zone:** Zone X, unshaded, an area outside the 500-year flood plain; approximately one-third of the subject property is designated Zone AE, an area within the 100-year flood plain; and approximately one-third of the subject property is designated Zone AE, cross-hatched, areas of a floodway, per Flood Insurance Rate Map (FIRM) Community Panel Number 090068 0006C, dated March 7, 2001

**Public Utilities:** All; including public water, sanitary sewers, electricity, natural gas, and telephone service

**Environmental Concerns:** There is no apparent evidence of ground contamination; however, determination of the presence of such hazards is beyond the technical capability of your appraiser. Therefore, no certification is made as to the presence or absence of hazardous wastes or ground contamination on the subject site.

**Structural Improvements:** None

**Land-to-Building Ratio:** Not applicable

**Site Improvements:** A macadam-paved parking area composed of 44,800 square feet with parking for 135 vehicles. Chain-link fencing surrounds the parking lot.

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**ZONING**

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The subject property is situated within the MX, Mixed-Use Zone, which permits single-family dwellings, two-family dwellings, as well as a variety of uses permitted by special exception including ambulance service; child care facilities; fraternities/sorority houses; social clubs; housing for elderly and physically handicapped; professional offices; neighborhood stores; banking facilities; places of worship; libraries, museums, and similar institutions of a non-commercial nature; neighborhood restaurants not to exceed 1,800 square feet; care/nursing homes; bed and breakfast facilities; retail sales and/or rentals of used automobiles.

The MX Zone requires a minimum frontage of 75 feet and a minimum lot area of 10,000 square feet; whereas, the maximum lot coverage is 30%. The subject property represents a conforming use of the MX Zone. Its current use as a parking lot is a permitted use.

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**ASSESSMENT AND REAL ESTATE TAXES**

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**Assessment**

Land:	\$ 60,620
Improvements:	<u>47,250</u>
Total:	\$107,870

<u>Total</u>		<u>Mill Rate</u>		<u>Annual Real</u>
<u>Assessment</u>		<u>Factor</u>		<u>Estate Taxes</u>
\$107,870	@	.0328	=	\$3,538.14
			Rounded to:	\$3,538

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**DESCRIPTION OF THE IMPROVEMENTS**

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The subject property has a macadam-paved parking area composed of approximately 44,800 square feet that is enclosed, with the exception of two entrances on James A. Moses Avenue with a chain-link fence. The parking area is in good condition and consists of 135 lined parking spaces.

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## *HIGHEST AND BEST USE*

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Real estate is valued in terms of its highest and best use. *Highest and Best Use* is defined as:

*The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.*

The highest and best use of a property is determined by participants in the market. A use that maximizes the return on an investment property represents the highest and best use. In appraising real estate, the concept of highest and best use is the basis for establishing market value.

The highest and best use also takes into account the contribution of a specific use to the community and community development goals as well as to the benefits of that use to individual property owners. Hence, in certain situations the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats and similar community uses.

In determining the highest and best use of a property, two considerations must be analyzed including 1) the highest and best use of the site as if vacant, and 2) the highest and best use of the property as improved. The highest and best use of the land as if vacant may be different from the highest and best use of the land as improved. This occurs when the improvements no longer contribute to the overall value of the property, or they do not represent the ideal use of the site.

The highest and best use of the land as if vacant and as improved must meet four criteria. They are identified and described as follows:

1. ***Physically Possible:** Certain characteristics make a vacant site physically possible for development, such as its size, shape, soil conditions, the availability of utilities, topography, etc. An improved site should also be analyzed with respect to building size, style and design, functional utility, and physical condition of the improvements, and other physical characteristics in determining whether the improvements are physically possible.*

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## HIGHEST AND BEST USE (Continued)

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2. **Legally Permissible:** *Those uses allowed on the site are considered legally permissible. Some of the factors which indicate whether a property is legally permissible include: public and private restrictions, lease encumbrances, zoning, building codes, environmental regulations, and any other governmental laws and/or regulations.*
3. **Financially Feasible:** *Various uses that are physically possible and legally permissible should be analyzed to determine which will produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All alternative uses anticipated to produce a positive return are regarded as financially feasible.*
4. **Maximum Profitability:** *Among financially feasible uses, the use that produces the highest price or value consistent with the rate of return warranted by the market is the maximally profitable use. This criteria also is referred to as maximally productive.*

## **CONCLUSION**

### **Highest and Best Use As Vacant**

The highest and best use as vacant is the development of the subject property into a multi-unit, retail or professional office facility with apartments on the upper levels. The CBD of Middletown has a demand for surface parking; moreover, neighboring properties such as Middlesex Hospital has a demand for parking in the area. Therefore, its continued use as a parking lot may be a viable alternative to development.

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## THE APPRAISAL PROCESS

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The process of estimating a property's market value involves a systematic process in which the problem is defined; the work necessary to solve the problem is planned; and the data required is obtained, analyzed, and interpreted into an estimate of value.

In this process, three basic approaches to value may be used in estimating the value of real estate: the sales comparison approach, the income capitalization approach, and the cost approach. These approaches are defined in the *Dictionary of Real Estate Appraisal, Third Edition*, published by the Appraisal Institute, 1993, pages 81, 318, and 179.

***Cost Approach:** A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of, or replacement for, the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.*

***Sales Comparison Approach:** A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.*

***Income Capitalization Approach:** A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.*

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## VALUATION PREMISE

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All three approaches to value have been considered in this report in valuing the subject property to its highest and best use. The sales comparison approach was the only approach used inasmuch as the subject property represents vacant land. A typical purchaser of the subject property would be an investor/developer.

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## *SALES COMPARISON APPROACH*

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The sales comparison approach to value was developed in this appraisal report because adequate market data was available, and this approach to value reflects the actions of buyers and sellers in the marketplace.

In the analysis of the comparable sale properties, adjustments have been made to compensate for differences noted between the sale properties and the property being appraised. Adjustments have been considered for:

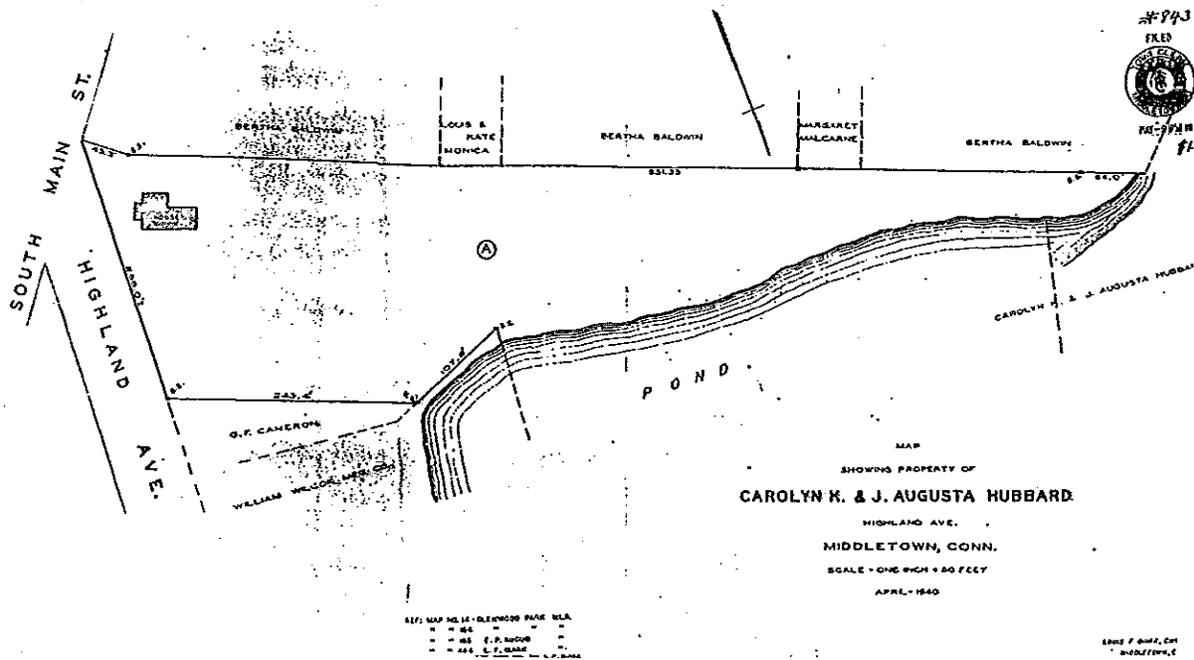
- 1. Real Property Rights Conveyed*
- 2. Financing*
- 3. Conditions of Sale*
- 4. Expenditures Immediately After Purchase*
- 5. Market Conditions*
- 6. Location*
- 7. Land Area*
- 8. Topography/Shape*
- 9. Zoning/Approvals Granted*
- 10. Inland Wetlands/Development Potential*
- 11. Utilities Available/Other*

In instances where the sale property is superior to the subject, a downward adjustment is made to the indicated comparable sale price to arrive at a unit of comparison to the subject property. In instances where the sale property is inferior, a similar upward adjustment is applied to the sale property.

The unit of comparison typically utilized in comparing smaller parcels of vacant land is the sale price per square foot of land area. In the development of the sales comparison approach, seven comparable land sales having a similar size and location as the subject have been analyzed and adjusted to the property. The comparable sales have been selected due to their similarity in location, lot size, and other physical characteristics.

The following sales have been analyzed and adjusted in this analysis.

# LAND SALE NO. 1



Location: 416 Highland Avenue  
Middletown, Connecticut

Grantor: Cesco Associates, LLC; Paul Cesona, member

Grantee: H & M Associates, LLC  
Randy W. Hubbard and Patricia Hubbard, members

Legal Reference: Volume 1226, Page 664  
of the Middletown Land Records

Date of Sale: February 25, 2000

Zone: B-2, General Business

Land Area: 30,928 square feet or .71 of an acre

Frontage: 258 feet on the westerly side of Highland Avenue

Proposals for the Site: One-story, masonry and wood frame, garage/warehouse facility, composed of 2,944 square feet

## LAND SALE NO. 1 (Continued)

Sale Price: \$140,000

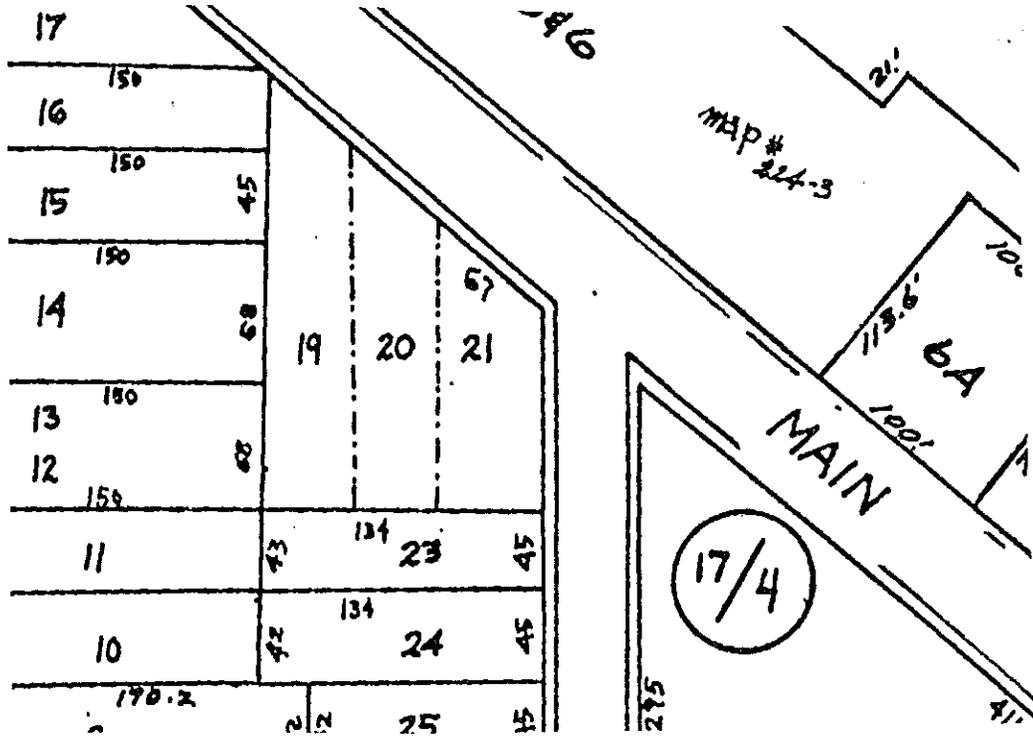
Unit Sale Price: \$4.53 per square foot

Financing: The grantee received private financing from Benjamin Camgiano, Trustee, in the amount of \$100,000, at 12% fixed, and monthly payments of \$1,000.

Comments: The sale property consists of .71 of an acre of irregularly-shaped land that slopes upward moderately from Highland Avenue to a mid-section and rear section that has a gentle upward gradient. The site has below-average visibility. A maintenance and storage/office facility of masonry construction, consisting of 2,944 square feet, was built on the sale property immediately following acquisition of the site. The sale property is occupied by a construction firm known as Yankee Heritage. Major utilities available to the sale property include sanitary sewer, municipal water, telephone service, and electric. The sale property has 258 feet of frontage on the westerly side of Highland Avenue.

