



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC WORKS



Raeanne V. Curtis
Commissioner

January 9, 2009

Via Hand Delivery

Honorable Robert M. Congdon
First Selectman
Town of Preston
Town Offices
389 Route 2
Preston, Connecticut 06365-8830

RE: Purchase and Sale Agreement entered into between the
Town of Preston (the "Town") and the State of Connecticut,
acting by its Department of Public Works (the "State")

Dear First Selectman Congdon:

This letter is to acknowledge the receipt of the Town Notice of Intent to Purchase ("Purchase Notice") from the Town of Preston dated December 31, 2008. Pursuant to the Purchase and Sale Agreement ("PSA") between the parties, please find the following closing documents:

1. Quit Claim Deed;
2. Certification Regarding Representations and Warranties – State;
3. Certification Regarding Litigation – State;
4. Bill of Sale;
5. FIRPTA Affidavit;
6. Conveyance Tax Form;
7. Affidavit of Facts regarding Tax Assessor's Lots 4, 6 and 7;
8. Owner's Title Affidavit;
9. Survey with final Department of Transportation ("DOT") parcels; and
10. Floodplain Management Certification per C.G.S. §25-68D.

The above documents are in substantially the form previously agreed upon between the State and the Town. The Quit Claim Deed has been revised to reflect the reservations and restrictions contemplated in the PSA. With respect to the survey, the boundary lines of the parcels of land the State intends to exclude in connection with the proposed extension of Route 2A are within the parameters left to the discretion of the State per Section 1 of the PSA. Additionally, the boundary lines are based on the DOT plans referenced in the PSA. The Floodplain Management Certification conforms to the requirements of Section 25-68D of the

Connecticut General Statutes and has been approved by the Department of Environmental Protection. The State Historic Preservation Office ("SHPO") has identified the areas it intends to designate archaeological preserves pursuant to Section 10-385 of the Connecticut General Statutes and the nature of its continuing interest in the Norwich State Hospital site pursuant to Section 10-388 of the Connecticut General Statutes (see enclosed email confirmation between DPW and SHPO). The State has previously provided the Town copies of the (a) archaeological survey performed by Archaeological and Historical Services, Inc., (b) environmental studies referenced in the PSA, (c) title report and (d) surveys. In light of these considerations, we believe it is reasonable to expect the Town to render any comments on the enclosed documents on or before January 23, 2009.

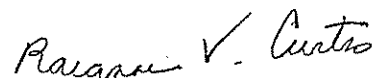
Please be advised, the Town shall be the transferee at closing. Any subsequent transfer pursuant to Section 13.c. of the PSA shall be a post closing event between the Town and any such third party transferee, though it will remain subject to the applicable terms and conditions of the Quit Claim Deed and the PSA.

At this time, the State anticipates having its final State Transfer Approval on or before January 30, 2009. Pursuant to Section 3 of the PSA, the closing should take place on or before February 27, 2009. We believe this closing schedule provides the Town time in which to call its Town Meeting and hold a referendum sufficiently in advance of February 27, 2009.

I am putting forth this time frame because it is consistent with the PSA and it is, in my opinion, in the best interests of both the State and the Town to conclude this transaction and to do so in a timely manner. Resolving this matter will allow each of us to properly prepare our respective budgets for the upcoming fiscal year for the Town and the next two fiscal years for the State. As you know, the State incurs costs relating to the Norwich State Hospital site for maintenance and security totaling \$735,000± annually and in the form of state grants to the Town. The maintenance and security costs for this site represent approximately 4.5% of Department of Public Work's property management and facilities budget. The State and the Town should know, for budgetary planning purposes, which entity will be bearing these significant costs going forward into the future. Particularly in these economic times, when difficult choices will need to be made, knowing ahead of time our fiscal responsibilities may avoid adverse and perhaps unnecessary actions. We have had what amounts to a three year due diligence period to review the survey, title and environmental conditions, archaeological matters and the like. Our combined efforts have provided us the ability to close in a timely manner and our financial concerns support our need to do so.

Thank you for your attention to this matter. Should you have any questions or concerns, please contact me at this office.

Very truly yours,

A handwritten signature in cursive script that reads "Raeanne V. Curtis".

Raeanne V. Curtis
Commissioner

cc: Robert Genuario, Secretary, OPM
Howard Rifkin, Deputy Treasurer
George Finlayson, Assistant Attorney General
Stanley Babiarz, Executive Director, SPRB
Kevin Kopetz, DPW Managing Attorney
Susie Hays, Esq., Updike Kelly and Spellacy
Bruce Chudwick, Esq., Shipman & Goodwin