

**RESTRICTED USE ADVISORY LETTER**

**One Parcel Improved with 25 Residential Units Totaling 3.35± Acres**

**Located:  
294 Castle Hill Road  
Nahant, Massachusetts**

**Report Date:  
February 28, 2014**

**Effective Valuation Date:  
February 25, 2014**

**Requested By:  
Andrew Bisignani  
Town Administrator, Town of Nahant  
[abisignani@nahandt.org](mailto:abisignani@nahandt.org)**

**Prepared by:  
Slater W. Anderson, Senior Advisor  
Real Estate Consulting Group  
LandVest, Inc.  
Ten Post Office Square  
Boston, MA 02109**

**Report #9610**

**CORPORATE  
HEADQUARTERS**Ten Post Office Square  
Boston, MA 02109  
Telephone 617 723-1800  
Fax 617 482-7957

February 28, 2013

Andrew Bisignani  
Town Administrator, Town of Nahant  
[abisignani@nahandt.org](mailto:abisignani@nahandt.org)**REGIONAL OFFICES**Boston, MA  
Martha's Vineyard, MA  
Nantucket, MA  
Newport, RI  
Camden, ME  
Northeast Harbor, ME  
Portland, ME  
Concord, NH  
Keene Valley, NY  
Burlington, VT  
Woodstock, VT**RE: *Restricted Use Advisory Letter  
One Improved Parcel on 3.35± Acres  
A Proposed 25-Unit Plan  
Located off Castle Rd., Nahant, Massachusetts***

Dear Mr. Bisignani:

At your request, we have prepared this advisory letter for the above-captioned residential real estate (hereinafter the subject property). The purpose of the letter is to provide you with an appraisal of the "Option B Plan" developed by The Planner's Collaborative in 2005, a proposed 25 mixed unit plan included in the Appendix. The subject property was inspected by Slater Anderson on February 25, 2014 which serves as the effective valuation date of this letter.

The real property rights appraised are assumed to represent ownership of the *fee simple interest*, unencumbered by easements, encroachments, or other conditions that affect the market value, either positively or adversely other than those noted in this letter.

Our opinion is reported in the *Restricted Use* format in compliance with the Uniform Standards of the Professional Appraisal Practice (USPAP) as promulgated by The Appraisal Foundation and the Code of Professional Ethics (CPE) and Standards of Professional Practice (SPP) of the Appraisal Institute. It is our understanding that this appraisal will be used to determine the current fair market value of the property for development of the subject property. This appraisal is not suitable for unauthorized third-party use.

It is our opinion that the 3.35± acre subject property if developed with the proposed 25-unit Option Plan B has a market value of \$2,220,000 as of February 25, 2014.

**A. SUBJECT PROPERTY IDENTIFICATION**

The subject property is a 3.35± acre parcel recorded in the Essex Registry of Deeds in Book 24011, Page 401 on March 2, 2005 with a recorded transfer price of \$2,000,000. The current owner of record is the Town of Nahant. The Town has been planning how to reuse the property which is currently improved with 12 army houses. Of three reuse plans presented during the Selectman’s meeting in January 2005, the plan to remove the existing military homes and construct 25 units was approved for further study at Town meeting. This 25-unit Option B Plan is included in the Appendix.

**Tax Assessment**

The subject property is identified by the Town of Nahant for municipal taxation purposes as Parcel No. 12D-0-41. The property is zoned R2 Single Family Residential, 5,000 – 14,999 sq. ft. The 2014 residential tax rate in Nahant is \$11.03 per \$1,000 of assessed valuation. A summary of the current tax assessment for the subject property is provided below.

**Fiscal Year 2014 Tax Assessment**

Address Map/Lot	Acres	Land Assessment	Building Assessment	Yard Assessment	Total Assessment	Annual Tax Burden
294 Castle Hill Road	3.35±	\$1,120,100	\$1,382,400	\$6,300	\$2,508,800	\$27,672.06

**Property Description**

The subject property is a 3.35± acre parcel improved with 12 military houses built in 1950 at Bass Point. The parcel abuts the Johnson Elementary School to the north, Kelly Greens Golf Course to the east, Bailey’s Hill Park to the south and the Bass Point neighborhood to the South. From the eastern side of the parcel, four of the twelve houses have frontage on Castle Terrace. The next two houses face Gardner Rd. which meets Goddard Drive where six houses share on the eastern side of the parcel. There is little vegetation on the site; however, there are thin tree lines that outline the boundary on a few sides of the parcel. Utilities (electric, sewer, water, and gas) are available on the subject property. The subject has a distant ocean view from its eastern side somewhat obstructed by Bailey’s Hill Park to the southeast.

