

APPRAISAL REPORT

Lakeview Golf Course
60 Main Street
Wenham, MA

PREPARED FOR

Mr. Peter Lombardi
Town Administrator
Town of Wenham
Wenham Town Hall
138 Main Street
Wenham, MA 01984

DATE OF VALUE

December 1, 2015

DATE OF REPORT

December 7, 2015

PREPARED BY

THE SHANNON COMPANY

Robert F. Shannon, MAI, CCIM
Massachusetts Certified
General Appraiser's License # 720

December 7, 2015

Mr. Peter Lombardi
Town Administrator
Town of Wenham
Wenham Town Hall
138 Main Street
Wenham, MA 01984

RE: Lakeview Golf Course
60 Main Street
Wenham, MA

Dear Mr. Lombardi:

At your request, the undersigned has prepared a real property appraisal of the above captioned property in order to estimate the market value of the property's fee simple interest. The intended use of the appraisal report is to assist the client in conjunction with purchasing the property. The effective of value is December 1, 2015.

The property consists of a nine hole golf course and includes approximately 31.01 +/- acres of land along with accessory buildings. The appraisal report will be used in conjunction with the Town's Right of First Refusal to purchase the property in conjunction with the property being removed from Chapter 61B.

The accompanying report has been prepared in accordance with the *Uniform Standards of Professional Appraisal Practice* (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation, and the *Code of Professional Ethics*, and the *Standards of Professional Appraisal Practice* of the Appraisal Institute.

The final opinion of value and the analyses in this report are intended solely for the client's information and assistance for the intended use stated, and should not be relied upon for any other purpose. Neither the report, nor any of its contents, nor any reference to the appraiser(s) or firm, may be included or quoted in any document, offering circular or registration statement, prospectus, sales brochure, other appraisal, loan or other agreement, without the appraiser's prior written approval of the form and context in which it will appear.

Mr. Peter Lombardi
Page Two
December 7, 2015

Based upon the investigations and analysis performed in this appraisal, it was concluded that the highest and best use of the property is for its development under the town of Wenham's flexible zoning ordinance which would allow 22 market rate units of housing, which would be either under a condominium form of ownership, or within a cluster style subdivision. It is the opinion of the appraiser that the market value of the fee simple interest of the subject property, as of December 1, 2015, subject to any and all of the general and extraordinary assumptions and limiting conditions stated in this report, is:

**TWO MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
(\$2,750,000)**

At the request of the client, the appraiser has also estimated the market value of the subject property assuming a conventional 16 lot subdivision, as outlined in the proposed subdivision plan which has been included in this report. It is the opinion of the appraiser, that the market value of the fee simple interest of the subject property, as a 16 lot subdivision, as of December 1, 2015, subject to any and all of the general and extraordinary assumptions and limiting conditions stated in this report, is:

**TWO MILLION FIVE HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$2,525,000)**

If you have any questions or concerns regarding this appraisal, please contact the undersigned via telephone at (617) 314-6138 or send an e-mail to shannoncompany@comcast.net.

Respectfully submitted,

THE SHANNON COMPANY



Robert F. Shannon, MAI, CCIM
Massachusetts Certified
General Appraiser's License # 720

PREFACE

TABLE OF CONTENTS

PREFACE 4

 Table of Contents..... 1

 Assumptions and Limiting Conditions3

 Extraordinary Assumptions and Hypothetical Conditions.....6

 Executive Summary.....8

 Property Identification10

 Competency Provision.....10

 Scope of Work.....10

 Appraisal Reporting Format12

 Client, Intended User(s) & Intended Use of the Appraisal13

 Date of Value and Date of Report13

 Definition of Market Value13

 Identification of the Property Interest Being Appraised13

 Exposure Time.....13

 Marketing Time14

 Sales History of the Subject Property14

DESCRIPTIVE SECTION..... 15

LOCATION AND MARKET ANALYSIS..... 16

 Municipal Analysis.....19

 Site Description24

Assessors Map.....28

 Zoning and Land Use Regulations.....33

 Description of the Improvements35

 Real Estate Assessment and Taxes38

VALUATION SECTION..... 39

 Highest and Best Use.....40

 Appraisal Process42

VALUATION UNDER THE FLEXIBLE ZONING 44

 Sales Comparison Approach.....45

VALUATION AS A 16 LOT SUBDIVISION..... 62

 Discounted Sellout Method63

 Finished Lot Sales.63

 Sales Comparison Approach – 16 lot subdivision85

 Reconciliation and Final Value Opinions90

CERTIFICATION 92

 Certification93

Addenda

Legal Description

Flood Map

Qualifications of the Appraiser

ASSUMPTIONS AND LIMITING CONDITIONS

The following Assumptions and Limiting Conditions apply to real estate appraisals prepared by The Shannon Company. Special Conditions are added as required. Acceptance of and/or use of this appraisal report by the client or any third party constitutes acceptance of the conditions and assumptions that follow.

- No opinion is rendered as to property title, which is assumed to be good and marketable. Unless otherwise stated, no consideration is given to liens or encumbrances against the property. Sketches, maps, photos, or other graphic aids included in the appraisal report are intended to assist the reader in ready identification and visualization of the property, and are not intended for technical purposes.
- Appraisal reports may contain estimates of future financial performance, estimates or opinions that represent the appraiser's view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by the analyses will vary from those described in the report, and the variations may be material.
- No significant change is assumed in the supply and demand patterns indicated in the report. The appraisal assumes market conditions as observed as of the current date of the market research stated in the letter of transmittal. These market conditions are believed to be correct; however, the appraiser assumes no liability should market conditions materially change because of unusual or unforeseen circumstances.
- The report, the final estimate of value and estimates of future financial performance included therein, are intended for the information of the person or persons to whom they are addressed, solely for the purposes stated therein, and should not be relied upon for any other purpose. The addressee shall not distribute the report to third parties without prior permission of the appraiser. Before such permission shall be provided, the third party shall agree to hold the appraiser harmless relative to their use of the report. Neither the report, nor its contents, nor any reference to the appraiser or the appraisal firm, may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, other appraisal, loan or other agreement or document without the appraiser's prior written permission. Permission will be granted only upon meeting certain conditions.
- Neither the report nor any portions thereof (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through public relations media, news media, advertising media, sales media or any other public means of communication without the prior written consent and approval of the appraiser. The date(s) of the valuation to which the value estimate conclusions apply is set forth in the letter of transmittal and within the body of the report. The value is based on the purchasing power of the United States dollar as of that date.

- It is assumed that legal, engineering, or other professional advice, as may be required, has been or will be obtained from professional sources and that the appraisal report will not be used for guidance in legal or technical matters such as, but not limited to, the existence of encroachments, easements or other discrepancies affecting the legal description of the property. It is assumed that there are no concealed or dubious conditions of the subsoil or subsurface waters including water table and flood plain, unless otherwise noted. The appraiser further assumes there are no regulations of any government entity to control or restrict the use of the property unless specifically referred to in the report. It is assumed that the property will not operate in violation of any applicable government regulations, codes, ordinances, or statutes.
- Information furnished by others is presumed to be reliable, and where so specified in the report, has been verified; but no responsibility, whether legal or otherwise, is assumed for its accuracy, and it cannot be guaranteed as being certain. No single item of information was completely relied upon to the exclusion of other information.
- Appraisal assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. If the need for subsequent services related to an appraisal assignment (e.g., testimony, updates, conferences, reprint, or copy service) is contemplated, special arrangements acceptable to the appraiser must be made in advance.
- The valuation applies only to the property described herein and for the purpose so stated and should not be used for any other purpose. Any allocation of total price between land and the improvements as shown is invalidated if used separately or in conjunction with any other report.
- The Addressee agrees to indemnify the appraiser, (the appraiser and each such person being an "Indemnified Party"), from and against any and all losses, claims, damages and liabilities, joint or several to which such Indemnified Party may be subject under any applicable federal or state law, related to, or arising out of, the subject appraisal and/or the engagement of the appraiser pursuant to the appraisal assignment and will reimburse any Indemnified Party for all reasonable expenses (including counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for, or defense of, any pending or treated claim or action or proceeding arising from, whether or not such Indemnified Party is a party. The Addressee will not be liable under the foregoing indemnification provisions to the extent that any loss, claim, damage, liability, or expense is found in a final judgment by a court of competent jurisdiction to have resulted primarily from the bad faith, negligence, or recklessness of an Indemnified Party.
- It should be specifically noted by any prospective mortgagee that the appraisal assumes that the property will be competently managed, leased, and maintained by financially sound owners over the expected period of ownership. This appraisal engagement does not entail an evaluation of management's or owner's effectiveness, nor is the appraiser responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.

- Any dispute or claim made with respect to this report shall be submitted to and resolved in accordance with the rules of the American Arbitration Association for arbitration, and the decision of the Association shall be binding. All appraisal services, pursuant to this report, shall be deemed contracted for and rendered in the Commonwealth of Massachusetts and any arbitration or judicial proceedings shall also take place in the Commonwealth of Massachusetts.
- In the absence of competent technical advice to the contrary, it is assumed that the property being appraised is not adversely affected by concealed or unapparent hazards such as, but not limited to, asbestos, lead, PCB's, hazardous or contaminated substances, toxic waste, or radioactivity.
- The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment.
- The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's 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 any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser will not be responsible for conducting a specific compliance survey or analysis of this property to determine its conformity with the various requirements of the ADA. It is possible a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal the property is not in compliance with one or more of the requirements of the title. If so, non-conformance could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser will not be considered non-compliance with the requirements of ADA in estimating the value of the property.
- If the Cost Approach to value was developed and presented in this appraisal report, it has been done so only as a measure of additional support for the final opinion of the defined value herein. Use of the Cost Approach data and/or analysis in whole or in part for any other purpose is not intended by the appraiser. Nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for, and does not guarantee that any insurable value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained. Further, the Cost Approach may not be a reliable indication of replacement or reproduction costs for any date other than the effective date of this appraisal due to changing costs of labor and

- materials and due to changing building codes and governmental regulations and requirements.
- It should be noted that the provision of an Insurable Value by the appraiser does not change the intended user or the intended purpose of the appraisal. The appraiser assumes no liability for the Insurable Value estimate provided and does not guarantee that any estimate or opinion will result in the subject property being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. The Insurable Value estimate may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials; also due to changing building codes and governmental regulations.
- This is an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice* for an Appraisal Report. The information contained in the report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
- Information furnished to the appraiser, and contained in the report, was obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser can be assumed by the Appraiser. ***Should there be any material error in the assumptions in this report, the results of this report are subject to review and revision by the appraiser noted herein.***

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumption: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

The following extraordinary assumptions have been made in deriving the opinion of the market value of the subject property.

1. The appraiser is not an environmental engineer or an environmental inspector. The appraiser provides an opinion of value, and does not guarantee that the property is free of defects or environmental problems. The appraiser has performed an inspection of visible and accessible areas only. Hazardous waste, for example, may be present in areas that the appraiser cannot see. Therefore, a professional property inspection is recommended by an environmental engineer or an environmental inspector.

2. The appraiser has been provided with a schematic site plan dated August 4, 2015, which was prepared by Hancock Associates. This plan shows the subdivision of the subject property as well as the adjacent parcel at 56 Main St., which is not the subject of this appraisal report. The plan shows the subdivision of the site into 17 individual house lots including a lot that will contain the existing house. This appraisal assumes that the property can be subdivided into 16 buildable house lots similar to lots numbered one through 16 as shown on the plan. In addition, it is further assumed all of the necessary approvals by the Wenham Planning Board and the Wenham Conservation Commission can be achieved at a later date. It is further assumed that the soil conditions are sufficient to allow on-site septic systems on each of the lots without any abnormal expenses incurred in the construction of these systems.

3. The market value which has been estimated in this appraisal report, assumes the total cost to construct the proposed subdivision road, as of the date of the appraisal will be approximately \$1.29 million. Unforeseen conditions may arise during the construction of this road such as the presence of ledge and poor soil conditions, which could substantially affect the actual construction costs. The actual cost of constructing the subdivision road could differ from this amount, which could affect the concluded value of the property.

4. The proposed subdivision plan which has been provided to the appraiser indicates the total land area associated with the 17 lots shown on the plan is 32.4 +/- acres. The adjacent property located at 56 Main St., which is not part of this appraisal report, has an estimated land area of 1.39 +/- acres. It is assumed for the purpose of this appraisal report, the subject property contains 31.01 +/- acres. It is further assumed that the subject property can be subdivided into 16 residential lots which may affect the size of Lot 17 as shown on the plan, as well as the lots adjacent to this.

5. On the date of valuation the subject property was being utilized as a nine hole public golf course. This appraisal report assumes the current use of the property is not the highest and best use of the property. The appraiser has not been provided with any income and expense statements pertaining to the operation of the golf course. However, the appraiser did review recent sales of golf courses which indicated selling prices below the concluded market value contained in this report.

EXECUTIVE SUMMARY

Subject Property Address:	60 Main Street Wenham, MA
Owner of Record:	William J. Flynn
Legal Reference:	Book 5982, Pages 439 Essex County Southern District Registry of Deeds
Municipal Reference:	Map 27 Lot 6
Date of Value:	December 1, 2015
Date of Inspection:	December 5, 2015
Date of Report:	December 7, 2015
Interest Appraised:	Fee Simple
Value Estimated:	Market Value
Property Description:	The subject property consists of a parcel of land, which contains a total land area of 31.01 +/- acres. On the date of valuation, the subject property was being utilized as a nine hole public golf course. On the date of valuation the only structures on the subject property included a single story wood frame building, which is currently being utilized as the Pro Shop for the golf course. The adjacent property at 56 Main St., which is not the subject of this appraisal report, includes a residential property and garage/storage buildings used in conjunction with the golf course. The property has approximately 411 feet of frontage along Main Street in two separate courses which are separated by the property at 56 Main St. The property is located in a Residential Zoning District as defined in the town of Wenham zoning ordinances.

Highest and Best Use

As Vacant: Multi family condominium development
Value Conclusions: The value conclusions are summarized below.

Cost Approach:	N/A
Sales Comparison Approach	\$2,750,000
Concluded Value under the Flexible Zoning Ordinance:	\$2,750,000

Valuation as a 16 Lot Subdivision

Cost Approach:	N/A
Sales Comparison Approach	N/A
Discounted Sellout Method:	\$2,525,000
Concluded Value as a 16 Lot Subdivision:	\$2,525,000

PROPERTY IDENTIFICATION

The subject of this appraisal consists of a 31.01 +/-acre parcel of land which is currently being utilized as a nine hole public golf course. The property is located in Essex County in the Town of Wenham, MA . The property is identified by the Town of Wenham Assessor's Office as Lot 36 on Map 2. The property can also be identified by the Legal Description, which can be found in the deed recorded in Book 5982, Pages 439. It is noted that this deed also includes the adjacent property at 56 Main St. which is not the subject of this appraisal report. A survey map showing this legal description was not available therefore, it could not be determined which parcel noted in the deed is excluded from this appraisal report. A copy of the legal description is included in the addenda. It is noted that the indicated boundaries on the following photograph are based on the Assessor's Map.



COMPETENCY PROVISION

The appraiser, as represented by the signatories hereto, has prior experience with properties similar to the subject of this appraisal and is deemed qualified by numerous lenders, governmental agencies, public and private entities, and others in the preparation of such reports. The qualifications of the appraiser is included in the Addenda of this report.

SCOPE OF WORK

For each appraisal assignment, an appraiser must identify the problem to be solved, determine,

and perform the scope of work necessary to develop credible assignment results, and disclose the *Scope of Work* in the report.¹ Scope of Work includes, but is not limited to the extent to which the property is identified, the physical property is inspected, the data is researched and verified, and the analyses is applied to arrive at opinions or conclusions.

The scope of work is acceptable when it meets or exceeds the expectations of parties who are intended users for similar assignments, and what an appraiser's peer's actions would be in performing the same or a similar assignment. An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use. In addition, an appraiser must not allow the intended use of an assignment or a client's objectives to cause the assignment results to be biased. Communication with the client and/or representative of the client is made to establish the information necessary for problem identification. From this, the relevant characteristics for the appraisal problem to be solved are evaluated by the appraiser for this appraisal assignment. Assignment conditions require consideration of the inclusion of assumptions, extraordinary assumptions, hypothetical conditions, supplemental standards, jurisdictional exceptions, and other conditions for an appropriate scope of appraisal work.

The *Scope of Work* for this appraisal assignment consisted of the identification of the following:

- The Client of this appraisal assignment
- The Intended User(s) of this appraisal assignment
- The Intended Use of this appraisal report
- The Type & Definition of Value(s)
- Subject Property Rights to be Appraised
- The Valuation Basis to be applied (i.e., as is, prospective, completion, stabilized, etc.)
- The Effective Date(s) of the Value Opinion(s)
- The Subject of the assignment and its relevant characteristics
- Client specific appraisal assignment conditions, if any
- Applicable Standard Assumptions and Limiting Conditions
- Applicable Extraordinary Assumptions and Hypothetical Conditions

The *Subject Property Identification and Description* was derived from the following sources:

- A physical inspection of the subject property was performed on the date specified.
- A review of available site and improvement descriptions, plans, and surveys was made.
- A review was made of public records.
- A review was made of legal/deed descriptions from the Essex County Registry of Deeds.
- A schematic subdivision plan prepared by Hancock Associates dated August 4, 2015, was provided to the appraiser. This plan shows the subject property as well as the adjacent property at 56 Main St., which is not part of the subject property, subdivided into 17 buildable house lots.

Market research and collection of pertinent data related to market conditions and market activity as they relate to the subject property and to the extent, they affect, the subject's market

¹ The Uniform Standards of Professional Appraisal Practice, (2012-13 USPAP)

area was conducted. Sources of information include, but were not limited to, the following:

- U.S. Federal Agencies (e.g., Census Bureau, Federal Reserve)
- State Agencies
- Regional Economic Development Agencies
- Municipal Economic Development Agencies and planning departments
- The Appraisal Institute & Subject Industry Resources
- National Investor Surveys & Trends (e.g. Realty Rates, RERC, Price Waterhouse)
- Interviews with appraisers, real estate brokers, investors, asset and property managers
- Multiple Listing Service (MLS), Loopnet, CoStar and other real estate related resources
- The Shannon Company appraisal files and proprietary databases.

From the above data sources, a Market Analysis was performed to address forces, factors, and inferred economic supply and demand trends that appear to affect the subject property rights in the market as of the effective date of value. The Highest and Best Use of the subject property was then developed. This analysis required consideration of the reasonably, probable and legal use of vacant land and/or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the greatest value.

An opinion of the value of the subject property rights was developed via the valuation methods deemed appropriate by the appraiser to develop and support credible results. Primary data was confirmed to the extent possible given the time constraints of the assignment by interviewing a party to the transaction. In the case where a party to the transaction might not have been available or declined to disclose pertinent details of the transaction, another person familiar with the deal (broker, lawyer, property manager, appraiser, etc.), when possible, was interviewed. In addition, public information (e.g., deeds, assessor's records, etc.) was reviewed to confirm the transaction. In the development of this appraisal, consideration has been given to the merits of each of the three traditional approaches to value. These consist of the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach.

Each technique or approach to value has its strengths and weaknesses, depending largely on the type of property being appraised and the quality of available data. In most instances, one or more of these approaches will produce a more reliable value indication than the other approach, or approaches. Therefore, the final step in the appraisal process is the reconciliation and correlation of all of the value indications into a final value opinion.

This step usually begins with a discussion of the merits and demerits of each approach and an analysis of the reliability of the data used in each approach. From this process, the final Opinion(s) of Value for the subject property rights was concluded, subsequent to which this appraisal report was prepared.

APPRAISAL REPORTING FORMAT

Standard Rule 2-2 for the current 2014-2015 Edition of USPAP indicates that the two options for preparing an appraisal report are: Appraisal Report and Restricted Appraisal Report. This report has

been prepared under the Appraisal Report option for Standards Rule 2-2. The Appraisal Report must summarize the appraiser's analysis and the rationale for the conclusions.

CLIENT, INTENDED USER(S) & INTENDED USE OF THE APPRAISAL

The client and intended users of this appraisal report is the Town Administrator and the Selectman for The Town of Wenham, as well as their various boards. The appraisal report will be used in conjunction with the Town's Right of First Refusal to purchase the property in conjunction with the property being removed from Chapter 61B.

DATE OF VALUE AND DATE OF REPORT

The effective date of valuation is December 1, 2015. The date of this report is December 8, 2015.

DEFINITION OF MARKET VALUE

Market Value as defined in the Agencies' appraisal regulations, 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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.²

IDENTIFICATION OF THE PROPERTY INTEREST BEING APPRAISED

The property rights appraised are those of the fee simple interest (i.e., all of the legal rights of ownership). The property is appraised free and clear of liens and encumbrances, such as mortgages and/or assessments outstanding. In addition, the property is appraised free and clear of any leases, which may have been in place as of the date of valuation. *The Dictionary of Real Estate Appraisal*, Fifth Edition, published by the Appraisal Institute, defines fee simple estate as:

“Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation”

EXPOSURE TIME

Exposure Time is defined by USPAP (2012-13 Ed., Definitions) to be – “*the estimated length of time*

² Interagency Appraisal and Evaluation Guidelines December 2010, Appendix D-Glossary of Terms

that 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.”

After a review of market transactions, as well as discussions with area real estate professionals, the exposure time would have been 12 to 18 months at the market value estimate indicated herein.

MARKETING TIME

Marketing Time is defined by USPAP (2012-13 Ed., Advisory Opinions) as – “the amount of time it might take to sell a real or personal property interest in real estate at the concluded market value level during the period immediately after the effective date of an appraisal”. Marketing time is a function of the price, use, supply and demand conditions, financing availability, and the future market conditions that are anticipated.

The marketing time was estimated by utilizing the same types of data and analysis used in exposure time; however, the appraiser has analyzed potential future changes in market conditions through discussions with market participants as well as our own market analysis. After review of market transactions, as well as discussions with area real estate professionals, the anticipated marketing time for the subject property would be 12 to 18 months at the indicated market value estimate. This estimate assumes the subject is properly priced with an active, professional sales effort and an adequate marketing budget.