The property is located at the westerly side of the junction of Highland Avenue and South Main Street or Route 17. The neighborhood is primarily residential with the exception of the Route 17 artery which is aligned with zones of predominantly low-density, small, retail establishments, like restaurants, automotive service stations, a package store, a hardware store, as well as small office buildings. Highland Avenue in the immediate vicinity of the sale property has a mix of commercial and light industrial land users.

LAND SALE NO. 2



Location: Lot 21, North Main Street  
Middletown, Connecticut

Grantor: Sam Cannata, Executor of the Estate of Rosina Cannata

Grantee: Amedeo Monarca

Legal Reference: Volume 1345, Page 232  
of the Middletown Land Records

Date of Sale: December 26, 2002

Zone: IRA, Industrial Redevelopment Area

Land Area: 18,731 square feet or .43 of an acre

Frontage: 165 feet on the southwesterly side of North Main Street  
113.5 feet on the westerly side of Pease Avenue

Proposals for the Site: Assemblage with abutting property

## LAND SALE NO. 2 (Continued)

Sale Price: \$80,000

Unit Sale Price: \$4.27 per square foot

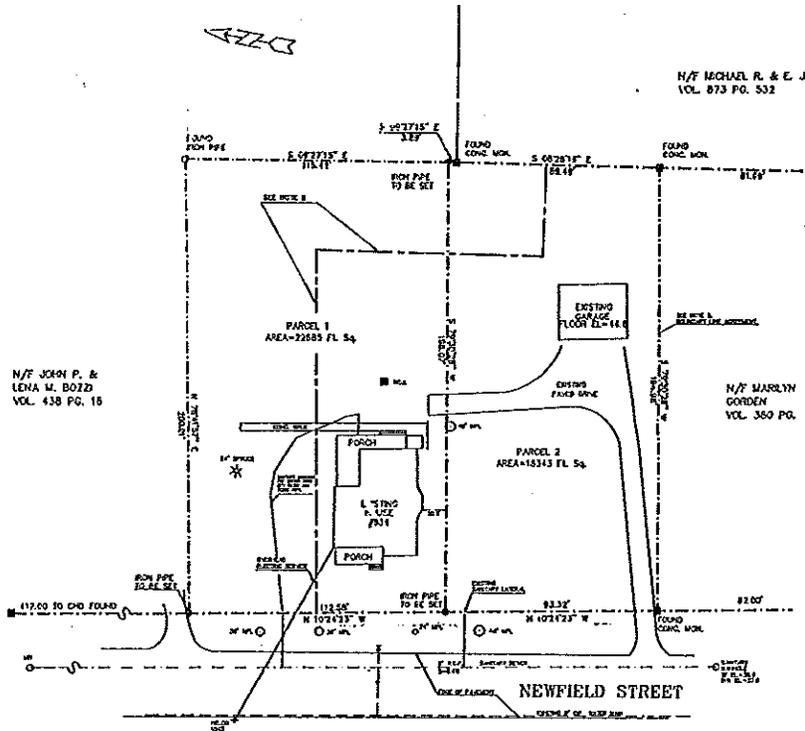
Financing: All cash

Comments: The sale property consists of .43 of an acre or 18,731 square feet of open, effectively level, irregularly-shaped land. The sale property is located at the northwesterly corner of Pease Avenue and North Main Street with 113.5 feet of frontage on Pease Avenue and 165 feet of frontage along North Main Street. The entire surface of the sale property is gravel-packed.

The sale property was purchased by an abutter and is currently utilized by a contractor for the storage of construction equipment. The adjacent property owned by the grantee is a two-story apartment house with an oversized garage. There are no proposals for development for the sale property according to personnel at Middletown's Planning and Zoning Department.

The sale property is located within what had been an enclave of older industrial development, but has been converted principally through its central core along North Main Street into empty lots and much less densely developed light industrial properties. North Main Street has little through traffic. Its northern terminus is approximately 600 feet from the sale property and it connects to no important through road. A residential area primarily of two- and three-family apartment houses lies west of North Main Street and abuts the sale property. The sale property has access to all major utilities including municipal water, sanitary sewers, natural gas, electric, and telephone service.

# LAND SALE NO. 3



Location: 828 Newfield Street  
Middletown, Connecticut

Grantor: Location Realty, Inc.

Grantee: 834 Newfield Street, LLP

Legal Reference: Volume 1197, Page 741  
of the Middletown Land Records

Date of Sale: April 22, 1999

Zone: RPZ, Residential Pre-Zoning District

Land Area: 18,343 square feet or .42 of an acre

Frontage: 93.32 feet along the easterly side of Newfield Street

Proposals for the Site: One-story, dental office building

### LAND SALE NO. 3 (Continued)

Sale Price: \$95,000

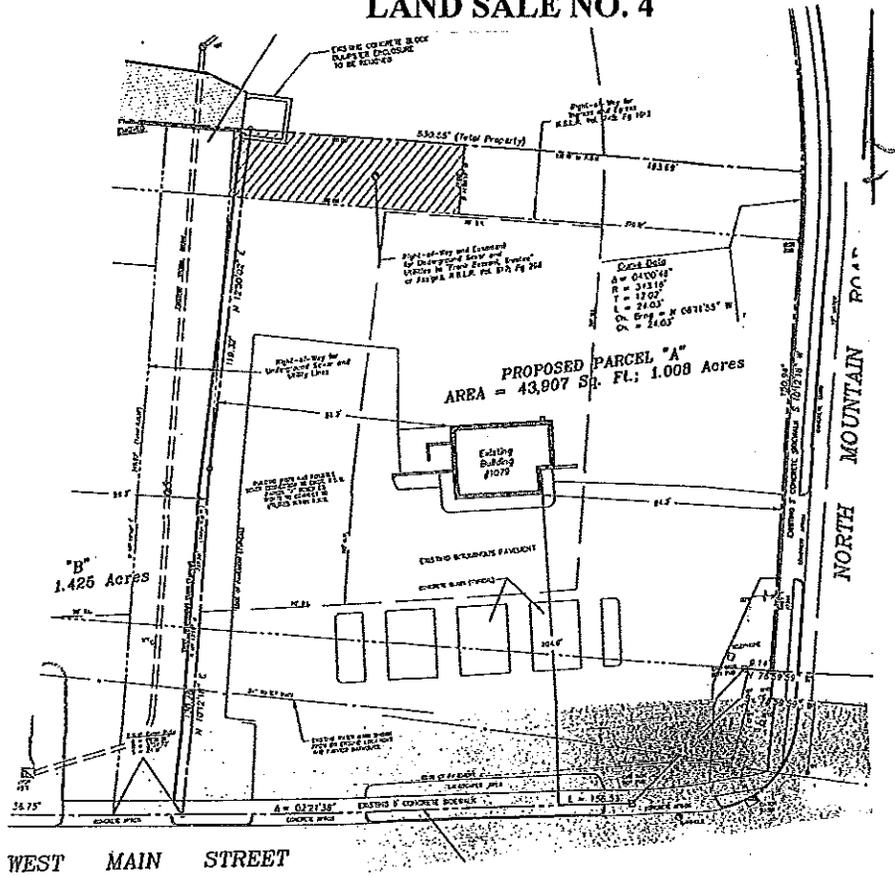
Unit Sale Price: \$5.18 per square foot

Financing: None recorded at the date of transaction  
On November 8, 1999, same property was transferred by Quitclaim Deed between some parties. Financing was then arranged on the aforementioned date with Mechanics Savings Bank. The mortgage loan had a principal of \$560,000. It has a fixed interest rate of 7.875%. The unpaid balance of principal and interest is due August 1, 2010. On the same date, a promissory note was issued by Mechanics Savings Bank to the grantee for \$40,000. The same terms of the mortgage loan apply to the promissory note.

Comments: The sale property consists of .42 of an acre of clear, generally level land of rectangular configuration. The sale property has 93.32 feet on the easterly side of Newfield Street or Route 3. A plan for an office building on the sale property was approved August 22, 1995, according to personnel at Middletown's Planning and Zoning office. A one-story, dental office building, composed of 3,994 square feet of gross building area has been constructed on the site for the grantee. The owner-occupied building consists of wood frame construction with a brick exterior.

Route 3 through Middletown is a moderately well-traveled road that connects east/west Route 66 to east/west Route 72. Route 3 also connects the older, urban Middletown with its less intensely developed outskirts and then the nexus of commercial development at the crossroads of Route 72 and Route 3. Development along its axis can be described as low density, generally commercial with a wide array of land uses, including automotive and truck dealerships, warehouses, retail/office buildings, industrial buildings, condominiums, multi-story apartment buildings, and single-family residences. The sale property has access to all major utilities including municipal water, sanitary sewer, natural gas, electric, and telephone service.

# LAND SALE NO. 4



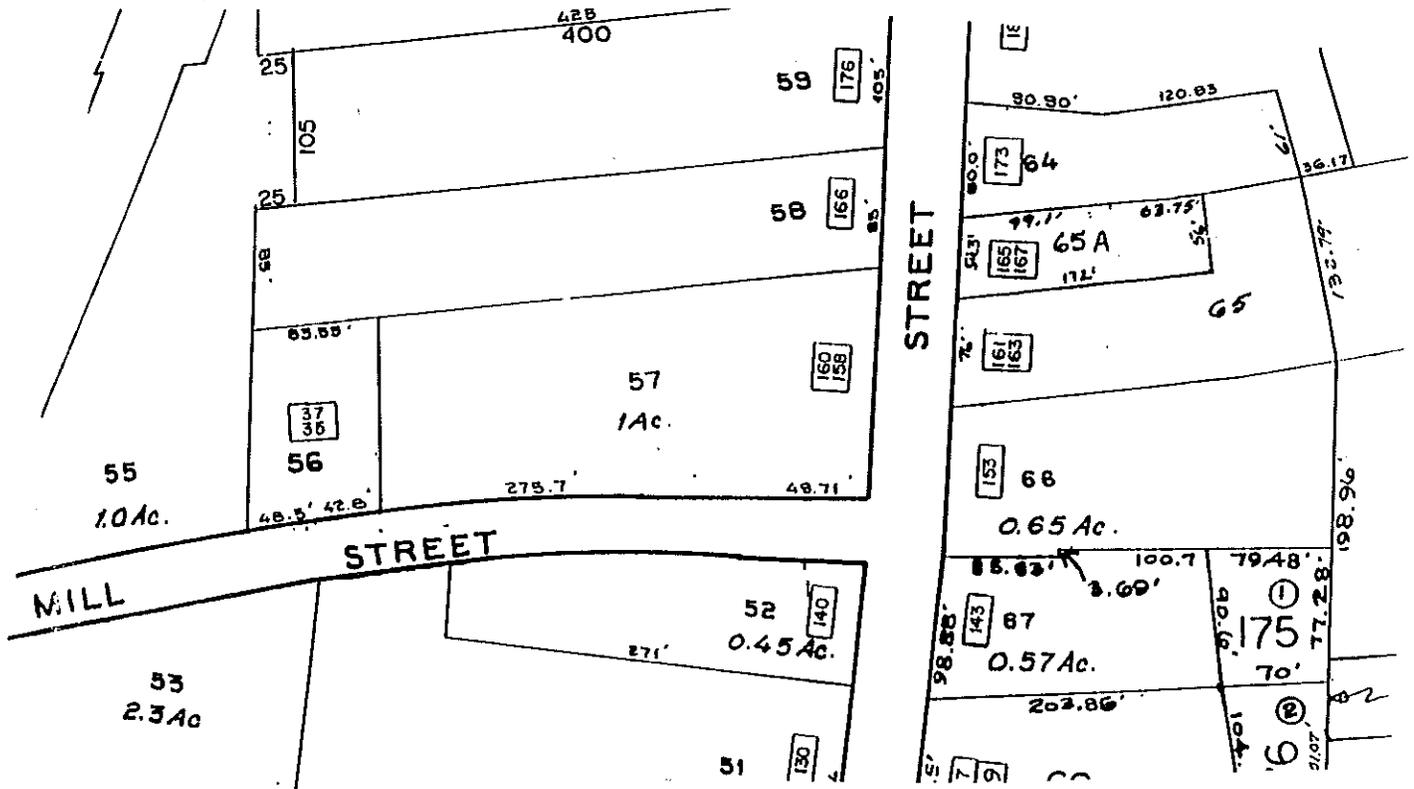
- Location: 1079 West Main Street  
New Britain, Connecticut
- Grantor: The Hayes Company
- Grantee: Cherika, LLC
- Legal Reference: Volume 1461, Page 927  
of the New Britain Land Records
- Date of Sale: May 8, 2003
- Zone: B2, Shopping Centers District
- Land Area: 43,907 square feet or 1.008 acres
- Frontage: 221.40 feet on the northerly side of West Main Street  
174.97 feet on the westerly side of North Mountain Road
- Proposals for the Site: 2,500 square foot service station/convenience store with four fuel pumps

## LAND SALE NO. 4 (Continued)

- Sale Price: \$145,000
- Unit Sale Price: \$3.30 per square foot
- Financing: The grantee received a 15-year mortgage loan of \$201,000 from Homeowners Finance Company. Monthly mortgage payments are \$2,283.30.
- Comments: The sale property consists of 1.008 acres of generally level, rectangularly-shaped land. The sale property currently has, and had at the date of sale, a single-story, 720 square foot building of masonry construction and an area of macadam pavement covering virtually the rest of the sale property. The sale building is scheduled to be razed and a new building of 2,400 square feet of gross building area will be constructed to function as a service station/convenience store. The plan for the sale property includes the installation of four fuel pumps and new fuel tanks. The plan for development was approved November 19, 2002. Previous use of the sale property was as a gasoline station. According to the sale property's deed for this transaction, the sale property had environmental contaminants at the date of sale that a former lessee under an existing lease with the grantor had agreed to remediate.

