

VALUATION ANALYSIS

AND

APPRAISAL REPORT

PROPERTY

35.58 Acres – Parcel 28-2-16-1 Herrick Road
Boxford, MA

DATE OF VALUATION

August 10, 2022

PREPARED FOR

Boxford Community Preservation Committee
Natasha Grigg, Chair
7A Spofford Road
Boxford, MA 01921

PREPARED BY

Avery Associates
282 Central Street
Post Office Box 834
Acton, Massachusetts 01720
Tel: 978-263-5002
File No. 2022037/22026

Avery Associates

Real Estate Appraisers – Counselors

282 Central Street

P.O. Box 834

Acton, MA 01720

Tel: 978-263-5002

Fax: 978-635-9435

jon@averyandassociates.com

September 20, 2022

Town of Boxford Community Preservation Committee

Natasha Grigg, Chair

7A Spofford Road

Boxford, MA 01921

Re: 35.58 Acres – Parcel 28-2-16-1 Herrick Rd.
Boxford, MA

Dear Ms. Grigg,

In accordance with our agreement, attached please find the narrative Appraisal Report presenting the estimate of market value for the above referenced real property. This appraisal contains the data, analysis and conclusions on which the estimate is based.

The property which is the subject of this appraisal is 35.58 acres of vacant R2 residential zoned land on the southwesterly side of Herrick Road near the intersection with Georgetown Road in Boxford. The land is a combination of open areas, wooded terrain and wetlands. There is approximately 975.89 feet of frontage on Herrick Road in two areas.

Preliminary analysis suggests limited potential for development primarily due to regulated areas. Likely approximately three frontage lots maximum. The property is enrolled in MGL Chapter 61 in a 10 year management plan.

The purpose of the appraisal is to provide an estimate of current market value as the town considers purchase of the property.

The appraisal developed in support of this estimate of value is presented in the narrative Appraisal Report format and is qualified by certain definitions, limiting conditions and certifications presented in detail in the report. This appraisal has been prepared for your exclusive use. It may not be distributed to or relied upon by other persons or entities without permission.

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September 20, 2022
Town of Boxford Community Preservation Committee
Natasha Grigg, Chair

As a result of this analysis, an opinion has been developed that the market value of the property, subject to the definitions, limiting conditions and certifications set forth in the attached report, as of August 10, 2022, is:

ONE MILLION FIVE HUNDRED EIGHTY THOUSAND (\$1,580,000) DOLLARS

This letter must remain attached to the report, which contains 24 pages plus related exhibits, in order for the value opinion set forth to be considered valid.

Respectfully submitted,



Jonathan H. Avery, MAI, CRE
Massachusetts Certified General
Real Estate Appraiser #26

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Addenda

- Subject Property Photographs
- Appraisal Lexicon
- Appraiser Qualifications

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

ADDRESS: Parcel 28-2-16-1 Herrick Rd.
Boxford, MA

CLIENT: Town of Boxford Community Preservation Committee
Natasha Grigg, Chair

OWNER OF RECORD: William E. Dorman

DATE OF VALUE ESTIMATE: August 10, 2022

INTEREST APPRAISED: Fee Simple

LAND AREA: 35.58 Acres

IMPROVEMENTS: None – Vacant Land

ZONING: Residential RA

HIGHEST AND BEST USE: ANR Subdivision – 3 Lots

ESTIMATE OF VALUE: \$1,580,000

APPRAISED BY: Jonathan H. Avery, MAI, CRE
Avery Associates
Post Office Box 834
282 Central Street
Acton, MA 01720

APPRAISAL REPORT

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to estimate the current market value at highest and best legal and permitted use.

MARKET VALUE IS DEFINED AS FOLLOWS

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

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

PROPERTY RIGHTS APPRAISED

The property rights appraised in the subject property are fee simple, which is defined as:

"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." (2)

DATE OF VALUATION: August 10, 2022

DATE OF REPORT: September 20, 2022

INTENDED USE OF THE APPRAISAL: This appraisal is intended to assist the client, Boxford Community Preservation Committee as they consider acquiring the property.

INTENDED USER(S) OF THE APPRAISAL: Boxford Community Preservation Committee, Natasha Grigg, Chair, Town of Boxford and those authorized by them.

(1) FIRREA 12CFR Part 323.2.

(2) The Dictionary of Real Estate Appraisal, Appraisal Institute, Chicago, IL 2015, Sixth Edition - Page 90.

SCOPE OF APPRAISAL:

In making the estimate of value, the property was inspected to properly understand its physical characteristics. A review has been made of deeds, plans and other pertinent documents to understand the legal characteristics of the property. The property was inspected on several occasions by Jonathan H. Avery, MAI, SRA, most recently August 10, 2022.

A review has been made of municipal tax and zoning material, including special provisions of these bylaws. Data has then been gathered pertinent valuation of the property. The approaches to value employ many sources including municipal and county records, sales recording services, cost services and interviews with professionals active in the real estate field. Deeds were reviewed when available and data confirmed with parties to the transactions as a means of verification, when possible.

Recognized valuation techniques were then employed in deriving value indications from several perspectives. These indications were then reconciled into an indicated value of the subject property as reported herein. This narrative Appraisal Report is a recapitulation of the appraiser's data, analyses and conclusions. Supporting documentation may be retained in the appraiser's file.

CONSIDERATION OF HAZARDOUS SUBSTANCES IN THE APPRAISAL PROCESS

No specific geotechnical engineering information or Phase One site investigation has been provided to the appraisers. Under federal and state laws, the owner of real estate which is contaminated and from which there is a release or threatened release may be held liable for the cost of corrective action. A Phase One site investigation is customary business practice. Such an investigation entails a review of the property, its history and available government records to determine if there is reason to believe that contamination may be present.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, agricultural chemicals or urea formaldehyde foam insulation, which may or may not be present on the property, were not called to the attention of nor did the appraiser become aware of such during inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. Since the presence of such hazardous substances may significantly affect the value of the property, the value as estimated herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto which would cause a loss in value. If such substances do exist, then the value as estimated herein will vary dependent on the extent of contamination and the costs of remediation.

The subject property is not currently included on the **List of Waste Sites and Reportable Releases** (dated September 1, 2022), as published on their website by the Bureau of Waste Site Cleanup, Department of Environmental Protection, Commonwealth

of Massachusetts. However, if the subject site is found to be contaminated, the value estimate contained herein may change.

IDENTIFICATION AND DESCRIPTION OF SUBJECT PROPERTY

The property which is the subject of this appraisal is 35.58 acres of vacant RA Residential/Agricultural zoned land on the southwesterly side of Herrick Road near the intersection with Georgetown Road in Boxford. There is approximately 975.89 feet of frontage on Herrick Road in two areas.

The property is identified by the Town of Boxford as parcel 28-2-16-1 with an address of Herrick Road. The title is in the name of William Dorman as shown in the deed recorded with the Essex County Registry of Deeds in Book 5210 Page 132 dated 9/25/1964. It is identified as 'Remaining Land of William E. Dorman 35.38 ± acres' on a plan of Land in Boxford, MA dated January 17, 1990 by Hancock Survey Associates.

Handwritten:
8.10431
p. 215

BOOK 5210 PAGE 132

We, **RAYMOND FERLEY**, of Boxford, Essex County, Massachusetts, and **ALLAN B. MacGREGOR**, of Haverhill, said County and Commonwealth, Trustees under the will of **Mary A. Herrick**, late of Boxford, deceased, (Essex County Probate 238446) and x County Massachusetts

being persuaded, for consideration paid, grant to **WILLIAM E. DORMAN**, of said Boxford, and those claiming by, through or under him by deeds duly recorded with Essex South District Registry of Deeds,

and with quitclaim interests

the land in said County of Essex, with the buildings thereon, being all of the real (Description and measurement, if any) estate which the said **Mary A. Herrick** owned at the time of her death however bounded and described and wherever situated.