**B. REGULATORY FACTORS**

The subject property is located in both the R2 Single-Family Residential District in Nahant. In the R2 District, the maximum allowable density is one dwelling unit per 6,000-feet (0.13± acres) with a minimum of 60 feet of road frontage.

Examples of relevant permitted uses in the R2 District include single-family residences,

community uses (library, convents, parishes, etc), public service (fire station and police station), and open space. Specially permitted uses include day care centers, municipal courthouse, substations, and community centers.

**We have assumed that the proposed 25-unit Option B Plan represents the highest and best use of the subject property for purposes of this appraisal.**

### **Wetlands**

No wetlands were identified on the subject property.

### **C. HIGHEST AND BEST USE**

We have assumed that the highest and best use of the subject property is the proposed 25-unit Option B Plan.

### **D. VALUATION METHODOLOGY**

There are three accepted approaches to appraising real estate. These include the Cost Approach, the Sales Comparison Approach and the Income Approach. We have relied on the Cost of Approach in developing our market value opinion.

### **Nahant Market Overview**

Nahant is a unique market due to its isolated location, size (3,400 residents), single point of access, and extensive water frontage. The town also lacks basic amenities like a grocery store and does not have schools after Grade 6. However, the isolation of Nahant is also perceived as positive with its quiet residential setting compared to Lynn and Swampscott and the traffic running along Route 1A. As a result, there is a wide range in real estate values with some high-end seasonal properties mixed in with modest retiree and family homes.

Given that the subject property and surrounding neighborhood is within a single-family zone, and that the subject property could be developed for single-family residential use, we have researched overall trends in this segment of the market over the past ten years. Research is based on historical figures from The Warren Group.

Looking at the overall market for single-family homes in Nahant going back to 2002 according to *Banker and Tradesman* statistics, median sale prices for the single-family residential market peaked in 2005 with a median sale of \$560,000, rounded. Not coincidentally, 2005 was also the record year over the past 10 years with 42 recorded sales. The current median price is \$390,000, rounded, or roughly -30% below peak values. The table on the following page summarizes the single-family sales activity in Nahant over the past 10 years. However, median prices are continuing to increase and development activity has clearly increased across the greater Boston market. The

increase in median price and decline in number of sales is indicative of an improving market.

<b>Nahant Single-Family Residential Sales Summary</b>				
<b>Year</b>	<b>Median Sales Price</b>	<b>% Change</b>	<b>Number of Sales</b>	<b>% Change</b>
2003	\$419,000		29	
2004	\$454,000	8.4%	34	17.2%
<b>2005</b>	<b>\$557,750</b>	<b>22.9%</b>	<b>42</b>	<b>23.5%</b>
2006	\$460,000	-17.5%	34	-19.0%
2007	\$501,500	9.0%	36	5.9%
2008	\$450,000	-10.3%	29	-19.4%
2009	\$396,250	-11.9%	28	-3.4%
2010	\$450,500	13.7%	27	-3.6%
2011	\$415,000	-7.9%	23	-14.8%
2012	\$388,850	-6.3%	30	30.4%
2013	\$432,500	10.5%	23	-23.3%

Source: The Warren Group

Currently there are 10 houses on the market ranging in price from \$389,000 to \$999,000. Buyers are still drawn to Nahant's easy access to Boston but in a quiet waterfront setting. Due to Nahant's unique "island-like" feel and topography with extensive coastline, many off-the-water properties benefit from elevated water views similar to the subject site.

### **New Single-Family Construction in Nahant & Surrounding Towns**

There have been few new homes built in Nahant in recent years. We have also looked at Swampscott and Marblehead for comparison, especially for the proposed detached "family units" (5 market rate units) as well as the "front row" water-view detached 55+ units on the eastern half of the subject property. The sales are summarized in the following table. These sales give a good indication of the potential market for the subject units.