The sale property is located at the northwesterly corner of North Mountain Road and West Main Street, a.k.a. Route 372 near the Plainville/New Britain city line. West Main Street is a moderately-traveled road that parallels and entwines a segment of limited-access Route 72. West Main Street has a hodgepodge of commercial development of light to medium density. Two lengthy bridges that elevate westbound and eastbound lanes of I-84 truncate West Main Street's commercial development immediately west of the sale property. I-84 can be accessed at Exit 36 approximately 1.5 miles from the sale. Access to Route 72 is available at its junction with Route 372 one mile from the sale. The sale property has all major utilities available to it including sanitary sewer, municipal water, natural gas, electric, and telephone service.

LAND SALE NO. 5



Location: 158-160 North Main Street  
 Southington, Connecticut

Grantor: William L. Woods and Joseph Ceruti

Grantee: Little Apple, L.L.C.

Legal Reference: Volume 725, Page 1  
 of the Southington Land Records

Date of Sale: February 4, 1999

Zoning: B (Business) Zone

Land Area: 47,916 square feet or 1.10 acres

Frontage: 155.32 feet - North Main Street  
 325.40 feet - Mill Street

Proposals for the Site: A branch bank facility for Apple Valley Bank

## LAND SALE NO. 5 (Continued)

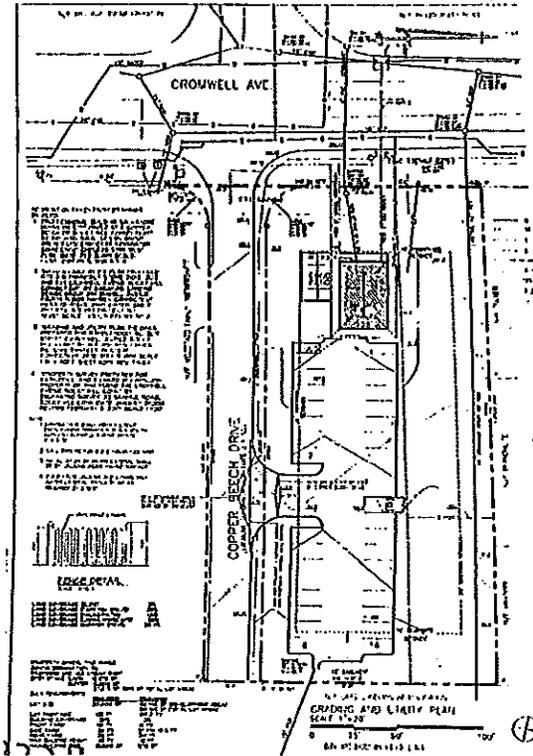
Sale Price: \$160,000

Unit Sale Price: \$3.34 per square foot

Financing: All cash

Comments: The sale property consists of a rectangularly-shaped, corner parcel of land having an average depth from North Main Street of 329.72 feet. The site is proposed for development with a branch bank facility for Apple Valley Bank. The site is generally level with no unusual topographical characteristics. At the date of sale, the site was improved with an older, vacant, single-family dwelling, built in 1858, comprised of 3,277 square feet, commonly known as the Oxley House. Due to the historical significance of the dwelling, the buyer had to achieve special approval to demolish the structure. The property is located along the westerly side of North Main Street and the northerly side of Mill Street, across the street from the former Jonathan Root House, now occupied by the Law Offices of Meccariello and Bornstein. All public utilities are available to the parcel, including public water, sanitary sewers, electricity, and natural gas.

# LAND SALE NO. 6



Location: 346 Cromwell Avenue  
Rocky Hill, Connecticut

Grantor: Tina Musso

Grantee: Karaken, LLC; Richard Camilleri, managing member

Legal Reference: Volume 373, Page 130  
of the Rocky Hill Land Records

Date of Sale: June 8, 2001

Zone: RC, Restricted Commercial

Land Area: 50,965 square feet or 1.17 acres – includes easement  
40,946 square feet or .94 of an acre – development area

Frontage: 183.21 feet

Proposals for the Site: An ice cream shop

## LAND SALE NO. 6 (Continued)

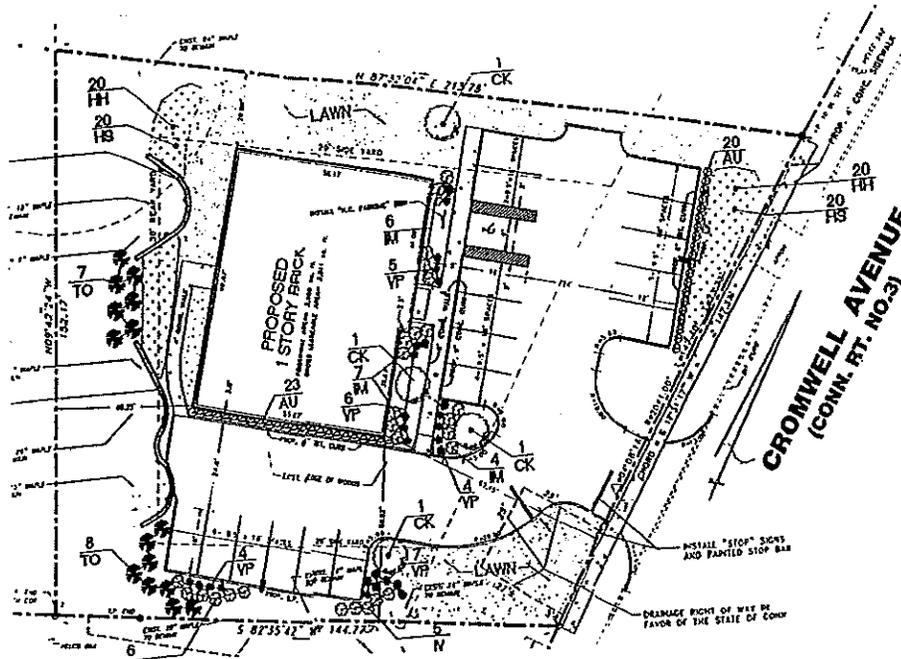
Sale Price: \$215,000

Unit Sale Price: \$4.22 per square foot, including easement area  
\$5.25 per square foot, excluding easement area

Financing: The seller provided a \$15,000 mortgage.

Comments: The sale property consists of a rectangularly-shaped, generally level parcel of land. On May 18, 2001, the Rocky Hill Planning and Zoning Commission approved the site for development with a one-story ice cream shop, comprised of 1,176 square feet of gross building area. The ice cream shop originally was known as Rick's Ice Cream Spot, changed to the Local Scoop. The approved site plan indicates 33 paved parking spaces. The sale property includes a private roadway, known as Copper Beech Drive, composed of 10,019 square feet or .23 of an acre, which provides vehicular access to the sale property as well as the Oaks Condominium complex. All public utilities are available to the sale property. The property is located on the west side of the town of Cromwell in a developing area across the street from the intersection of New Britain Avenue and a new CVS Pharmacy. Interstate 91 is within proximity.

LAND SALE NO. 7



Location: 541 Cromwell Avenue  
Rocky Hill, Connecticut

Grantor: Edward Griffin, Janice D. Griffin, and  
Peter S. Deresienski, et al.

Grantee: Marcel Realty, LLC; Attorney Elaine Stuhlman, principal

Legal Reference: Volume 380, Pages 65 and 70  
of the Rocky Hill Land Records

Date of Sale: October 16, 2001

Zone: RC, Restricted Commercial

Land Area: 25,678 square feet or .59 of an acre

Frontage: 147.37 feet

Proposals for  
the Site: A one-story office building

## LAND SALE NO. 7 (Continued)

Sale Price: \$95,000

Unit Sale Price: \$3.70 per square foot

Financing: All cash

Comments: The sale property consists of a roughly rectangular-shaped, gently rolling parcel of land, having all public utilities available. On June 27, 2001, the Rocky Hill Planning and Zoning Commission approved the site for development with a one-story office building, comprised of 3,980 square feet of gross building area or 3,811 square feet of net rentable area. The approved site plan indicates 18 paved parking spaces. Attorney Elaine Stuhlman will occupy the new building. The property is located on the west side of the town of Cromwell in a developing area within proximity to Interstate 91.

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**SALES COMPARISON APPROACH (Continued)**

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**Summary of Land Sales**

<u>Location</u>	<u>Land Area (Acres)</u>	<u>Zone</u>	<u>Date of Sale</u>	<u>Sale Price</u>	<u>Sale Price Per Sq.Ft.</u>
416 Highland Avenue Middletown, CT	.71	B-2	02/25/00	\$140,000	\$4.53
Lot 21, North Main Street Middletown, CT	.43	IRA	10/26/02	\$80,000	\$4.27
828 Newfield Street Middletown, CT	.42	RPZ	04/22/99	\$95,000	\$5.18
1079 West Main Street New Britain, CT	1.01	B-2	05/08/03	\$145,000	\$3.30
158-160 North Main St. Southington, CT	1.10	B	02/04/99	\$160,000	\$3.34
346 Cromwell Avenue Rocky Hill, CT	1.17	RC	06/08/01	\$215,000	\$4.22
541 Cromwell Avenue Rocky Hill, CT	.59	RC	10/16/01	\$95,000	\$3.70
<u>Subject Property</u>					
Lot 6, DeKoven Drive Middletown, CT	1.67	MX	N/A	N/A	N/A

**Analysis of Land Sales**

The foregoing land sales indicate an unadjusted sale price per square foot range of \$3.30 to \$5.18 per square foot, or an average of \$4.08 per square foot. Adjustments to the land sales in comparison to the subject have been considered for various factors, including property rights conveyed, favorable financing, unique conditions of the sale, market conditions, location, and various physical characteristics.

**Analysis of Land Sales (Continued)**

***Land Sale 1 (416 Highland Avenue, Middletown, CT)***

The land sale warranted slight downward adjusting for land area to account for its smaller land area, which typically sells at a lower unit price. The land sale has an inferior location away from the Middletown CBD, yet the site benefits from greater visibility and traffic volume. Thus, the overall locational factors are offsetting. The zoning is superior allowing for more potential uses; whereas, the shape of the site is inferior to the subject. Slight upward adjusting was necessary for improved market conditions since 1999. The net adjustment to Land Sale 1 is slightly downward.

***Land Sale 2 (Lot 21, North Main Street, Middletown, CT)***

The land sale warranted upward adjusting for location and zoning; whereas, downward adjusting was necessary to reflect the motivation of the abutter to acquire the property for his contractor business. Typically, smaller parcels of land sell for a higher unit price than larger parcels of land with all other factors being equal. This is not always the case when larger parcels offer more utility and more development potential. In comparison to the subject property, the sale warranted slight downward adjusting for land area given its size less than one half acre compared to 1.67 acres of the subject property. The net adjustment to Land Sale 2 is slightly downward.

***Land Sale 3 (828 Newfield Street, Middletown, CT)***

The land sale has a different location away from the Middletown CBD. The sale property benefits from superior traffic volume and visibility; however, the property does not have proximity to the CBD. Therefore, the locational characteristics are generally offsetting. Adjustments also have been considered for other factors, such as frontage, zoning, and parcel shape; however, these characteristics did not require significant adjusting. A downward adjustment has been applied to Land Sale 3 for land area given its smaller size. The net adjustment to Land Sale 3 is slightly downward.

**Analysis of Land Sales (Continued)**

***Land Sale 4 (1079 West Main Street, New Britain, CT)***

The land sale has a generally similar location after considering various factors, such as traffic volume, visibility, proximity to the CBD, and socio-economic characteristics of the area. The land sale warranted slight upward adjusting to account for demolition costs. No adjustment was necessary for land area, frontage, parcel shape, utilities, and other factors. The net adjustment to Land Sale 4 is slightly upward.

***Land Sale 5 (158 – 160 North Main Street, Southington, CT)***

The land sale has similar proximity to the CBD; however, the land sale has superior visibility and traffic volume. The land sale warranted upward adjusting for market conditions given its older date of sale in 1999 during inferior market conditions. The land sale also required upward adjusting for demolition costs. The net adjustment to Land Sale 5 is upward.

***Land Sale 6 (346 Cromwell Avenue, Rocky Hill, CT)***

The land sale has varying locational characteristics, including superior visibility and traffic volume, yet inferior proximity to the CBD. The locational characteristics are still superior to the subject. The land sale has generally similar permitted uses as the subject. Moreover, the topographical and other physical characteristics of the site are similar to the subject property. Thus, the net adjustment to Land Sale 6 is downward.