Said premises are conveyed subject to and with the benefit of all easements, restrictions, rights and privileges as may appear of record but the same are not hereby imposed anew.

This deed is given to vest title in the grantee, after the death of the life tenant, **Maude C. Norris**, who died Feb. 18 1962.

No Documentary Stamps Required.

Notary Public
Notary Public

Witness our hands and seals this 22 day of September 1964

Raymond Ferley
Raymond Ferley, Trustee
Allan B. MacGregor
Allan B. MacGregor, Trustee

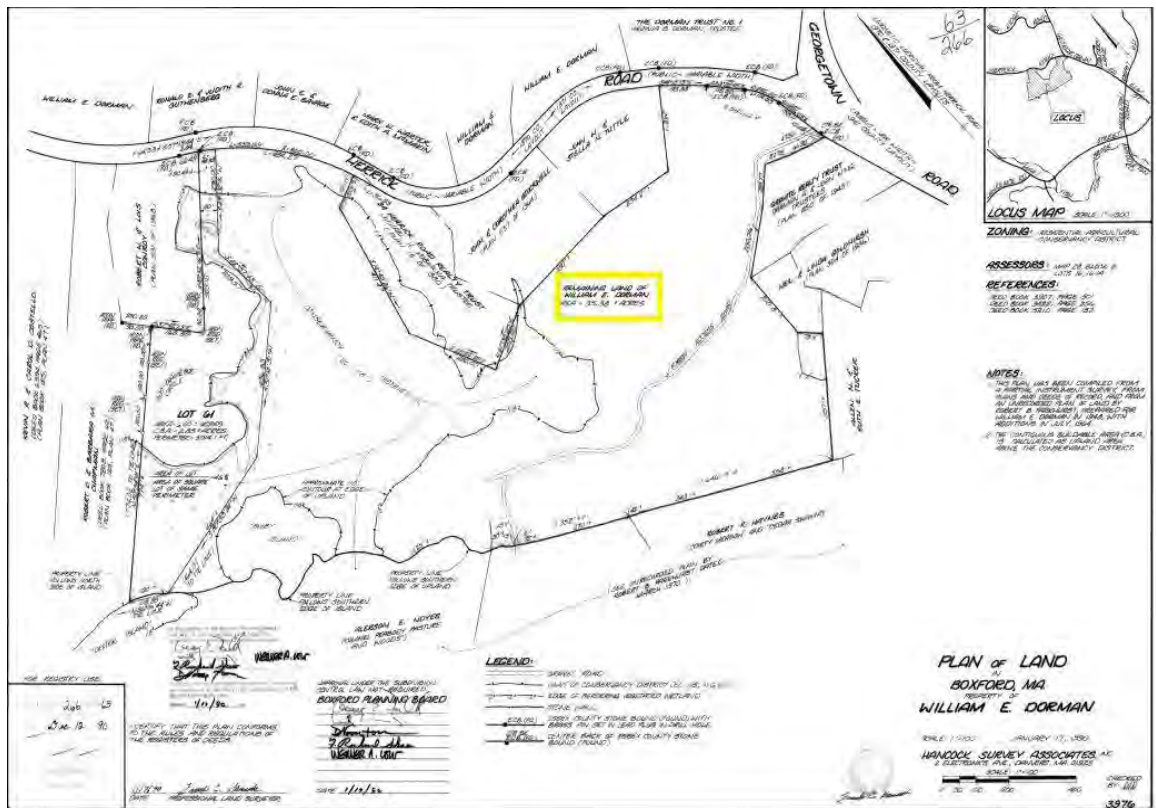
The Commonwealth of Massachusetts
Essex, ss. September 22, 1964

Then personally appeared the above named **Raymond Ferley** and **Allan B. MacGregor**, Trustees and acknowledged the foregoing instrument to be their free act and deed, before me

Henry F. [Signature]
Notary Public, Notary Seal
My commission expires 9/17 1971

Essex ss. Recorded Sept. 25, 1964. 3 m. past 4 P. M. #212

(* Individual - Joint Tenants - Tenants in Common - Tenants by the Entirety.)



The subject is an irregularly shaped parcel of vacant land on the southerly side of Herrick Road at the intersection with Georgetown Road in Boxford. It is a combination of wooded uplands, wetlands and marsh. There is likely at least one vernal pool (not certified) in the east central portion of the wooded uplands.

The area south of Herrick Road in the westerly part of the property is severely limited with regard to development potential. Limitations include wetlands, wetland setbacks, predominantly hydric soils and location within the Conservancy overlay district. There is little likelihood of development on this nearly 50% of the land area.

Development potential is limited to the easterly and southerly portion of the land. This area has the uplands and most probable soils for on site septic systems. It is also mostly level with some minor slopes. Further this the portion of the property with access to dry frontage to a sufficient degree to configure lots.

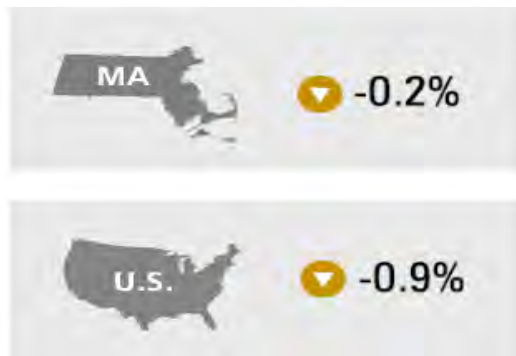
MARKET AREA ANALYSIS AND MUNICIPAL PROFILE

The Economy

Pace of state economic growth remains weak in Q2, UMass journal reports

Output growth weak despite strong labor markets; Strong nominal wage growth lags inflation for the average worker

JULY 2022



In the second quarter of 2022, Massachusetts real gross domestic product decreased at a 0.2 percent annualized rate, according to MassBenchmarks, while U.S. GDP decreased at a 0.9 percent rate according to the U.S. Bureau of Economic Analysis (BEA). In the first quarter of this year, according to the BEA, Massachusetts GDP grew at an annual rate of 0.2 percent while U.S. GDP declined at an annual rate of 1.6 percent.

“Economic growth in both the U.S. and Massachusetts slowed very significantly in the first half of this year despite a strong labor market with good employment gains, a low unemployment rate and a surplus of job openings,” noted Alan Clayton-Matthews, Senior Contributing Editor and Professor Emeritus of Economics and Public Policy at Northeastern University, who compiles and analyzes the Current and Leading Indexes for MassBenchmarks.

According to Clayton-Matthews, the apparent paradox described above can be explained by several conditions that are shared by both the nation and the state that have resulted in lower productivity per worker. First, job growth has been concentrated in relatively lower paid sectors, such as leisure and hospitality, that tend to employ lower-skilled workers. Second, as a response to the scarcity of labor in high demand fields, employers have been “labor hoarding” or holding on to workers despite slowdowns in demand and lower utilization of employees. As a third factor, COVID-19 has increased absences from work, whether for illness or care of a sick family member.

Inflation is also playing a role. Per-worker wages and salaries are not keeping up with inflation, and on average are falling in real terms. Total personal incomes, though rising, are just barely keeping up with inflation. This limits real consumer spending, which accounts for approximately two-thirds of all economic activity. Finally, rising interest rates are slowing the economy, reducing the demand for residential construction, and lowering asset prices, with predictable indirect effects on consumer and business confidence which can be expected to dampen current and future spending.