Address	Town	List Price	Sale Price	Closing Date	DOM	Living Area	Price / Sq. Ft.	Acres	RM/BD/BA	Year Built
6 Rowland Court	Marblehead	\$599,000	\$575,000	11/16/12	42	1,545	\$372	0.13	6/3/2f, 1h	2012
2 Morton Hill Ave.	Swampscott	\$429,000	\$428,000	1/17/14	226	2,000	\$214	0.13	6/3/2f, 1h	2013
1 Camille Terr.	Marblehead	\$849,000	\$869,000	10/24/12	303	2,400	\$362	0.23	8/4/2f, 1h	2012
2 Camille Terr.	Marblehead	\$899,000	\$899,900	5/10/13	575	2,750	\$327	0.23	8/4/2f, 1h	2013
60 Leggs Hill Rd.	Marblehead	\$659,000	\$650,000	6/15/12	112	3,300	\$197	0.23	10/4/3f, 1h	2012
27 Naugus Ave.	Marblehead	\$799,900	\$857,006	5/2/12	18	3,015	\$284	0.23	9/4/2f, 1h	2012
77 Garfield St.	Marblehead	\$649,899	\$625,000	6/21/13	454	2,600	\$240	0.24	9/5/2f, 1h	2012
1 Stramski Way	Marblehead	\$799,000	\$755,205	6/29/13	129	3,476	\$217	0.27	9/4/2f, 1h	2012
3 Camille Terr.	Marblehead	\$950,000	\$1,063,276	11/2/12	303	3,000	\$354	0.28	8/4/2f, 1h	2012
37 Blodgett Ave.	Swampscott	\$1,675,000	\$1,550,000	5/28/13	70	4,100	\$378	0.29	10/4/4f, 1h	2013
Lot 7 Camille Terr.	Marblehead	\$975,000	\$1,002,900	7/18/12	246	3,552	\$282	0.33	8/4/2f, 1h	2013
5 Coolidge Rd.	Nahant	\$549,999	\$549,000	12/30/10	335	2,661	\$206	0.25	10/5/2f, 1h	2008
8 Linda Lane	Nahant		\$712,900	2/1/10		4,237	\$168	0.23	6/4/2f, 1h	2001
16 Cliff Rd.	Swampscott	\$1,299,000	\$1,125,000	5/15/13	373	4,400	\$256	0.42	11/5/3f, 2h	2012
29 Ocean St.	Nahant	\$735,000	\$715,000	1/13/11	329	3,042	\$235	0.22	10/4/2f, 1h	2002
	<b>Minimum</b>		<b>\$428,000</b>		<b>18</b>	<b>1,545</b>	<b>\$168</b>	<b>0.13</b>		
	<b>Mean</b>		<b>\$825,146</b>		<b>251</b>	<b>3,072</b>	<b>\$273</b>	<b>0.25</b>		
	<b>Median</b>		<b>\$755,205</b>		<b>275</b>	<b>3,015</b>	<b>\$256</b>	<b>0.23</b>		
	<b>Maximum</b>		<b>\$1,550,000</b>		<b>575</b>	<b>4,400</b>	<b>\$378</b>	<b>0.42</b>		

### **Active Adult (55+) Market**

The proposed 25-unit plan includes 17 “active adult” or 55+ units. This market remains a very strong market on the North Shore and currently there is no competing project in Nahant. Based on a survey of demographic data of Essex County, Nahant also has the highest percentage of 55+ residents of all 33 Essex County communities at 36%. The County average is 27% so there clearly is potential demand for 55+ units in the local market. Combined with an improving real estate market that makes it more likely that “empty nesters” can now sell their larger homes and “downsize” into a lower maintenance smaller unit with adjacent recreational facilities, the market for the 55+ units on the subject property is expected to be healthy. From a pricing standpoint, regionally, these type units typically trade in the \$200 to \$250 per sq. ft. range or in the \$400,000 to \$600,000+ range.

### **E. PROPOSED 25-UNIT ARMY HOUSING REUSE PLAN (OPTION B)**

The Option B plan as seen in the “Reuse of Military Housing at Bass Point” report has 18 market rate units and 7 affordable units. This denser village approach doubles the number of units on the site that would otherwise be allowed, but includes open space and a recreational trail. The plan has 8 detached family units (3 & 4 bedrooms) approximately 2,200-3,300± square feet in size along Castle Road. Four detached homes will be constructed along a new road that borders the Flash Road Recreation area. A second new road will create its own block containing four attached units within the block and 9 detached units surrounding the block along its south and east sides, many water views.