***Land Sale 7 (541 Cromwell Avenue, Rocky Hill, CT)***

Similar to Land Sale 6, the land sale warranted downward adjusting for location. The land also has been adjusted slightly downward for land area. The net adjustment to Land Sale 7 is slightly downward.

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**SALES COMPARISON APPROACH (Continued)**

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**Summary of Net Adjustments**

<u>Location</u>	<u>Date of Sale</u>	<u>Sale Price</u>	<u>Sale Price Per Sq.Ft. of Bldg.</u>	<u>Net Adjustment</u>
416 Highland Avenue Middletown, CT	02/25/00	\$140,000	\$4.53	Downward
Lot 21, North Main Street Middletown, CT	10/26/02	\$80,000	\$4.27	Slightly downward
828 Newfield Street Middletown, CT	04/22/99	\$95,000	\$5.18	Slightly downward
1079 West Main Street New Britain, CT	05/08/03	\$145,000	\$3.30	Slightly upward
158-160 North Main St. Southington, CT	02/04/99	\$160,000	\$3.34	Upward
346 Cromwell Avenue Rocky Hill, CT	06/08/01	\$215,000	\$4.22	Downward
541 Cromwell Avenue Rocky Hill, CT	10/16/01	\$95,000	\$3.70	Slightly downward

The subject site improvements, i.e., the asphalt paved parking lot and the chain-link fencing, offer contributory value if the property continues its use as a parking lot. However, because the highest and best use is its future development, the site improvements contribute minimal value to the site. A buyer interested in utilizing the subject property as a parking lot likely would pay a similar or slightly lower price than a developer interested in redeveloping the site.

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**SALES COMPARISON APPROACH (Continued)**

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**Land Value Conclusion**

The foregoing land sales have been analyzed and adjusted for various factors including 1) real property rights conveyed; 2) financing; 3) conditions of sale; 4) market conditions; 5) location; and 6) various physical characteristics, including land area, topography, soil type, inland wetlands, etc. Based upon an analysis of the land sales and the subject site, an appropriate market value for the subject land is approximately \$3.50 to \$4.00 per square foot or \$3.75 per square foot. Only Land Sale 7 falls outside the indicated unit value range of \$3.50 to \$4.00 per square foot. Therefore, the land value is calculated as follows:

<u>Land Area</u>		<u>Unit Value</u>		<u>Land Value</u>
72,800 sq.ft.	@	\$3.75/sq.ft.	=	\$273,000
			Rounded to:	\$275,000

**Indicated Land Value**

**\$275,000**

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***CORRELATION AND FINAL VALUE CONCLUSIONS***

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<b>Cost Approach:</b>	<b>Not developed</b>
<b>Sales Comparison Approach:</b>	<b>\$275,000</b>
<b>Income Capitalization Approach:</b>	<b>Not developed</b>

**Reconciliation**

The sales comparison approach has been developed exclusively in this report due to the fact that the subject property consists of vacant land. A multitude of land sales has been considered in the appraisal report due to the lack of highly comparable land sales. Moreover, the subject property has a number of potential highest and best uses; therefore, a variety of sales with varying development potential provides a reasonable value range for the subject property.

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***FINAL VALUE ESTIMATE***

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Based on the foregoing analysis, the indicated market value of the fee simple estate, as of August 8, 2003, is as follows:

**TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS**

**(\$275,000)**

## CERTIFICATION OF VALUE

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

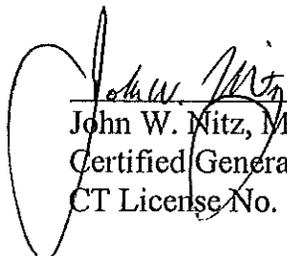
- *The statements of fact contained in this report are true and correct.*
- *The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.*
- *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *I have made a personal inspection of the property that is the subject of this report.*
- *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
- *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 signing this certification.*
- *The reported 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 Appraisal Practice of the Appraisal Institute.*
- *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, John W. Nitz, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.*

Source: *The Appraisal of Real Estate, Twelfth Edition*, published by the Appraisal Institute, 875 North Michigan Avenue, Chicago, Illinois, 2001, Page 617.

In my opinion, the subject property has a market value representative of market conditions on August 8, 2003, of:

**TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS**

**(\$275,000)**

  
\_\_\_\_\_  
John W. Nitz, MAI  
Certified General Appraiser  
CT License No. 00000449

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## *ASSUMPTIONS AND LIMITING CONDITIONS*

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This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize 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 obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, 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 opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

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***ASSUMPTIONS AND LIMITING CONDITIONS (Continued)***

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11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by your appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions, or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following general limiting conditions:

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. 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 the prior written consent and approval of the appraiser.
5. Any proposed improvements are assumed to have been completed unless otherwise stipulated, so any construction is assumed to conform with the building plans referenced in the report.
6. The appraiser assumes that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumber the property.

*Source: The Appraisal of Real Estate, Twelfth Edition, published by the Appraisal Institute, 875 North Michigan Avenue, Chicago, Illinois, 2001, Page 619.*

***ADDENDA***

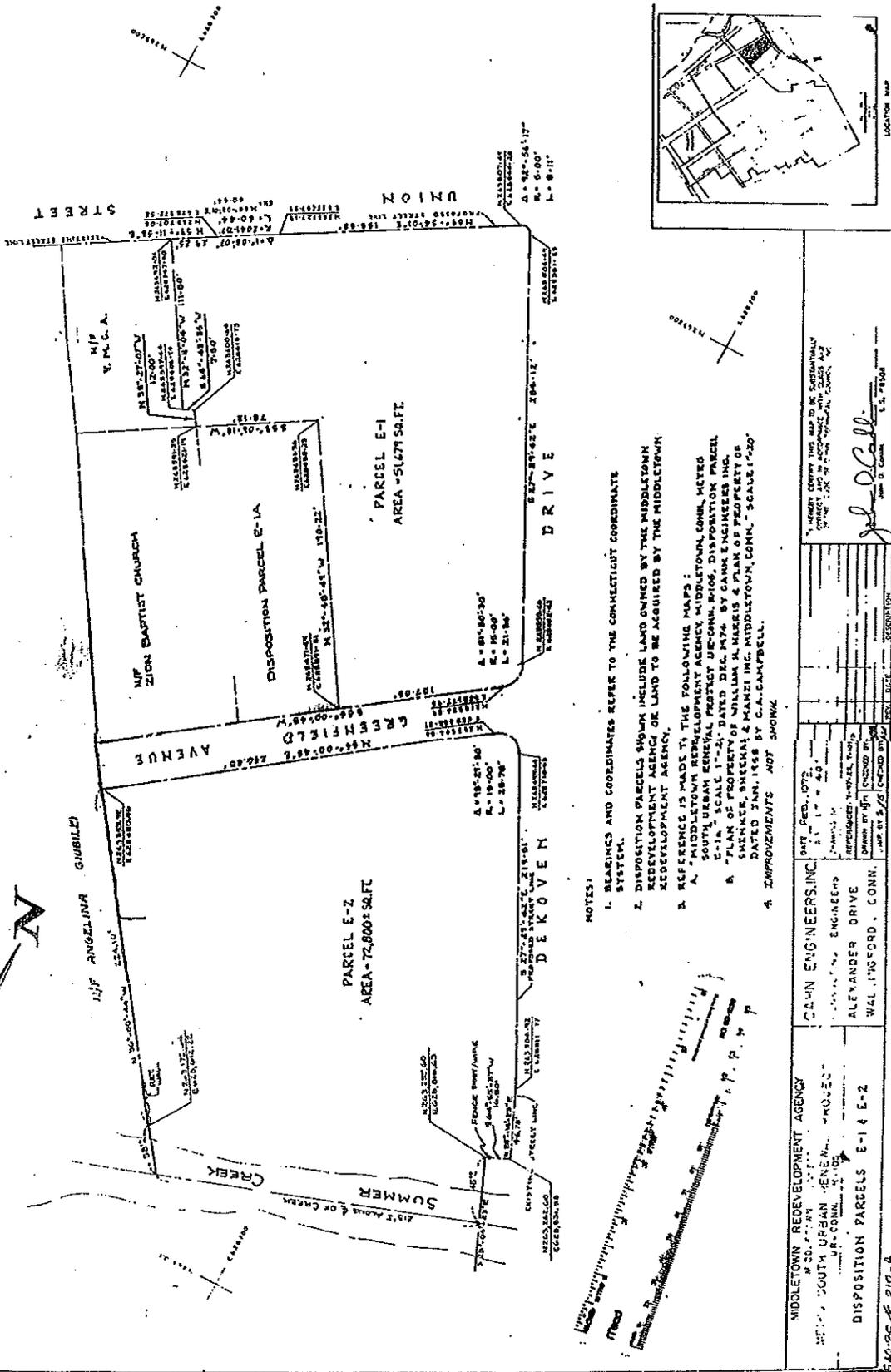




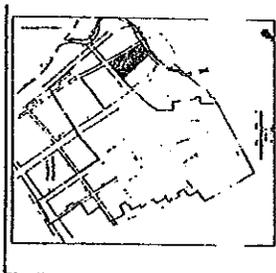


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- NOTES:
1. BEARINGS AND COORDINATES REFER TO THE CONNECTICUT COORDINATE SYSTEM.
  2. DISPOSITION PARCELS SHOWN INCLUDE LAND OWNED BY THE MIDDLETOWN REDEVELOPMENT AGENCY OR LAND TO BE ACQUIRED BY THE MIDDLETOWN REDEVELOPMENT AGENCY.
  3. REFERENCE IS MADE TO THE FOLLOWING MAPS:
    - A. "MIDDLETOWN REDEVELOPMENT AGENCY MIDDLETOWN, CONN. METRO SOUTH URBAN REDEVELOPMENT PROJECT DISPOSITION PARCEL E-1A SCALE 1"=20' DATED DEC. 1974 BY S. J. HARRIS & P. J. SHERK, SHEPARD & MANZI INC. MIDDLETOWN, CONN. SCALE 1"=50' DATED JAN. 1958 BY C.A. CAMPBELL.
  4. IMPROVEMENTS NOT SHOWN.



I HEREBY CERTIFY THIS MAP TO BE SUBSTANTIALLY ACCURATE AND TO BE MADE IN ACCORDANCE WITH THE ACT OF APRIL 22, 1902, AS AMENDED.

*John O. Callahan*  
 J. O. Callahan  
 L.S. 1080

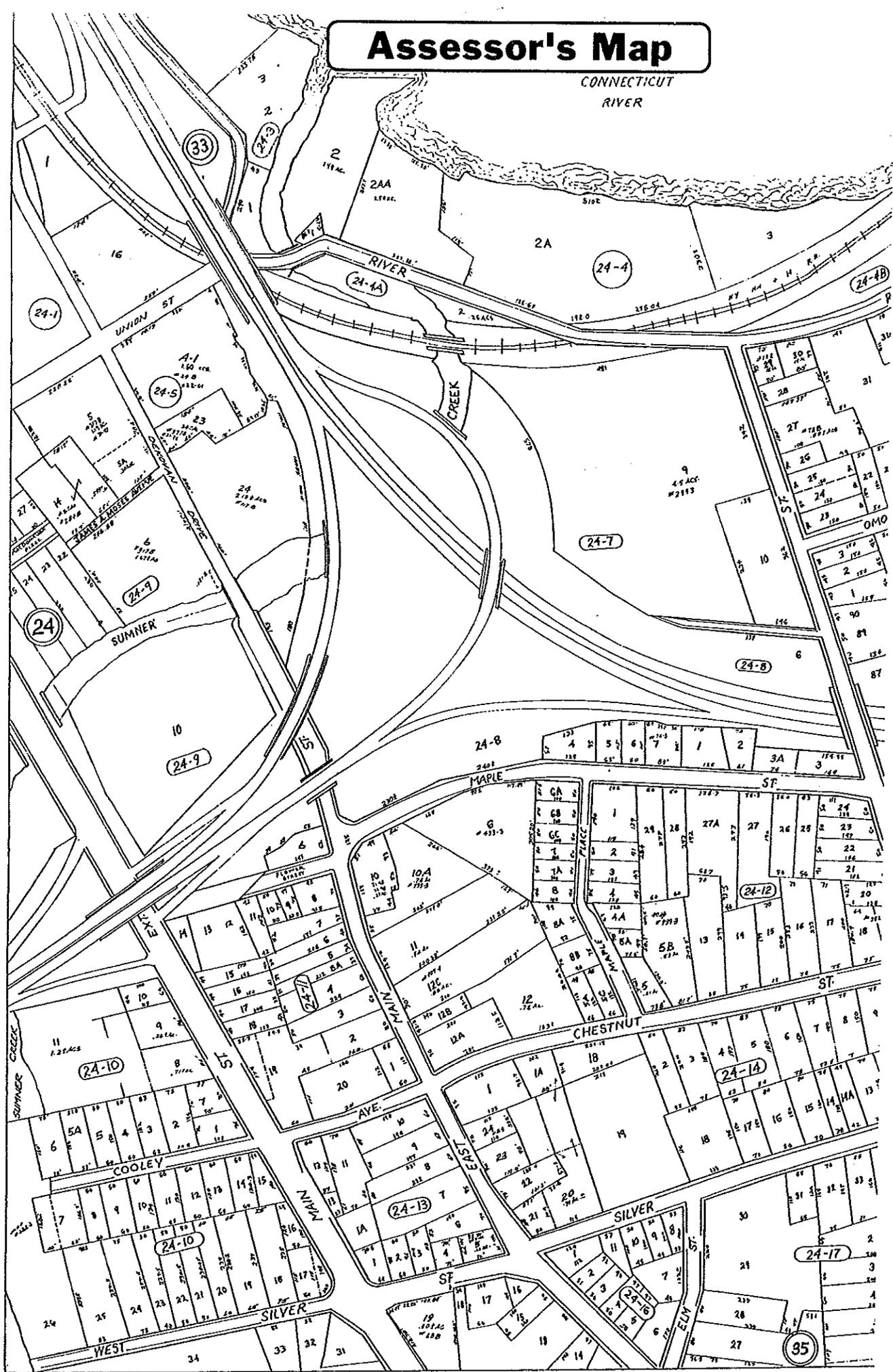
MIDDLETOWN REDEVELOPMENT AGENCY 100 SOUTH URBAN REDEVELOPMENT PROJECT MIDDLETOWN, CONN. 06450	DATE: FEB. 1975 SCALE: 1" = 40'	PROJECT NO.: 100	DATE: 10/10/88
DISPOSITION PARCELS E-1 & E-2	ENGINEERS ALEXANDER DRIVE WALTON, CONN.	PROJECT NO.: 100	DATE: 10/10/88