Payroll employment in Massachusetts in the second quarter grew at an annual rate of 3.6 percent, roughly the same as the 3.4 percent pace for the U.S. This compares with job growth of 5.2 percent in the first quarter in Massachusetts and 4.7 percent for the U.S. Year over year – Q2 2021 to Q2 2022 – job growth increased by 4.9 percent in Massachusetts and 4.4 percent in the U.S. Despite this relatively robust pace of job growth, in June state payroll employment remained 2.0 percent below the pre-pandemic peak in February 2020. The equivalent gap in the U.S. has virtually disappeared, in June the nation was only 0.3 percent below its pre-pandemic peak.

The unemployment rate in Massachusetts fell to 3.7 percent in June, down from 4.3 percent in March. During this same period, the U.S. unemployment rate held steady at 3.6 percent. In June, the labor force participation rate for Massachusetts was 66.0 percent, unchanged since March and a notch above that of February 2020 (65.9 percent). The U.S. labor force participation rate in June was 62.2 percent, 1.2 percentage points below pre-pandemic levels (February 2020). The broader U-6 unemployment measure in June was 5.6 percent for Massachusetts and 6.7 percent for the U.S. In Massachusetts in June, the number of persons who want full time work but are working part time, and the number of workers who are only marginally attached to the workforce have returned to pre-pandemic levels.

Wage and salary income continued to grow robustly in the second quarter. In Massachusetts, MassBenchmarks estimates that wage and salary income grew at a 12.9 percent annual rate, while wage and salary income in the U.S. grew at an 8.8 percent rate. These far exceed the growth in jobs and represents strong growth in average nominal per-worker wages and salaries. The BEA estimates that wage and salary income growth in the first quarter was 11.8 percent for Massachusetts and 9.8 percent for the U.S. on an annualized basis. Year over year, MassBenchmarks estimates that wage and salary income grew 10.9 percent in Massachusetts and 11.2 percent in the U.S.

Although wage and salary income per worker has been growing briskly over the past year – 6.0 percent in Massachusetts and 6.8 percent in the U.S. from Q2 2021 through Q2 2022 – these incomes have not kept up with inflation. The Bureau of Labor Statistics' measure of CPI inflation was 7.5 percent in the Boston Metropolitan Area and 8.6 percent in the U.S. from the second quarter of last year (the Boston measure was May 2021 to May 2022 – the survey is every other month in Boston). Thus, despite robust wage growth, real wage and salary income per worker in Q2 2022 was less than it was in Q1 2022.

The outlook for the rest of the year is for slow growth, but the level of uncertainty remains high. MassBenchmarks estimates the annualized rate of real GDP growth for Massachusetts will be 1.0 percent in the third quarter and 2.0 percent in the fourth quarter. The mean forecast from the July Wall Street Journal survey of economists for

the U.S. is 1.5 percent in the third quarter and 1.1 percent in the fourth quarter. Measures of consumer confidence and business confidence, for example, from the Conference Board for the U.S. and from the Associated Industries of Massachusetts for Massachusetts businesses, are falling, and various surveys of economists put the probability of a U.S. recession in the next 12 months at roughly 50 percent. Furthermore, most analysts see risks to growth as skewed towards the downside.

Residential Market

It is important to look at the trends in residential housing in support of the demand and supply factors which would affect building and house lots. The following is a summary of these trends as reported through the MLS/PIN service.

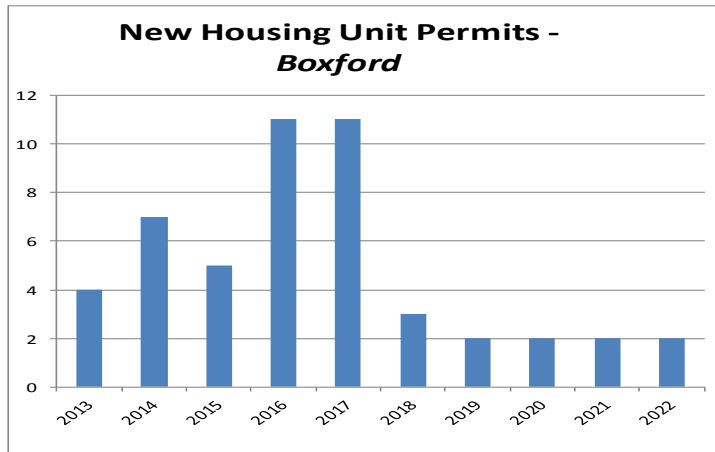
<u>VOLUME OF SALES/LISTINGS TRENDS</u>				<u>PRICE TRENDS</u>						
				#	%	Average	%	Average	%	
<u>ACTIVE LISTINGS-Single-Family Homes</u>				<u>Change</u>	<u>Price</u>	<u>Change</u>	<u>DOM</u>	<u>Change</u>		
Current Supply of Homes for Sale (8/10/22)	Boxford	18	Down	28.57%	\$ 1,319,588	Up	9.59%	40	Down	25.00%
Supply of Homes for Sale One Year Ago (8/10/21)	Boxford	14	----	----	\$ 1,204,128	----	----	32	----	----
<u>PENDING SALES-single-Family Homes</u>										
# of Homes; Went Pending Past 12 mos.	Boxford	119	Up	-6.30%	\$ 1,015,309	Up	11.97%			
# of Homes Went Pending Previous 12 mos.	Boxford	127	----	----	\$ 906,763	----	----			
<u>CLOSED SALES-single-Family Homes</u>										
Total Closed Sales of Homes; Past 12 mos.	Boxford	116	Up	-12.12%	\$ 995,115	Up	7.99%	29	Down	-27.50%
Total Closed Sales of Homes; Previous 12 mos.	Boxford	132	----	----	\$ 921,490	----	----	40	----	----

SOURCE: MLS Statistics

The residential market in Boxford remains strong with prices steadily increasing over the past several years in this strong residential market. A primary driving force has been the lack of supply in the face of a growing demand. This imbalance led to spikes in pricing and decreased sales volume. There are signs that this imbalance may be easing. Further details and trends of the characteristics of the residential market are detailed on the MLS data presented above. The number of listings and the closed sales activity has been fairly consistent over the reporting period.

The limited supply of vacant land/lots available in Boxford has had a limiting effect on building activity as shown on the 10 year trend in building permits:

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
New Single Permits	4	7	5	11	11	3	2	2	2	2



A lack of supply of available building lots has been the case over the recent past. After 2017 the volume of new permits each year has been very low, 2-3 per year. In their most recent annual report, the Planning Board they indicate that there were no applications for subdivisions in 2021. They did approve three ANR plans in 2021 including a plan with several lots divided between Boxford and Georgetown.

In conclusion, although relatively low volume annually, there clearly is a strong residential market in Boxford. In addition to the home sales market, the market for building lots is also strong but low volume.

There have been eleven sales of vacant land in the past three years. These sales range in price from \$170,000 to \$1,735,000 and from 2.03 to 7.85 acres. There are six lots currently on the market in MLS ranging in price from \$395,000 to \$895,000. Days on market range from 30 to 477. This appears to be a typical available inventory in recent years.

LOCATION AND NEIGHBORHOOD DESCRIPTION

Boxford is located near the geographic center of Essex County, with Boxford Center about 10 miles southeast of Lawrence and 24 miles north of Boston. The town is bordered by Haverhill the north, Groveland to the northeast, Georgetown and Rowley to the east, Ipswich and Topsfield to the southeast, Middleton to the southwest, and North Andover to the west.