Approximately 17 units will be 2,100± square feet on the east side of the site and will be restricted to individuals 55+ and older. Of the 25 total units seven will be affordable including four of the age-restricted units and three of the family units on the west side of the site. Units on Castle Road will only be 1.5 stories to limit visual impacts on the neighborhood. Units bordering Flash Road Recreation Area could be as high as 2.5 stories if they are situated along the downward slope of the site to limit visual impacts.

**F. MARKET VALUE OF 25-UNIT TOWNHOUSE PLAN**

We have relied on a discounted cash flow model to develop our market value for the vacant 3.35± acre subject property based on the proposed 25-Unit Option B Plan. The cash flow model takes into account hard and soft costs, projected revenue, and profit allowance over a holding period with net revenue discounted back to a present value.

The following table summarizes the mix of units with sizes, bedrooms, views, and whether they are attached/detached, age-restricted, market rate, or affordable units. The range of unit types allow for a range of market price points which should be attractive to developers. The units range in price from \$210,000 for the affordable units to \$790,000 for the 3,000 square foot family units with unobstructed park and water views. We have based on the affordable unit pricing on a standard income affordability formula.

**Summary of Option B Plan Components**

# of Units	Unit Type	BDRM	Water View	Market Type	SF	Construction \$/SF	Construction Cost	\$/SF	Sale Price	Total Value
3	2.5-Story Family	4	Prime	Market	3,000	\$130	\$390,000	\$260	\$780,000	\$2,340,000
2	1.5-Story Family	3	Secondary	Market	2,200	\$120	\$264,000	\$290	\$640,000	\$1,280,000
2	1.5-Story Family	3	Secondary	Affordable	2,200	\$110	\$242,000	\$95	\$210,000	\$420,000
1	2.5-Story Family	4	Prime	Affordable	3,000	\$110	\$330,000	\$70	\$210,000	\$210,000
7	2-Story Detached 55+	3	Prime	Market	2,100	\$110	\$231,000	\$270	\$570,000	\$3,990,000
5	2-Story Detached 55+	3	Secondary	Market	2,100	\$110	\$231,000	\$250	\$530,000	\$2,650,000
1	2-Story Attached 55+	3	Secondary	Market	2,100	\$100	\$210,000	\$230	\$480,000	\$480,000
2	2-Story Attached 55+	3	Secondary	Affordable	2,100	\$100	\$210,000	\$100	\$210,000	\$420,000
2	2-Story Detached 55+	3	Secondary	Affordable	2,100	\$110	\$231,000	\$100	\$210,000	\$420,000
25										\$12,210,000

Note that \$12,210,000 represents the aggregate value of all retail sales; it does not represent the property's market value, which is derived by deducting all relevant costs and discounting the future value to a net present value (as noted below). Construction costs range from \$100 to \$130 per sq. ft. to reflect the finishes expected by buyers at different price points. These costs translate to higher unit sale prices for the market rate units (\$230 to \$280 per sq. ft.). The highest unit sale price is for a 2,200 sq. ft. detached family unit. We note that the larger units are priced at a slightly lower unit value of \$260/SF to reflect a typical dynamic where larger homes often sell for less than smaller units on a per sq. ft. basis. This simply reflects the principle of diminishing returns and the unwillingness of buyers to pay above certain retail price points in a given market. It is our opinion that \$800,000 likely represents such a threshold for the front row family units in the Option B Plan. The 55+ market rate units are priced at lower unit values

based on a survey of other “active adult” developments on the North Shore with the attached units priced slightly below the detached units and the front row water-view units achieving the highest prices.

**Cost of Development Analysis**

We have utilized a discounted cash flow model to value the subject concept plan. The component values discussed above represent the income to the developer. We have assumed that approvals of this plan will be favorable and supported by the town and thus we have relied on a conservative discount rate of 15% over the three-year project term that includes one year for approvals and two years of development and sellout. Gross sellout amounts to \$12,210,000.