SALES HISTORY OF THE SUBJECT PROPERTY

Research of the applicable public records revealed that the subject property was last conveyed on June 11, 1973. The current owner of the subject property, William Flynn, purchased the entire property, as well as the adjacent property at 56 Main St., for a total consideration of \$96,434. Since this time, the owner of the subject property has been utilizing the property as a nine hole public golf course. Reportedly, there is an outstanding contract to purchase the property by a third-party. However, a copy of this purchase agreement was not available to the appraiser. It is unknown as to whether or not the property was exposed to the market prior to the signing of this purchase agreement.

DESCRIPTIVE SECTION

LOCATION AND MARKET ANALYSIS

AREA ANALYSIS

Massachusetts is one of the six states located in the New England region of the northeastern portion of the United States. Nicknamed the “The Bay State”, Massachusetts borders Vermont and New Hampshire on the north, the Atlantic Ocean on the east and southeast, Rhode Island and Connecticut on the south, and New York on the west. The eastern portion of the state is comprised of urban, suburban, and rural areas, while the western portion is primarily rural. With a land area of only 7,840 square miles, the state is the 7th smallest in the nation, but is one of the most densely populated and highly-urbanized states in the United States.



Based on the U.S. Census Bureau estimate, the state population in 2013 was 6,692,824 with a population density of 854 people per square mile, the third highest in the nation. Massachusetts is currently the 15th most populated state in the United States. More than 50% of the Commonwealth's residents live within a 35-mile radius of Boston, which is Massachusetts's capital and largest city. This region comprises the tenth largest MSA (Metropolitan Statistical Area) in the country and includes the counties of Middlesex, Essex, Norfolk, Plymouth and Suffolk. The region has a population of over 4.6 million people, with a population density of 984 people per square mile.

The state features many areas which have become leading tourist destinations in the past years. Boston, one of the oldest cities in the nation, is considered the economic and cultural center of New England, and has one of the highest costs of living in the United States. Cape Cod is a peninsula in the easternmost portion of the state, whose small-town character and large beachfront attracts heavy tourism during the summer months. Martha's Vineyard is

an island off the south of Cape Cod, and is the 3rd largest island on the nation's East Coast. Other popular Massachusetts tourist destinations include Salem, Plymouth, Nantucket, and the Berkshires.

Economy

Our country's most recent recession, which officially began in December 2007 and ended in June of 2009 (19 months), was one of the longest downturns since the Great Depression of the 1930s. Prior to 2008-2009, the Massachusetts economy had shown significant signs of improvement, best illustrated by lower unemployment levels, increased consumer confidence, and improved commercial occupancy rates. These improvements had been fueled by the growth of smaller entrepreneurial companies, medical-related industries, financial groups, technology companies, and other service-based corporations. The United States and New England have continued to add jobs at a modest pace since the end of the recession. The national unemployment rate is currently 5.1% (October 2015). Though risks to the economy and financial system still exist, today's commercial real estate investment opportunities should be viewed with long-term perspective.

A positive externality to the Boston area is education, as many of the most highly-reputable universities in the world, including Harvard University, Massachusetts Institute of Technology, Boston University, Tufts University, and Boston College are located in the Boston metropolitan area. The state is densely populated with many well-known preparatory offices, colleges, and universities. There are more than 40 colleges located in the greater Boston area alone.

A sector that has a positive effect on the Massachusetts' economy, is the biotechnology (biotech) industry. The Boston area hosts some of the most highly-regarded hospitals and research institutes such as Massachusetts General Hospital, Dana Farber Institute, Beth Israel Deaconess Medical Center, New England Baptist Hospital, Brigham and Women's Hospital, and Children's Hospital Boston. Due to the high concentration of these highly-regarded hospitals and institutions, the Boston area has become an international leader in this field.

Employment

As of September 2015, according to the U.S. Bureau of Labor Statistics unemployment statistics, Massachusetts had an unemployment rate of 4.6%. The unemployment rates of the other New England states are shown below.

October 2015 Unemployment Rates	
State	Rate
Vermont	3.7%
New Hampshire	3.4%
Maine	4.4%
Massachusetts	4.6%
Rhode Island	5.4%
Connecticut	5.2%
New England	4.7%
United States	5.1%

Source: Bureau of Labor Statistics -Seasonally Adjusted Rates

At the beginning of 2010, New England's unemployment rate peaked at 8.8%, the region's highest rate of joblessness since August 1976. This rate has continued to slowly decline over the past few years.

According to the *Federal Reserve Bank of Boston's New England Economic Indicators*, Massachusetts' total seasonally-adjusted nonagricultural employment in September 2015 was 3,477,800, indicating an increase of 2.07% from the previous year (3,407,200). Massachusetts has been adding jobs in professional/business services, education, healthcare, and technology.

Housing

In both strong and weak regional economic conditions, the cost of living (especially housing) in Massachusetts is considered to be high, a factor which contributes to the slow population and labor force growth in the state area. The median sales price of existing single family homes in Massachusetts is typically well above the national average.

Year	United States	Massachusetts	% Difference
2004	\$182,825	\$340,000	+86%
2005	\$217,475	\$360,000	+66%
2006	\$221,875	\$350,000	+58%
2007	\$215,525	\$345,000	+60%
2008	\$195,775	\$311,000	+59%
2009	\$172,500	\$290,000	+68%
2010	\$172,900	\$302,500	+75%
2011	\$166,100	\$295,000	+78%
2012	\$176,800	\$298,000	+69%
2013	\$188,900	\$325,000	+72%
2014	\$188,900	\$335,000	+77%

Housing costs in Massachusetts have consistently outpaced housing costs on a national level over the last decade. On a current basis, the housing market has continued to show improvements, which is expected to continue throughout 2015.

Conclusion

The national and local economies have been negatively impacted by the recent recession. Despite the current economic climate, the area is still considered one of the top ranking areas in the country in regard to the business/economic climate over the long term. Conditions are expected to continue to improve as the national economy picks up and the housing market stabilizes. The Boston area in particular will benefit from a highly-skilled workforce, the area's colleges, universities, and healthcare institutions and access to capital. The overall living conditions in the state are considered to be among the most desirable in the country.

MUNICIPAL ANALYSIS

Wenham is a town in Essex County, Massachusetts. It is bordered by: Beverly on the south; Manchester-by-the Sea on the east; Hamilton on the north; Topsfield on the northwest; and Danvers on the west. Wenham is located approximately 21 miles northeast of Boston and six miles north of Salem. According to the 2010 US Census, the population was 4,875.

According to the United States Census Bureau, the town has a total area of 8.1 square miles, of which 7.6 square miles is land and .46 square miles, or 5.91% is water. It is one of the inland communities within the metropolitan area planning councils North Shore task force, but it is not part of the North Shore in the strictest sense, as it is not on the shore of the Atlantic Ocean. The town lies approximately four miles north of Massachusetts Bay. Wenham Lake lies within the town as well as within the neighboring City of Beverly. The subject property is located diagonally across from Wenham Lake. A stretch of the Salem Beverly Waterway Canal passes through the town. The southernmost portion of the Ipswich River Wildlife Sanctuary lies in the western part of the town.

History

Originally, Wenham was part of Salem. In 1643 it became a separate town and was the first to be set off from Salem. The industrial revolution, which changed the face of many Massachusetts towns in the 19th century, past Wenham by. It remained a small community, with one notable exception. Wenham's ice industry brought the name of Wenham to the notice of people as far away as London. Artificial refrigeration and a fire that destroyed the icehouse in 1973 brought an end to this unique industry.

The Wenham teahouse and the Wenham Museum, have their roots in the Wenham Village Improvement Society. In 1893 the Wenham Tea House was purchased as a home for a tea house and exchange for selling ladies handiwork, jams and jellies. The Tea House and Exchange has continued through the years as the successful fundraising arm of the Wenham Village Improvement Society.

Transportation

Route 128 passes through the eastern portion of Wenham. There is one exit off of Route 128 within the town. The main roadways that pass through the town include Routes 1A, 22, and 97. Wenham lies along the Newburyport section of the Newburyport/Rockport line of the MBTA commuter rail. Although there are no stations within the town, the Hamilton/Wenham station is located just north of the town adjacent to the Hamilton/Wenham border. In addition, the North Beverly Station lies south of the town in nearby Beverly. The nearest national and international air service is located at Boston's Logan International Airport. The Beverly Municipal Airport is located adjacent to the Beverly/Wenham border with a small portion of the north runway located within Wenham.

Demographics

As of the 2010 census, there were 4,875 people, 1,358 households, and 994 families residing in the town. The population density was 601.9 people per square mile. There were 1,430 housing units at an average density of 176.5 units per square mile. Of the estimated 1,151 housing units that were occupied, approximately 85% were owner occupied. According to the census, the racial makeup of the town was 95.8% White, .6% African American, 01% Native American, 1.7% Asian, 0.1% Pacific Islander, .8% from other races, and .9% from two or more races.

According to ESRI, the 2015 current median income for a household in the town is \$118,829, and the average household income is \$175,760. The per capita income for the town is estimated at \$49,313. As a comparison, the state median household income is estimated at \$67,601 and the median household income for Essex County is estimated at \$68,763.

Housing

According to the Site to Do Business, there are currently 1,474 housing units in Wenham, of which 1,398 (94.8%) are occupied. The owner occupancy rate is 80.6% of the occupied units. According to the Banker and Tradesmen, the median selling price for residential property in Wenham is \$520,000 thru October 2015, which is a 6.8% increase from the value reported in 2014.

Residential Market Overview

The overall residential market in New England improved annually between the mid-1990s and 2005, with annual increases in value often in excess of 10%. This was the result of strong demand generated by a strong economy and a growing population in conjunction with limited new construction in the region due to development limitations. As a result of high demand and low supply, as well as higher levels of household income and the region's older housing stock, there was significant demand for newly-constructed homes and condominiums in the region during that period.

After 2005, growth in prices started to decline in most areas throughout the region. As a result of negative economic conditions and the slowdown in the housing market, the pace of sales declined in the market as well. Beginning in the period between 2010-2011, conditions started to improve due to an improving economy and historically low interest rates. The overall strength of the Greater Boston economy is expected to allow the subject's market to experience more favorable conditions than other areas of the region.

According to the Warren Group, thru October of 2015, the median selling price for single-family and condominiums in Wenham was \$520,000, which is an increase of 6.8% from the 2014 median selling price, which was \$487,000. Wenham has the third highest median selling price in the 11 cities and towns within the immediate area. The following table shows the median selling prices and number of transactions for single-family and condominium units in Wenham, as well as the surrounding cities and towns.

City/Town	Date	# of Sales	Median Price
Beverly	2015	506	\$365,000
Beverly	2014	560	\$350,000
Boxford	2015	102	\$582,500
Boxford	2014	139	\$570,000
Danvers	2015	377	\$380,000
Danvers	2014	463	\$338,000
Essex	2015	55	\$450,000
Essex	2014	44	\$447,625
Hamilton	2015	95	\$499,000
Hamilton	2014	102	\$459,500
Ipswich	2015	198	\$415,000
Ipswich	2014	247	\$370,000
Manchester	2015	84	\$710,000
Manchester	2014	94	\$682,500
Middleton	2015	175	\$405,000
Middleton	2014	195	\$469,000
Rowley	2015	92	\$452,450
Rowley	2014	114	\$448,860
Topsfield	2015	93	\$515,000
Topsfield	2014	107	\$577,100
Wenham	2015	61	\$520,000
Wenham	2014	51	\$487,000
Source: The Warren Group			
2015 Figures are thru October			

According to the MLS, presently there are 28 active listings for single-family homes in the Town of Wenham ranging in price from \$104,900 to \$5.75 million. The average asking price is \$1.1 million. The average size of these homes is approximately 3,495 square feet of living area. The average number of days on the market for these listings amounts to 193 days. There are only eight condominium properties that are currently on the market with asking prices ranging from \$279,900-\$725,000. The average size of these units is 2,382 square feet with an average listing price at \$215 per square foot. The average number of days on the market for the condominium listings is 360 days.

For the 12 month period between December 1, 2014 and November 30, 2015, there were a total of 56 single-family homes which sold within Wenham. The average selling price for these homes was \$643,275, which equates to \$261 per square foot. The selling prices for these properties ranged from a low of \$321,500 to as high as \$2.42 million. The average days on the market (DOM) for these sales equates to 136 days. This is considerably lower than the average DOM of 193 days for the single-family listings currently on the market.

During this same time frame, there were only three condominium units which sold within

Wenham. The average selling price for these units amounted to \$661,333, which equates to \$258 per square foot. The selling prices for these properties ranged from a low of \$475,000 to as high as \$950,000. The average days on the market (DOM) for these sales was 316 days. This is lower than the average DOM of 360 days for the condominium listings currently on the market. It should be noted that the unit that sold for \$950,000 was on the market for only 19 days and it took only three days to receive the offer.

Neighborhood

Improved land uses in the immediate area of the subject property consists mostly of single-family residential structures. The subject property is located approximately 1/2 mile from the Wenham/Beverly municipal border. It is located approximately 1.75 miles north of Route 128 along Route 1A. In addition, it is located approximately 1.25 miles south of the MBTA commuter rail stop in the adjacent Town of Hamilton along Route 1A. There is a second stop in North Beverly, which is located approximately 1.0 miles south of the subject.

Although the number of retail establishments within Wenham servicing its residents is very limited, there are several retail establishments located within close proximity along Route 1A between the Wenham/Beverly municipal border and Rt. 128. These establishments include two grocery anchored shopping centers, several banks, restaurants, and other service establishments.

Most of the residential properties in the immediate area are in good condition with a large percentage of these properties in the area of the subject having been built in the 1950s to the 1960s. Further north of the property, along Route 1A, most of the residential structures were built during the turn-of-the-century. Other uses in the immediate area include an adjacent cemetery, a vegetable farm, and the adjacent Wenham Country Club, which is an 18-hole, semi-private course. The rear portion of the subject property abuts the country club.

Neighborhood Photographs



Southerly View Along Main Street Route 1A (Main Street)



Northerly View Along Main Street Route 1A (Main Street)

SITE DESCRIPTION

The characteristics of the land component of the subject property are described in this section of the report. The reference made to the legal description for the parcel, is for the legal description which is included in the addenda to this report. It is noted that the legal description for the property also includes the adjacent property at 56 Main St., which is under the same ownership. However, it is not the subject of this appraisal report.

Land Area: the subject property contains a total land area of 31.01 ± acres.

Site Frontage: The assessor's map and site plan indicate that the subject parcel has approximately 411+/- feet of frontage along Main Street. The length of the frontage is not continuous, as it is separated by the adjacent property located at 56 Main St.

Site Configuration: The subject's parcel is irregular in shape but non-adverse.

Access: Primary means of ingress and egress is provided via two curb cuts located off of Main Street which leads to the parking lot located adjacent to the Pro shop.

Exposure: The subject property has adequate exposure to vehicular traffic on Main Street.

Water Courses: There is a brook that runs along the southerly border of the site. The subject property is shown on FEMA Flood Plain Map No. 25009C0407F, dated July 3, 2012. The portion of the site along the southerly border is located within Zone A, which experiences some flooding during periods of high rainfall. This portion of the site includes Lot 16, which is shown on the subdivision plan that is included at the end of this section of the report. A copy of the floodplain map is included in the addenda to this report.

Vegetation: There are some wooded areas throughout the property. The balance of the site consist mostly of the open fairways associated with the current use. Based on the schematic plan which has been provided to the appraiser, approximately 11.71+/- acres of the site consists of wetlands or areas that border vegetated wetlands.

Topography: The site is primarily level to gently rolling. The portion of the site along Main Street is fairly level. The easterly portion of the site, which is furthest from Main Street, is at a higher elevation than the portion of the site which fronts directly on Main Street.

Soil and Subsoil: Only a visual surface inspection of the property was made. No soil or subsoil problems, other than the wetland areas, were apparent. The surrounding neighborhood buildings have existed for years without any known or reported signs of structural problems due to settling. Based on this information, it is assumed the soil is capable of supporting new construction as well as on-site septic systems. The appraiser takes no responsibility for the detection of hidden or unapparent conditions of the subsoil, which is beyond our area of expertise as an appraiser. (See Standard Assumptions and

Limiting Conditions).

Easements and Encroachments: No easements or encroachments of an adverse nature were noted and none are assumed to exist that would adversely impact the value of the subject property.

Utilities: The subject area is serviced with public utilities including municipal water, electricity, natural gas, and telecommunications. There is no municipal sewer system in the area. Therefore on-site septic systems are required. According to the schematic plan that was provided, there does not appear to be an on-site septic system for the Pro Shop, which is the only structure on the subject property. There is an on-site septic system on the adjacent property at 56 Main St. and it appears as though the Pro Shop utilizes this system.

Zoning: This parcel is located within the Residential Zoning District. In addition, it is located within the Historical Overlay District as well as the Aquifer Overlay District.

Deed Restrictions: No study of deed restrictions was undertaken by the appraiser. Deed restrictions are a legal matter and only a title examination by a qualified attorney or title company, would normally uncover such restrictive covenants. It is noted that the most recent deed for the subject property, recorded in Book 5982, Page 439 at the Essex County Southern Registry of Deeds, does not indicate any deed restrictions for the subject property.

Easements: According to the deed, there is a 30 foot driveway easement on the northerly portion of the site, which is adjacent to the existing parking area. This benefits the adjacent property at 62 Main St.

Hazardous Waste: The existence of hazardous substances was not called to our attention. However, the appraiser does not possess the qualifications/experience necessary to test for such substances. The presence of such hazardous substances may significantly diminish the value of the subject property, and the appraiser reserves the right to alter his opinions of value if further investigation reveals the presence of any hazardous waste. The value opinions developed herein are predicated on the assumption that hazardous substances do not exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances or for any expertise or knowledge required to discover them.

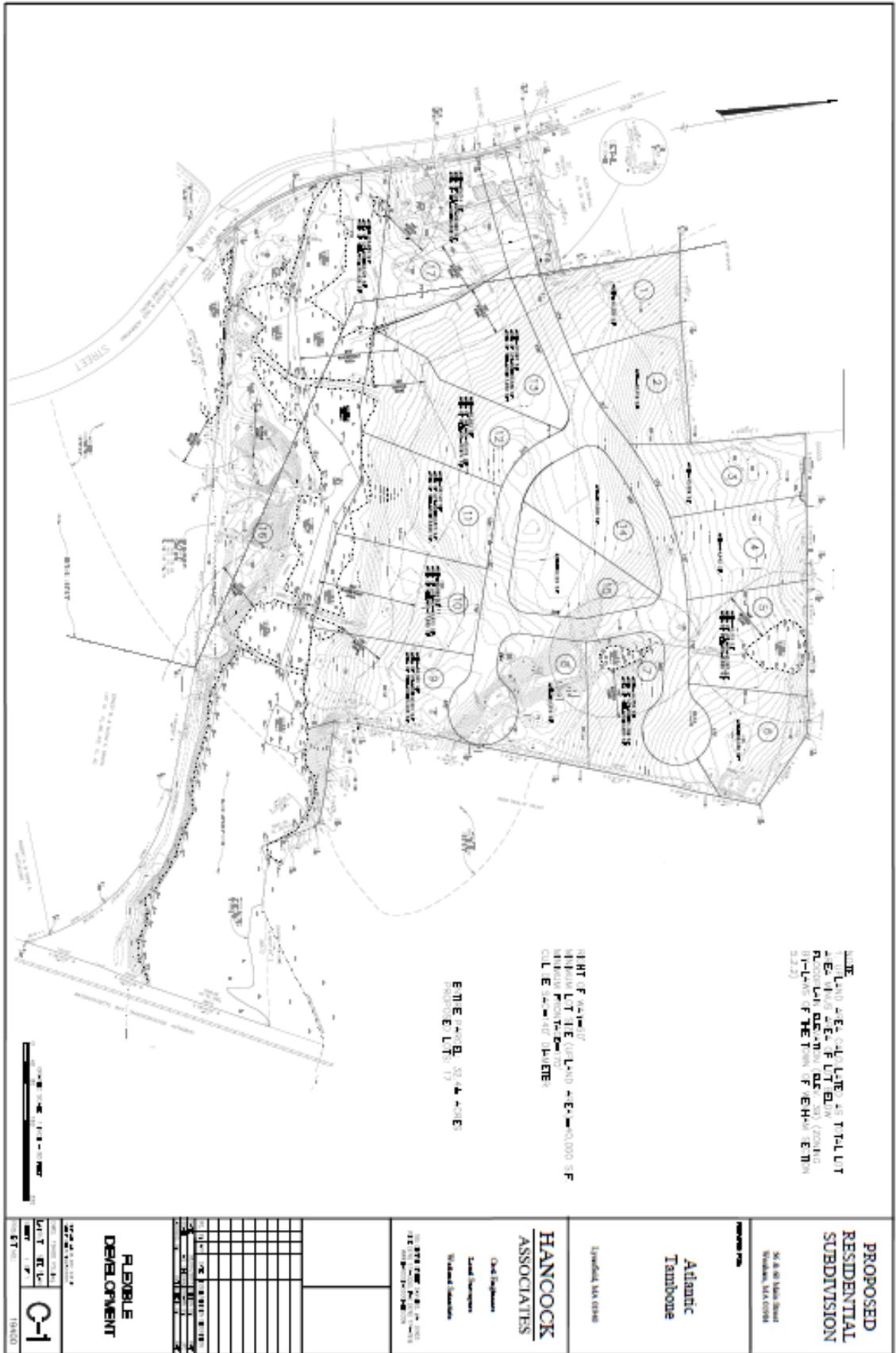
The subject property did not appear in a search of the online database for the Massachusetts Department of Environmental Protection, pertaining to any reported release of hazardous waste on the property.