The eastern end of Boxford is crossed by Interstate 95, with three exits lying within the town. Route 133 crosses through the northern part of town, from North Andover to Georgetown, and Route 97 crosses through the eastern part of town, from Topsfield to Georgetown. The town does not have any means of mass transportation. The Newburyport/Rockport Line of the MBTA Commuter Rail passes through neighboring Rowley and Ipswich to the east, and the Haverhill/Reading Line passes to the north. The nearest small airport is Lawrence Municipal Airport, located in North

Andover, and the nearest domestic and international air service is Logan International Airport.

Boxford has a total area of 24.4 square miles , of which 23.6 square miles is land and 0.85 square miles or 3.46%, is water. The town is divided into Boxford Village (commonly called East Boxford) and West Boxford Village, corresponding to the respective East and West Boxford centers. It is heavily forested and criss-crossed by various streams and brooks, many of which empty into the Ipswich River on Boxford's southern border. A number of ponds dot town as well, among them Stiles Pond, Cedar Pond, Spofford Pond, Lowe Pond, Four Mile Pond and Baldpate Pond.

Throughout Boxford there are also a number of scenic hiking trails. The highest natural point in Boxford is Bald Hill, at an elevation of 243 feet. It sits in a corner of the Boxford State Forest, near Interstate 95 and the town's border with Middleton.

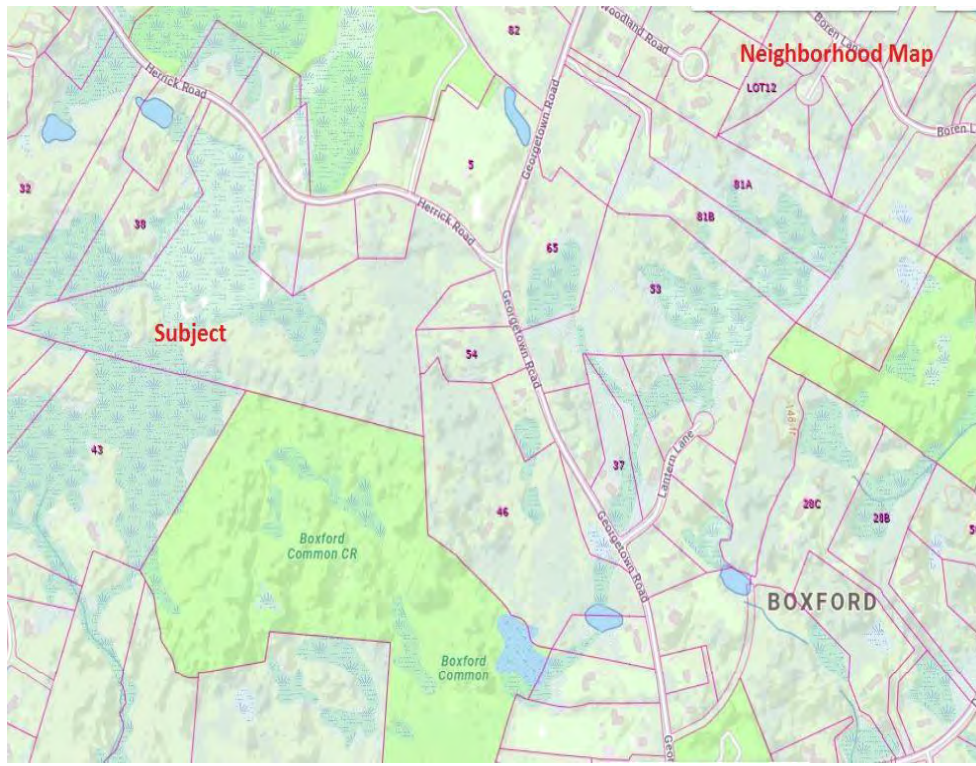
Small farms are interspersed throughout Boxford. Stone walls, remnants of old farming land boundaries, meander through the area. One major farm located in Boxford is Small Oxx farm, a branch of the main farm, Smolak's, located in North Andover. Boxford is an appealing rural residential community with good connectivity to local and regional highway network.

The subject is located in a rural neighborhood in the central portion of Boxford west of Route 95; north of the North Andover town line and south of the Georgetown line. This location is west of the town center and north of the Boxford State Forest.

There is a varied housing stock in the area ranging from antique farmhouses to mid century residences and newly constructed homes. There is a low density of homes and a number of preserved parcels. The property abuts the town owned Boxford Common. Opposite on Herrick Road is the Mary Herrick Forest – a 96 acre property owned and managed by the NE Forestry Foundation. This property was a gift from the Dorman Family in 1990.

Topography in the area includes a number of small ponds, streams and associated wetlands. There are a number of potential vernal pools and likely habitat for endangered species and species of special concern based on this topography.

This neighborhood is an attractive and appealing residential location which would have good prospects for similar low density development residential development. This potential would likely be somewhat limited due to the characteristics of much of the land.



TAXES AND ASSESSMENT

For real estate taxation purposes, the subject property, Herrick Street, Boxford, Massachusetts is assessed in the name of William Dorman in the following manner:

PARCEL # 28-02-16-1

Land - CH 61 Forestry Current Use	\$ 4,200
Non CH 61 Valuation	\$522,000
Annual RE taxes on the subject property total	\$ 42.91
Annual Full Value Taxes would be	\$7,934.40

The above assessed value for current use is based on the current forestry use under MGL Chapter 61. The Non CH61 Valuation is the Assessors assigned value at full market value.

MGL Chapter 61 Classification: This is an agricultural, recreational and forestry land classification act which allows for the owners who meet requirements to receive significant real estate tax reduction/deferment, in accordance with a current use management plan as long as the designated parcel is not developed and remains in the current, qualified use.

The restrictions on development may be lifted with payment of the amount of the deferred taxes (rollback tax) for the prior five years. The amount is calculated by taking the difference in the CH 61 current use assessment and the full Non CH 61 valuation assessed value for each year by the tax rate for that year, plus interest. This program typically includes a right of first refusal held by the town in the event of sale.

The property has been appraised free and clear of all municipal liens and/or encumbrances. The rollback tax amount possibly due has therefore not been included. The amount owed is not considered part of the real property, but rather a personal debt owed by the current owner of the property, much the same way a mortgage debt is owed on most homes sold in the local market. While the amount of the roll back tax or mortgage on a property might reduce the 'net' amount due to the seller, it does not affect the market value of the property as defined.



ZONING

ZONING DISTRICT: RA Residential Agricultural District
C Conservancy District

PERMITTED USES: Single Family Detached Dwelling, Agriculture, Boarding House (max. 4 lodgers), Religious, Educational, Municipal, Golf Course, Home Occupation. Certain other uses by BOA Special Permit

DIMENSIONAL REQUIREMENTS:

Minimum Lot Area: 2 Acres Minimum Lot Frontage: 250'

Minimum Setbacks: 50 ft. front, 25 ft. side, 25 ft. rear

Frontage Exception: Lots with four acres or more area minimum frontage of 50'

Conservancy District: Uses permitted are quite limited in keeping with the intent to preserve and maintain groundwater table, protect health and public safety and to conserve natural conditions, wildlife and open space. Permitted uses limited to conservation, recreation, agriculture, religious, educational. Certain other uses allowed by BOA Special Permit. Residential development is not a permitted use in this district.

HIGHEST AND BEST USE

Highest and best use is a forecasting process, which answers three questions: Should a site be left as is? Should it be improved? What improvement provides the greatest value? A property's location within its market and its potential use creates utility. Scarcity and utility create value. Highest and best use applies to both vacant and improved properties.