# 317-B

240-80 # 317-B

# Assessor's Map

CONNECTICUT  
RIVER



(CITY)

# Commercial Property Record Card - MIDDLETOWN, CT

Property Location: Dekoven Dr Parcel ID: E30954 Map Block No: 34 24-9 6 Class: E State Class: 950 Printed Tue, Jul 8, 2003 Card 1 of 1

**Assessment Information**  
 Appraised Value  
 Income: 86,600  
 Land: 86,600  
 Bldg: 67,500  
 Total: 154,100  
 Assessed Information:  
 Code: 200 Value: 107,870

**Miscellaneous**  
 Deed Info: 550/ 164 -APR  
 Zoning: B-1  
 Routing No: 34/  
 Neighborhood: 313  
 Living Units: 0  
 Census Trct: 5416  
 District: 1

Effective DOV: 10/1/2002  
 Value Flag: COST  
 Manual Override Reason:  
 NO OVERRIDE

Notes	Entrance Information		Date	Source
	Time	ID		
				Other
				Vac Or Oby

Name	Deed	Date

Book/Page	Date	Price	Type	Validity

Permit Information			
Date	Permit #	Price	Purpose % Comp.
			0
			0

Land Information			
Type	Size	Grade	Influence Factor and % Value
Primary	A	1.67	0 -50 86,620

Total Acres for this Parcel 1.67

Owner/Values: Includes all Land/Buildings/OBYS for this Parcel

	Current	Cost	Market	Income
Land:	86,600	86,600	0	0
Building:	67,500	67,500	0	0
Total:	154,100	154,100	0	0



Cole-Layer-Trumble Company

Inspection witness by:



QUIT-CLAIM DEED

KNOW ALL MEN BY THESE PRESENTS,

That the CITY OF MIDDLETOWN, a municipal corporation duly organized and existing by and under the laws of the State of Connecticut, and having its territorial limits within the County of Middlesex, and State of Connecticut, (hereinafter referred to as "GRANTOR"), acting herein pursuant to the provisions of Chapter 130 of the General Statutes of the State of Connecticut (Revision of 1958) as amended and supplemented, for the consideration of Fifty-seven Thousand Two Hundred Fifty (57,250) Dollars, received to its full satisfaction from YOUNG MEN'S CHRISTIAN ASSOCIATION OF NORTHERN MIDDLESEX COUNTY, CONNECTICUT, ALSO KNOWN AS YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLETOWN, a corporation organized and existing under the laws of the State of Connecticut, and having its principal place of business in the Town of Middletown, County of Middlesex, and State of Connecticut, (hereinafter referred to as "GRANTEE"), does hereby remise, release, and forever QUIT-CLAIM unto the said Young Men's Christian Association of Northern Middlesex County, Connecticut, a/k/a Young Men's Christian Association of Middletown, and unto its successors and assigns, forever, all such right, title, and interest as it, the City of Middletown, has or ought to have in or to:

Those two (2) certain pieces or parcels of land situated westerly of deKoven Drive shown and designated as Parcel E-1 and Parcel E-2 on a map entitled, "Middletown Redevelopment Agency Middletown, Connecticut Metro South Urban Renewal Project UR-CONN. R-105 Disposition Parcels E-1 & E-2 Date: Feb., 1979 Scale 1" = 40' References: T-97-22, T-101-10, Cahn Engineers, Inc. Consulting Engineers Alexander Drive Wallingford, Conn.", which map has been or will be filed for record with the Office of the Town Clerk of Middletown, and which pieces are more particularly bounded and described as follows:

PARCEL E-1:

Commencing at a point in the southerly existing street line of Union Street, as shown on said map, being coordinates N 263692.06/E 628,347.40, which point marks the northwesterly corner of this Parcel E-1 and the northeasterly corner of other land now or formerly of the Y.N.C.A., as shown on said map;

Thence running N 59° 11' 56" E along the existing street line of Union Street, as shown on said map, a distance of 29.25 feet to a point;

Thence continuing along the existing street line of Union Street, as shown on said map, along the arc of a curve to the right, having a radius of 2041.07 feet and an interior angle of 1° 08' 07" for a distance of 40.44 feet to a point;

*Part Feb. 3/16/81  
Vol 595 pg 205  
Anthony Blome  
Town Clerk*

"No Conveyance Tax collected

*Anthony Blome*

Town Clerk of Middletown"

Thence running N 59° 34' 01" E along the proposed street line of Union Street, as shown on said map, a distance of 158.53 feet to a point;

Thence along the arc of a curve to the right having a radius of 5.00 feet and an interior angle of 92° 56' 17" along the corner of Union Street and deKoven Drive, as shown on said map, a distance of 8.11 feet to a point;

Thence running S 27° 29' 42" E along the proposed street line of deKoven Drive, as shown on said map, a distance of 284.12 feet to a point;

Thence along the arc of a curve to the right having a radius of 15.00 feet and an interior angle of 81° 30' 30" along the corner of deKoven Drive and Greenfield Avenue, as shown on said map, a distance of 21.34 feet to a point;

Thence running S 54° 00' 48" W along Greenfield Avenue, as shown on said map, a distance of 107.05 feet to a point;

Thence running N 32° 48' 49" W along "Disposition Parcel E-1A," as shown on said map, a distance of 190.22 feet to a point;

Thence running S 59° 06' 18" W along "Disposition Parcel E-1A", as shown on said map, a distance of 78.12 feet to a point;

Thence running N 38° 27' 07" W along land now or formerly of the Y.M.C.A., as shown on said map, a distance of 12.00 feet to a point;

Thence running S 64° 43' 35" W along land now or formerly of the Y.M.C.A., as shown on said map, a distance of 7.50 feet to a point; and

Thence running N 32° 11' 04" W along land now or formerly of the Y.M.C.A., a distance of 111.80 feet to the point or place of beginning;

**Bounded:**

Northerly by Union Street;  
Easterly by deKoven Drive;  
Southerly by Greenfield Avenue and by "Disposition Parcel E-1A", as shown on said map; and  
Westerly by "Disposition Parcel E-1A", and by land now or formerly of the Y.M.C.A., as shown on said map.

Said Parcel E-1 contains 51,679 square feet.

Being all or a portion of the premises conveyed to the City of Middletown by the following instruments:

1. Warranty Deed of John P. Rogers and Gertrude Rogers, dated November 4, 1971, and recorded at Volume 379, page 145 of the Middletown Land Records;
2. Warranty Deed of Walter J. Cihocki and Elaine L. Cihocki, dated April 23, 1971, and recorded at Volume 374, page 328 of the Middletown Land Records;
3. Warranty Deed of William Holoman, dated April 26, 1972, and recorded at Volume 383, page 523 of the Middletown Land Records;

4. Warranty Deed of Leo J. Wallace, dated April 21, 1972, and recorded at Volume 383, page 446 of the Middletown Land Records;
5. Warranty Deed of Anna D. Eisenstein, dated October 22, 1971, and recorded at Volume 378, page 577 of the Middletown Land Records;
6. Executor's Deed of Sidney M. Itkin and Mark A. Itkin, Executors Under the Will of Joseph Itkin, dated June 16, 1972, and recorded at Volume 385, page 29 of the Middletown Land Records;
7. Warranty Deed of Henry J. Rogers and Antoinette B. Rogers dated April 8, 1971, and recorded at Volume 374, page 159 of the Middletown Land Records;
8. Warranty Deed of Joseph Rogers and Erna Rogers dated April 8, 1971, and recorded at Volume 374, page 198 of the Middletown Land Records;
9. Quit-Claim Deed of The Connecticut Light and Power Company, dated March 17, 1976, and recorded at Volume 460, page 281 of the Middletown Land Records;
10. Warranty Deed of Frank Vereen and Ruby B. Vereen, dated June 16, 1972, and recorded at Volume 385, page 26 of the Middletown Land Records;

And being a part of the discontinued highway formerly known as Sumner Street.

PARCEL E-2:

Commencing at a point in the southerly line of Greenfield Avenue, as shown on said map, being coordinates N 263353.92/E 628480.46, which point marks the northwesterly corner of this Parcel E-2;

Thence running N 54° 00' 48" E along the southerly line of Greenfield Avenue, as shown on said map, a distance of 256.88 feet to a point;

Thence along the arc of a curve to the right having a radius of 15.00 feet and an interior angle of 98° 29' 30" along the corner of Greenfield Avenue and deKoven Drive, as shown on said map, a distance of 25.78 feet to a point;

Thence running S 27° 29' 42" E along the proposed street line of deKoven Drive, as shown on said map, a distance of 219.51 feet to a point;

Thence running S 25° 04' 23" E along the existing street line of deKoven Drive, as shown on said map, a distance of 46.73 feet to a point;

Thence running S 64° 55' 37" W, as shown on said map, a distance of 16.50 feet to a point;

Thence running S 25° 04' 23" E a distance of 45 feet, more or less, to the center line of Sumner Creek, shown on said map as "Sumner Creek";

Thence running in a westerly direction along the center line of Sumner Creek, shown on said map as "Sumner Creek", a distance of 213 feet, more or less, to a point;

Thence running in a northerly direction, a distance of 33 feet, more or less, to the southerly end of a retaining wall, as shown on

said map, being coordinates N 263,172.64/E 628,612.22;

Thence running N 36° 00' 44" W along land now or formerly of Angelina Giubilei, as shown on said map, a distance of 224.10 feet to the point or place of beginning;

Bounded:

Northerly by Greenfield Street;  
Easterly by deKoven Drive;  
Southerly by the center line of Sumner Creek; and  
Westerly by land now or formerly of Angelina Giubilei,  
as shown on said map.

Said Parcel E-2 contains 72,800 square feet, more or less.

Being all or a portion of the premises conveyed to the City of Middletown by the following instruments:

1. Warranty Deed of Anna D. Eisenstein, dated December 31, 1969, and recorded at Volume 367, page 592 of the Middletown Land Records;
2. Warranty Deed of Matthew A. Erlick and Loretta Erlick dated August 23, 1971, and recorded at Volume 377, page 232 of the Middletown Land Records.
3. Warranty Deed of Frank Malek, dated August 23, 1971, and recorded in Volume 377, page 228 of the Middletown Land Records;
4. Warranty Deed of Anna D. Eisenstein, dated October 22, 1971, and recorded at Volume 378, page 577 of the Middletown Land Records;
5. Warranty Deed of Eugene Miller and Anne M. Miller, dated October 8, 1971, and recorded at Volume 378, page 326 of the Middletown Land Records;
6. Warranty Deed of Clara M. Krajewski, dated January 20, 1972, and recorded at Volume 381, page 430 of the Middletown Land Records;

And being a part of the discontinued highway formerly known as Sumner Street;

Together with the right to pass and repass in common with others over deKoven Drive and Greenfield Avenue, as shown on the map described herein until such highways shall be accepted as public streets.

Said premises are conveyed together with and subject to the following restrictions, covenants, and agreements:

1. The Grantee, its successors and assigns, will not and shall not devote said premises or any part thereof to any use other than the uses specified for portions of Parcels A-1a, A-1b, and A-1c, and Parcels E-1 and E-2 in the Metro South Urban Renewal Project, Conn. R-105 dated July 15, 1969, and approved by the Common Council under date of September 2, 1969, or contrary to any of the applicable limitations or requirements of said Plan.

2. The Grantee, its successors and assigns, will not and shall not discriminate upon the basis of race, color, religion, sex, or national origin in the sale, lease, or rental, or in the use and occupancy of the premises or any improvements erected or to be erected thereon, or any part thereof.