Potential Subdivision: The appraiser has been provided with a proposed subdivision plan for the subject property, which was prepared by Hancock Associates and is dated August 4, 2015. This plan shows the subject property, along with the adjacent property at 56 Main St. being subdivided into 17 house lots that contain a minimum lot area of 40,000

square feet. The plan shows a proposed subdivision road leading directly off of Main Street, which is in the area located within the existing parking lot. The plan shows two cul-de-sacs on the westerly portion of the site. It is estimated that the total length of the roads is approximately 2,150+/- lineal feet. As previously mentioned, the subject of this appraisal report only includes the 31.01 +/- acres associated with the existing golf course. The adjacent property at 56 Main St. is not the subject of this report. Therefore, for the purpose of this appraisal report the subject property can only be subdivided into 16 house lots. The valuations contained in this report takes this into account. The following table shows a breakdown of the land area, including the wetlands, associated with each of the proposed lots. A copy of the subdivision plan is shown on the following page.

Lot #	Total Land Area (SF)	Up-Land	Wetlands (SF)
1	40,330	40,330	0
2	40,719	40,719	0
3	43,379	43,379	0
4	44,443	44,443	0
5	49,113	40,287	8,826
6	40,339	40,339	0
7	44,754	41,789	2,965
8	41,713	41,713	0
9	56,387	42,341	14,046
10	60,868	42,873	17,995
11	56,142	42,517	13,625
12	60,553	40,579	19,974
13	57,997	40,038	17,959
14	41,004	41,004	0
15	40,124	40,124	0
<u>16</u>	<u>473,960</u>	<u>92,124</u>	<u>381,836</u>
Total SF	1,191,825	714,599	477,226
Total acres	27.36	16.405	10.956

Marketability/Appeal: The subject site is viewed as having excellent marketability and appeal for a residential use. The site has good accessibility with convenient access to the area’s major routes. The site has ample frontage along Main Street, which would allow for the subdivision of the property. A schematic plan that was provided to the appraiser indicates the subject property could be subdivided into 16 separate buildable house lots. A portion of Lot 17, which is shown on the following schematic plan, includes the adjacent property located at 56 Main St., which is not the subject of this appraisal report. Therefore, it is assumed that the 31.01 acres associated with the subject property could be subdivided into 16 separate buildable house lots.



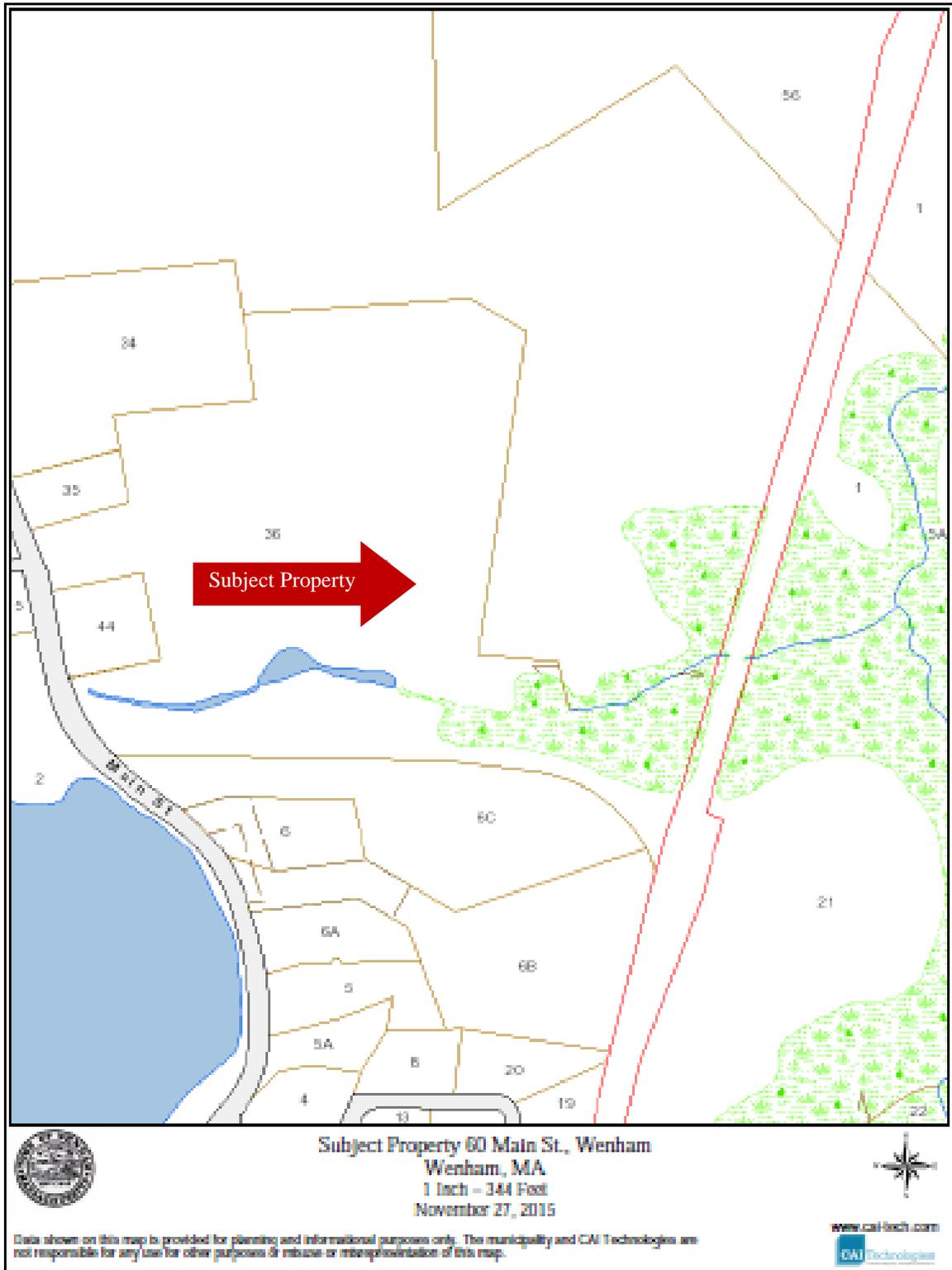
NOTE: THIS PLAN IS A PRELIMINARY PLAN AND IS SUBJECT TO THE APPROVAL OF THE LOCAL GOVERNMENT. THE PLAN IS NOT TO BE USED FOR CONSTRUCTION PURPOSES WITHOUT THE APPROVAL OF THE LOCAL GOVERNMENT.

HEIGHT OF BUILDING SHALL NOT EXCEED 10 METERS. THE PROPOSED DEVELOPMENT SHALL BE IN ACCORDANCE WITH THE LOCAL GOVERNMENT'S ZONING REGULATIONS.

PREPARED BY: [Name]

<p>PROPOSED RESIDENTIAL SUBDIVISION</p> <p>20.0000 HECTARES 48.8689 ACRES</p>	
<p>Atlantic Tamboune</p> <p>Special Use Zone</p>	
<p>HANCOCK ASSOCIATES</p> <p>Chief Engineer Land Developer Special Services</p>	
<p>20.0000 HECTARES 48.8689 ACRES</p>	
<p>FLEXIBLE DEVELOPMENT</p> <p>C-1</p> <p>1:5000</p>	

Assessors Map



Subject Photographs



Subject Photographs



Subject Photographs



Subject Photographs



ZONING AND LAND USE REGULATIONS

According to the Zoning Map for the Town of Wenham, the subject property is located within a Residential Zoning District (R). In addition, the portion of the site which fronts on Main Street and measures a depth of 50 feet perpendicular to Main Street, along the entire frontage of Main Street, is located within an Historic District. Portions of the site are also located within an aquifer overlay district.

According to the town of Wenham Zoning Ordinances, the following uses are permitted as a matter of right within the Residential Zoning District:

- Single Family Dwellings
- Educational Uses
- Religious Uses
- Child Day Care
- Exempt Agricultural
- Ground Mounted Solar Voltaic Installations

In addition to the above uses, the following uses are permitted upon the issuance of a special permit by the Planning Board or by the Board of Appeals:

- Multifamily Unit (if located in senior housing overlay district)
- Flexible Development
- Cemetery
- Hospital or Sanitarium
- Adult Day Care
- Municipal Uses
- Non Exempt Agricultural
- Non Exempt Greenhouses or Nursery
- Nonexempt Educational
- Nursing or Convalescent Home
- Bed-And-Breakfast
- Wireless Communication Facilities
- Camp

The Town of Wenham Zoning Bylaws indicates the following dimensional and density regulations for the Residential Zoning District:

Dimensional Requirements	
Min. Lot Area	40,000 sf
Lot With	100 feet
Min. Frontage	170 feet
Min. Front Yard	20 feet
Min. Side Yard	15 feet
Min. Rear Yard	15 feet
Max. Lot Coverage	50%
Max. Height	35 feet

A property that is located within the Residential Zoning District is eligible for a Flexible Development zoning allowance , which in essence allows a developer to increase the number of dwelling units on a given parcel upon the issuance of a special permit by the Planning Board. This encourages more open space within a proposed development and also addresses the affordable housing issue.

In order to qualify for a Flexible Development, a Minimum of 40% of the parcel on the development plan shall be contiguous open space. The open space shall be used for conservation, historic preservation and education, outdoor education, recreation, park purposes, agricultural, horticultural, scenic vistas, forestry, or for a combination of these and shall be served by suitable access for these purposes. At the election of the Planning Board the open space shall be owned by either the town, a nonprofit organization, or a corporation or a trust owned jointly in common by the owners of the lots.

The number of dwelling units allowed in the Flexible Development shall not exceed the number of lots which could reasonably be expected to be developed under a conventional subdivision plan. However, density bonus units are allowed and shall not exceed 50% of the basic maximum number of allowable units.

For each additional 10% of the site over and above the required 40% set aside as open space, a bonus of 5% of the basic maximum number may be awarded, provided that this density bonus shall not exceed 25% of the basic maximum number. In addition, for every two dwelling units restricted to 55 and over, one dwelling unit may be added as a density bonus provided this density bonus shall not exceed 25% of the basic maximum number.

It appears as though, based on the 16 lots allocated to the subject property, as shown on the schematic subdivision plan, a maximum of 24 lots or units could be created with the density bonus. This would include two units of affordable housing. For valuation purposes, only 22 lots or units are calculated as typically a developer will not allocate any value to the affordable portion of the site due to the price restrictions associated with these units. In some cases the selling prices of the finished units is less than the cost of construction.

DESCRIPTION OF THE IMPROVEMENTS

As will be discussed under the highest and best use section of this report, the concluded highest and best use for the property is for residential development. The only building improvements that are associated with the property, includes the Pro Shop, which is a wood frame structure that contains approximately 1,476+/- square feet of building area. It is assumed that this building will be demolished as there is no contributory value to the building given the concluded highest and best use. Therefore, this section of the report will only include a very brief summary of these improvements.

The building consists of a one and one half story Cape Cod style former residence, which was converted to its current use. According to the assessment records, the building was built in 1963 and contains approximately 1,476+/-square feet of gross building area of which approximately 984 square feet is located on the first level. The gable roof is covered with asphalt shingles. The exterior walls include painted wooden shingles. Access to the building is gained via a front and side entrance.

The interior consists mostly of a large open area on the first level which includes a small retail area as well as a service desk. The second level is accessible via an interior stairway. This area is currently used for storage and office purposes. This is a loft-style area which overlooks the first floor area. Overall the building is considered to be in average condition.

Subject Photographs



Views of the Pro Shop



Subject Photographs



Interior Views of the Pro Shop



REAL ESTATE ASSESSMENT AND TAXES

According to the Assessor's Office for the Town of Wenham, the subject property was assessed as follows for Fiscal Year 2015. In Massachusetts, the tax year runs from July 1st to June 30th of the following year.

Fiscal Year	2015
Miscellaneous	\$9,500
Building	\$193,500
Land	\$246,025
Total Assessed Value	\$449,025
Tax Rate Per \$1,000 of Assessed Value	\$16.25
Property Taxes	\$7,297
CPA Assessment	\$219
Total Tax Bill	\$7,516

The Town of Wenham has a single tax rate for both residential and commercial property. The Fiscal Year 2015 tax rate was is \$16.25 per thousand dollars of valuation for commercial and residential property. The tax rate for fiscal year 2016, which began on July 1, 2015 has not been set as of the writing of this appraisal report.

Based on the above assessed values, the total tax burden for fiscal year 2015 amounts to \$7,297 (rounded). In addition to this amount, the town assesses a CPA (Community Preservation Act) tax levy equal to 3% of the tax bill. This amounts to \$219 which results in a total tax bill equal to \$7,516.

The subject property is assessed under Chapter 61B, as it is currently considered a recreational property. According to the assessor's records, in the event the property was not subject to Chapter 61B, the tax burden would be equal to \$19,290.38, which is based on an assessed value \$1,187,100. The CPA tax levy would amount to \$578.71 for a total amount of \$19,869.09.

VALUATION SECTION

HIGHEST AND BEST USE

Highest and Best Use analysis is essentially an economic based study of market forces, which identifies the most profitable use among available competing uses. An appraiser's estimate of highest and best use forms the foundation upon which the subsequent market valuation analysis is predicated. *The Appraisal of Real Estate*, published by the Appraisal Institute, 13th edition, page 278, defines Highest and Best Use as:

“The reasonable, probable, and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

The site's highest and best use both as currently improved and as if vacant must be evaluated. In both cases, the property's highest and best use must meet four criteria. That use must be (1) legally permissible (2), physically possible, (3) financially feasible, and (4) maximally productive. However, in the case of the subject property the appraiser has assumed that the current use of the subject property as a nine hole golf course, is not the highest and best use of the property. Recent golf course sales were reviewed with the indicated selling prices being less than the concluded value in this report. However, there was no financial information that was provided pertaining to the current operation as a golf course to conclude at a value based on the current use. Therefore, only an analysis of the highest and best use as vacant has been performed.

Highest and Best Use as Vacant

From a physical standpoint- The subject property is irregular in shape, although non-adverse, and is comprised of a total land area of 31.01 ± acres with various portions of the site being within a wetland area. The site has a significant amount of frontage along Main Street. The overall size of the site, as well as frontage and depth, allow for a reasonably adequate use in accordance with local building codes and Wenham's Zoning Ordinances. The presence of wetlands does not appear to inhibit the potential use of a large portion of the site. The property offers convenient access to all municipal support facilities and is situated within a mostly residential area.

Considering that the majority of improvements in the neighborhood have similar physical land characteristics and were constructed, and exist with no known problems, the subject's land appears physically possible to support a variety of commercial and residential improvements. By virtue of its size, shape, topography, and location in this area, this parcel would best lend itself to those uses typically found within the immediate neighborhood, which consist of mostly single family dwellings. Most commercial related uses are not allowed under the current zoning.

From a legal perspective- Legal restrictions, as they apply to the subject property, are either private restrictions, such as easements on use, passage and utilities, and/or public restrictions such as local and state land use codes (i.e. Zoning). The subject property is

located in a Residential Zoning District. and contains approximately 30.01+/- acres. The subject site can support a variety of legally permissible uses that are physically possible. Based on a review of the basic requirements of this zoning district, allowed uses as a matter of right in this district include single-family dwellings, educational uses, religious uses, child day care, and agricultural. Upon the issuance of a special permit, the subject property can be developed under the flexible zoning ordinance, which would allow up to 24 residential units that could either be under a condominium form of ownership or in a cluster type development with individual lots. Other uses that are allowed upon the issuance of a special permit include: a cemetery; hospital or sanitarium; adult day care; municipal uses; agricultural, greenhouses or nursery; educational; nursing or convalescent home, and bed-and-breakfast inns.

From a financially feasible perspective- A project is considered to be economically feasible when a project's total costs, including profit, are sufficiently less than the indicated market value. If net revenue generated from a use is sufficient to satisfy the required rate of return on the investment and provide the requisite return on the land, the use is financially feasible.

The subject area is characterized by mostly single family residential uses which have a positive effect on the area. The Wenham residential market as well as the surrounding communities are considered to be very desirable places to live. The cost of construction and existing market conditions allow for speculative residential development .

The area has experienced speculative development for residential properties over the past several years. The residential market is active and speculative development for a residential related use is considered to be financially feasible. Under the current zoning, the subject property could be subdivided into a total of 16 single-family house lots, each of which would contain a minimum of 40,000 square feet. A proposed subdivision plan has been provided to the appraiser which shows this concept.

Under the current zoning and upon the issuance of a special permit, the site can be developed with a total of 24 residential units, provided an ample amount of open space is retained on the site. In addition, approximately four units must be allocated to occupants that are 55 and older and an additional two units must be allocated to low income or moderate income residents.

Maximally Productive Highest and Best Use- In concluding, the highest and best use for the subject property is for its development as a 24 unit cluster/condominium type development. As will be shown in the following valuation section, the concluded value under this scenario exceeds the estimated market value for the property as a conventional 16 lot subdivision. Under the 24 unit scenario, the selling price for two of the units would be restricted and would not be dictated by the market forces of supply and demand. In most cases, these units are sold at prices which are sometimes below the actual cost of construction. Therefore, for this reason, the valuation contained in this report for a cluster/condominium type of development is based on 22 market rate units.

The following valuation is based on this highest and best use premise. In addition, at the request of the client, the subject property has also been valued based on a conventional 16 lot subdivision.

APPRAISAL PROCESS

The appraisal process is an orderly investigative procedure wherein data is acquired, classified, analyzed, and then processed into value indications by various appraisal techniques. The most common methods utilized are the Cost Approach, the Direct Sales Comparison Approach, and the Income Approach.

The **Cost Approach** is the sum of the estimated land value and the cost new of the improvements less accrued depreciation. The Cost Approach is based on the premise that an informed, rational investor/purchaser would pay no more for an existing property than it would cost to replace/reproduce a substitute property with the same utility without undue delay.

The **Sales Comparison Approach** is the process of comparing and analyzing prices paid for properties having a satisfactory degree of similarity to the subject property. This approach is based upon the principle of substitution, which implies that a prudent purchaser will not pay more to buy a property than it would cost to buy a comparable substitute property in a similar location.

The **Income Capitalization Approach** is based on the premise that a prudent investor would pay no more for the subject property than they would for another investment with similar risk and return characteristics. Since the value of an investment can be considered equal to the present worth of anticipated future benefits in the form of dollar income or amenities, this approach estimates the present value of the net cash flow income stream that the property is capable of producing. This amount is capitalized at a rate that should reflect an appropriate amount of risk to the investor and the amount of income necessary to support debt service or the mortgage requirement.

Each technique or approach to value has its strengths and weaknesses, depending to a large extent on the type of property being appraised and the quality of available data. In most instances, one or more of these approaches will produce a more reliable value indication than the other approach, or approaches. Therefore, the final step in the appraisal process is the reconciliation and correlation of all of the value indications into a final value opinion. This step usually begins with a discussion of the merits and demerits of each approach and an analysis of the reliability of the data used in each approach. It concludes with a statement of the final value opinion.

The Subject Valuation Analysis

The subject of this appraisal report is vacant land. On the date of valuation, the property was being utilized as a nine hole golf course which, for the purpose of this appraisal report, is not considered to be the highest and best use. The property is being valued under two separate scenarios. The first scenario assumes the property would be developed as a 24 unit condominium/cluster type development. In order to value the property via this approach the only meaningful indicator of value is the Sales Comparison Approach, which has been utilized in the valuation of the property under this scenario.

The second scenario assumes the subject property is developed as a conventional 16 lot residential subdivision. Typically with this type of property, the Income Approach and Sales Comparison Approaches are utilized. However, there were a lack of recent sales of large parcels of land that were purchased for the subdivision of the land for a single-family residential use. A discounted cash flow analysis was utilized which included the sales comparison approach for individual lot sales. The majority of the raw land sales that were analyzed occurred before 2009. Therefore, there were an insufficient number of recent sales that could be relied upon in order to develop the Sales Comparison Approach. However, the appraiser was able to uncover two fairly recent sales which were discussed in the analysis and lend additional support to the concluded value of the property via the discounted cash flow analysis under this scenario.

***VALUATION UNDER THE FLEXIBLE DEVELOPMENT
ZONING OPTION
VIA THE SALES COMPARISON APPROACH***

SALES COMPARISON APPROACH

The Sales Comparison Approach produces an estimated value for real estate by comparing recent sales of similar property to the subject property. This approach is based on the principle of substitution that states, "When several similar or commensurate commodities, goods, or services are available, the one with the lowest price attracts the greatest demand and widest distribution. The principle assumes rational, prudent market behavior with no undue costs because of delay." (*The Appraisal of Real Estate*, Appraisal Institute, Thirteenth Edition).

This approach relies on the actions of buyers and sellers in the market and, as such, is considered to be a direct reflection of current attitudes and perceptions regarding the market value of real property rights. The Sales Comparison Approach is particularly meaningful when there is an active market for which similar property is available in order to perform a comparative analysis. Such comparative analysis attempts to focus on both the similar and dissimilar features of a property in relation to the subject. If the differences are significant and recognized by the market, adjustment factors are extracted and applied to each of the comparable sale properties for these differences to arrive at an indication of what the subject should be worth based upon its own characteristics.