Highest and Best use analysis considers the potential uses for the property from several perspectives. Physical characteristics, legal requirements, financial feasibility and market conditions are all reviewed. The Highest and Best use is the optimum use considering all these factors.

The subject property is located in the Residential-Agricultural District which allows single family homes and other uses as outlined above. The location of this parcel, in a rural/residential area is considered to be good with somewhat convenient access to local services, Boxford Center, surrounding communities and connectivity to local road networks and regional roadways..

The highest and best use of the subject property is for residential development. It appears that either ANR lots or the lots in a conventional subdivision would be possibilities with sufficient frontage and sufficient land area to meet the zoning requirements. However, the limitation on the development of this land is whether or not the site can *physically* support development based on the issues of the suitability of the

soils for private septic systems and private wells and the probable vernal pool(s) and wetlands areas.

The highest and best use of the subject land area is concluded to be subdivision as ANR lots utilizing the reduced frontage exception. Clearly there is more than enough acreage and frontage for more lots. However, the extensive wetlands impact much of the land area and a large portion of the road frontage. A sketch of how a subdivision might look was provided, however the feasibility of this 10 lot layout is not supported. The topography – particularly wetlands and vernal pools – combine to make approval of this density unlikely. In addition, at least a portion of the property is within Priority Habitat and Estimated Habitat for the Blanding Turtle on the Massachusetts Natural Heritage Atlas.

Given these factors, the use of ANR lots is considered the most probable and most feasible approach to residential development. The following concept HBU Plan (7/26/21) is considered a viable layout. As shown on the plan, there would be one conforming lot at 2.19 acres with 441.62 ‘ of frontage and two reduced frontage lots with 50’ of road frontage and 6.42± acres (Lot 2) and 7.19± acres (Lot 3). The balance of the site (19.82±acres wetlands in the Conservancy District) would be dedicated Open Space, which would likely assist in obtaining the necessary Special Permit.

This 3 lot layout is concluded to be the optimum use and physically possible, legally permissible, financially feasible and maximally productive.

EXPOSURE TIME

The Dictionary of Real Estate, 6th Edition, defines *Exposure Time* as:

1. The time a property remains on the market.
2. [The] estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (USPAP, 2020-2021 ed.)

Exposure time is an estimate of how long it is estimated that it would have taken to sell the subject property at the estimated value. Based upon a review of the typical marketing times for the comparable sales presented later in this report and market conditions, it is concluded that a reasonable exposure time is 6-9 months.

Estate of Virginia B. Dorman
Boxford, MA

HBU Plan

LEGEND

-  Subject Property - 46.72 AC
-  Conservancy District Overlay
-  Adjacent Properties
-  Protected Land
-  Open Water
-  Wetlands
-  Perennial Streams
-  Intermittent Streams
-  Contours (2 ft)



Notes:
Credits: 2020 Imagery from
Nearmap Imagery
map service.

Date: 07/26/21
Project Number: MA3474-CG



 This plan is conceptual only and is not represented as an engineered plan.



ANALYSIS AND VALUATION

APPRAISAL PROCESS

The methodology traditionally used for the valuation of real property is derived from three basic approaches to value; the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. From the indicated values produced by each of these approaches and the weight accorded to each, an estimate of market value is made. The following is a brief summary of the method used in each approach to value.

Cost Approach

The Cost Approach is an analysis of the physical value of a property; that is, the market value of the land, assuming it were vacant, to which is added the depreciated value of the improvements to the site. The latter is estimated to be the reproduction cost of the improvements less accrued depreciation from all causes.

Sales Comparison Approach

The Sales comparison Approach is based upon the principle of substitution, that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property assuming no costly delay in making the substitution. Since few properties are ever identical, the necessary adjustments for differences between comparable properties and the subject property are, to a certain extent, a function of the appraiser's experience and judgment.

Income Capitalization Approach

The Income Capitalization Approach is an analysis of the subject property in terms of its ability to produce an annual net income in dollars. This estimated net annual income is then capitalized at a rate commensurate with the relative certainty of its continuance and the risk involved in ownership of the property.

Valuation Method(s) Used

The value of the subject property is based on the Cost of Development Approach. This approach is typically used when subdivision and development of lots are the highest and best use of a property. The Cost of Development Approach, or Subdivision Analysis, uses parts of the three traditional approaches to value; Cost Approach, Income Approach, and Sales Comparison Approach.

Once the number and type of lots that can be created from the appraised parcel is determined, a sales comparison analysis of finished lots is undertaken. After adjusting the comparable sales for differences, an estimate is made of the most likely retail sale prices of these lots, the probable development period and the absorption rate.

All costs associated with dividing and selling the lots are then deducted from their projected retail sale prices. The periodic net sale proceeds may then be discounted if the project timeline exceeds one year. The resulting conclusion is an estimate of the value of the property ‘as-is’.

In the case of the subject property, estimated retail prices for the 3 potential lots and an estimate of the value of portion in the Conservancy District – the non buildable parcel are arrived at. Next, the costs necessary to achieve the retail prices for the lots are deducted. Costs such as engineering, soil testing and brokerage commissions are deducted from lot sales revenue. The net proceeds of the sale, allowing for a return to the developer, result in the estimated value of the subject property based on how it would likely be developed.

Retail Lot Price Projections - A search for building lot sales, was conducted in Boxford from the date of valuation extending back several years. A search of data sources and public records, MLS, interviews with knowledgeable real estate professionals in the area, as well as a review of our internal database was also conducted to obtain and verify comparable sales of similar properties.

Following are details of the 7 comparable lot sales considered most similar to the potential subject lots from the survey.

LOT SALES SUMMARY

Date of Valuation: 08/10/22
Annual Time Adjustment 8.0%

ADDRESS	SALE PRICE/ DATE	TIME ADJUSTED SALE PRICE	LOT SIZE (AC/SF)	LEGAL REF(Bk/Pg)	WATER/ SEWER	GRANTOR/ GRANTEE
1 0 (Lot 35-1) Holmes Rd Boxford Comments: <i>Two acre lot in East Boxford. Level building lot at the corner of Holmes Road and Wildmeadow Road. Some wetlands minor impact. Near Holmes Pond.</i>	\$410,000 29-Jun-22	\$413,775	2.0014 87,181	41035/488	private private	Keith & Kellie DeAmbrose Joseph & Cynthis Famolare
2 0 (Lot 5C) Appleton Ln Boxford Comments: <i>Building lot in established neighborhood on a cul-de-sac with good privacy. Sale included septic approval 5BR, barn and shed.</i>	\$620,000 2-Jun-22	\$629,378	2.02 87,991	40975/345	private/ private	Andrzej & Aleksandra Kocia Grace M. Yanagi
3 Lot B2 Georgetown Rd Boxford Comments: <i>Oversized building lot in East Boxford which abuts NEFF Herrick Christmas Tree Farm. Combination of field, meadows and includes a small farm pond with old warming hut.</i>	\$565,000 15-Apr-22	\$579,492	4.58 199,505	40870/246	private/ private	Caroline Lockhart Scott Smith & Shelby Walker
4 0 Parcel 1D) Mill Rd Boxford Comments: <i>Oversized, partly cleared building lot in East Boxford walking distance to town. This parcel abuts Fish Brook and provides good privacy.</i>	\$625,000 23-Sep-21	\$668,982	7.85 341,946	40306/283	private/ private	Powderhouse Realty Trust David & Kathryn Nazzaro
5 38-A Pinehurst Drive Boxford Comments: <i>Partly cleared, high and dry oversized lot in East Boxford w/ 1/4 mile of Rte. 95. Approved septic plan and no cons com approval needed.</i>	\$490,000 19-Feb-21	\$547,685	6.90 491,356	39665/372	private/ private	Kaje Realty Trust Edward & Jennifer Hunt
6 146 Georgetown Rd Boxford Comments: <i>Large lot with frontage on Stevens Pond. Building site provides opportunity to site home with pond views. 5 Bedroom septic approval</i>	\$510,000 27-Jul-20	\$593,183	3.16 145,512	38753/262	private/ private	Moira Pellegrino Claudio Sen Pontes-Junior
7 18 (Lot 1) Haynes Rd Boxford Comments: <i>Cul-de-Sac lot in Hidden Meadows Subdivision off Townsend Farm Road. Rear portion of lot subject to Conservation Restriction and drainage easement.</i>	\$545,000 28-Dec-20	\$615,492	2.13 180,012	39347/060	private/ private	Urshula Patel Linda Pegalis & Andy Spitzer