3. The Grantee, its successors and assigns, will and shall comply with all state and local laws in effect from time to time, prohibiting discrimination or segregation by reason of race, color, religion, sex, or national origin in the sale, lease, or rental or in the use and occupancy of the premises or any improvements to be erected thereon, or any part thereof.

4. The restrictions, covenants, and agreements contained in a certain Contract for Sale of Land for Private Redevelopment executed by and between the City of Middletown Acting by and Through the Middletown Redevelopment Agency and Young Men's Christian Association of Northern Middlesex County, Connecticut, dated August 1, 1979, and recorded in the Land Records of the Town of Middletown, are incorporated herein by reference thereto as if fully set forth herein.

The covenants contained in Paragraphs 1, 2, 3, and 4 of this conveyance shall be covenants running with the land, and covenants to the same effect and specifically expressed to be covenants running with the land shall be contained in any instrument or instruments from the Grantee or from its successors and assigns to any future or subsequent Grantee and to its successors and assigns conveying the property or any part thereof or interest therein.

The covenants expressed in Paragraphs 1 and 4 of this conveyance and covenants to the same effect which shall be contained in any instrument or instruments to any future or subsequent Grantees as set forth above and all rights and obligations under the covenants contained in Paragraphs 1 and 4 shall remain in effect until September 2, 2009, or until such date thereafter to which it may be extended by proper amendment of the Urban Renewal Plan, at which time such covenants shall terminate; the covenants contained in Paragraphs 2 and 3, however, shall be covenants running with the land and shall remain in full force and effect without limitation as to time.

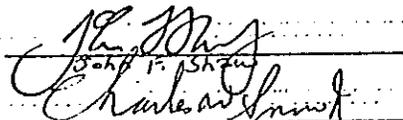
The Grantor shall be deemed a beneficiary of covenants numbered FIRST

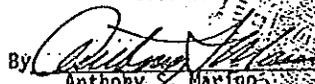
through FOURTH, and the United States shall be deemed a beneficiary of the covenant numbered TWO, and such covenants shall run in favor of the Grantor and the United States for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor and the United States is or remains an owner of any land or interest therein to which such covenants relate. As such a beneficiary, the Grantor, in the event of any breach of any such covenant, and the United States in the event of any breach of the covenant numbered TWO, shall have the right to exercise all the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach, to which beneficiaries of such covenant may be entitled.

TO HAVE AND TO HOLD the premises, with all of the appurtenances thereto unto the said Grantee, its successors and assigns, to the only use and behoof of the said Grantee, its successors and assigns, forever, so that neither the Grantor nor its successors nor any other person or persons claiming under them shall have any claim, right or title in or to the premises or any part thereof, but therefrom they are by these presents forever barred and excluded.

IN WITNESS WHEREOF on the 1st day of August, 1979, the City of Middletown hath caused this Deed to be executed and delivered and its corporate seal to be hereto affixed in its behalf by Anthony S. Marino, its Mayor, who is duly authorized and empowered.

Signed, Sealed and Delivered  
in presence of:

  
Charles W. Snow, Jr.

CITY OF MIDDLETOWN  
By   
Anthony S. Marino, Jr.  
Its Mayor  


STATE OF CONNECTICUT )  
                                  ) SS. Middletown, August 1, A.D., 1979.  
County of Middlesex )

Personally appeared Anthony S. Marino, as Mayor aforesaid, signer and sealer of the foregoing instrument and acknowledged the same to be his free

act and deed as such Mayor, and the free act and deed of the City of Middletown, before me,

Rec'd for Record April 1979 at 11/14 A.M.  
Recorded by [Signature]  
Town Clerk

[Signature]  
Charles W. Snow, Jr.  
Commissioner of the Superior Court

DUPLICATE  
No 1709

KNOW ALL MEN BY THESE PRESENTS, That THE LIBERTY BANK FOR SAVINGS of the town of Middletown, county of Middlesex and State of Connecticut does hereby release and discharge that certain mortgage given to it by Earl Lemley & Mary Ellen Lemley dated 4/18/75 and recorded in the records of the town of Middletown, county of Middlesex in said State, in book 439 page 283, the debt secured by said mortgage having been fully paid.

IN WITNESS WHEREOF said releasor has hereunto set its hand and seal by its Asst. Vice President duly authorized this tenth day of January, A.D. 1979

Signed, sealed and delivered in presence of

[Signature]  
Lucia Musumeci  
[Signature]  
Sandra L. Kersgill  
STATE OF CONNECTICUT,  
COUNTY OF MIDDLESEX, } ss.

THE LIBERTY BANK FOR SAVINGS

by [Signature]  
William C. Coe, Asst. Vice President

Middletown, January 10, A.D. 1979

Personally appeared Earl Lemley & Mary Ellen Lemley of The Liberty Bank for Savings, signer and sealer of the foregoing instrument, and acknowledged the same to be the free act and deed of said Bank, and his own free act and deed as such Asst. Vice President before me.

[Signature]  
Joseph S. Carta  
Notary Public.  
My Commission Expires 4/1/82

Rec'd for Record  
Recorded by  
Town Clerk  
April 1979 at 11/10 A.M.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

URBAN REHEVAL PROGRAM

TERMS AND CONDITIONS

Part II

of

Contract for

SALE OF LAND FOR PRIVATE REDEVELOPMENT

By and Between

CITY OF MIDDLETOWN, ACTING BY AND THROUGH  
THE MIDDLETOWN REDEVELOPMENT AGENCY

and

YOUNG MEN'S CHRISTIAN ASSOCIATION OF NORTHERN  
MIDDLESEX COUNTY, CONNECTICUT

<u>Section</u>	<u>Page</u>
<b>ARTICLE IV. RESTRICTIONS UPON USE OF PROPERTY</b>	
401. Restrictions on Use	7
402. Covenants; Binding Upon Successors in Interest; Period of Duration	7
403. Agency and United States Rights To Enforce	8
<b>ARTICLE V. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER</b>	
501. Representations As to Redevelopment	8
502. Prohibition Against Transfer of Shares of Stock; Binding Upon Stockholders Individually	9
503. Prohibition Against Transfer of Property and Assignment of Agreement	10
504. Information As to Stockholders	12
<b>ARTICLE VI. MORTGAGE FINANCING; RIGHTS OF MORTGAGEES</b>	
601. Limitation Upon Encumbrance of Property	12
602. Mortgagee Not Obligated To Construct	13
603. Copy of Notice of Default to Mortgagees	13
604. Mortgagee's Option To Cure Defaults	13
605. Agency's Option To Pay Mortgage Debt or Purchase Property	14
606. Agency's Option To Cure Mortgage Default	15
607. Mortgage and Holder	15
<b>ARTICLE VII. REMEDIES</b>	
701. In General	15
702. Termination by Redeveloper Prior to Conveyance	15
703. Termination by Agency Prior to Conveyance	16

<u>Section</u>	<u>Page</u>
704. Revesting Title in Agency Upon Happening of Event Subsequent to Conveyance to Redeveloper	17
705. Resale of Reacquired Property; Disposition of Proceeds	18
706. Other Rights and Remedies of Agency; No Waiver by Delay	19
707. Enforced Delay in Performance for Causes Beyond Control of Party	19
708. Rights and Remedies Cumulative	20
709. Party in Position of Surety With Respect to Obligations	20
ARTICLE VIII. MISCELLANEOUS	
801. Conflict of Interests; Agency Representatives Not Individually Liable	21
802. Equal Employment Opportunity	21
803. Provisions Not Merged With Deed	22
804. Titles of Articles and Sections	22

## ARTICLE I. PREPARATION OF PROPERTY FOR REDEVELOPMENT

SEC. 101. Work To Be Performed by Agency. The Agency shall, prior to conveyance of the Property and without expense to the Redeveloper, prepare the Property for redevelopment by the Redeveloper in accordance with the Urban Renewal Plan and the Agreement. Such preparation of the Property shall consist of the following (unless the Agency and the Redeveloper hereafter agree in writing that any of such preparation shall not be done, or that it shall be done subsequent to the conveyance of the Property):

- (a) Demolition and Removal. The demolition and removal to the surface elevation of the adjoining ground of all existing buildings, other structures and improvements on the Property, including the removal of all bricks, lumber, pipes, equipment and other material, and all debris and rubbish resulting from such demolition, except such material and debris as may be used for any filling required by this Section.
- (b) Reduction of Walls. The reduction of all walls, including foundation walls, to the surface elevation of the adjoining ground.
- (c) Breaking Up Basement Floors. The breaking up of all basement or cellar floors sufficiently to permit proper drainage.
- (d) Removal of Paving. The removal by the Agency or by the appropriate public body of all paving (including catch basins, curbs, gutters, drives, and sidewalks) within or on the Property.
- (e) Removal of Public Utility Lines. The removal or abandonment by the Agency or by the appropriate public body or public utility company of all public utility lines, installations, facilities, and related equipment within or on the Property.
- (f) Filling and Grading. Such filling, grading, and leveling of the land (but not including topsoil or landscaping) as will permit proper drainage and place the Property in a safe, clean, sanitary, and nonhazardous condition.
- (g) Filling Materials. The filling of all basements or other excavations exposed as a result of the work performed by the Agency pursuant to this Section, with noncombustible materials to a level twelve (12) inches below the surface of the adjoining ground on all sides thereof.

SEC. 102. Expenses, Income, and Salvage. All expenses, including current taxes, if any, relating to buildings or other structures demolished or to be demolished in accordance with Section 101 hereof shall be borne by, and all income or salvage received as a result of the demolition of such buildings or structures shall belong to, the Agency.

HUD-6209B  
(9-69)

**SEC. 103. Agency's Responsibilities for Certain Other Actions.** The Agency, without expense to the Redeveloper or assessment or claim against the Property and prior to completion of the Improvements (or as soon as feasible as the Redeveloper and the Agency may agree in writing), shall, in accordance with the Urban Renewal Plan, provide or secure or cause to be provided or secured, the following:

- (a) **Vacation of Streets, Etc.** The closing and vacation of all existing streets, alleys, and other public rights-of-way within or abutting on the Property.
- (b) **Replatting, Resubdivision, or Rezoning.** The replatting, resubdivision, or rezoning of the Property, if necessary for the conveyance thereof to the Redeveloper.
- (c) **Improvements of Existing Streets.** The improvement (by the Agency or by the appropriate public body) by resurfacing, rebuilding, or new construction, in accordance with the technical specifications, standards, and practices of the City, of the existing streets, alleys, or other public rights-of-way (including catch basins, curbs and gutters, drive and curb cuts, and drives between the property line of the Property and the public rights-of-way) abutting on the Property.
- (d) **Construction and Dedication of New Streets.** The construction (by the Agency or by the appropriate public body), in accordance with the technical specifications, standards, and practices of the City, and the dedication of all new streets, alleys, and other public rights-of-way (including catch basins, curbs, and gutters) abutting on the Property.
- (e) **Installation of Sidewalks.** The installation (by the Agency or by the appropriate public body), in accordance with the technical specifications, standards, and practices of the City, of public sidewalks along the frontage of the public streets abutting on the Property or within the rights-of-way lines of such public streets, together with sodding or seeding of any such public area between such sidewalks or the curb lines of such public streets.
- (f) **Street Lighting, Signs, and Fire Hydrants.** The installation (by the Agency or by the appropriate public body), in accordance with the technical specifications, standards, and practices by the City, of street lighting, signs, and fire hydrants in connection with all new streets abutting on the Property and to be constructed pursuant to this Section.
- (g) **Installation of Public Utilities.** The installation or relocation (by the Agency or by the appropriate public body or public utility company) of such sewers, drains, water and gas distribution lines, electric, telephone, and telegraph lines, and all other public utility lines, installations, and facilities as

are necessary to be installed or relocated on or in connection with the Property by reason of the redevelopment contemplated by the Urban Renewal Plan and the development of the Property; Provided, That the Agency shall not be responsible for, nor bear any portion of the cost of, installing the necessary utility connections within the boundaries of the Property between the Improvements to be constructed on the Property by the Redeveloper and the water, sanitary sewer, and storm drain mains or other public utility lines owned by the City or by any public utility company within or without such boundaries, or electric, gas, telephone, or other public utility lines owned by any public utility company within or without such boundaries, and the Redeveloper shall secure any permits required for any such installation without cost or expense to the Agency.

**SEC. 104. Waiver of Claims and Joining in Petitions by Redeveloper.** The Redeveloper hereby waives (as the purchaser of the Property under the Agreement and as the owner after the conveyance of the Property provided for in the Agreement) any and all claims to awards of damages, if any, to compensate for the closing, vacation, or change of grade of any street, alley, or other public right-of-way within or fronting or abutting on, or adjacent to, the Property which, pursuant to subdivision (a) of Section 103 hereof, is to be closed or vacated, or the grade of which is to be changed, and shall upon the request of the Agency subscribe to, and join with, the Agency in any petition or proceeding required for such vacation, dedication, change of grade, and, to the extent necessary, rezoning, and execute any waiver or other document in respect thereof.

#### ARTICLE II. RIGHTS OF ACCESS TO PROPERTY

**SEC. 201. Right of Entry for Utility Service.** The Agency reserves for itself, the City, and any public utility company, as may be appropriate, the unqualified right to enter upon the Property at all reasonable times for the purpose of reconstructing, maintaining, repairing, or servicing the public utilities located within the Property boundary lines and provided for in the easements described or referred to in Paragraph (a), Section 2 of Part I hereof.