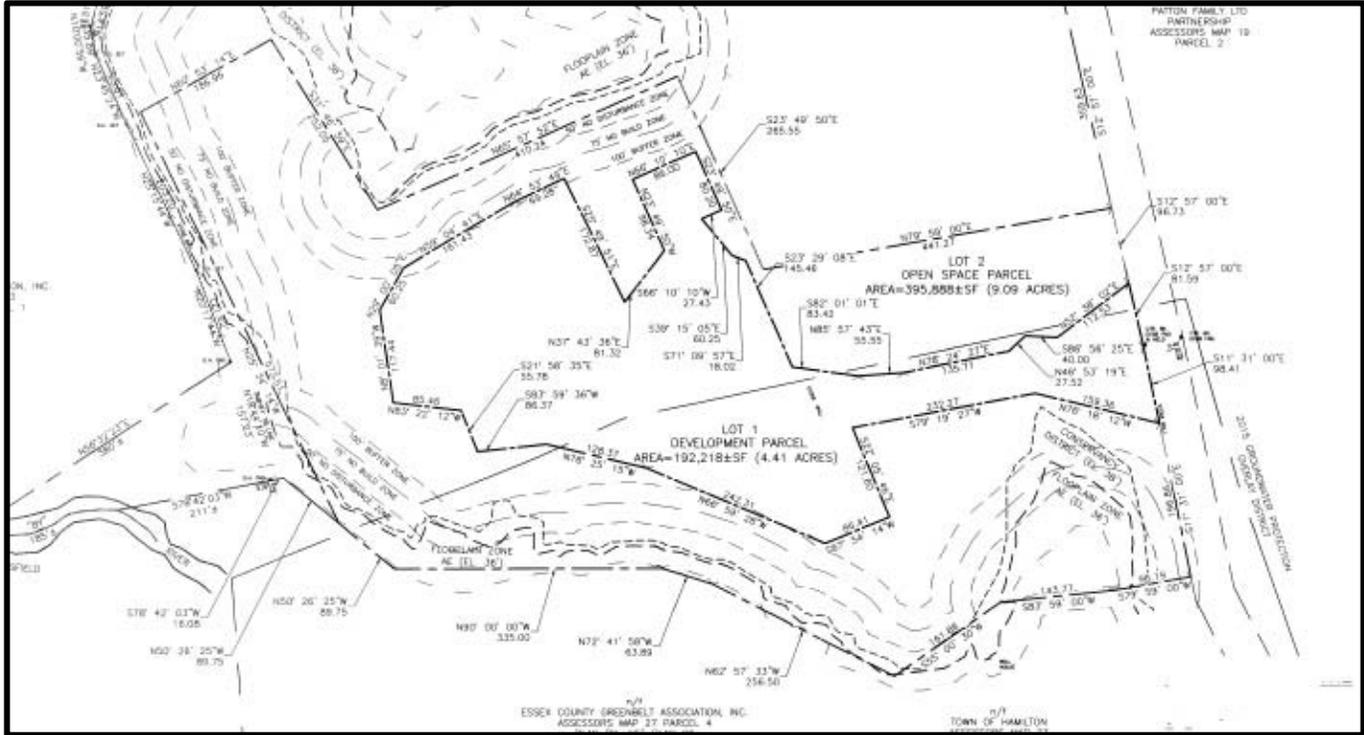
The procedure for applying this approach is outlined in *The Appraisal of Real Estate*, published by the Appraisal Institute, Chicago, IL, 13th edition, 2008, page 301 as follows:

- Research the competitive market to obtain information on sales transactions, listings, and offers to purchase or sell property that are similar to the subject property in terms of characteristics such as property type, date of sale, size, physical location, and land use constraints.
- Verify the information by confirming that the data obtained are factually accurate and that the transactions reflect arm's-length market considerations. Verification may also elicit additional information about the market.
- Select relevant units of comparison (e.g., income multipliers or dollars per acre or per square foot) and develop a comparative analysis for each unit.
- Look for differences between the comparable sale property and the subject property using the elements of comparison. Then adjust the price of each sale property to reflect how it differs from the subject property or eliminate that property as a comparable.
- Reconcile the various value indications produced from the analysis of comparables into a single value indication or a range of value.

The first step involves conducting market research to discover comparable data that might assist in the development of the Sales Comparison Approach. Emphasis was placed on recently sold property that was subsequently developed under a cluster type zoning board for the development of low density condominiums.

In this process, various brokers, investors, real estate professionals and other appraisers were contacted for information leads. In conducting this research, significant data relative to the competitive marketplace of the subject was gathered. Data sources included, but were not limited to, residential real estate brokers, the Multiple Listing Service, city/town officials, and city, town, or county transfer records. The sales considered most appropriate to compare to the subject property are presented on the following pages.

It is noted that there are several developments throughout the area that are still in the selling phase for residential units which have been developed. However, in many of these instances, the actual sale of the property transferred between 2005 and 2010. Two of the sales which have been presented in this analysis transferred in 2010 and have been included due to the lack of more recent sales as well as these properties are considered to be competitive with any development at the subject property.

MULTI-FAMILY LAND SALE NO. 1

LOCATION:	650 Asbury St., Hamilton, MA
PROJECT NAME:	Patton Ridge
GRANTOR:	Town of Hamilton
GRANTEE:	Patton Ridge, LLC
SALE DATE:	October 19, 2015
LEGAL REFERENCE:	Essex County Southern District Registry of Deeds Book 33412, Page 491
LOT 1-	
LAND AREA	4.41+/- acres (192,218+/- square feet)
FRONTAGE:	180+/- feet on Asbury St.
LOT 8-	
LAND AREA	9.09+/- acres (395,888+/- square feet)
FRONTAGE:	96.73 +/- feet on Asbury Street
TOTAL UNITS DEVELOPED:	12
ZONING:	Residential (RH)

UTILITIES: Water, telephone, & cable,

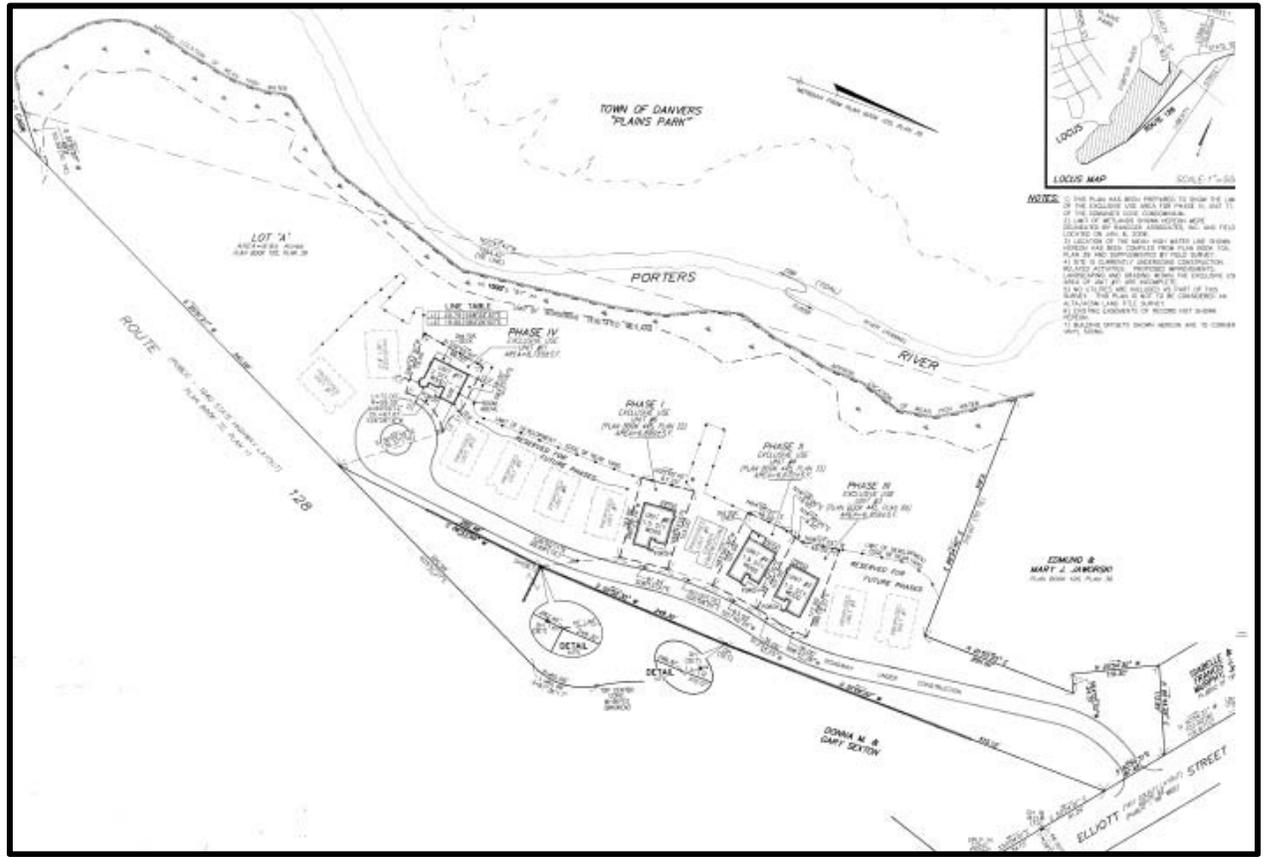
SALE PRICE: \$1,156,480

PRICE PER UNIT: \$96,373

PRICE PER ACRE: \$85,665

COMMENTS: This is the recent sale of a parcel of land owned by the Town of Hamilton. The grantee for the property is in the process of constructing a 12 unit condominium development, which will be restricted to residents that are 55 years of age and over. This was a competitive bidding process as there were other offers and proposals submitted to the town. The actual conveyance to the grantee only included the fee interest in 4.41 acres. The grantee paid \$1,000,000 for the site. In addition, they were required to contribute \$156,480 to the town's affordable housing fund. The remaining 9.09 acres are still owned by the Town of Hamilton and will remain as open space in perpetuity. The individual units will be under a condominium form of ownership and will be situated on a single lot. Typically the open space parcel in similar type developments are initially purchased by the developer and then once the property is completed, the open space parcel is conveyed to the town. In this situation the town owned the parcel and retained the open space portion of the site. Therefore, this transaction is viewed as a 13.5 acre parcel as the open space portion is critical to its development. This property is located in a very rural portion of Hamilton and does not have convenient access to major highways as well as service oriented facilities. Overall, this development is considered to be inferior to the subject due to the locational characteristics of the property.

MULTI-FAMILY LAND SALE NO. 2



LOCATION: 31 Elliott St., Danvers, MA.
PROJECT NAME: Edmonds Cove

GRANTOR: Isabel Murphy, et al

GRANTEE: Edmonds Cove, LLC

SALE DATE: February 24, 2014

LEGAL REFERENCE: Essex County Southern District Registry of Deeds Book 33157, Page 109

LAND AREA 9.91+/- acres (431,680 +/-square feet)

FRONTAGE: 87.48 +/- feet on Elliott Street

ZONING: R II

UTILITIES: Water, telephone, cable, municipal sewer, & natural gas

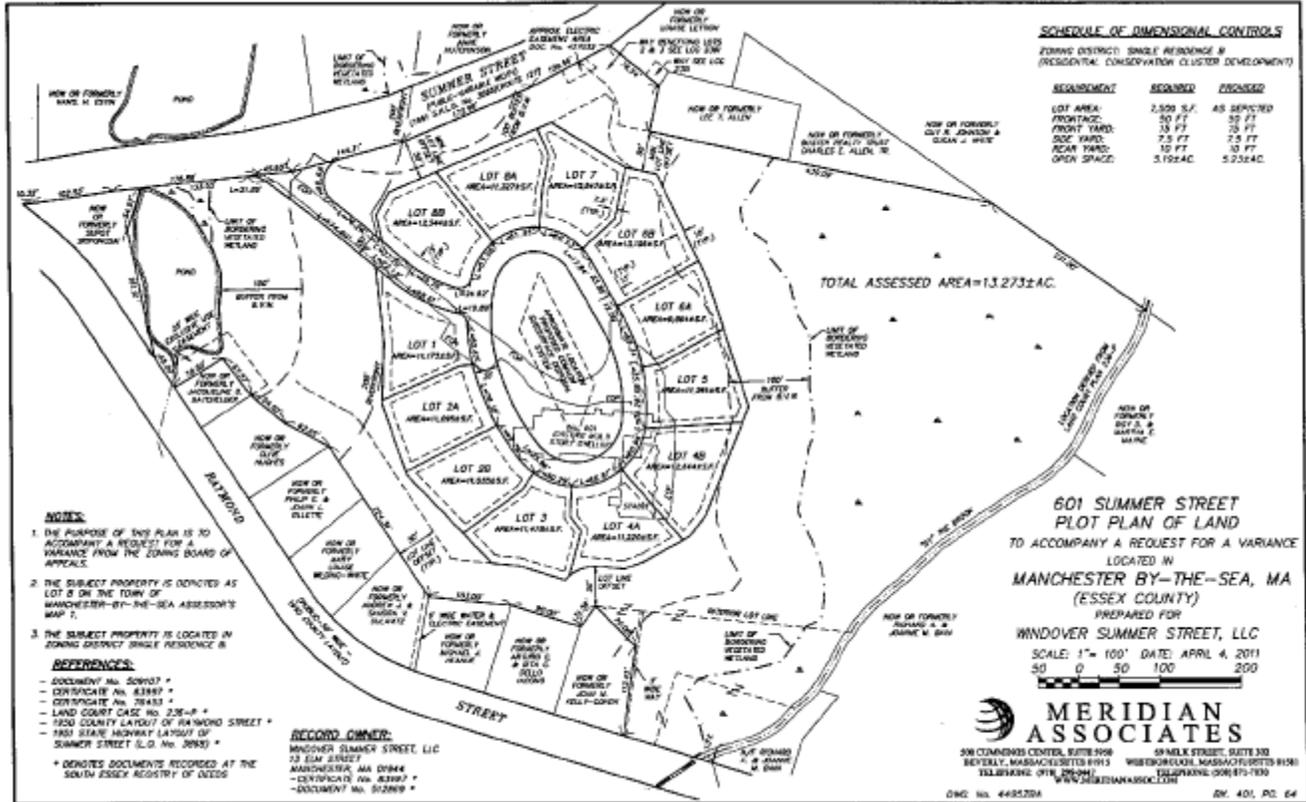
SALE PRICE: \$1,300,000

PRICE PER UNIT: \$100,000

PRICE PER ACRE: \$131,181

COMMENTS: This property is known as Edmonds Cove condominiums. The property is currently being developed with 13 detached townhouse style condominium units located on a single lot. Each unit contains approximately 2,457 square feet of living area. Units also contain full basements and attached garages. The property has frontage and strong visibility from Route 128. As of the writing of this report there have been six units which have transferred at an average selling price of approximately \$620,000. It is estimated that the gross potential sellout of the development will be approximately \$8,050,000 which represents 16.5% of the purchase price of the land. The grantors provided a first mortgage in the amount of \$1,200,000. The appraiser was unable to confirm the terms of the mortgage. However, it is considered to be cash equivalent as the discharge was dated the same date as the deed and was recorded on April 28, 2015. Overall the location of this property and the quality of the units are considered to be inferior to the location of the property and the potential of the subject property.

MULTI-FAMILY LAND SALE NO. 3



LOCATION: 601 Summer St., Manchester, MA.
PROJECT NAME: Blynman Circle

GRANTOR: Mark and Leslie Lynch, et al

GRANTEE: Windover Summer Street, LLC

SALE DATE: May 7, 2010

LEGAL REFERENCE: Essex County Southern District Registry of Deeds Land Court Document #509 107

LAND AREA 9.91+/- acres (431,680 +/-square feet)

FRONTAGE: 616.31 +/- feet on Summer Street

ZONING: Single Residence – B

UTILITIES: Water, telephone, cable, & natural gas

SALE PRICE: \$2,995,000

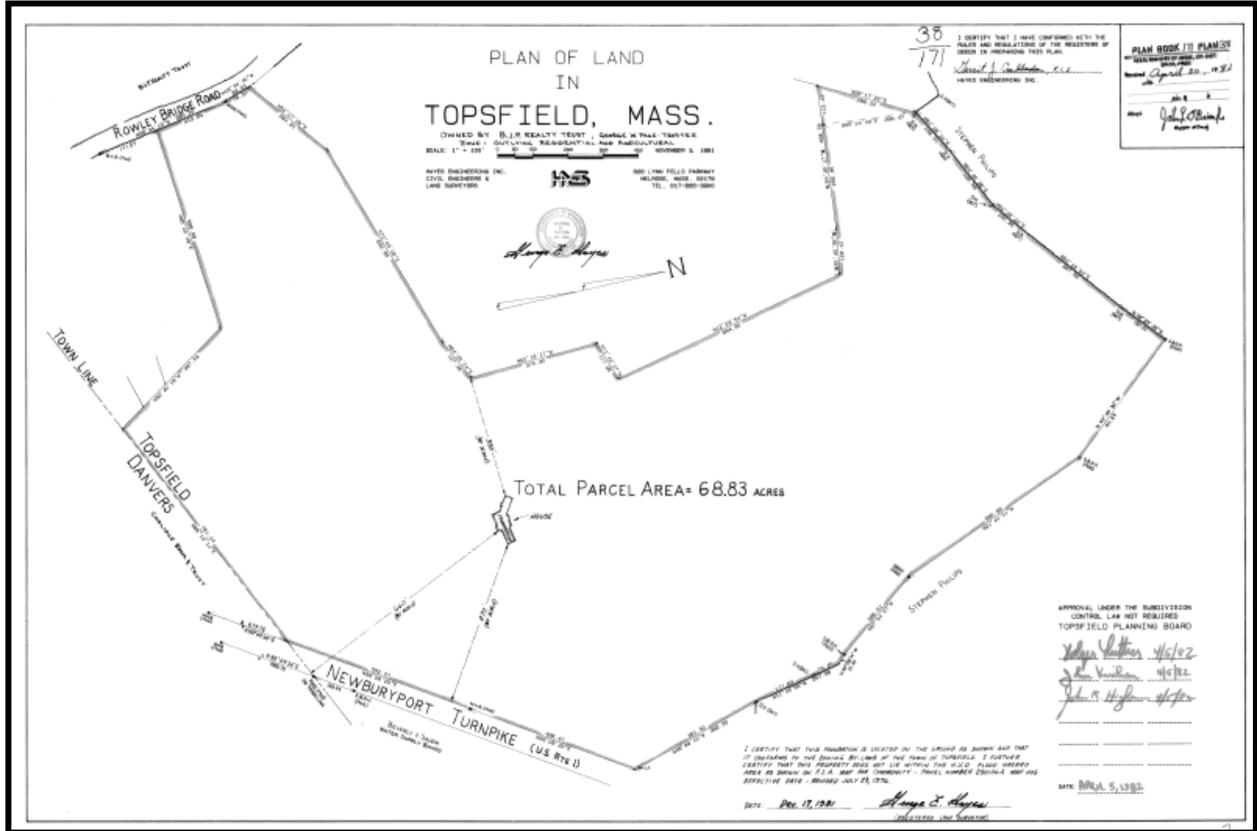
PRICE PER UNIT: \$249,583

PRICE PER ACRE: \$215,313

COMMENTS:

This is a cluster subdivision which originally received a comprehensive permit under Chapter 40 B for 36 units. Subsequent to the grantee purchasing the property, the grantee applied for and received preliminary approvals for a cluster subdivision in May 2011. The preliminary approvals, which included variances, included 24 units on 12 lots. The definitive subdivision plan met with resistance from the Planning Board. The developer then modified the plan to include only a single unit on each of the lots for a total of 12 units. Each lot has a minimum lot area of no less than 7,500 square feet. This plan was approved by the town in November 2012. As a condition of this approval, the developer was required to provide three affordable housing units off-site. The cost of these units could not be confirmed. As of the writing of this report, all of the units have been built. Seven units have been sold with an additional unit under contract. The selling prices have averaged approximately \$1.5 million each. Overall, the location of this property is considered to be superior to the location of the subject.

MULTI-FAMILY LAND SALE NO. 4



LOCATION:	12 Boston St., Topsfield, MA.
PROJECT NAME:	English Commons
GRANTOR:	Trustees of Boston College
GRANTEE:	English Commons, LLC
SALE DATE:	January 21, 2010
LEGAL REFERENCE:	Essex County Southern District Registry of Deeds Book 33157, Page 109
LAND AREA	68.83 +/- acres (2,998,235 +/-square feet)
FRONTAGE:	1,050,54 +/- feet on Boston Street
ZONING:	Residential
UTILITIES:	Water, telephone, cable, & natural gas

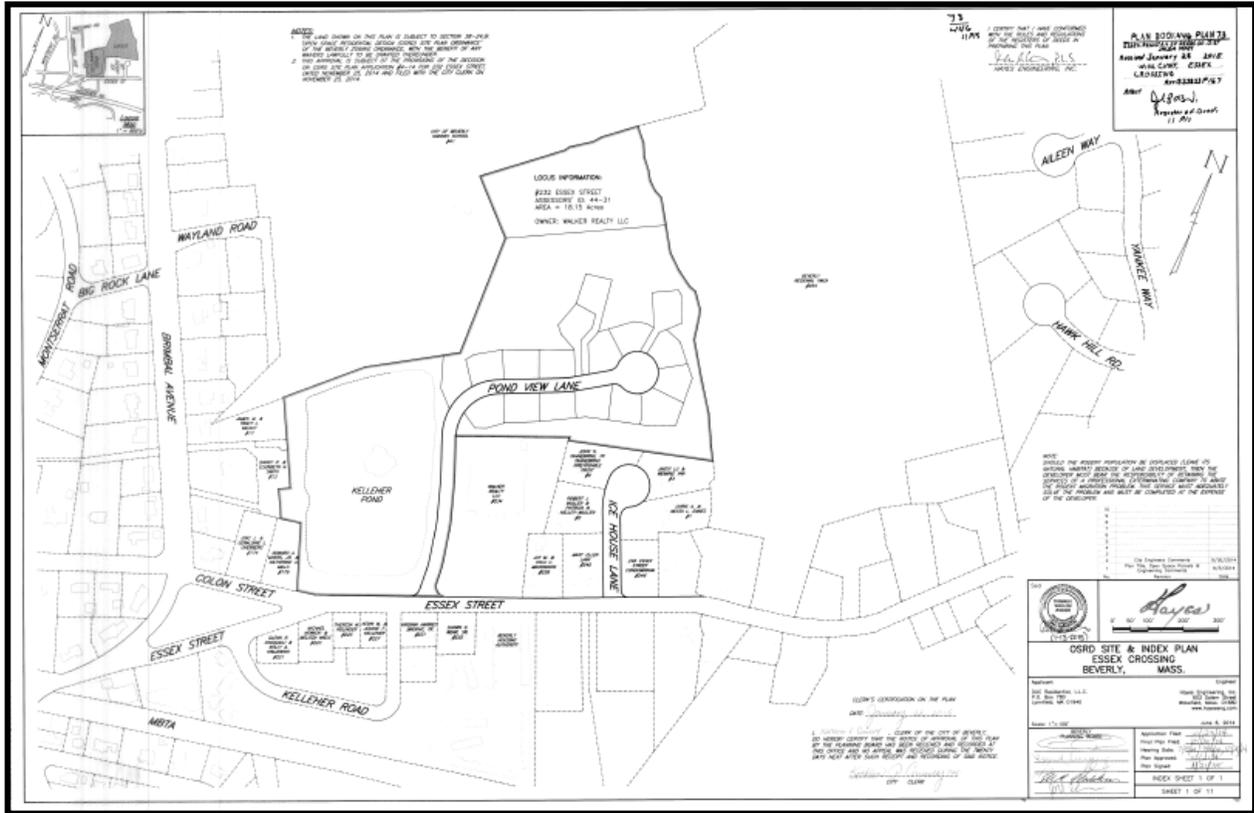
SALE PRICE: \$5,000,000

PRICE PER UNIT: \$100,000

PRICE PER ACRE: \$72,643

COMMENTS: This property consists of an age restricted community for residents that are 55 and older. The property is conveniently located on Route 1 and has good access to nearby Route 95. A total of 50 units were developed on the property with the entire development having been sold out. The first unit sold in early 2011 and the last unit transferred in July 2015. This indicates an average absorption of approximately nine units per year. This property was developed by the same developer who purchase comparable Sale No. 1. The property is a condominium form of ownership with each building containing 2 to 6 units. Overall the location of this property is considered to be comparable to the location of the subject and the quality of the units are considered to be similar to any potential development at the subject.