Lot Sales Data Analysis

The comparable lot sales were purchased by individuals. The sales include lots within subdivisions and lots on existing through streets. Because of the subject's location and site characteristics, both types of locations are analyzed. All of the comparables are located in Boxford.

The comparable lot sales, which have been confirmed, present a range of sales price, size, date of sale and location. Prior to adjustment, the prices range from \$410,000 to \$625,000. The range of parcel size is from 2 acres to 6.9 acres. The lot sales occurred from July of 2017 to June of 2022.

First, consideration is made of changing market conditions from the date of the lot sale of the comparable to the date of valuation for a quantitative adjustment. The balance of the comparative analysis is on a qualitative basis.

Data on price trends for house lots is limited due to the small volume of sales annually. The trend in home sales prices can be a good alternative. The MLS data reviewed reports an increase in home sales prices of 7.9% over the past year. A broader indicator is the Case Shiller repeat house sales index. This index reports somewhat higher conclusions. It reports on home sales only, which are considered to be much stronger than lot sales prices as indicated by the comparable lot sales. Considering these indicators together with trends reported by local real estate professionals, a market conditions adjustment of +8% annually has been applied to the sales.

After adjustment for changed market conditions since the date of sale, the range of prices (rounded) from the comparables is \$414,000 to \$668,000. Without the lowest and highest the range narrows to \$547,000 to \$629,000.

Considering the characteristics of these comparable lots in comparison to the potential lots at the subject, the indicated base range of retail prices for the subject lots is from \$550,000 to \$600,000. With only a concept lot layout, individual pricing of each lot is difficult. Factors impacting individual pricing include working around the vernal pools, observing wetland setbacks and slopes affecting home placement/access.

The three potential frontage lots are depicted to be around 2.19 acres – Lot 1, 6.42 acres – Lot 2 and 7.19 acres – Lot 3, in size, although variations could occur based on survey, soil conditions and engineering for each site. The reduced frontage lots will end up larger but with higher access and site development costs. The midpoint of this range is selected as the average price for the three potential lots.

The forecast of potential lot sales revenue is based on an average price of \$575,000 per lot.

It is important to note that the values estimated are subject to confirmation of the suitability of these potential lots for development. Should on site soil testing, engineering or wetland location preclude such development, or reduce the number of lots, the values presented are subject to change.

Open Space Parcel

This is a 19.82± acre parcel of vacant land adjacent and to the rear of Concept Lots 2 & 3. It includes approximately 434 ft of frontage on Herrick Road. It is entirely within the Conservancy District and mostly wetlands and marsh. Despite the fact that it has more than enough frontage it is far removed from the upland portion of the property to the east. There are no apparent upland abutters who could substantially benefit from combination with this parcel to create a conforming building lot.

It is considered to be unbuildable due to the Conservancy District, topographical limitations, Natural Heritage limitations and regulated wetlands.

In order to value this parcel, a review is made of comparable land sales of properties which are non buildable. The following are the details of the sales identified.

RESTRICTED/NON BUILDABLE COMPARABLE LAND SALES SUMMARY

Date of Valuation		8/10/2022				
#	ADDRESS/ TOWN	GRANTOR/ GRANTEE	SALE PRICE/ DATE/\$ per AC	LAND AREA(ac)	LEGAL REF. BOOK/PAGE	COMMENTS - REASON(S) FOR NON-BUILDABLE STATUS
1 .	96 Larch Row (rear) Wenham	Cabot Chapin	\$200,000 1-Apr-15 \$2,745	72.85	33957/556	Sale of a CR encumbered parcel to an abutting estate property. Price is an allocation of a portion of a larger transaction. Negotiation details confirmed broker.
2 .	Searle Street (rear) Georgetown	Tolman Town of Georgetown	\$90,000 20-Aug-15 \$4,500	20.00	34310/470	Acquired by Town for conservation. Landlocked parcel w ithout frontage on public way. Mostly upland.
3 .	Kathleen Circle (rear) Rowley	Ashley Gateway II Trust	\$100,000 6-Feb-18 \$2,976	33.60	36517/337	Abutter acquisition of landlocked wooded parcel which was part of a subdivision. No road frontage - access by 20' ROW. Abuts conservation area. Crossed by powerline easement.
4 .	Orchard Street Newbury	Meyer & Creed Essex County Greenbelt	\$60,000 27-Dec-19 \$4,000	15.00	38153/473	Abutter purchase of woode/marshland parcel considered unbuildable due to poor soil conditions. Southern portion of two parcel assemblage included frontage on Parker River. Development of reservation will include buffer provisions for sellers adjacent retained residence.

Non Buildable Sales Data Analysis

The comparable sales present quite a range sales price, size, date of sale and location. On a per acre basis the prices range from \$2,745 to \$4,500. The range of parcel size is from 15 to 72.85 acres. The sales occurred from April of 2015 to December of 2019. The sales are located in nearby towns since no suitable sales were identified in Boxford. This is not unusual since the market for such low utility properties is not an active one with few transactions occurring each year.

The common denominator is that each sale involves a parcel of vacant land which is not independently developable, similar to the subject open space portion. This is considered a reliable data set for valuation.

Initially, consideration is given to the structure of the market for non buildable land. The motivations of buyers of non buildable or restricted land are varied and differ significantly from purchasers of land for development. Some of the more common motivations or reasons for purchase include:

Agricultural use or timber rights.

An abutter, who simply wants to increase the size of one's yard to create a larger buffer between a neighbor or have extra room for animals or for their children to play.

In the case of non-restricted land that is non buildable due to lack of access, a speculating developer might think that, through assemblage of other land, access to the non buildable parcel could be obtained, therefore making it 'buildable'.

The local municipality may want to purchase the property for conservation, or perhaps prevent a higher authority such as the State or U.S. Government from acquiring the tract for other uses.

If a site were a natural nesting ground for a specific species, many government agencies, including U.S. Fish & Wildlife, would be interested in acquiring the parcel for nature conservancy.

And finally, for recreational use.

The most likely buyer for this property would be an abutter or a land preservation nonprofit. Purchase for small scale passive recreation is another possibility.

The four sales analyzed generally have one of the above reasons as a motivator for purchase. All sales were purchased with cash and are believed to be arm's length. The fee simple rights were acquired in each case. Thus, no adjustments are required for financing, conditions of sale, or property rights conveyed.