**SEC. 202. Redeveloper Not To Construct Over Utility Easements.** The Redeveloper shall not construct any building or other structure or improvement on, over, or within the boundary lines of any easement for public utilities described or referred to in Paragraph (a), Section 2 of Part I hereof, unless such construction is provided for in such easement or has been approved by the City. If approval for such construction is requested by the Redeveloper, the Agency shall use its best efforts to assure that such approval shall not be withheld unreasonably.

**SEC. 203. Access to Property.** Prior to the conveyance of the Property by the Agency to the Redeveloper, the Agency shall permit representatives of the Redeveloper to have access to any part of the Property as to which the Agency holds title, at all reasonable times for the purpose of obtaining data

HUD-42078  
(1-41)

and making various tests concerning the Property necessary to carry out the Agreement. After the conveyance of the Property by the Agency to the Redeveloper, the Redeveloper shall permit the representatives of the Agency, the City, and the United States of America access to the Property at all reasonable times which any of them deems necessary for the purposes of the Agreement, the Cooperation Agreement, or the Contract for Loan and Capital Grant, including, but not limited to, inspection of all work being performed in connection with the construction of the Improvements. No compensation shall be payable nor shall any charge be made in any form by any party for the access provided for in this Section.

ARTICLE III. CONSTRUCTION PLANS; CONSTRUCTION OF  
IMPROVEMENTS; CERTIFICATE OF COMPLETION

SEC. 301. Plans for Construction of Improvements. Plans and specifications with respect to the redevelopment of the Property and the construction of improvements thereon shall be in conformity with the Urban Renewal Plan, the Agreement, and all applicable State and local laws and regulations. As promptly as possible after the date of the Agreement, and, in any event, no later than the time specified therefor in Paragraph (a), Section 5 of Part I hereof, the Redeveloper shall submit to the Agency, for approval by the Agency, plans, drawings, specifications, and related documents, and the proposed construction schedule (which plans, drawings, specifications, related documents, and progress schedule, together with any and all changes therein that may thereafter be made and submitted to the Agency as herein provided, are, except as otherwise clearly indicated by the context, hereinafter collectively called "Construction Plans") with respect to the improvements to be constructed by the Redeveloper on the Property, in sufficient completeness and detail to show that such improvements and construction thereof will be in accordance with the provisions of the Urban Renewal Plan and the Agreement. The Agency shall, if the Construction Plans originally submitted conform to the provisions of the Urban Renewal Plan and the Agreement, approve in writing such Construction Plans and no further filing by the Redeveloper or approval by the Agency thereof shall be required except with respect to any material change. Such Construction Plans shall, in any event, be deemed approved unless rejection thereof in writing by the Agency, in whole or in part, setting forth in detail the reasons therefor, shall be made within thirty (30) days after the date of their receipt by the Agency. If the Agency so rejects the Construction Plans in whole or in part as not being in conformity with the Urban Renewal Plan or the Agreement, the Redeveloper shall submit new or corrected Construction Plans which are in conformity with the Urban Renewal Plan and the Agreement, within the time specified therefor in Paragraph (b), Section 5 of Part I hereof, after written notification to the Redeveloper of the rejection. The provisions of this Section relating to approval, rejection, and resubmission of corrected Construction Plans hereinabove provided with respect to the original Construction Plans shall continue to apply until the Construction Plans have been approved by the Agency: Provided, That in any event the Redeveloper shall submit Construction Plans which are in conformity with the requirements of the Urban Renewal Plan and the Agreement, as determined by the Agency, no later than the time specified therefor in Paragraph (c), Section 5 of Part I

hereof. All work with respect to the improvements to be constructed or provided by the Redeveloper on the Property shall be in conformity with the Construction Plans as approved by the Agency. The term "Improvements", as used in this Agreement, shall be deemed to have reference to the improvements as provided and specified in the Construction Plans as so approved.

**SEC. 302. Changes in Construction Plans.** If the Redeveloper desires to make any change in the Construction Plans after their approval by the Agency, the Redeveloper shall submit the proposed change to the Agency for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of Section 301 hereof with respect to such previously approved Construction Plans, the Agency shall approve the proposed change and notify the Redeveloper in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the Agency unless rejection thereof, in whole or in part, by written notice thereof by the Agency to the Redeveloper, setting forth in detail the reasons therefor, shall be made within the period specified therefor in Paragraph (d), Section 5 of Part I hereof.

**SEC. 303. Evidence of Equity Capital and Mortgage Financing.** As promptly as possible after approval by the Agency of the Construction Plans, and, in any event, no later than the time specified therefor in Paragraph (e), Section 5 of Part I hereof, the Redeveloper shall submit to the Agency evidence satisfactory to the Agency that the Redeveloper has the equity capital and commitments for mortgage financing necessary for the construction of the Improvements.

**SEC. 304. Approvals of Construction Plans and Evidence of Financing As Conditions Precedent to Conveyance.** The submission of Construction Plans and their approval by the Agency as provided in Section 301 hereof, and the submission of evidence of equity capital and commitments for mortgage financing as provided in Section 303 hereof, are conditions precedent to the obligation of the Agency to convey the Property to the Redeveloper.

**SEC. 305. Commencement and Completion of Construction of Improvements.** The Redeveloper agrees for itself, its successors and assigns, and every successor in interest to the Property, or any part thereof, and the Deed shall contain covenants on the part of the Redeveloper for itself and such successors and assigns, that the Redeveloper, and such successors and assigns, shall promptly begin and diligently prosecute to completion the redevelopment of the Property through the construction of the Improvements thereon, and that such construction shall in any event be begun within the period specified in Section 4 of Part I hereof and be completed within the period specified in such Section 4. It is intended and agreed, and the Deed shall so expressly provide, that such agreements and covenants shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement itself, be, to the fullest extent permitted by law and equity, binding for the benefit of the community and the Agency and enforceable by the Agency against the Redeveloper and its successors and assigns to or of the Property or any part thereof or any interest therein.

SEC. 306. Progress Reports. Subsequent to conveyance of the Property, or any part thereof, to the Redeveloper, and until construction of the Improvements has been completed, the Redeveloper shall make reports, in such detail and at such times as may reasonably be requested by the Agency, as to the actual progress of the Redeveloper with respect to such construction.

SEC. 307. Certificate of Completion.

(a) Promptly after completion of the Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Redeveloper to construct the Improvements (including the dates for beginning and completion thereof), the Agency will furnish the Redeveloper with an appropriate instrument so certifying. Such certification by the Agency shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the Deed with respect to the obligations of the Redeveloper, and its successors and assigns, to construct the Improvements and the dates for the beginning and completion thereof: Provided, That if there is upon the Property a mortgage insured, or held or owned, by the Federal Housing Administration and the Federal Housing Administration shall have determined that all buildings constituting a part of the Improvements and covered by such mortgage are, in fact, substantially completed in accordance with the Construction Plans and are ready for occupancy, then, in such event, the Agency and the Redeveloper shall accept the determination of the Federal Housing Administration as to such completion of the construction of the Improvements in accordance with the Construction Plans, and, if the other agreements and covenants in the Agreement obligating the Redeveloper in respect of the construction and completion of the Improvements have been fully satisfied, the Agency shall forthwith issue its certification provided for in this Section. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Redeveloper to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the Improvements, or any part thereof.

(b) With respect to such individual parts or parcels of the Property which, if so provided in Part I hereof, the Redeveloper may convey or lease as the Improvements to be constructed thereon are completed, the Agency will also, upon proper completion of the Improvements relating to any such part or parcel, certify to the Redeveloper that such Improvements have been made in accordance with the provisions of the Agreement. Such certification shall mean and provide, and the Deed shall so state, (1) that any party purchasing or leasing such individual part or parcel pursuant to the authorization herein contained shall not (because of such purchase or lease) incur any obligation with respect to the construction of the Improvements relating to such part or parcel or to any other part or parcel of the Property; and (2) that neither the Agency nor any other party shall thereafter have or be entitled to exercise with respect to any such individual part or parcel so sold (or, in the case of lease, with respect to the leasehold interest) any rights or remedies or controls that it may

otherwise have or be entitled to exercise with respect to the Property as a result of a default in or breach of any provisions of the Agreement or the Deed by the Redeveloper or any successor in interest or assign, unless (i) such default or breach be by the purchaser or lessee, or any successor in interest to or assign of such individual part or parcel with respect to the covenants contained and referred to in Section 401 hereof, and (ii) the right, remedy, or control relates to such default or breach.

(c) Each certification provided for in this Section 307 shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property, including the Deed. If the Agency shall refuse or fail to provide any certification in accordance with the provisions of this Section, the Agency shall, within thirty (30) days after written request by the Redeveloper, provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Agency, for the Redeveloper to take or perform in order to obtain such certification.

#### ARTICLE IV. RESTRICTIONS UPON USE OF PROPERTY

SEC. 401. Restrictions on Use. The Redeveloper agrees for itself, and its successors and assigns, and every successor in interest to the Property, or any part thereof, and the Deed shall contain covenants on the part of the Redeveloper for itself, and such successors and assigns, that the Redeveloper, and such successors and assigns, shall:

- (a) Devote the Property to, and only to and in accordance with, the uses specified in the Urban Renewal Plan; and
- (b) Not discriminate upon the basis of race, color, creed, or national origin in the sale, lease, or rental or in the use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof.

SEC. 401 (c) All advertising for sale or lease of the property including the improvements to be erected thereon shall include the wording "This is an open occupancy building program."

**SEC. 402. Covenants; Binding Upon Successors in Interest; Period of Duration.** It is intended and agreed, and the Deed shall so expressly provide, that the agreements and covenants provided in Section 401 hereof, shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Agency, its successors and assigns, the City and any successor in interest to the Property, or any part thereof, and the owner of any other land (or of any interest in such land) in the Project Area which is subject to the land use requirements and restrictions of the Urban Renewal Plan, and the United States (in the case of the covenant provided in subdivision (b) of Section 401 hereof), against the Redeveloper, its successors and assigns and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof. It is further intended and agreed that the agreement and covenant provided in subdivision (a) of Section 401 hereof shall remain in effect for the period of time, or until the date, specified or referred to in Section 6 of Part I hereof (at which time such agreement and covenant shall terminate) and that the agreements and covenants provided in subdivision (b) of Section 401 hereof shall remain in effect without limitation as to time: Provided, That such agreements and covenants shall be binding on the Redeveloper itself, each successor in interest to the Property, and every part thereof, and each party in possession or occupancy, respectively, only for such period as such successor or party shall have title to, or an interest in, or possession or occupancy of, the Property or part thereof. The terms "uses specified in the Urban Renewal Plan" and "land use" referring to provisions of the Urban Renewal Plan, or similar language, in the Agreement shall include the land and all building, housing, and other requirements or restrictions of the Urban Renewal Plan pertaining to such land.

**SEC. 403. Agency and United States Rights To Enforce.** In amplification, and not in restriction of, the provisions of the preceding Section, it is intended and agreed that the Agency and its successors and assigns shall be deemed beneficiaries of the agreements and covenants provided in Section 401 hereof, and the United States shall be deemed a beneficiary of the covenant provided in subdivision (b) of Section 401 hereof, both for and in their or its own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall (and the Deed shall so state) run in favor of the Agency and the United States, for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the Agency or the United States has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate. The Agency shall have the right, in the event of any breach of any such agreement or covenant, and the United States shall have the right in the event of any breach of the covenant provided in subdivision (b) of Section 401 hereof, to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

#### ARTICLE V. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

**SEC. 501. Representations As to Redevelopment.** The Redeveloper represents and agrees that its purchase of the Property, and its other undertakings pursuant to the Agreement, are, and will be used, for the

purpose of redevelopment of the Property and not for speculation in land holding. The Redeveloper further recognizes that, in view of

- (a) the importance of the redevelopment of the Property to the general welfare of the community;
- (b) the substantial financing and other public aids that have been made available by law and by the Federal and local Governments for the purpose of making such redevelopment possible; and
- (c) the fact that a transfer of the stock in the Redeveloper or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in the ownership or distribution of such stock or with respect to the identity of the parties in control of the Redeveloper or the degree thereof, is for practical purposes a transfer or disposition of the Property then owned by the Redeveloper,

the qualifications and identity of the Redeveloper, and its stockholders, are of particular concern to the community and the Agency. The Redeveloper further recognizes that it is because of such qualifications and identity that the Agency is entering into the Agreement with the Redeveloper, and, in so doing, is further willing to accept and rely on the obligations of the Redeveloper for the faithful performance of all undertakings and covenants hereby by it to be performed without requiring in addition a surety bond or similar undertaking for such performance of all undertakings and covenants in the Agreement.