MULTI-FAMILY LAND SALE NO. 5



LOCATION:	232 Essex St., Beverly, MA.
PROJECT NAME:	Essex Crossing
GRANTOR:	Walker Realty, LLC
GRANTEE:	DUC Residential, LLC
SALE DATE:	January 8, 2015
LEGAL REFERENCE:	Essex County Southern District Registry of Deeds Book 33792, Page 509
LAND AREA	18.2 +/- acres (790,770 +/-square feet)
FRONTAGE:	296.20 +/- feet on Essex Street
ZONING:	Open Space Residential
UTILITIES:	Water, telephone, sewer, cable, & natural gas
SALE PRICE:	\$988,652

UPRICE PER UNIT: \$54,322
PRICE PER ACRE: \$61,791

COMMENTS:

This property consists of a cluster development which contains a total of 16 lots. The grantor for this property developed a day care center on the original parcel and sold the balance of the site to the grantee. The grantee received the subdivision approval prior to the sale. The purchase price paid to the grantor was \$780,000 and the grantee was required to pay \$208,652 for affordable housing that would be provided off-site. Construction is underway on several of the lots. Asking prices range from \$665,000-\$740,000, which equates to a per square foot price of approximately \$260. It was reported that of the 10 units that are under construction, five units are under agreement plus an additional two units that are under agreement subject to contingencies. The property has convenient access to Route 128 as well as being within walking distance to an MBTA commuter rail stop. Overall, the location and quality of the improvements are considered to be inferior to the subject.

The preceding pages highlight five sales of raw land that sold for multi-family condominium's or residential cluster development. The sales transferred from as early as January 2010 to as most recent as October 2015. On a per unit/lot basis, the comparables show an unadjusted range in value from \$61,791 to \$249,583. On a per acre basis, the range in value is from a low of \$54,322 to a high of \$215,313. The parcel sizes range from as small as 9.91+/-acres to as large as 68.83+/-acres.

Analysis of Adjustments

Prior to concluding with a market value estimate of the subject property, each of the sales have been compared in terms of their respective comparability to the subject property. The degree of comparability to the subject property is based upon an analysis of a variety of factors, which include:

Transactional Adjustments

- Property Rights Conveyed
- Market Conditions
- Financing
- Conditions of Sale

Property Adjustments

- Location
- Physical Characteristics (e.g. topography, size, frontage)
- Availability of Sewer

Transactional Adjustments

The first four adjustment categories include analyses and adjustments based on the total sale prices of the comparables. The adjustments required in each category are identified and quantified in the following paragraphs.

Property Rights Conveyed

A transaction price is always predicated on the real property interest conveyed. Many types of real estate, particularly income-producing property, are sold subject to existing leases. The revenue-generating potential of a property is often fixed or limited by the terms of existing leases. In the valuation process, adjustments must be made to reflect the difference between property leased at market rent and those leased at rent either below or above market levels.

As previously stated, the appraiser is estimating the value of the subject's fee simple interest. There is no land lease involved with the subject property, nor was there any land

lease involved with any of the comparable sales as all of the sales reflected the transfer of the fee simple interest. Therefore, no adjustments are necessary.

Market Conditions

The comparables in this analysis include five sales which transferred between January 2010 and October 2015. Between 2010 and 2015 the median selling price for residential property in the cities and towns within close proximity to Wenham has ranged from approximately \$345,000, which was in 2010, to \$410,000, which is in 2015. This is an increase of approximately 19%. Sale Nos. 3 & 4 are the oldest of the sales which have been presented, with both having occurred in 2010, and have been adjusted upward by 20% to reflect the difference in market conditions since these sales occurred. The remaining three sales did not require any adjustment for time

Financing (cash equivalency)

In regards to the comparable sales utilized in this analysis, no adjustments were necessary to account for assumed mortgages, installment sales, wrap-around loans, or other financing instruments that may have influenced the sales price and, therefore, the indications of value resulting from this analysis. It is noted that Sale No. 2 involved seller financing at an undisclosed interest rate. Within 14 months of the date of sale, the mortgage was discharged, with the discharge being dated the same day of the transfer. This sale was considered to be cash equivalent therefore, there was no adjustment made for this feature.

Conditions of Sale

Each of the land sales was verified either through the Assessor's records, Registry of Deeds, grantor, grantee, broker, or some combination of the above to identify whether or not the buyer or seller was acting under duress or whether there were any unusual circumstances or influences affecting the sales transactions. Based on the appraisers research and investigations, it has been determined that each sale is considered to be an arm's-length transaction, and transferred within the context of the market value definition as defined previously within this report. Therefore, there were no adjustments necessary to any of the sales.

Property Adjustments

Property adjustments include the following categories:

- Location
- Physical Characteristics (e.g. topography, size, frontage)
- Availability of Sewer

Location

The subject property is located in a very desirable area. Adjustments were made to each of the sales to reflect the perceived difference in each of the locations when compared to Wenham. The adjustments made to each of the sales ranged from -35% to 42%. Sale No. 1 is located in Hamilton which is considered to be comparable to Wenham. However, the location of the sale is considered to be somewhat removed from service establishments and nearby highways. Therefore, this sale was adjusted upward by 10%. Sale No. 2 was adjusted upward by 42%, which is based on the difference in the median selling price for homes in Danvers compared to Wenham. An additional 15% was added to this adjustment based on the inferior location having frontage directly on Route 128, which from a residential standpoint is considered to be inferior due to the noise factor. Sale No.3 was adjusted downward by -35% based on the superior Manchester location. Sale No. 5 was adjusted upward by 30%, as this location was considered to be inferior to the subject location. Sale No. 4 did not require any adjustment as this location was considered to be comparable to the subject.

Size

It is anticipated that 22 market rate units can be developed at the subject property. The comparable developments which have been presented, contain from 12 to 50 developed units. This adjustment is based on the premise that larger developments will sell on a per unit basis that is less than a smaller development, due to the added carrying costs associated with a longer sellout that would be anticipated for a larger development. Sales Nos. 1-3 were almost half the size of the potential at the subject and have been adjusted downward by 5%. Sale No. 4 is almost twice the size of the subject and has therefore been adjusted upward by 10%. The remaining sale contains 16 units, which is fairly close to the potential at the subject and therefore did not require any adjustment.

Availability of sewer

Any development within the subject property will require on-site septic systems. With the exception of Sale No. 2, all of the sales were developed with on-site septic systems. A downward adjustment of 10% was made to Sale No. 2 to reflect this positive feature. The remaining sales did not require any adjustment for this feature.

After making the above adjustments, the indicated values range from a low of \$80,328 per lot/unit to a high of \$179,700 per lot/unit. The mean value for all of the sales equates to \$124,044 per lot/unit, while the median value equates to \$127,000 per lot/unit. More weight was given to Sales Nos. 1 & 4 as these locations were considered to be more comparable to the subject location. Less weight was given to Sales Nos. 2 & 5, as these locations were considered to be inferior to the subject location. On a weighted basis, the indicated value equates to \$125,337 per lot/unit. This analysis generally supports a value equal to \$125,000 per lot/unit. Based on the estimated 22 market rate units that could conceivably be built within the subject property, this results in a total value for the

property equal to \$2,750,000.

As a check against this value, the appraiser analyzed the gross sellout of various condominium projects. Market evidence shows that typically the developer will pay approximately 15% of the estimated sellout for the underlying raw land. The Windsor estate condominium development which is located in Lynnfield consist of a 38 unit project age restricted to residents that are 55 years and older. To date, 28 units have sold within the development at an average selling price of approximately \$820,000 per unit. Based on this price level it is estimated that the gross potential sellout will be approximately \$31,130,000. The developer paid \$3,800,000 or \$100,000 per unit for the underlying land. This amount equates to a land cost of approximately 12.2% of the gross potential sellout.

The Blynman Circle cluster development in Manchester has sold eight of the 12 units and has an estimated gross potential sellout of approximately \$18.3 million. The developer paid \$2,995,000 for the land which results in a land cost of approximately 16% of the gross potential sellout.

Based on new condominium unit sales in the market, it is anticipated that unit selling prices with an average size of approximately 2,500 square feet, would sell for \$875,000 per unit, which equates to \$350 per square foot. This would result in a gross potential sellout of \$19,250,000 for the 22 units. 15% of this amount allocated to the land amounts to approximately \$2,900,000 (rounded) which lends additional support to the concluded value of \$2,750,000.

The table on the following page shows a summary of each of the land sales, as well as the adjustments made to the sales.

***VALUATION AS A CONVENTIONAL SUBDIVISION
VIA THE DISCOUNTED SELLOUT METHOD***

DISCOUNTED SELLOUT METHOD

A market value estimate by the discounted sellout method requires an analysis of the competing market for the type of end product offered at the subject property, and rate of absorption of the sellout, which produces the sales proceeds. The sales proceeds are offset by the discounted value of the appropriate construction costs, holding costs, and marketing and administrative costs, which produces the net proceeds. The net proceeds represents the market value of the subject property to a single purchaser, includes all work in place as of the effective date of value, and accounts for the developer's profit. In the case of the subject property, the site is undeveloped and the analysis includes a proposed 16 lot subdivision.

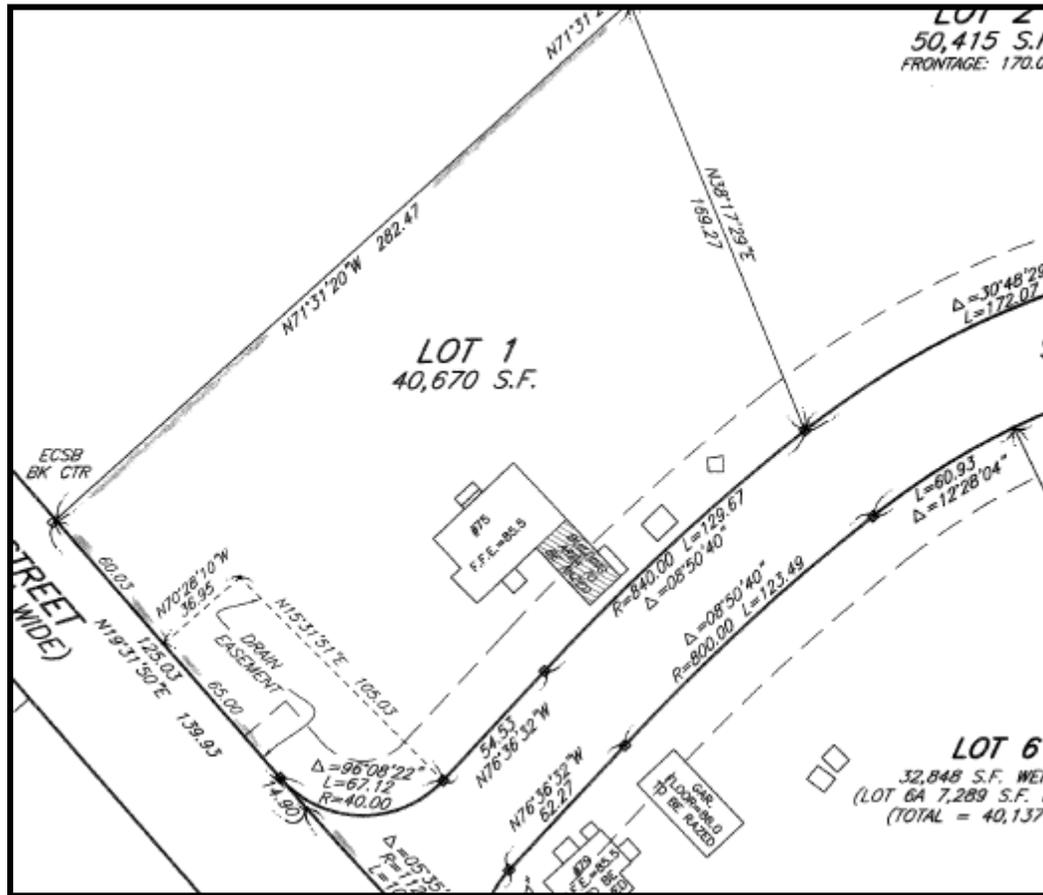
The value to a single purchaser of a project is the net present value indication of the anticipated net revenues discounted at a market interest rate on an installment basis over the life of the project's sellout period. Its use may apply to new construction or a condominium conversion. The majority of sophisticated investors believe this valuation technique represents the most accurate method for estimating the present value of a subdivision development. In essence, the discounting process accounts for a developer's profit, as well as the lag time that occurs before revenues are received and costs are expensed. Therefore, it reflects the development's true net worth to an investor.

The steps involved in the development analysis technique are outlined below:

1. Estimate the retail price of the individual lots.
2. Estimate the marketing period required to sell the entire product (absorption period of all lots) and the timing of the revenues.
3. Estimate the price appreciation, or depreciation, which may occur over the projected marketing period to determine the aggregate retail sellout pricing over time (gross revenue).
4. Estimate the development costs such as installing infrastructure and roads.
5. Estimate the necessary cost of ownership and sales expenses that may be incurred during the absorption period.
6. Deduct the estimated cost of ownership and sales expenses from the sales revenues to determine the net income stream before discounting.
7. Discount the net income stream by the appropriate yield (discount) rate, and sum the products to arrive at the net present value estimate.

FINISHED LOT SALES.

In order to estimate the market value of the 16 potential house lots in this scenario, the appraiser has researched sales of finished house lots in the Wenham area will. Based on the current market conditions affecting the subject property, the demand for new construction as well as the sales activity of finished lots is strong. The following pages include recent sales of house lots in the subject's market area. An appropriate unit of comparison for property of this specific type, in this particular area is the price paid per lot (abbreviated \$/lot).

RESIDENTIAL LOT SALE NO. 1

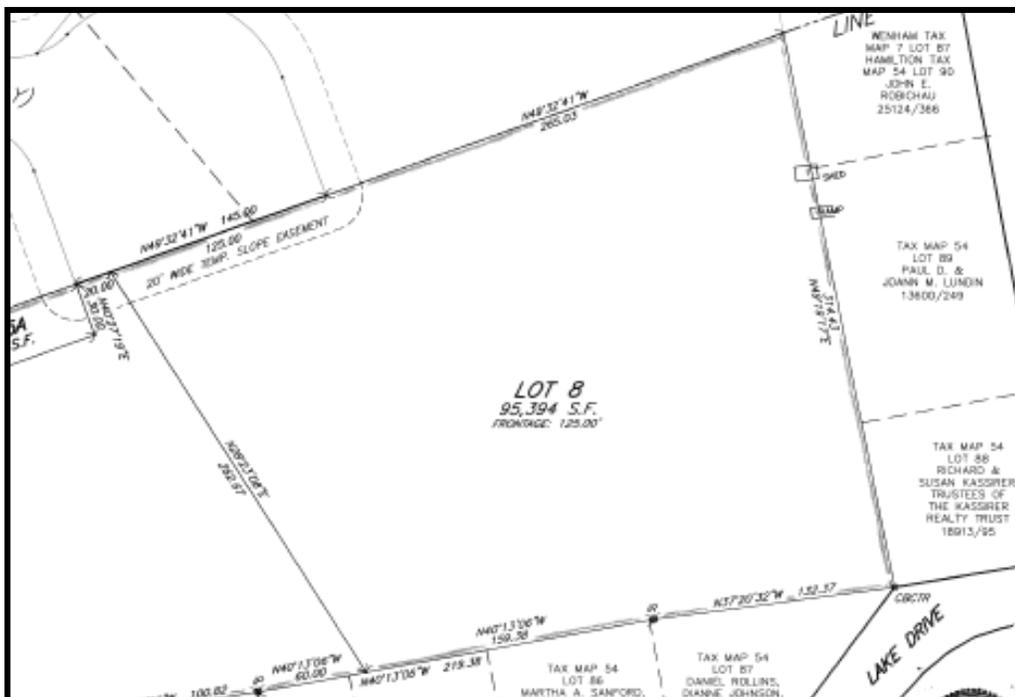
LOCATION:	Lots 1 & 8, Settlers Lane, Wenham/Hamilton, MA
GRANTOR:	75 Arbor Street Development, LLC
GRANTEE:	C. P. Berry Residences, LLC
SALE DATE:	July 16, 2014
LEGAL REFERENCE:	Essex County Southern District Registry of Deeds Book 33412, Page 491
LOT 1-	
LAND AREA	40,670 square feet (.93+/- acres)
FRONTAGE:	158.59+/- feet on Arbor St. & 217.76+/- feet on Settlers Lane
LOT 8-	
LAND AREA	95,394 square feet (2.19+/- acres)

FRONTAGE:	125+/- feet on Settlers Lane
ZONING:	Residential
UTILITIES:	Water, telephone, cable, & natural gas
SALE PRICE:	\$680,000
PRICE PER LOT:	\$340,000
PRICE PER ACRE:	\$217,949
UNIT PRICE PER SF:	\$5.00

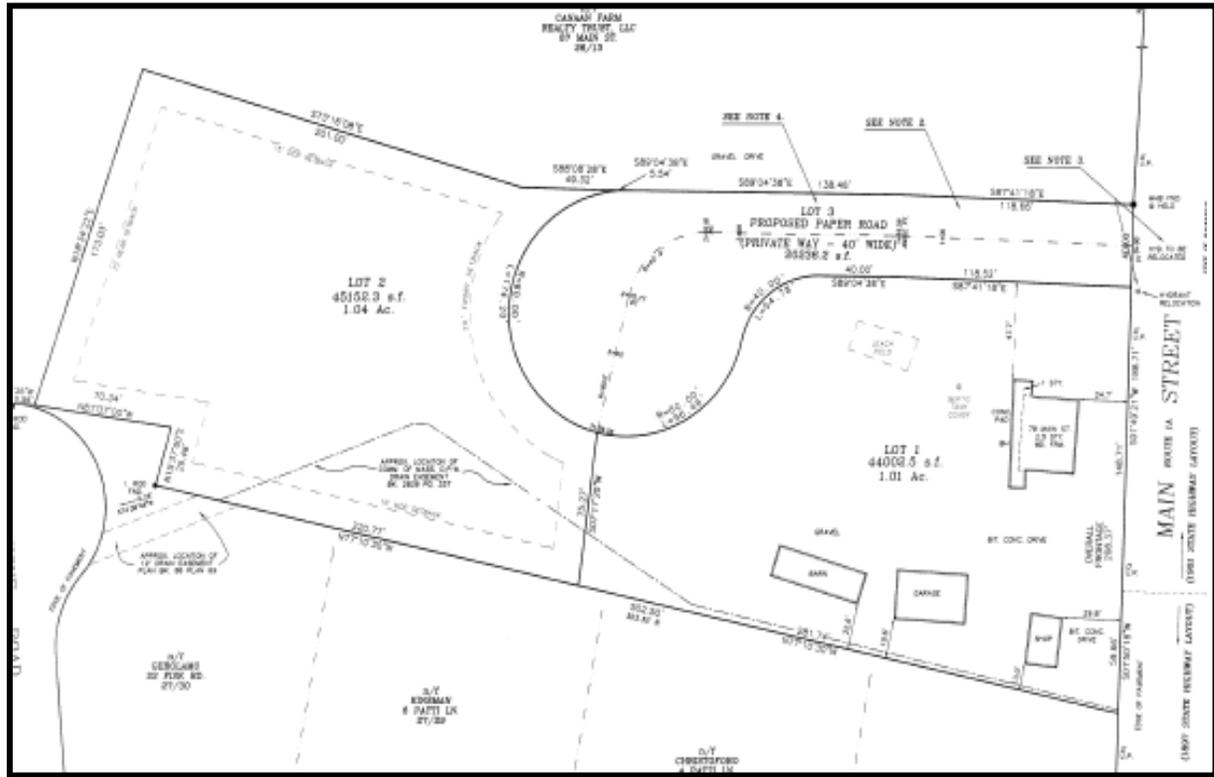
COMMENTS:

These lots are located within the Settlers Lane subdivision, which is the most recent subdivision within Wenham. The development is located off of Arbor Street at the Wenham/Hamilton town line. The property contains a total of eight lots of which two of the lots, which includes Lot 8, are located in Hamilton. The

majority of the lots range in size from 40,000 to 50,000 square feet. However, the two lots that are located in Hamilton contain 85,000 to 95,000 square feet. At the present time six single-family homes have been built on the property and sold at prices ranging from \$950,000-\$1,050,000. There is a 7th house that is currently under construction. All of the lots within this development are



serviced by on-site septic systems. In December 2014, the grantee purchased a third lot within the same development from the grantor for \$340,000. According to the grantor the price for all three of the lots was negotiated at the same time.