Consideration is made of changing market conditions from the date of the sale of the comparable to the date of valuation. Activity in the market for this type of land is significantly different from that for more traditional property types. Due to the type of property and the low transaction volume, it was not possible to extract an indication of a linear appreciation/depreciation rate to apply. Further, the variety of motivations affecting buyers/sellers often impacts the negotiated price more than economic or market conditions. Therefore, no adjustment is applied for changing market conditions.

The size of the parcel involved plays a role in determining the sale price of non-buildable or restricted land. Larger parcels may sell for less on a per acre basis than similar parcels that are smaller. The inverse is also true. With the exception of Sale 1, all sales are fairly similar in size.

Based upon a review of each sale, but with most emphasis given to Sales #2 and #4, the broad indicated range of value applicable to the subject is \$4,000 to \$4,500

per acre. Considering that Sale 2 is within adjacent Georgetown and is approximately the same size it is considered most similar. Based on these factors it is concluded that the open space portion of the subject property has a value of \$4,500 per acre.

The estimated **value of the non buildable** open space portion of the subject property is:

$$\begin{array}{rclcl} 19.82 \text{ acres} & \times & \$4,500 \text{ per acre} & = & \$89,190 \\ & & \text{Rounded to} & = & \$89,200 \end{array}$$

Expenses of Development

The development of the subject property would be somewhat less complex than a development which requires road construction and infrastructure development, however there are certain costs which would be anticipated to convert the larger 35.58± acres to individual lots for sale. These expenses include:

Absorption/Sellout Period - Based upon discussion with town officials, local engineers and fact that the three lots will be ANR, it would take approximately three to four months to gain all necessary approvals for development. Since ANR lots require less time to sell, it is anticipated that all lots could be marketed in less than a year. Therefore, no discounting is considered appropriate.

Engineering & Septic Design Costs - Based upon discussions with two area engineering firms, a cost of \$15,000 per lot for engineering, soil testing and design services. This estimate takes into account survey costs for the lots and the challenges of locating and designing septic systems resulting from soil conditions and topography.

Legal/Conveyance – The stamp tax alone on the sale of real estate in the Commonwealth of Massachusetts is \$4.56 per thousand dollars of sale price. We have taken a closing cost expense of \$4.56/\$1000 plus \$500 per lot to pay for the representation of an attorney at closings.

Real Estate Taxes During Sellout – The current real estate tax burden is nominal at \$43 per year. Since it is forecast that the lots would be sold in a year or less, this tax amount is used in the analysis. As noted above, rollback tax will come due upon conversion out of CH 61 current use. However, this is an allocation of seller proceeds not a negative on value.

Marketing Expense - A marketing expense has been estimated for the purpose of allocating resources to the marketing and sale of the individual lots. An allowance of 5% of the sale price has been used and is typical for commissions in the Boxborough area.

Developers OH & Profit – An allowance is also included for developers' profit. This is to provide for entrepreneurial incentive to assume the risk of undertaking subdivision, incurring related costs and sale of individual lots. This also includes consideration of overhead and miscellaneous expense. 5% is concluded to be an appropriate allowance

based on experience at similar properties and discussions with developers of similar projects.

Based on this analysis, as detailed below, it is concluded that the value of the subject property on as of August 10, 2022 is \$1,580,000.

**ANR 3 Lot Subdivision Development Analysis
Parcel 28-2-16-1 Herrick Road
Boxford, MA
As Of August 10, 2022**

Assumptions		
Average Lot Price	\$	575,000
# of Potential Lots		3
Engin. & Septic per Lot	\$	15,000
RE Taxes - Full Value	\$	43
Marketing & Sales Exp.		5%
Dev. OH & Profit		5.0%

<u>Income--Lot Sales</u>		<u>Year 1</u>
Three Lots @	\$ 575,000	\$1,725,000
Non Buildable Land	19.82 acres	\$89,200
	Subtotal	\$1,814,200
<u>Expenses:</u>		
Engineering & Septic Design		\$45,000
Legal--Closing/Lot @ \$4.56/\$1000+ \$500		\$8,773
Taxes		\$43
Marketing	5% of Sales	\$90,710
	Subtotal	\$144,526
Development Proceeds		\$1,669,674
Developer's Overhead & Profit	5.0%	\$90,710
Net Development Proceeds		\$1,578,964
	Rounded	\$1,580,000

RECONCILIATION AND VALUE CONCLUSION

The final step in estimating the market value of the subjects is a correlation of the indications of value from each approach. The value of the subject property has been estimated by use of a combination of the Sales Comparison Approach and the Income Capitalization Approach. Since it is not commonly used by typical buyers, the Cost Approach to value is not applicable.

To estimate the value of the property the Cost of Development/Subdivision analysis technique was used. This approach combines the techniques of the Sales Comparison and Income Capitalization approaches. Seven building lot sales were reviewed and analyzed in order to make retail price projections for the three potential lots likely to result from subdivision. In order to estimate the contributory value of the 19.82± acre open space portion of non buildable land, four sales of similar non buildable properties were analyzed.

Costs necessary to achieve these retail prices were estimated based on a review of actual costs of similar developments in the area, along with expected engineering/septic design costs, brokerage commissions, real estate tax costs and an allowance for developers OH and profit. The net proceeds from this analysis concluded with an estimate of the 'as is' value of the property of \$1,580,000.

This appraisal is made based on the following assumptions:

- It is an assumption of this appraisal that the subject property has the development potential as estimated in this appraisal and is approvable under applicable rules and regulations in the town of Boxford without extraordinary expense or delay
- It is assumed that each of the potential lots meets the local and state requirements for construction of a single family residence and septic system. Soil test data has not been provided to the appraiser.

Based upon the methods of valuation used, it is concluded that the market value of the subject property as of August 10, 2022 is:

ONE MILLION FIVE HUNDRED EIGHTY THOUSAND (\$1,580,000) DOLLARS

CERTIFICATION

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 unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved with this assignment.
- I have not performed services as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Mr. Avery is currently certified under the voluntary continuing education program of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the persons signing this certification.
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



Jonathan H. Avery, MAI, CRE
Massachusetts Certified General
Real Estate Appraiser #26

ADDENDA

SUBJECT PROPERTY PHOTOGRAPHS

SUBJECT PROPERTY PHOTOGRAPHS
Parcel 28-2-16-1 Herrick Road
Boxford, MA
Taken August 10, 2022



Typical Interior Terrain Looking Northerly



View of Probable Vernal Pool

SUBJECT PROPERTY PHOTOGRAPHS
Parcel 28-2-16-1 Herrick Road
Boxford, MA
Taken August 10, 2022



View of Northerly portion of Property Looking Southeast from Herrick Road



View Looking Westerly on Herrick Road – Subject on Left

APPRAISAL LEXICON

MARKET VALUE

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

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

FEE SIMPLE ESTATE

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. (2)

HIGHEST AND BEST USE

The reasonably probable use of property 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 productivity. (3)

LEASED FEE INTEREST

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (4)

MARKETING TIME

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (5)

(1) FIRREA 12 CFR Part 323.2.

(2) The Dictionary of Real Estate Appraisal, Appraisal Institute, Chicago, IL, 2015, Sixth Edition - Page 90.

(3) Ibid. - 109.

(4) Ibid. - 128.

(5) Ibid. - 140.

MARKET RENT

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (6)

EXPOSURE TIME

1. The time a property remains on the market.
2. [The] estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (USPAP, 2016-2017 ed.) (7)

PROSPECTIVE OPINION OF VALUE

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. (8)

RETROSPECTIVE VALUE OPINION

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.” (9)

(6) Ibid. - 140.

(7) Ibid. - 83.

(8) Ibid. - 180.

(9) Ibid. - 201.