SEC. 502. Prohibition Against Transfer of Shares of Stock; Binding Upon Stockholders Individually. For the foregoing reasons, the Redeveloper represents and agrees for itself, its stockholders, and any successor in interest of itself and its stockholders, respectively, that: Prior to completion of the Improvements as certified by the Agency, and without the prior written approval of the Agency, (a) there shall be no transfer by any party owning 10 percent or more of the stock in the Redeveloper (which term shall be deemed for the purposes of this and related provisions to include successors in interest of such stock or any part thereof or interest therein), (b) nor shall any such owner suffer any such transfer to be made, (c) nor shall there be or be suffered to be by the Redeveloper, or by any owner of 10 percent or more of the stock therein, any other similarly significant change in the ownership of such stock or in the relative distribution thereof, or with respect to the identity of the parties in control of the Redeveloper or the degree thereof, by any other method or means, whether by increased capitalization, merger with another corporation, corporate or other amendments, issuance of additional or new stock or classification of stock, or otherwise. With respect to this provision, the Redeveloper and the parties signing the Agreement on behalf of the Redeveloper represent that they have the authority of all of its existing stockholders to agree to this provision on their behalf and to bind them with respect thereto.

HUD-47098  
(7-49)

503. Prohibition Against Transfer of Property and Assignment of Agreement. Also, for the foregoing reasons the Redeveloper represents and agrees for itself, and its successors and assigns, that:

## (a) Except only

- (1) by way of security for, and only for, (i) the purpose of obtaining financing necessary to enable the Redeveloper or any successor in interest to the Property, or any part thereof, to perform its obligations with respect to making the Improvements under the Agreement, and (ii) any other purpose authorized by the Agreement, and
- (2) as to any individual parts or parcels of the Property on which the Improvements to be constructed thereon have been completed, and which, by the terms of the Agreement, the Redeveloper is authorized to convey or lease as such Improvements are completed,

the Redeveloper (except as so authorized) has not made or created, and that it will not, prior to the proper completion of the Improvements as certified by the Agency, make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Property, or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the Agency: Provided, That, prior to the issuance by the Agency of the certificate provided for in Section 307 hereof as to completion of construction of the Improvements, the Redeveloper may enter into any agreement to sell, lease, or otherwise transfer, after the issuance of such certificate, the Property or any part thereof or interest therein, which agreement shall not provide for payment of or on account of the purchase price or rent for the Property, or the part thereof or the interest therein to be so transferred, prior to the issuance of such certificate.

(b) The Agency shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such approval that:

- (1) Any proposed transferee shall have the qualifications and financial responsibility, as determined by the Agency, necessary and adequate to fulfill the obligations undertaken in the Agreement by the Redeveloper (or, in the event the transfer is of or relates to part of the Property, such obligations to the extent that they relate to such part).
- (2) Any proposed transferee, by instrument in writing satisfactory to the Agency and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the Agency, have expressly assumed all of the obligations of the Redeveloper

under the Agreement and agreed to be subject to all the conditions and restrictions to which the Redeveloper is subject (or, in the event the transfer is of or relates to part of the Property, such obligations, conditions, and restrictions to the extent that they relate to such part); Provided, That the fact that any transferee of, or any other successor in interest whatsoever to, the Property, or any part thereof, shall, whatever the reason, not have assumed such obligations or so agreed, shall not (unless and only to the extent otherwise specifically provided in the Agreement or agreed to in writing by the Agency) relieve or except such transferee or successor of or from such obligations, conditions, or restrictions, or deprive or limit the Agency of or with respect to any rights or remedies or controls with respect to the Property or the construction of the Improvements; it being the intent of this, together with other provisions of the Agreement, that (to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in the Agreement) no transfer of, or change with respect to, ownership in the Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the Agency of or with respect to any rights or remedies or controls provided in or resulting from the Agreement with respect to the Property and the construction of the Improvements that the Agency would have had, had there been no such transfer or change.

- (3) There shall be submitted to the Agency for review all instruments and other legal documents involved in effecting transfer; and if approved by the Agency, its approval shall be indicated to the Redeveloper in writing.
- (4) The consideration payable for the transfer by the transferee or on its behalf shall not exceed an amount representing the actual cost (including carrying charges) to the Redeveloper of the Property (or allocable to the part thereof or interest therein transferred) and the Improvements, if any, theretofore made thereon by it; it being the intent of this provision to preclude assignment of the Agreement or transfer of the Property (or any parts thereof other than those referred to in subdivision (2), Paragraph (a) of this Section 503) for profit prior to the completion of the Improvements and to provide that in the event any such assignment or transfer is made (and is not canceled), the Agency shall be entitled to increase the Purchase Price to the Redeveloper by the amount that the consideration payable for the assignment or transfer is in excess of the amount that may be authorized pursuant to this subdivision (4), and such consideration shall, to the extent it is in excess of the amount so authorized, belong to and forthwith be paid to the Agency.

HUD-41978  
(9-69)

- (5) The Redeveloper and its transferees shall comply with such other conditions as the Agency may find desirable in order to achieve and safeguard the purposes of the Urban Renewal Act and the Urban Renewal Plan.

Provided, That in the absence of specific written agreement by the Agency to the contrary, no such transfer or approval by the Agency thereof shall be deemed to relieve the Redeveloper, or any other party bound in any way by the Agreement or otherwise with respect to the construction of the Improvements, from any of its obligations with respect thereto.

SEC. 504. Information As to Stockholders. In order to assist in the effectuation of the purposes of this Article V and the statutory objectives generally, the Redeveloper agrees that during the period between execution of the Agreement and completion of the Improvements as certified by the Agency, (a) the Redeveloper will promptly notify the Agency of any and all changes whatsoever in the ownership of stock, legal or beneficial, or of any other act or transaction involving or resulting in any change in the ownership of such stock or in the relative distribution thereof, or with respect to the identity of the parties in control of the Redeveloper or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information; and (b) the Redeveloper shall, at such time or times as the Agency may request, furnish the Agency with a complete statement, subscribed and sworn to by the President or other executive officer of the Redeveloper, setting forth all of the stockholders of the Redeveloper and the extent of their respective holdings, and in the event any other parties have a beneficial interest in such stock their names and the extent of such interest, all as determined or indicated by the records of the Redeveloper, by specific inquiry made by any such officer, of all parties who on the basis of such records own 10 percent or more of the stock in the Redeveloper, and by such other knowledge or information as such officer shall have. Such lists, data, and information shall in any event be furnished the Agency immediately prior to the delivery of the Deed to the Redeveloper and as a condition precedent thereto, and annually thereafter on the anniversary of the date of the Deed until the issuance of a certificate of completion for all the Property.

ARTICLE VI. MORTGAGE FINANCING; RIGHTS OF MORTGAGEES

SEC. 601. Limitation Upon Encumbrance of Property. Prior to the completion of the Improvements, as certified by the Agency, neither the Redeveloper nor any successor in interest to the Property or any part thereof shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Property, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Property, except for the purposes of obtaining (a) funds only to the extent necessary for making the Improvements and (b) such additional funds, if any, in an amount not to exceed the Purchase Price paid by the Redeveloper to the Agency. The Redeveloper (or successor in interest) shall notify the Agency in advance of any financing, secured by mortgage or other

similar lien instrument, it proposes to enter into with respect to the Property, or any part thereof, and in any event it shall promptly notify the Agency of any encumbrance or lien that has been created on or attached to the Property, whether by voluntary act of the Redeveloper or otherwise. For the purposes of such mortgage financing as may be made pursuant to the Agreement, the Property may, at the option of the Redeveloper (or successor in interest), be divided into several parts or parcels, provided that such subdivision, in the opinion of the Agency, is not inconsistent with the purposes of the Urban Renewal Plan and the Agreement and is approved in writing by the Agency.

SEC. 602. Mortgagee Not Obligated To Construct. Notwithstanding any of the provisions of the Agreement, including but not limited to those which are or are intended to be covenants running with the land, the holder of any mortgage authorized by the Agreement (including any such holder who obtains title to the Property or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, but not including (a) any other party who thereafter obtains title to the Property or such part from or through such holder or (b) any other purchaser at foreclosure sale other than the holder of the mortgage itself) shall in no wise be obligated by the provisions of the Agreement to construct or complete the Improvements or to guarantee such construction or completion; nor shall any covenant or any other provision in the Deed be construed to so obligate such holder: Provided, That nothing in this Section or any other Section or provision of the Agreement shall be deemed or construed to permit or authorize any such holder to devote the Property or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided or permitted in the Urban Renewal Plan and in the Agreement.

SEC. 603. Copy of Notice of Default to Mortgagee. Whenever the Agency shall deliver any notice or demand to the Redeveloper with respect to any breach or default by the Redeveloper in its obligations or covenants under the Agreement, the Agency shall at the same time forward a copy of such notice or demand to each holder of any mortgage authorized by the Agreement at the last address of such holder shown in the records of the Agency.

SEC. 604. Mortgagee's Option To Cure Defaults. After any breach or default referred to in Section 603 hereof, each such holder shall (insofar as the rights of the Agency are concerned) have the right, at its option, to cure or remedy such breach or default (or such breach or default to the extent that it relates to the part of the Property covered by its mortgage) and to add the cost thereof to the mortgage debt and the lien of its mortgage: Provided, That if the breach or default is with respect to construction of the Improvements, nothing contained in this Section or any other Section of the Agreement shall be deemed to permit or authorize such holder, either before or after foreclosure or action in lieu thereof, to undertake or continue the construction or completion of the Improvements (beyond the extent necessary to conserve or protect Improvements or construction already made) without first having expressly assumed the obligation to the Agency, by written agreement satisfactory to the Agency, to complete, in the manner provided in the Agreement, the Improvements on

**CITY OF MIDDLETOWN**

MUNICIPAL BUILDING  
P.O. BOX 1300, 245 DEKOVEN DRIVE  
MIDDLETOWN, CONNECTICUT 06457  
TEL. (860) 344-3465 FAX (860) 344-3561



**PURCHASE ORDER: 2003-02313**

Be advised that the CITY OF MIDDLETOWN IS AN EQUAL OPPORTUNITY EMPLOYER and shall act in accordance with the Equal Employment Opportunity provisions of Section 202 of Part II of Presidential Executive Order 11246 as amended by Executive Order 11375  
100 GENERAL FUND  
140 PLANNING, CONSERVATION, DEVELOP  
130 TEMPORARY SERVICES

Ship To: **BILL WARNER  
PLANNING & ZONING  
245 DEKOVEN DR.  
MIDDLETOWN, CT 06457**

Vendor: **5680  
NITZ, JOHN W. & ASSOCIATES  
155 GREYSTONE DRIVE  
PLANTVILLE, CT 06479-1856**

State/Local Bid Information

Number:  
Expiration Date:  
Contract Page #:  
P.O. Date: **16-Jun-2003**

<u>Item</u>	<u>Quantity</u>	<u>Item Description / Manufacturer Model #</u>	<u>Unit Price</u>	<u>Extension</u>
1	1	Real Estate Appraisal of the YMCA Property located on DeKoven Drive.	1,700.00	1,700.00

Total:                      \$1,700.00

16-Jun-2003  
Date

*Phyllis S. Prokop*  
Purchasing Agent Approval

# QUALIFICATIONS AND EXPERIENCE OF JOHN W. NITZ, MAI

## EDUCATION

### University of Connecticut

Bachelor of Science, University of Connecticut; May 1988

Major: Real Estate and Urban Economics

Completed five-course core curriculum in the Center for Real Estate and Urban Economic Studies (CREUS)

### Appraisal Institute

*1A-1:* Real Estate Appraisal Principles;

*1A-2:* Basic Valuation Procedures

*8-2:* Residential Valuation

*1B-A:* Capitalization Theory and Techniques;

*1B-B:* Capitalization Theory and Techniques

*201:* Principles of Income Property Appraising

*2-1:* Case Studies in Real Estate Valuation;

*2-2:* Report Writing and Valuation Analysis

*SPP:* Standards of Professional Practice (Parts A and B)

Attended various seminars and workshops sponsored by the Appraisal Institute

## PROFESSIONAL AFFILIATIONS

- Member of the Appraisal Institute (MAI), Member No. 10,643
- Received RPA (Real Property Administrator) designation in the Building Owner's and Manager's Association (BOMA), completed seven property management courses
- Qualified and served as an expert witness
- Currently licensed and certified by the State of Connecticut, License No. 00000449; the State of Massachusetts, License No. 4407; and the State of New York, License No. 46000030832

## EXPERIENCE

### **Associate Commercial/Industrial Appraiser**

Donald J. Nitz & Associates, Inc., of North Haven, Connecticut

May 1986 to May 1992

### **Commercial Review Appraiser**

Society For Savings, in Hartford, Connecticut; May 1992 to May 1993

### **Senior Review Appraiser**

People's Bank, in Bridgeport, Connecticut; June 1993 to February 1994

### **Instructor**

*Course 6: Real Estate Investment and Finance* - BOMA; February 1995 to May 1995

*Appraisal I* - University of Connecticut; April 1996 - May 1996;

September 1996 - November 1996; and April 1997 - May 1997

### **Principal Owner**

**John W. Nitz & Associates, Southington, Connecticut; February 1994 to Present**

Properties appraised and/or reviewed include apartment and office buildings, industrial properties, shopping centers, service stations, automobile dealerships, hotels, golf courses, nursing homes, places of worship, various commercial/residential improvements, single and multi-family dwellings, condominiums, residential subdivisions, farm and raw land, building lots, and railroad trackage.