RESIDENTIAL LOT SALE NO. 2

LOCATION:	81 Main St. (lots 2 and 3), Wenham, MA.
GRANTOR:	Martha McLean Winrow
GRANTEE:	Ann E. & Colin D. Marchant
SALE DATE:	August 18, 2014
LEGAL REFERENCE:	Essex County Southern District Registry of Deeds Book 33484, Page 388
LAND AREA	65,359 square feet (1.5 +/- acres)
FRONTAGE:	40 +/- feet on Main Street
ZONING:	Residential
UTILITIES:	Water, telephone, cable, & natural gas

SALE PRICE: \$330,000

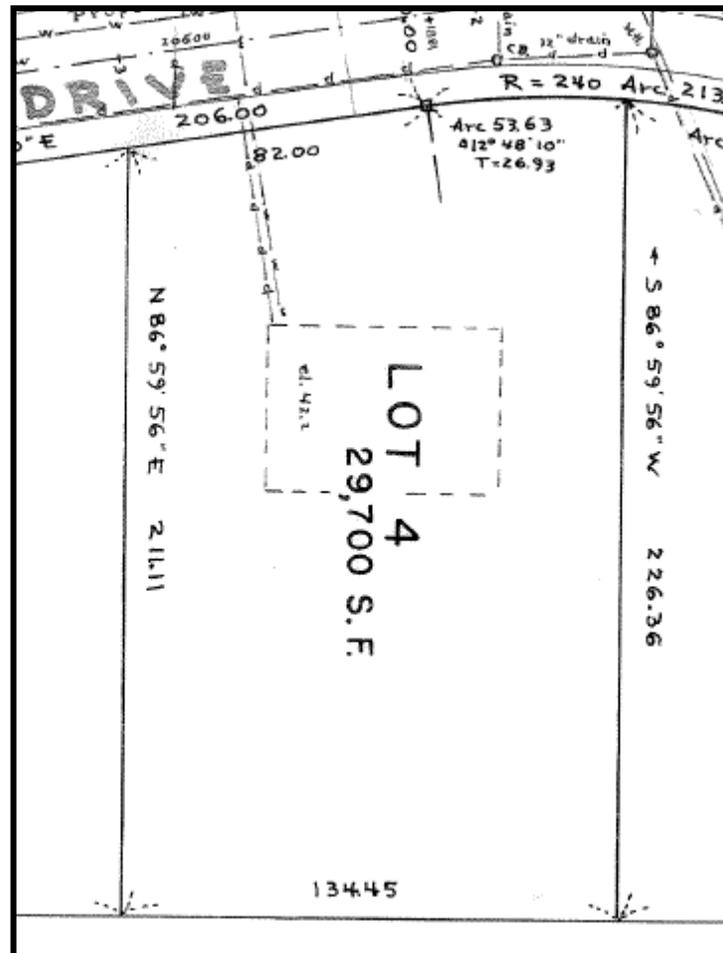
PRICE PER LOT: \$330,000

PRICE PER ACRE: \$220,000

UNIT PRICE PER SF: \$5.05

COMMENTS:

This lot is located a short distance north of the subject property on the opposite side of Main Street. The property was recently subdivided from a larger parcel of land which was improved with a single family residence and a small commercial building. This parcel includes two separate lots one of which is not buildable and provides access to the buildable portion of the site. The non-buildable lot is labeled as a "Paper Street ". A requirement of the subdivision was that a 12 foot wide paved driveway must be constructed within this area in order to gain access to the buildable portion of the site which is Lot #2. The property is adjacent to a large open field which is used in conjunction with an adjacent farm. The lot will be serviced by an on-site septic system.

RESIDENTIAL LOT SALE NO. 3

LOCATION:	4 Patton Drive, Hamilton, MA.
GRANTOR:	Chitro Family Services, LLC
GRANTEE:	Gregory S. and Kristen M. Lauze
SALE DATE:	September 16, 2013
LEGAL REFERENCE:	Essex County Southern District Registry of Deeds Book 32822, Page 84
LAND AREA	29,700 square feet (.68 +/- acres)
FRONTAGE:	135.63 +/- feet on Patton Way
ZONING:	Residential

UTILITIES: Water, telephone, cable, & natural gas

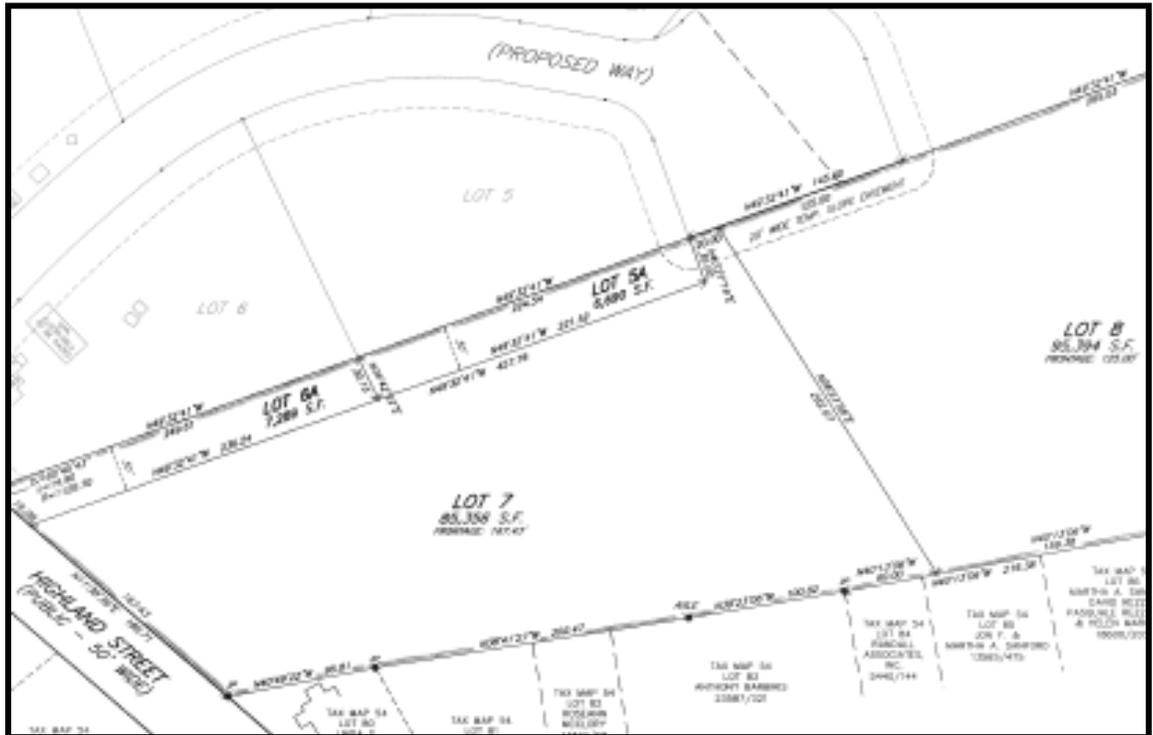
SALE PRICE: \$335,000

PRICE PER LOT: \$335,000

PRICE PER ACRE: \$492,647

UNIT PRICE PER SF: \$11.31

COMMENTS: This lot is located in an established subdivision which contains a total of 17 lots. The property is located directly off of Route 1A in nearby Hamilton and is located a short distance from the subject property. Most of the lots within this development contain 25,000+/- to 35,000+/- square feet. The subdivision was originally approved in 1962 and has been built in various stages since then. This transaction represents one of the last remaining lots. The development is conveniently located within walking distance of stores and the MBTA Commuter Rail. This lot was subsequently developed with a single family residence. An additional lot diagonally across from this property at the corner of Patton Drive and Route 1A sold in September 2013 for \$310,000. This property was also developed with a single family residence which is currently on the market for sale at an asking price of \$979,000 and contains approximately 4,720 square feet of living space. All of the lots within this development are serviced by individual on-site septic systems.

RESIDENTIAL LOT SALE NO. 4

LOCATION:	Lots 7, Settlers Lane, Hamilton, MA
GRANTOR:	C. P. Berry Residences, LLC
GRANTEE:	Andrew and Kelly Alberts
SALE DATE:	October 15, 2015
LEGAL REFERENCE:	Essex County Southern District Registry of Deeds Book 33450, Page 315
LAND AREA	85,536 square feet (1.96+/- acres)
FRONTAGE:	167.43 +/- feet on Highland St. & 20+/- feet on Settlers Lane, Wenham
ZONING:	Residential
UTILITIES:	Water, telephone, cable, & natural gas
SALE PRICE:	\$400,000

UNIT PRICE PER LOT: \$400,000
UNIT PRICE PER ACRE: \$204,082
UNIT PRICE PER SF: \$4.69

COMMENTS:

This lot is located within the same subdivision as comparable Lot No. 1, which is the Settlers Lane subdivision and is the most recent subdivision within Wenham. This lot is one of the two lots within the subdivision which are located in Hamilton. The development is located off of Arbor Street at the Wenham/Hamilton town line. The development contains a total of eight lots. The majority of the lots range in size from 40,000 to 50,000 square feet. However, the two lots that are located in Hamilton, which includes this parcel, contain 85,000 to 95,000 square feet. At the present time six single-family homes have been constructed on the property and sold at prices ranging from \$950,000-\$1,050,000. There is a 7th house in the development that is currently under construction, which includes this parcel. All of the lots within this development are serviced by on-site septic systems. The grantor purchased this lot in December 2014 for \$340,000. Although this parcel has frontage on Highland Street in Hamilton access is off of Settlers Lane.

SALE PRICE: \$375,000

PRICE PER LOT: \$375,000

RICE PER ACRE: \$390,625

UNIT PRICE PER SF: \$8.96

COMMENTS: This lot is located within the Olde Boxford Estates subdivision, which is a 15 lot residential subdivision and is one of the most recent subdivisions within Middleton. Construction is currently underway on various lots located within this development. This lot is located at the end of a cul-de-sac and borders a 26 acre parcel of land which is open space. The majority of the lots within the development range in size from 40,000 to 50,000 square feet. The development is considered to be comparable to the proposed subdivision at the subject property. All of the lots within this development are serviced by on-site septic systems.

The preceding pages highlight five recent sales of residential lots that sold for single-family residential development. The sales transferred from as early as September 2013 to as most recent as October 2015. On a per lot basis, the comparables show an unadjusted range in value from \$330,000 to \$400,000. The individual lot area's range in size from as small as 29,700 +/- square feet to as large as 95,394 +/- square feet, which included two separate buildable lots.

Analysis of Adjustments

Prior to concluding with a market value estimate of the subject property, each of the sales have been compared in terms of their respective comparability to the subject property. The degree of comparability to the subject property is based upon an analysis of a variety of factors, which include:

Transactional Adjustments

- Property Rights Conveyed
- Market Conditions
- Financing
- Conditions of Sale

Property Adjustments

- Location
- Physical Characteristics (e.g. topography, size, frontage)
- Site Utility
- Availability of Sewer

Transactional Adjustments

The first four adjustment categories include analyses and adjustments based on the total sale prices of the comparables. The adjustments required in each category are identified and quantified in the following paragraphs.

Property Rights Conveyed

A transaction price is always predicated on the real property interest conveyed. Many types of real estate, particularly income-producing property, are sold subject to existing leases. The revenue-generating potential of a property is often fixed or limited by the terms of existing leases. In the valuation process, adjustments must be made to reflect the difference between property leased at market rent and those leased at rent either below or above market levels.

As previously stated, the value of the subject's fee simple interest is being valued. There is no land lease involved with the subject property, nor was there any land lease involved

with any of the comparable sales as all of the sales reflected the transfer of the fee simple interest. Therefore, no adjustments are necessary.

Market Conditions

The comparables in this analysis include five sales which transferred between September 2013 and October 2015. Between 2013 and 2015 the median selling price for single-family homes in Wenham has ranged from \$486,500, which was in 2013 to \$545,000, which is an increase of approximately 12%. Lot Sale No. 3 is the oldest of the lot sales which have been presented, having occurred in 2013, and has been adjusted upward by 12% to reflect the difference in market conditions since this sale occurred.

Financing (cash equivalency)

In regards to the comparable sales utilized in this analysis, no adjustments were necessary to account for assumed mortgages, installment sales, wrap-around loans, or other financing instruments that may have influenced the sales price and, therefore, the indications of value resulting from this analysis. It is noted that Sale No.3 involved seller financing at an undisclosed interest rate. It was reported this was for a short term and allowed the transaction to close in 2014. Therefore, there was no adjustment made for this feature.

Conditions of Sale

Each of the land sales was verified through the Assessor's records, Registry of Deeds, grantor, grantee, broker, or some combination of the above to identify whether or not the buyer or seller was acting under duress or whether there were any unusual circumstances or influences effecting the sales transactions. Based on the appraiser's research and investigations, it has been determined that each sale is considered to be an arm's-length transaction, and transferred within the context of the market value definition as defined previously within this report. However, in the case of sale number one a total of three lots were purchased within a six-month period between the same grantor and grantee. According to the grantor special consideration was given to the sale of three lots to one buyer. Therefore, an upward adjustment of 10% was made to this transaction. There were no adjustment necessary to the remaining sales.

Property Adjustments

Property adjustments include the following categories:

- Location
- Physical Characteristics (e.g. topography, size, frontage)
- Site Utility
- Availability of Sewer

Location

The subject property is located in a desirable area and more than likely will contain various restrictive covenants pertaining to the style and quality of the homes that will be built within the subdivision. Historically, it can be shown that land values within a planned subdivision generally sell for slightly more than those that are not located within a planned subdivision. With the exception of Sale No. 2 all of the sales are located in subdivisions. An adjustment of 10 % was made to Sale No. 2 to reflect its location not being within a planned subdivision.

Size

The typical lot that would be associated with the hypothetical subdivision for the subject property would be approximately 40,000 square feet. Sale No. 3 was considered to be inferior given its size being close to one half acre. Therefore, this sale was adjusted upward by 5%. Sale No. 4 was almost 2 acres in size and has therefore been adjusted downward by 5%. The remaining sales were all fairly close in size to the typical lot within the subject property and therefore did not require any adjustment for size.

Site Utility

Each of the sales contained a similar amount of frontage and did not contain any adverse conditions that would affect its ability for development such as steep topography or ledge which would affect its development potential when compared to the hypothetical lots associated within the subject.

Availability of sewer

All of the hypothetical lots located within the subject property will contain on-site septic systems. This is the case with all five of the comparable sales. Therefore, none of the sales had to be adjusted for this feature.

After making the above adjustments, the indicated values range from a low of \$363,000 per lot to as high as \$393,960 per lot. The mean value for all five of the sales equates to \$377,192 per lot, while the median value equates to \$375,000 per lot. On a weighted basis, the indicated value equates to \$376,494 per lot. This analysis generally supports a value equal to \$375,000 per lot.

This value represents the typical lot within the hypothetical subdivision. With the exception of Lot No.16, all of the lots contain between 40,333 square feet and 60,868 square feet. Lot number 16 contains approximately 473,960 square feet. This lot would have more privacy than the remaining lots. However, this site could be somewhat challenging to develop due to a considerable portion of this site being within a wetland area. There is approximately 2.11 acres of upland out of the total of 10.88 acres associated with this lot. The value for this lot was concluded to be \$400,000. This would result in a

gross potential sellout for the hypothetical subdivision equal to \$6,025,000 ($\$375,000 \times 15$ lots + $\$400,000 \times 1$ lot). This equates to an average lot price of \$376,563. The estimated gross sellout does not take into account any price increases during the absorption period.

The table on the following page shows a summary of each of the lot sales, as well as the adjustments made to the sales.

Comparable Residential Lot Sales									
Lakeview Golf Course Wenham MA									
	Subject	Sale # 1	Sale # 2	Sale #3	Sale #4	Sale #5			
Location	Main Street Wenham, MA	Lots 1 & 8 Main St. Hamilton/Wenham, MA	81 Main St. Wenham, MA	4 Patton Dr. Hamilton, MA	Lot 7, Settlers Lane, Hamilton, MA	Lot 6, 15 Norma Way Middleton, MA			
Grantor		75 Arbor St. Development, LLC Settlers Lane	Martha McLean Winrow	Chitro Family Services, LLC	CP Berry Residences, LLC	Olde Boxford Estates, LLC			
Grantee		CP Berry Residences, LLC	Ann Marchant et al	Gregory & Kristen Lauze	Andrew & Kelly Alberts	Douglas & Patii Pisano			
Date of Sale		7/16/2014	8/18/2014	9/16/2013	10/15/2015	10/26/2015			
Selling Price		\$680,000	\$330,000	\$335,000	\$400,000	\$375,000			
Land Area (Acres)		.93 & 2.19	1.50	0.68	1.96	0.96			
Square Feet		136,064	65,359	29,700	85,536	41,842			
Useable Acres		3.12	1.50	0.68	1.96	0.96			
Number of Lots		2	1	1	1	1			
Density (units per acre)		16	1	0.68	1.96	0.96			
Zoning	Residential	Residential	Residential	Residential	Residential	Residential			
Price/ Acre		\$217,949	\$220,000	\$492,647	\$204,082	\$390,625			
Price/Lot		\$340,000	\$330,000	\$335,000	\$400,000	\$375,000			
Adjustments									
Time		0.00%	0.00%	12.00%	0.00%	0.00%			
Adjusted Value		\$340,000	\$330,000	\$375,200	\$400,000	\$375,000			
Cash Equivalency		0.00%	0.00%	0.00%	0.00%	0.00%			
Adjusted Value		\$340,000	\$330,000	\$375,200	\$400,000	\$375,000			
Condition of Sale		10.00%	0.00%	0.00%	0.00%	0.00%			
Adjusted Value/Lot		\$374,000	\$330,000	\$375,200	\$400,000	\$375,000			
Adjusted Value Useable/Acre		\$217,949	\$220,000	\$492,647	\$204,082	\$390,625			
Location		Sale # 1 Lots 1 & 8 Main St. Hamilton/Wenham, MA	Sale # 2 81 Main St. Wenham, MA	Sale #3 4 Patton Dr. Hamilton, MA	Sale #4 Lot 7, Settlers Lane, Hamilton, MA	Sale #5 Lot 6, 15 Norma Way Middleton, MA			
Size		0.00%	10.00%	0.00%	0.00%	0.00%			
Utility		0.00%	0.00%	5.00%	-5.00%	0.00%			
Availability of Sewer		0.00%	0.00%	0.00%	0.00%	0.00%			
Total Adjustments		0.00%	10.00%	5.00%	-5.00%	0.00%			
Indicated Value/Lot		\$374,000	\$363,000	\$393,960	\$380,000	\$375,000			
Indicated Value/Acre		\$217,949	\$242,000	\$517,279	\$193,878	\$390,625			
Weight		20.00%	20.00%	15.00%	25.00%	20.00%			
Concluded Value/Lot		\$375,000	\$375,000	\$376,494	\$377,192	\$375,000			
			Weighted Value Mean Value/Lot Median Value/Lot						

Absorption Period

In order to estimate the market absorption for the hypothetical finished lots that will be created at the subject property, the appraiser analyzed the actual absorption of house lots in similar subdivisions within the greater Wenham area. Middleton Estates is located in a nearby community of Middleton. This property includes a total of 15 lots which had sold at price levels competitive with the concluded value of the individual lots for the subject property. One of the transactions was presented in the preceding table of comparable lot sales. The developer for this property purchased the raw land in May 2012. The first lot sale occurred the following February. The most recent lot sold in October 2015, which is the lot sale presented in the preceding table. Between the date of the closing on the raw land and October of 2015, a total of 13 lots have sold. This results in approximately .3 lots per month for this 43 month time frame. This equates to 3.6 lots per year, which was rounded to four lots per year. Therefore, based on the hypothetical 16 lots, it is anticipated that the lots could be absorbed within a four year timeframe.

The Settlers Lane subdivision, which is the most recent single-family subdivision that has been built in Wenham, contains a total of eight lots. The developer for this property closed on the raw land on April 28, 2010. The developer ended up developing five of the eight lots which were subsequently sold to individual homeowners. Only three of the eight lots sold as individual lots, with all three having been sold to another builder. Between April 2010 and December 2014, which was the date of the last lot sale, indicates an absorption of approximately .14 lots per month or approximately 1.75 lots per year. This absorption analysis is a little different than the absorption analysis for the Middleton property as the settlers Lane analysis takes into account the sale of completed residences and some lot sales, whereas the Middleton property takes into account only the sale of individual lots. It is anticipated that the absorption of the lots within the subject property would occur at the rate of four lots per year. The first lot sale would not occur until after the completion of the subdivision road. The discounted cash flow analysis, which is presented at the end of this section of the report, assumes a complete sellout of the subdivision within five years. This includes the construction of the subdivision road. It is projected that two lots would sell during the first year, four lots would sell each of the next three years and the remaining two lots would sell in year five.

Expenses

Various expenses are associated with the sell-out of the hypothetical house lots associated with the subject property. These expenses include: real estate taxes; sale commissions/closing costs; engineering fees; infrastructure costs; and developers profit. The following paragraphs discuss each of these expenses.

Real Estate Taxes

It is estimated that the annual real estate taxes for the finished lots will amount to \$6,094 per lot. This is based on an estimated assessed value of \$375,000 per lot and the tax rate of \$16.25 per thousand. This expense is projected to increase by 3% per year. The real estate

taxes are applied to the unsold lots and the expense is reduced upon each sale during the sellout projection.

Selling Expenses

An owner could expect to pay approximately 5.00% in sales commissions. These costs include commissions for the in-house and outside broker to sell each lot.

Engineering and Legal

This expense covers the cost to prepare the subdivision plan as well as on-site engineering fees related to wetlands. This amount is estimated at \$50,000. In addition to this amount, this line item also includes legal fees and documentary stamps related to selling each of the lots.