ASSUMPTIONS & LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS

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

1. This is a narrative Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for the unauthorized use of this report.
2. 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.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.

10. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

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

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocation of land and building must not be used in conjunction with any other appraisal and are invalid if 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, 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 value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
6. The forecasts, projections, or operating estimates contained herein are based upon current market conditions and anticipated short-term supply and demand factors. These forecasts are, therefore, subject to changes in future conditions.

QUALIFICATIONS

<p style="text-align: center;">QUALIFICATIONS OF JONATHAN H. AVERY REAL ESTATE APPRAISER AND CONSULTANT</p>

EDUCATION

- BBA University of Massachusetts, Amherst, Massachusetts
- Graduate of Realtors Institute of Massachusetts - GRI
- American Institute of Real Estate Appraisers
 - Course 1-A Basic Appraisal Principles, Methods and Techniques
 - Course 1A-B Capitalization Theory and Techniques
 - Course 2 Basic Appraisal of Urban Properties
 - Course 6 Real Estate Investment Analysis
 - Course 410/420 Standards of Professional Practice

PROFESSIONAL AND TRADE AFFILIATIONS

- The Counselors of Real Estate
 - 1985 - CRE Designation #999
 - 1993 - Chairman, New England Chapter
 - 1995 - National Vice President
 - 1999 - National President
- Appraisal Institute
 - 1982 - Member Appraisal Institute - MAI Designation #6162
 - 1975 - Residential Member - RM Designation #872
 - 1977 - Senior Residential Appraiser - SRA Designation
 - 1981 - Senior Real Property Appraiser - SRPA Designation
 - 1986-1987 - President, Eastern Massachusetts Chapter
 - 1992 - President, Greater Boston Chapter
 - 1995 - Chair, Appraisal Standards Council
 - 1996-1998 - Vice Chair, Appraisal Standards Council
- Massachusetts Board of Real Estate Appraisers
 - 1972 - MRA Designation
 - 1981 - President of the Board
- Royal Institution of Chartered Surveyors
 - 2005 - FRICS Designation
- Affiliate Member, Greater Boston Real Estate Board
- Licensed Real Estate Broker - Massachusetts 1969
- Massachusetts Certified General Real Estate Appraiser #26
- New Hampshire Certified General Real Estate Appraiser #NHGC-241

BUSINESS EXPERIENCE

Mr. Avery is Principal of the firm of Avery Associates located in Acton, Massachusetts. Avery Associates is involved in a variety of real estate appraisal and consulting activities including: market value estimates, marketability studies, feasibility studies, and general advice and guidance on real estate matters to public, private and corporate clients. Mr. Avery has served as arbitrator and counselor in a variety of proceedings and negotiations involving real estate. During 1993, he served as an appraisal consultant for the Eastern European Real Property Foundation in Poland. He has been actively engaged in the real estate business since 1967 and established Avery Associates in 1979. Prior to his present affiliation, Mr. Avery served in the following capacities:

- 1978-1979 Managing Partner, Avery and Tetreault,
Real Estate Appraisers and Consultants
- 1975 -1978 Chief Appraiser, Home Federal Savings and Loan Association
Worcester, Massachusetts
- 1972-1975 Staff Appraiser, Northeast Federal Saving and Loan Association
Watertown, Massachusetts
- 1971-1972 Real Estate Broker, A. H. Tetreault, Inc.
Lincoln, Massachusetts

TEACHING EXPERIENCE

- Instructor, Bentley College, Continuing Education Division, 1976-1982;
Appraisal Methods and Techniques
Computer Applications for Real Estate Appraisal
- Approved Instructor Appraisal Institute - since 1982
- Chapter Education Chairman 1986-1987
- Seminar Instructor; Massachusetts Board of Real Estate Appraisers since 1981
- Certified Appraisal Standards Instructor-Appraiser Qualifications Board

PROFESSIONAL EXPERIENCE

Qualified expert witness; Middlesex County District Court and Superior Court, Essex County Superior Court, Norfolk County Superior Court, Plymouth Superior Court, Worcester County Probate Court, Federal Tax Court, Federal Bankruptcy Court, Appellate Tax Board of Massachusetts and Land Court of Massachusetts. Member, Panel of Arbitrators - American Arbitration Association, National Association of Securities Dealers Regulation..

Property Assignments Include:

Land (Single Lots and Subdivisions)
One to Four Family Dwellings
Apartments
Residential Condominiums
Office Buildings
Restaurants
Industrial Buildings
Racquet Club
Petroleum Fuel Storage Facility
Lumber Yard
School Buildings

Historic Renovations
Movie Theater
Conservation Easements
Hotels and Motels
Shopping Centers
Golf Courses
Churches
Gasoline Service Stations
Farms
Office Condominiums
Automobile Dealerships

BUSINESS ADDRESS

Avery Associates
282 Central Street
Post Office Box 834
Acton, MA 01720-0834
Tel: 978-263-5002
Fax: 978-635-9435

jon@averyandassociates.com

AVERY ASSOCIATES
REPRESENTATIVE LIST OF CLIENTS

FINANCIAL INSTITUTIONS

Avidia Bank
Bank of New England
East Boston Savings Bank
Cambridge Savings Bank
Belmont Savings Bank
Berkshire Bank
North Shore Bank
Enterprise Bank & Trust
First Pioneer Farm Credit
North Middlesex Savings Bank
Middlesex Federal Savings
Marlborough Savings Bank
Middlesex Savings Bank
Bank of New York
Rollstone Bank & Trust
Salem Five Cent Savings Bank
Webster Five Cents Savings Bank
TD Bank, N.A.
Workers Credit Union

PUBLIC SECTOR/NONPROFIT

American Arbitration Association
Emerson Hospital
Essex County Greenbelt Association
Internal Revenue Service
Mass Audubon
Mass. Dept. of Conservation/Recreation
Massachusetts Dept. of Agricultural Resources
MassDevelopment
MassHousing
Stow Planning Board
Sudbury Valley Trustees
The Nature Conservancy
The Trust for Public Land
Town of Acton
City of Marlborough
Town of Concord
Town of Lexington
Trustees of Reservations
U. S. Department of Interior
U.S. Department of Justice
U.S. Forest Service
Walden Woods Project
Water Supply District of Acton

CORPORATIONS

Avalon Bay Communities
Boston Golf Club, Inc.
Boston Medflight
W. J. Graves Construction Co., Inc.
Concord Lumber Corporation
Dow Chemical Company
Exxon Mobil Company
Fidelity Real Estate
John M. Corcoran & Co.
Marvin F. Poer and Company
McDonald's Corporation
Zoll Medical Corp.
PriceWaterhouseCoopers
Ryan Development
Sun Life Assurance Company
The Mathworks, Inc.
Toyota Financial Services
U.S. Postal Service

LAW FIRMS & FIDUCIARIES

Anderson & Kreiger LLP
Kates and Barlow
Choate, Hall & Stewart
Edwards, Angel, Palmer & Dodge
DLA Piper, LLP
Goodwin Procter
Rackemann, Sawyer & Brewster
Foley Hoag, LLP
Hemenway & Barnes
Holland & Knight
Kirkpatrick Lockhart Nicholson Graham
Kopelman & Paige, P.C.
Lee, Rivers & Corr, LLP
Sally & Fitch
Nutter, McClennen & Fish, LLP
Lynch, Brewer, Hoffman & Fink, LLP
Office of Stephen Small
Peabody & Arnold, LLP
Prince, Lobel, Glovsky & Tye
Riemer & Braunstein, LLP
Ropes & Gray
Stern, Shapiro, Weissberg & Garin
WilmerHale