Direct costs include construction of the 25 units, the access roads, driveways, landscaping, and demolition of existing improvements. Direct costs total approximately \$6,880,000. Indirect costs include legal and engineering for approvals, construction financing, real estate taxes, project management, contingency, condo fees during holding period for reserves, marketing, and closing costs. The indirect costs amount to \$1,910,000.

Utilizing the preceding cost and revenue projections, we have calculated the value of the “as vacant” subject property under the proposed 25-Unit Option B Plan to be **\$2,220,000** as of February 28, 2014. This value conclusion equates to approximately \$89,000 per overall unit, or \$123,000 per market rate unit. We have identified five bulk land sales that provide support for our valuation conclusion. These sales are summarized in the table below.

**Bulk Development Land Sales**

Address	Town	Sale Date	Sale Price	# of Lots	\$/Lot	NSF Size	NSF Price Range	Comment
Naugus Ave	Marblehead	1/15/10	\$1,050,000	7	\$150,000	3,000	\$850,000	Naugus Head. Includes deeded access rights to nearby beaches.
Camille Ter.	Marblehead	4/3/12	\$1,155,000	7	\$165,000	3,500	\$1,000,000	7 lots off small cul-de-sac to be built by developer
Atlantic St.	Gloucester	9/2/10	\$2,000,000	29	\$68,966	2,600 - 3,400	\$600,000 - \$700,000	Villages at West Gloucester. Foreclosure Sale, 5 of 34 homes build by prior owner. Road in place. 55+ Duplex townhomes.
Cliff Rd.	Gloucester	2/29/08	\$2,525,000	8	\$315,625	2,100 - 3,200	\$1.2m - \$1.6m	Residences at Shore Cliff. High-end duplex townhomes with elevated ocean views.
Boston St.	Topsfield	7/15/09	\$5,000,000	52	\$96,154	2,800 - 3,900	\$740,000 - \$920,000	English Commons by CB Berry Homes. 55+ development.
				average:	\$159,149			
				median:	\$150,000			

Andrew Bisignani  
February 28, 2014  
Page - 7 -

**LandVest**<sup>®</sup>

Our value conclusion of \$123,000 per market rate unit is consistent with this survey of recent bulk land sales thus is considered reasonable. Given the range of unit types on the subject property it is likely that the five market rate family units are closer to the \$150,000 to \$165,000 of the first two sales while the 14 55+ units are closer to the two 55+ comparable sales in Topsfield and West Gloucester which sold for \$69,000 and \$96,000 per market rate unit.

Thank you for the opportunity to provide professional valuation services and please do not hesitate to call if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Slater W. Anderson", with a long horizontal flourish extending to the right.

Slater W. Anderson  
Senior Appraiser  
LandVest - Real Estate Consulting Group  
MA Certified General License # 70909

Cc: David A. Rosen, LandVest, Inc.

**APPENDIX**

Subject Plans and Public Record Information

Standard Limiting Conditions

Certification of Value

Qualifications of Appraisers

**Subject Plans and Public Record Information**



Credits: Image captured 2008  
 using ESRI World Imagery  
 MapService, MA.gov  
 USDA, and NOAA

**294 Castle Rd  
 Property**  
 Nahant,  
 Massachusetts

**Plan B Overlay**

Project Number: 9610

Scale: 1" = 100'