Infrastructure Costs

Based on the proposed subdivision plan which was provided to the appraiser, it is estimated there will be approximately 2,150 lineal feet of roadway. According to the developer for Settlers Lane in Wenham, the total road cost for this development amounted to \$350,000. There was 700+/- lineal feet of road that was constructed which resulted in a cost of \$500 per lineal foot. This project commenced in 2010 at which time the real estate market started to pick up. However, tradesmen at this time were still desperate for business therefore, the developer anticipates that prices would be higher in today's market.

The developer for the property located at 108 Woodfall Rd. in Belmont, which is a four lot subdivision that is ready to be developed, indicated that his road costs for this development will be almost \$1,000 per lineal foot. However this includes the sewer line as well as extraordinary site work due to poor soil conditions which added to the cost of the road. The same developer indicated that the roadway for a recent subdivision in Lynnfield, which did not require a sewer line, was constructed for \$600 per lineal foot. He indicated that this is a realistic number in today's market barring any unforeseen soil conditions such as the presence of ledge. An amount equal to \$600 per lineal foot has been budgeted for the subdivision road. It is anticipated that the road would be constructed in three separate phases beginning in year two of the analysis.

Entrepreneurial Profit

In the sellout model, a line item for entrepreneurial profit has been accounted for. The percentage required by an investor can vary depending on project size, sellout projection, lot price points, infrastructure expenses, etc. High-end projects with rapid sellout projections may be as low as a 2.50% of projected sales, while lower-priced lots or lots in large developments could be expected to go as high as 10.00% of projected sales. The cash flow model uses a 10% entrepreneurial profit to a potential investor as a line item expense during the sellout projection. This takes into account that there is no infrastructure in place.

Net Proceeds

Subtracting the indicated expenses from the gross sales revenues produces an estimate of net proceeds. These proceeds then need to be discounted to reflect the present value of these proceeds over the sellout periods.

Selection of the Discount Rate

In order to quantify the income potential of the subject property, a discounted cash flow analysis is employed. A discounted cash flow model has been utilized to assess the economic potential of the subject property. This analytical method estimates the present worth of future cash flow expectancies by individually discounting each anticipated collection at an appropriate discount rate. The analysis is typically applied to periodic equity cash flow projections and is used to solve for the rate of return on invested capital that is generated or is capable of being generated within an investment during the period of ownership. In the case of the subject property, a 4 year sellout for the 16 residential lots was used. Prior to the commencement of sales a one year permitting process is assumed.

In order to estimate an appropriate discount rate for the subject, the appraiser has obtained information concerning yield expectations for similar property types. The components of the yield factor, or internal rate of return, were then examined. The yield rate represents the components of ownership risk, liquidity risk, and management risk. A vacant parcel of land that will be developed with a residential property at some time in the future, experiences a greater degree of risk than a completed property.

Overall risk is increased since all costs associated with carrying the vacant sites are borne by the owner. Liquidity risk is increased because the vacant parcel of land cannot easily be sold or converted into cash, as the property has no cash generating capabilities. The only aspect of the yield rate which is actually less than a comparable end use residential property, is management risk. The management risk for a vacant parcel of land is close to zero; whereas, there are significant management risks in operating an improved property. The sellout model for the subject is for unimproved house lots.

In order to account for the added risk that is inherent in speculative sellout models, an investor will expect to earn a greater return on his/her investment than a less speculative investment. This added risk can be accounted for via two methods: 1) by increasing the yield rate used in the discounted cash flow, or by 2) deducting a separate expense category for entrepreneurial profit from the cash flows and discounting the net periodic cash flows at a lower yield rate, or safe rate. The risk factors and profit potential have been separated into two rates. The yield rate represents the components of ownership risk, liquidity risk, and management risk. Entrepreneurial profit directly rewards an investor as a line item expense. It was previously stated that a 10% entrepreneurial profit component has already been accounted for.

When applied to the periodic equity cash flow projections during the period of ownership, the selected yield rate is used to solve for the rate of return on invested capital, known as the internal rate of return (IRR).

Overall, the residential market in the Wenham area is very active with price levels having increased substantially since the low part of the market which was experienced starting in 2008. Historically low interest rates have spurred this activity. Home prices and sales volume are likely to increase at the current levels.

In the valuation model, the development risk is fairly high as the approvals have not been obtained and there is no infrastructure in place. However, the carrying costs for a development such as the subject are significantly less burdensome in comparison to vertically-improved developments such as condominium projects.

When concluding to a discount rate, consideration was given to the following characteristics of the subject property as a single family development.

- The subject's location in Wenham is easily accessible from Route 128,, which is less than two miles from the subject.
- Wenham is a very desirable community.
- The subject's Wenham single-family home market has seen price appreciation as well as an increase in sales velocity.
- Interest rates are at historically low levels making the cost of housing more affordable.

As additional support, the appraiser has considered many sources, including the *PricewaterhouseCoopers Real Estate Investor Survey*. This source publishes a semi-annual survey for the land development market. The 2nd quarter 2015 survey indicates a range in discount rates including profit from 10.00% to 20.00%, with an average of 15.9%. Compared with the 4th Quarter 2014, this range is down from the previous range which was 10% to 25%. The average is also down from 16.75%. This range in discount rates is much higher than the results of the investor survey with respect to leased property types such as retail, office, apartment, and industrial. These rates reflect the overall market expectations of yield rates for varying levels of risk associated with each type of property.

Given the overall desirability of Wenham as well as its location being within close proximity to Route 128, a rate below the average reported in the *PricewaterhouseCoopers Survey* is considered reasonable. The maximum expected yield rates for other types of real estate such as office, industrial, retail and apartment properties generally ranges from 13% to 14%. A rate equal to 13.00% is selected and is considered to be reasonable. This rate is exclusive of an entrepreneurial profit component of 10.00%.

Hi Emily, hi Emily with the 16 lots subdivision The sellout model for the 16 hypothetical lots is displayed on the following page.

Discounted Sellout Analysis
 Lakeview Golf Course
 Wenham, MA

Component	# of Lots	Est. Market Value/Unit	Gross Sellout
Finished Market Rate Lots	16	\$376,563	\$6,025,000
	Year 2:	\$387,860	
	Year 3:	\$399,496	
	Year 4:	\$411,481	
	Year 5:	\$423,825	
	Year 6:	\$436,540	

Assumptions	Value
Discount Rate	13.00%
Entrepreneurial Profit	10.00%
Sales Comm. & Closing	5.00%
Road Costs/LF	\$ 600.00
Inflation Factor	3%
Sales & Marketing Costs	0.00%
Real Estate Taxes (Annually per lot)	\$6,094

Year	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Totals:
Year	1	2	3	4	5	6	7	8	9	10	

Market Rate Lots	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Totals:
Retail Value/Lot	\$376,563	\$387,860	\$399,496	\$411,481	\$423,825	\$436,540	\$449,636	\$463,125	\$477,019	\$491,329	
# of Lots Beginning of Period	16	14	10	6	2	0	0	0	0	0	
# of Lots Sold	2	4	4	4	2	2	2	2	2	2	16
# of Lots Remaining	14	10	6	2	0	0	0	0	0	0	
Lot Sales Revenue	\$753,126	\$1,551,440	\$1,597,984	\$1,645,924	\$847,650	\$0	\$0	\$0	\$0	\$0	\$6,396,124

LESS EXPENSES:	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Totals:
Lot RE T axes	\$97,504	\$87,875	\$64,651	\$39,954	\$13,718	\$0	\$0	\$0	\$0	\$0	\$303,702
Sales Commission	\$37,656	\$77,572	\$79,899	\$82,296	\$42,383	\$0	\$0	\$0	\$0	\$0	\$319,806
Engineering & Legal Expense	\$55,374	\$10,950	\$11,159	\$11,374	\$5,797	\$0	\$0	\$0	\$0	\$0	\$94,654
Infrastructure Costs	\$432,600	\$445,578	\$445,578	\$491,727	\$0	\$0	\$0	\$0	\$0	\$0	\$1,369,905
Entrepreneurial Profit	\$75,313	\$155,144	\$159,798	\$164,592	\$84,765	\$0	\$0	\$0	\$0	\$0	\$639,612
TOTAL EXPENSES:	\$265,847	\$764,141	\$761,085	\$789,943	\$146,663	\$0	\$0	\$0	\$0	\$0	\$2,727,679
Net Proceeds	\$487,279	\$787,299	\$836,899	\$855,981	\$700,987	\$0	\$0	\$0	\$0	\$0	\$3,668,445

As-Is Market Value	\$2,533,261
Rounded	\$2,525,000
Value/Acre	\$81,425
Value/Lot	\$157,813

Time Period	0	1	2	3	4	5
Total Cash Flow	(\$2,525,000)	\$562,592	\$942,443	\$996,697	\$1,020,573	\$785,752
IRR		19.71%				

Internal Rate of Return

In calculating the IRR, the annual cash flows over a holding period are compared to the computed value. The cash flow used in computing the IRR is the net cash flow, plus entrepreneurial profit that has been subtracted out as a line item expense.

It is reasonable to assume that an internal rate of return for a residential subdivision sellout should be at the high end of the range for stabilized properties, due to the increased ownership and liquidity risk involved. The maximum range for expected yield rates for office, retail, industrial and apartment properties is in the range of 13% to 14%. It is expected that the resulting IRR for the subject property would be above this range, given that there are no permits in place as of the date of valuation. The resulting IRR for the presented 16-lot sellout model is 19.71%. This falls within the stated range and is considered reasonable and market oriented based on the risks and rewards related to the sellout.

The result is an estimate of market value for the subject property's hypothetical 16 lot residential subdivision, via the discounted sellout method, equates to \$2,525,000. This amount equates to \$157,813 per lot and \$81,425 per acre.

SALES COMPARISON APPROACH – 16 LOT SUBDIVISION

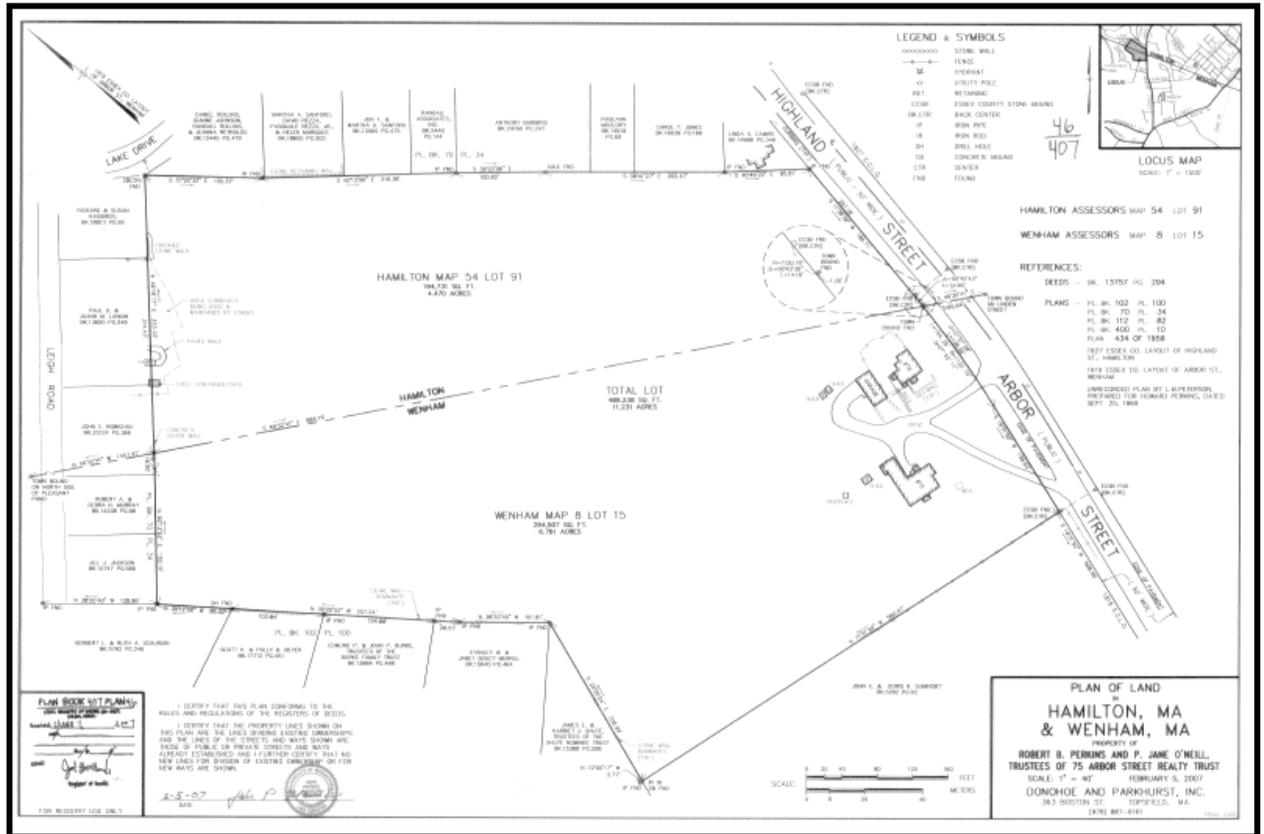
In order to value the subject property as a 16 lot subdivision via the sales comparison approach, the appraiser searched the market area for recent sales of large parcels of raw unimproved land that was purchased for the purpose of subdividing the property for a single-family subdivision similar to the proposed subdivision at the subject property. It was concluded that there were a limited number of recent sales that occurred after 2010. Therefore, the sales comparison approach could not be developed in order to value the subject property as a 16 lot subdivision based on raw land sales.

However, The appraiser was able to uncover two sales that were considered to be meaningful. These two sales occurred between 2010 and 2012. A summary of these sales is included on the following pages. The sales have been included as a comparison to the concluded value in the previous section of this report in order to lend additional support to the concluded value of \$2,525,000 via the discounted sellout method.

Sale No. 1, which is included on the following page sold in April 2010 at a price that equates to \$137,500 per buildable lot. But a per acre basis this sale indicates a value equal to \$97,943 per acre. This property is located within close proximity to the subject property.

Sale No. 2, sold in May 2012 at a price that equates to \$140,000 per buildable lot, based on the 15 lots that were built within this subdivision. On a per acre basis this amount equates to \$76,087. The concluded value of the subject property as a 16 lot subdivision is \$2,525,000 which equates to \$157,813 per buildable lot. Given the time frame that both of the sales occurred in the fact the market has improved since the sales occurred the concluded value of \$2,525,000 is considered to be reasonable and is further supported by these two transactions.

LAND SALE NO. 1



LOCATION: 75 Arbor St., Wenham/Hamilton, MA

GRANTOR: Robert B Perkins and Priscilla Jane O'Neill & Robert B Perkins, as Trustee of the 75 Arbor St., Realty trust

GRANTEE: 75 Arbor Street Development, LLC

SALE DATE: April 28, 2010

LEGAL REFERENCE: Essex County Southern District Registry of Deeds Book 29424, Page 478 & 482

LAND AREA 11.231 +/- acres

ZONING: Residential

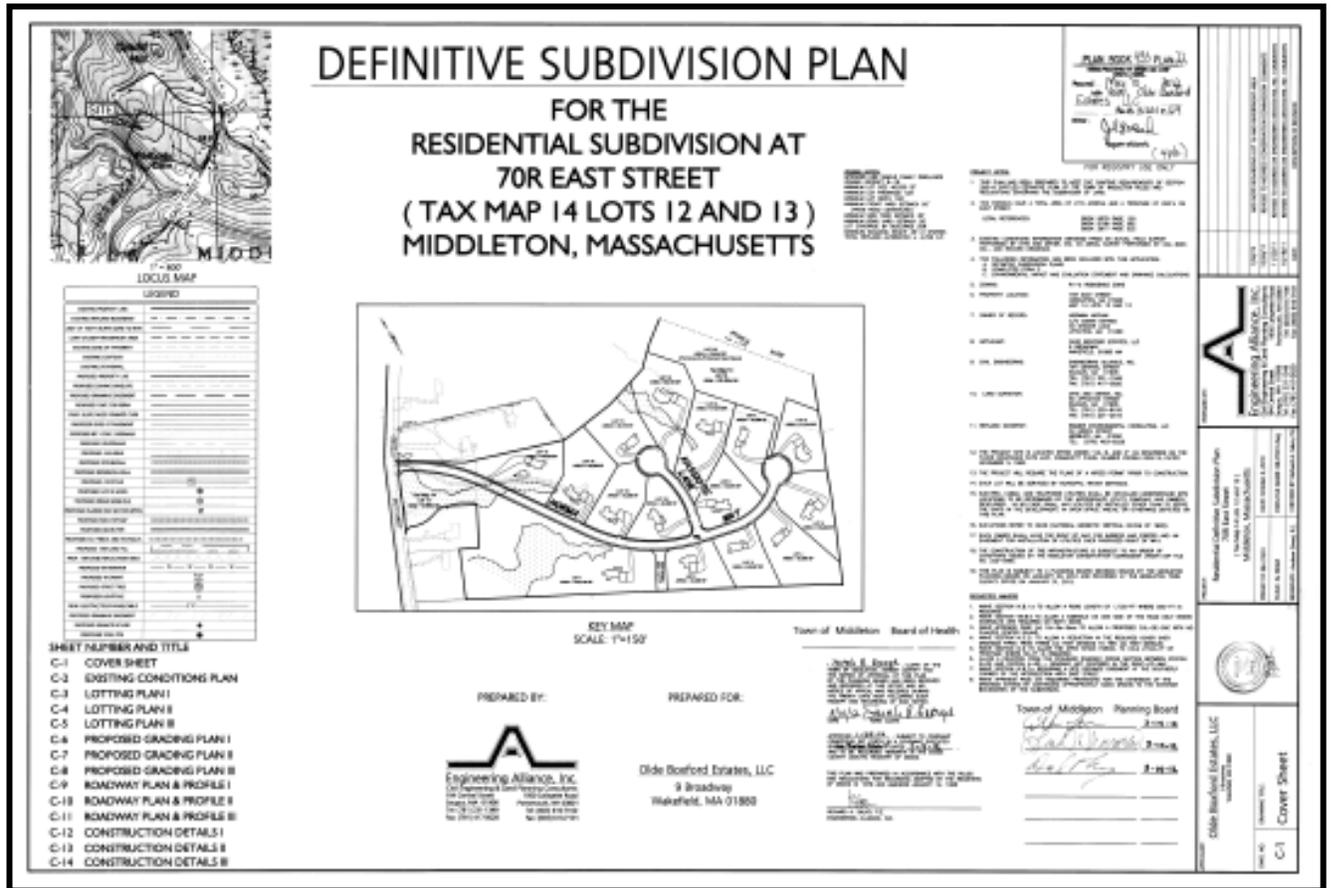
UTILITIES: Water, telephone, cable, & natural gas

SALE PRICE: \$1,100,000

PRICE PER LOT: \$137,500
PRICE PER ACRE: \$97,943

COMMENTS: This property is located on the Hamilton/Wenham town line. Approximately 4.47 acres of the site is located in Hamilton with the remaining 6.76 acres located in Wenham. Subsequent to this sale, the grantee developed the property with an eight lot subdivision. At the time of sale, the property was improved with two single family dwellings one of which was originally going to be retained. However, due to its condition at the time of sale it was eventually demolished. There were two separate deeds for this property which totaled \$1,080,000. The grantee estimated an additional \$20,000 was spent on the demolition of the two dwellings. This transaction represents the most recent subdivision in Wenham.

LAND SALE NO. 2



LOCATION: 70 Rear East St., Middleton, MA

GRANTOR: Sonja E Nathan and Sarah J Nathan

GRANTEE: Olde Boxford Estates, LLC

SALE DATE: May 9, 2012

LEGAL REFERENCE: Essex County Southern District Registry of Deeds Book 31331, Page 67

LAND AREA 27.6 +/- acres

ZONING: Residential

UTILITIES: Water, telephone, cable, & natural gas

SALE PRICE: \$2,100,000

PRICE PER LOT: \$140,000
PRICE PER ACRE: \$76,087

COMMENTS: This property is currently an active subdivision with several new homes under construction. There are a total of 15 lots within the development, one of which was used in the preceding section as Lot No.5, which sold in October 2015 for \$375,000. The quality of homes within this subdivision are comparable to the potential development of the subject property. All of the lots within this development have on-site septic systems.

RECONCILIATION AND FINAL VALUE OPINIONS

The purpose of this appraisal was to estimate the market value of the fee simple interest in the subject property. The purpose of the reconciliation process is to evaluate the indicated values derived from the individual approaches to value utilized in the appraisal process. The subject of this appraisal report consists of a nine hole golf course. The highest and best use of the property was determined to be for a residential development, which would include 22 market rate units either as a condominium form of ownership or as a cluster type development where detached structures would be on individual lots. The lots under the cluster development would be substantially smaller than the 40,000 square foot minimum lot size required under the current zoning.

In order to estimate the market value under this scenario, the appraiser analyzed several land sales of similar type developments. It was concluded that the estimated market value for the subject property, via the of the Sales Comparison Approach, which was based on a comparison these sales, was \$2,750,000.

At the request of the client, the appraiser also estimated the market value of the subject property as a conventional 16 lot subdivision. The appraiser utilized the Discounted Sellout Method, which is a form of the Income Approach, in order to arrive at the value under this scenario. This method requires an analysis of the competing market for the type of end product offered at the subject property, and rate of absorption of the sellout, which produces the sales proceeds. In this case, the end product are vacant lots. The sales proceeds are offset by the discounted value of the appropriate infrastructure costs, holding costs, legal costs, engineering costs, and marketing costs, which produces the net proceeds. The net proceeds represent the market value of the subject property to a single purchaser, as of the effective date of value, and accounts for the developer's profit. The value to a single purchaser of a project is the net present value indication of the anticipated net revenues discounted at a market interest rate on an installment basis over the life of the project's sellout period. The majority of sophisticated investors believe this valuation technique represents the most accurate method for estimating the present value of a subdivision development. In essence, the discounting process accounts for a developer's profit, as well as the lag time that occurs before revenues are received and costs are expensed. Therefore, it reflects the development's true net worth to an investor. The estimated value of the property under this scenario was concluded at \$2,525,000.

The Sales Comparison Approach is based upon the assumption that an informed purchaser would pay no more for a property than the cost of acquiring an equally desirable substitute property with similar utility. This approach provides a supportable estimate of market value when there is adequate data available to evaluate market trends. The Sales Comparison Approach is easily applied and understood by investors, and appears to be relied upon, at least during the early stages of the investment decision-making process. However, there were a limited number of recent sales for this type of land as several of the active subdivisions in the market involve land sales that occurred prior to 2009. There were two sales that occurred between 2010 and 2012 that were discussed in this report, with the indicated values for these two

sales supporting the concluded value of \$2,525,000. These sales were used as a check against this value, with the unit values for these two sales further supporting this value.

Considering all factors affecting value, it is the opinion of the appraiser that the market value of the fee simple interest in the subject property, as of December 1, 2015, subject to any and all of the general and extraordinary assumptions and limiting conditions stated in this report, is:

**TWO MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
(\$2,750,000)**

In addition, it is the opinion of the appraiser, that the market value of the fee simple interest in the subject property, as a 16 lot subdivision, as of December 1, 2015, subject to any and all of the general and extraordinary assumptions and limiting conditions stated in this report, is:

**TWO MILLION FIVE HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$2,525,000)**

CERTIFICATION

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 is our 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.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Robert Shannon, MAI, made a personal inspection of the property.
- No one else provided significant real property appraisal assistance to the person(s) signing this certification.
- I have not performed any valuation services, as appraisers or in any other capacity; regarding the property, that is the subject of this report within the three-years immediately preceding acceptance of this assignment.

As a result of the investigation into those matters, which affect market value, and by virtue of my experience and training, I have estimated that the fee simple interest of the subject property,

effective as of December 1, 2015, is:

**TWO MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
(\$2,750,000)**

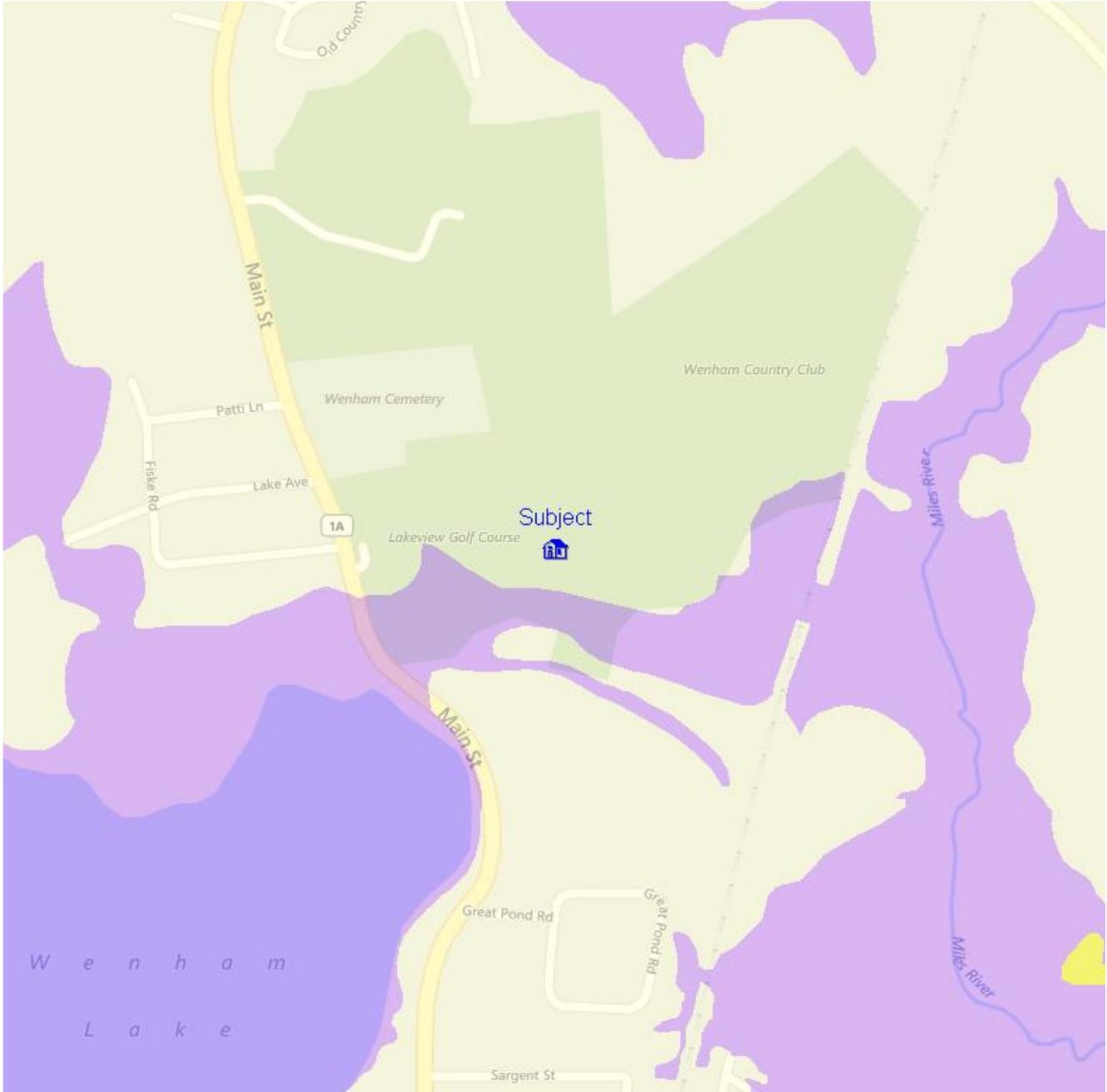
Respectfully submitted,

THE SHANNON COMPANY

A handwritten signature in black ink, appearing to read "Robert Shannon". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

Robert F Shannon, MAI, CCIM
Massachusetts Certified
General Appraiser's License # 720

Addendum



MAP DATA

Map Number : **25009C0407F**
Panel Date : **July 03,2012**
FIPS Code : **25009**

Census Tract : **2161.00**
Geo Result : **S8 (Most Accurate) -
single valid address match, point
located at a single known address
point candidate (Parcel)**

Flood	
	X or C Zone
	X500 or B Zone
	A Zone
	V Zone
	D Zone
	Area Not Mapped

We, Margaret M. Batchelder of Marblehead, Essex County, Massachusetts,
XXXX FREDERICK C. BATCHELDER, MARGARET M. BATCHELDER and MARY L.
COGSWELL, all of Wenham, Essex County, Massachusetts, and
ALBERTA G. LAMONT of Pittsburgh, Pennsylvania, for consideration
paid, grant to WILLIAM J. FLYNN of Danvers, with QUITCLAIM
COVENANTS, the following parcels of land with buildings thereon,
situated on the Easterly side of Main Street in the Town of
Wenham, County of Essex, Commonwealth of Massachusetts, bounded
and described as follows: (CONSIDERATION IS \$96,134.00)

PARCEL ONE

Commencing at driveway by land now or formerly of ^{T.} W. Batchelder
and thence running 85 feet more or less by highway called Main
Street to Elm tree thence running 225 feet more or less to ditch
or brook thence turning and running 85 feet by said ditch to said
driveway thence turning and running 200 feet by said driveway to
point of beginning.

Being same premises conveyed by Mary A. Batchelder to Fred M.
Batchelder by deed dated May 24, 1910, recorded in Essex South
District Registry of Deeds, Book 2014, Page 223.

PARCEL TWO

A certain parcel of land situated in said Wenham being bounded
and described as follows:

Commencing at corner of land of Fred M. Batchelder and Ethel M.
Batchelder, 260 feet from highway and running 375 feet Easterly
by land of Mabel L. Patch and Ethel M. Batchelder, thence turning
and running Northerly, 438 feet, more or less, by land of Ethel
M. Batchelder to corner of cemetery with right of way for team
along this line to Joseph Edmund Batchelder across to his land,
thence turning and running Easterly 210 feet; thence turning and
running Northerly by land of Joseph Edmund Batchelder, 220 feet
to corner of Tarr boundary; thence turning and running Easterly
by land of Tarr, 479 feet, more or less; thence turning and
running Southeasterly by land of said Tarr, 187 feet, more or
less; thence turning and running Southerly by land of said Tarr,
880 feet, more or less to corner of stone wall, thence turning
and running Easterly and Southerly, 325 feet, more or less, by
land of said Tarr to spring and brook; thence turning and run-
ning Westerly by Wenham Pond Brook, so-called, 1000 feet, more
or less, to corner of land of Ethel M. Batchelder; thence turning
and running Northerly by land of Batchelder to bounds first
mentioned.

Being same premises conveyed to Fred M. Batchelder by deed of
Mary A. Batchelder dated July 30, 1910, recorded in Essex South
District Registry of Deeds, Book 2766, Page 275.

From W.S. Collins - 3 of Lynn Ave, Danvers, Ma

PARCEL THREE

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at stone bound at Northwesterly corner of lot on Main Street at point 50.08 feet Southerly from Massachusetts highway bound locating end of curve of 1932 lay out for Wenham, Mass.; thence running Westerly by land of grantor, 259.84 feet to stone bound at Northeast corner of lot; thence running at angle of 90° 02' and running Southerly by land of Fred L. Batchelder, 133.5 feet to center of brook, thence turning and running Westerly along center of brook and Southerly by land of Fred M. Batchelder on two courses, 212 feet and 80 feet, respectively, to Main Street; thence turning and running Northerly by curve on Main Street in accordance with 1932 Mass. Highway L. O., 14 feet to point of beginning.

Being same premises described in deed from Ethel B. Wentworth to Fred M. Batchelder by deed dated January 16, 1934, recorded in said Registry of Deeds, Book 2980, Page 598.

PARCEL FOUR

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at Main Street at point by land now or formerly of F. M. Batchelder, running Easterly about 225 feet; thence turning and running Northerly by land now or formerly of F. M. Batchelder about 90 feet to Way, thence turning and running by Way about 62 feet; thence turning and running Southerly by land of Mabel L. Patch, 162 feet; thence turning and running Westerly by land now or formerly of M. A. Batchelder, about 260 feet to Main Street; thence turning and running Northerly by Main Street, 60 feet to point of beginning.

Being the same premises conveyed to Fred M. Batchelder by deed of Mary A. Batchelder, dated August 12, 1910, recorded in Essex South District Registry of Deeds, Book 2766, Page 276.

PARCEL FIVE

A certain parcel of land situated in Wenham, Essex County, Massachusetts, bounded and described as follows:

On South by land now or formerly of ice railroad of Gage & Company which divides land being described from land formerly of Tyrrell; East by land now or formerly of Eastern Railroad Company; North by Miles Brook, so-called; and West by land formerly of Addison Gage or Addison Gage & Company. Containing about 5 acres. Together with all rights of way appurtenant thereto, but subject to right of City of Salem to lay and maintain water pipe across same, as set forth in deed of Frank A. Whitman to said City of Salem, dated January 7, 1895 and recorded in said Registry, Book 1435, Page 25.

Being same premises conveyed to Fred M. Batchelder by deed of A. Angie M. Adams, Admx., 3-26-30, recorded in Essex South District Registry of Deeds, Book 2841, Page 227.

PARCEL SIX

A certain parcel of land situated in Wenham, Essex County, Massachusetts, shown on plan made by Henry L. Eaton, Surv., Oct. 1894, containing about 1/2 Acre, more or less, bounded and described as follows:

Southwesterly and Westerly on Main Street in two courses, 61 3/4 feet and 116 3/4 feet, respectively; Northerly and Northwesterly by brook and land now or formerly of Batchelder in four courses, 62 feet; 39 feet; 55 1/2 feet, and 80 feet; , respectively; Easterly on land now or formerly of Tirrell, 110 feet; Southwesterly by Wenham Pond Railroad strip, 132 feet.

PARCEL SEVEN

That parcel of land situated in Wenham, Essex County, Massachusetts, shown on said plan, above mentioned, as containing 40948 square feet, between County Road and Eastern R. R. which was used and occupied for Wenham Pond Railroad, so-called and by its embankment; said lot of land is 1 1/2 rods wide and 1654 1/2 feet long and is bounded:

Northerly by lot first described and by land now or formerly of Tirrell;

Easterly by lot herein described and Southwesterly and Southerly by land now or formerly of said railroad Company and by land now or formerly of Tilton;

Subject to right of Way across said piece of land to meadow now or formerly of Dodge.

PARCEL EIGHT

A certain parcel of land situated in Wenham, Essex County, Massachusetts, shown on said plan, above mentioned, as containing 29184 square feet, and bounded:

Easterly on land now or formerly of said Railroad Company, 271 feet;

Northerly and Northeasterly on land now or formerly of Tirrell in three courses, 72 feet; 203 feet and 127 feet, respectively, and Southwesterly in curved line on piece of land last above described.

Parcels Six, Seven and Eight are the same premises described in deed of Ethel B. Wentworth to Fred M. Batchelder dated May 20, 1930, recorded in Essex South District Registry of Deeds, Book 2845, Page 521.

PARCEL NINE

A certain parcel of land situated in Wenham, Essex County, Massachusetts, on the side of the hill known as "the Peach Tree Lot", bounded and described as follows:

Commencing at corner of roadway and thence running Northerly 240 feet more or less to the Cemetery, thence turning and running

Easterly by the Cemetery, 185 feet to corner of the wall, thence running Southerly, 260 feet to roadway; thence Westerly 185 feet to corner first mentioned.

Being the same premises devised by Joseph L. Batchelder to Ethel Batchelder (See Essex Probate No. 100288) and see also deed, Book 2014, Page 222, said Registry of Deeds; and Will of Ethel B. Wentworth (Essex Probate No. 299,992).

PARCEL TEN

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at the Southeast corner of land now or formerly owned by P. W. Batchelder and by a way leading from Main Street and thence running 240 feet to a cemetery; thence Easterly by said cemetery, 150 feet to a drive way that runs up the hill; thence Southerly 240 feet by the road way to the corner of two roads; thence Westerly to the first corner of the road, 150 feet. All of said measurements being more or less.

PARCEL ELEVEN

Land in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at a point on the Northwesterly corner of a way leading from Main Street and running

Easterly by said way, 150 feet; thence turning and running Southerly 160 feet to land now or formerly of Mary A. Batchelder thence running Westerly 150 feet to other land of said Batchelder, thence turning and running Northerly 162 feet by said land now or formerly of Batchelder to the way and point of beginning.

Parcels Ten and Eleven being the same premises conveyed to Fred M. Batchelder and Margaret M. Batchelder by deed dated March 30, 1970, recorded in Essex South District Registry of Deeds, Book 5676, Page 783.

PARCEL TWELVE

A piece of land situated in Wenham, Essex County, Massachusetts, bounded and described as follows:

Beginning at Northerly side of way leading from Main road and running Northerly by land of E. M. Batchelder, 262 feet to cemetery wall, thence turning and running

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REAL ESTATE APPRAISERS & CONSULTANTS

22 SPRING STREET
IPSWICH, MA 01938
(617) 314-6138

e-mail: rshannon@ccim.net

Qualifications of Robert F. Shannon, MAI, CCIM

Robert Shannon is a real estate appraiser and consultant actively involved in the appraisal of all types of real estate. He has extensive experience in the appraisal of: office buildings; shopping centers; hotels and motels; industrial facilities; self-storage facilities; multi-family property; vacant land; and special use properties, which include marinas, golf courses and institutional buildings. He has conducted appraisal assignments for mortgage lending purposes, acquisitions, estate settlement, internal decision-making, condemnation, tax equalization, reuse purposes, lease negotiations, highest and best use studies, and for the valuation of leasehold interests. In addition, he has conducted appraisal review assignments for financial institutions. He brings over twenty-five years of real estate experience, which includes appraising, consulting, brokerage, and small scale developing.

Recently, he was a Vice-President and Senior Real Estate Analyst for Admirals Bank, which is a Boston-based bank specializing in the purchase of mortgage notes throughout the country. At Admirals, he was responsible for evaluating all types of commercial real estate throughout the U.S. and performed in-depth market analysis in conjunction with the purchase of commercial mortgage notes by Admirals. In addition, he performed appraisal review reports for third-party appraisals conducted for collateral assets within the existing loan portfolio.

A large amount of his appraisal experience involves retail properties throughout the New England area, which has included regional malls, community sized shopping centers, and single tenanted net leased properties. Appraisal assignments involving retail properties have included: the Liberty Tree Mall, Danvers, MA, which is a 1 million square foot regional mall; Georgetown Crossing, Georgetown, MA, which is a 30,000 square foot grocery anchored shopping center; various parcels within the Braintree Marketplace, which includes facilities leased to Sports Authority, Bed Bath & Beyond, and the underlying land for Best Buy; a 50,000 square foot Marshall's Department Store; Valley Square Shopping Center, which is a 100,000 square foot community center located in West Lebanon, New Hampshire; and a retail pad site in Salem, NH, which was subject to a long term land lease.

Appraisal assignments involving office properties have included: a 111,000 square foot first class office building located within Minuteman Office Park, Andover, MA, which is leased to Smith & Nephew, Inc; Brookline Place, Brookline, MA, which is a 145,000 square foot office facility leased to Harvard Health; One Education Street,

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Cambridge, MA, which is a 155,000 square foot office facility occupied by various affiliates of EFEKTA Corp.; and 2 South Street, Grafton MA, which is a 7,400 square foot multi-tenant office facility.

Appraisal assignments involving industrial properties have included: a 445,000 square foot industrial facility occupied by Very Fine Products in Littleton, MA; a 350,000 square foot distribution facility in Middleboro, MA; a 30,000 square foot distribution facility in Peabody, MA., which is occupied by Federal Express; and a 126,000 square foot manufacturing facility in Ludlow, MA.

Appraisal assignments involving multi-family properties have included: a 13 unit apartment building in Cambridge, MA; Delmont Gardens, which is a 192 unit garden style apartment complex located in Lowell, MA; and Dexter Park Apartments, which is a 436 unit apartment complex located in Brookline, MA.

A consulting assignment includes an adaptive reuse study for an underutilized commercial property, which was developed into luxury condominiums located in Manchester-by-the-Sea, MA. The Shannon Company was actively involved in the planning, permitting, and marketing of the property.

He is a member of the Appraisal Institute and has been awarded the MAI designation. He is currently certified under their program of continuing education through December 2017. He was formerly the Chairman for the External Affairs Committee for the former New England Chapter of AIREA. He also served on the Board of Directors for the New England Chapter as well as the Public Relations/Marketing Committee for AIREA. In addition, he served as the Chapter Treasurer and on the Board of Directors for the New England Chapter of the CCIM Institute. He received his B.S. degree from the University of Lowell and has attended the M.A. Program in Economics at Northeastern University, where he was awarded the annual fellowship and teaching assistantship. He has completed several of the courses offered by the Appraisal Institute leading to the MAI designation as well as all of the educational requirements offered by the CCIM Institute leading to the CCIM designation, where he has been awarded their designation. He is licensed as a Certified General Real Estate Appraiser by the Commonwealth of Massachusetts (License No. 720) and is a licensed Real Estate Broker in the Commonwealth of Massachusetts. He is qualified as an expert witness and has testified before the Massachusetts Appellate Tax Board and the U.S. Bankruptcy Court.

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List of Clients Served By Robert F. Shannon, MAI, CCIM and The Shannon Company

Banks & Institutional

Lenders

Allianz Life Insurance Company	Guardian Life Insurance Company
Allstate Insurance Company	HarborOne Bank
Allmerica Asset Management Inc.	Heller Financial, Inc.
Amresco Realty Advisors	ITT Capital Inc.
Angleo-Irish Bank	IMPAC Commercial Capital
Archon Group	PPM Finance/Jackson
Bank of Boston	National Life Insurance Company
Banknorth Group Inc.	John Hancock Life Insurance Company
Baybank	Key Bank
Bear Stearns Commercial Mortgage Inc.	Lehman Brothers
Brookline Savings Bank	Legg Mason Real Estate Services
Chase Real Estate Finance Group	The Money Store
Chevy Chase Federal Savings Bank	Manulife Financial
Citibank	Marine Midland Bank
Citizen's Bank	Massachusetts Mutual Insurance Co.
Criimi Mae Services	Mellon Bank
Conning Asset Management Company	Nationwide Life Insurance Company,
Continental Bank of Illinois	Northern Bank and Trust
Eastern Bank	Penn Mutual Life Insurance Company
Enterprise Bank	PM Realty Advisors
Equitable Investment Services Inc.	Prudential Insurance
Equitable Life Assurance Society	Rockland Trust Company
Fidelity Co-Operative Bank	Sanwa Bank Ltd.
Fortis Capital	Security Pacific
Fleet Bank	Shawmut Bank
General American Life Insurance Company	Situs Capital
Great Northern Annuity Insurance Company	Sun Life of Canada
General Electric Capital	Union Federal Savings & Loan
Greenwich Capital	U.S. Trust
	Woodmen of the World Life Insurance Society

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Corporate Clients

Ann & Hope Inc.
Alpert's Inc.
Cummings Properties
Efekta Corporation
Loews Cineplex Entertainment
MCI International
Orion Research
Parsons Brinkerhoff
Pepsi-Cola Company
Travenol-Genentech
Velcro Industries
Very Fine Products

Real Estate Developers and Property Owners

Boston University
Boylston Capital
The Brickstone Companies
The Bullfinch Companies
Capital Properties
W.P. Carey
The Claremont Companies
The Congress Group
Egerton Trust
Finard & Company
Franchi Construction
General Investment &
Development
The Grossman Companies

MARIC Inc.
MGI
The Mugar Group
National Development
Robert Elder & Assoc.
SF Properties
Trammell Crow Company

Government Agencies and Affiliates

Boston Water & Sewer
Commission
City of Cambridge
FDIC
Massachusetts Port
Authority
Prentiss Properties Limited,
Inc.
RECOLL Management
Corporation
Resolution Trust
Corporation
The Canadian Consulate

Law Firms

Ardiff & Morse
Goulston & Storrs
Hale & Dorr
Robert Gaines, Esq.
Nutter McClennen and Fish
Peabody & Arnold
Reimer & Braunstein