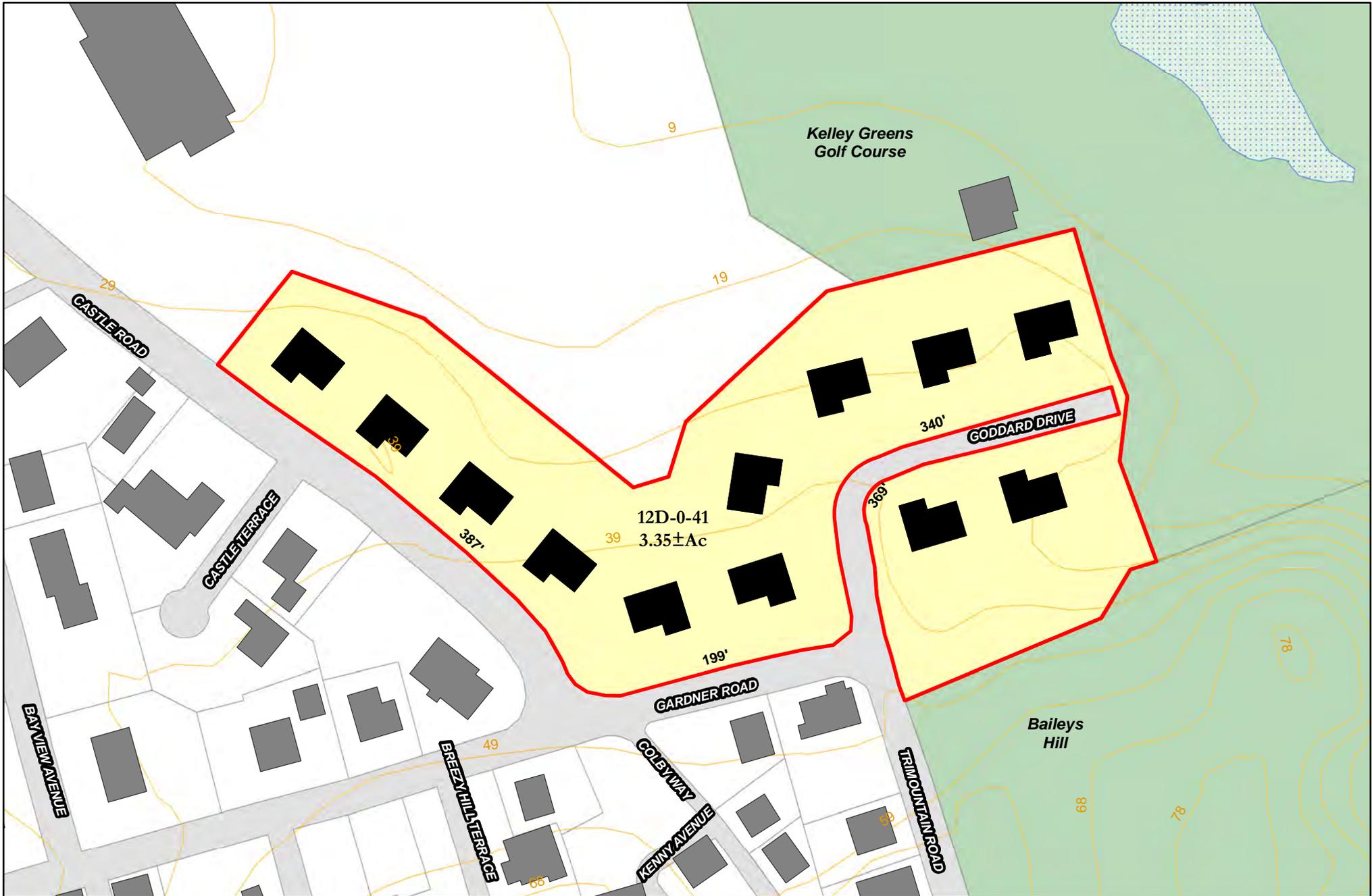
Date: February 21, 2014

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



**LandVest**

Ten Post Office Square, Boston, MA 02109



**Legend**

- Subject Property- 3.35 ±Ac
- DEP Wetlands
- Existing Building Footprints
- Contours (in feet)
- Abutting Parcels

**294 Castle Rd  
Property**  
Nahant,  
Massachusetts

**Base Plan**

Project Number: 9610

Scale: 1" = 100'



Date: February 21, 2014

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



**LandVest**

Ten Post Office Square, Boston, MA 02109

# Assessment Field Card

Town of Nahant, Massachusetts

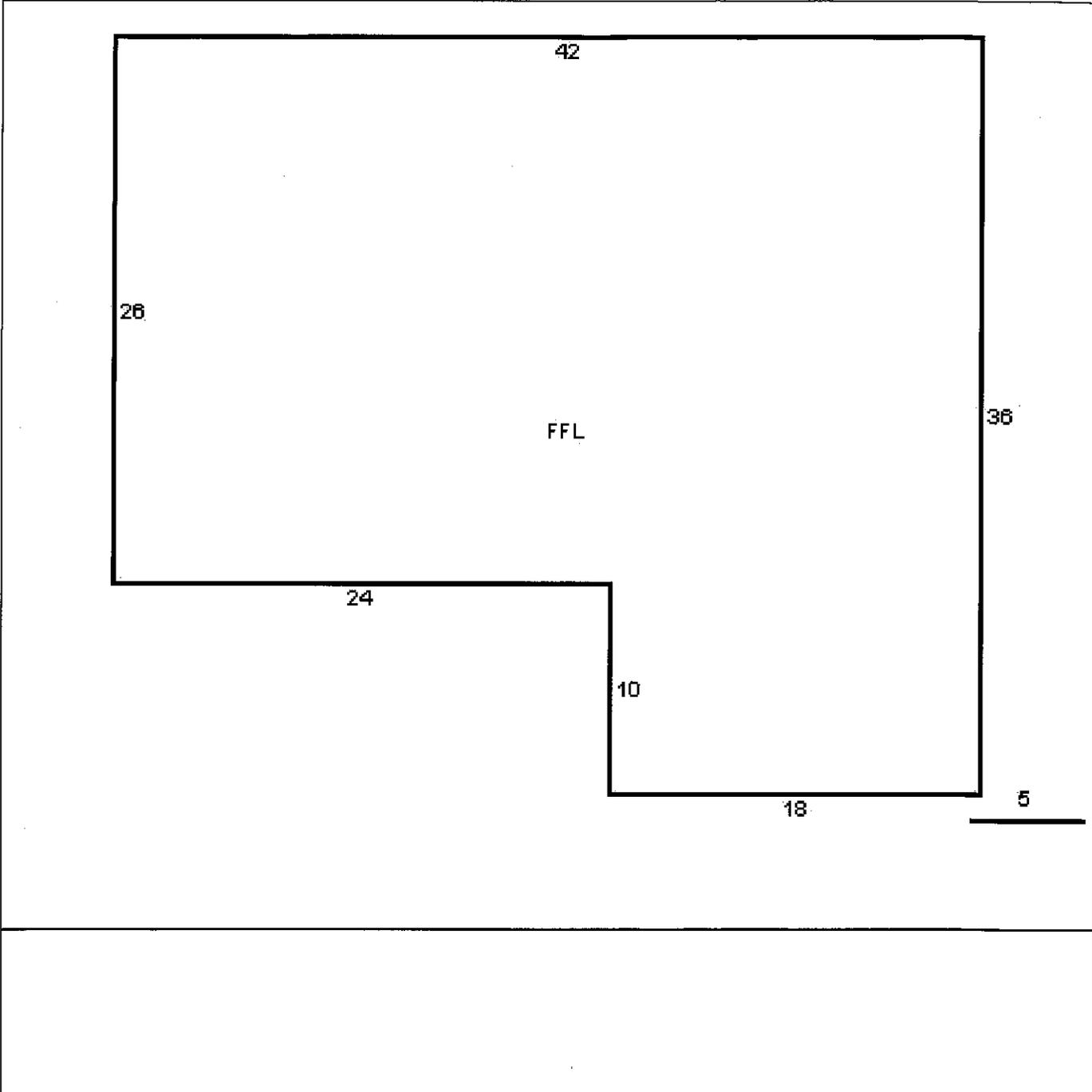


Parcel Information	
	<p><b>Address:</b> 294 CASTLE RD  <b>Map-Lot:</b> 12D-0-41  <b>Patriot Account #:</b> 185  <b>Owner:</b> TOWN OF NAHANT CASTLE,  <b>Co-Owner:</b> GARDNER  <b>Mailing Address:</b> BOARD OF SELECTMEN                      FORMER COAS                      334 NAHANT ROAD                        NAHANT, MA 01908</p>
Building Exterior Details	General Information
<p><b>Building Type:</b> RANCH  <b>Year Built:</b> 1950  <b>Grade:</b> C  <b>Frame Type:</b> WOOD  <b>Living Units:</b> 12  <b>Building Condition:</b> Average  <b>Roof Cover:</b> ASPHALT  <b>Roof Type:</b> GABLE  <b>Exterior Wall Type:</b> VINYL  <b>Pool:</b> False</p>	<p><b>Total Acres:</b> 3.35482  <b>Land Use Code:</b> 931  <b>Neighborhood Code:</b>  <b>Owner Occupied:</b> 0  <b>Condo Name:</b>  <b>Condo Unit:</b>  <b>Zone:</b> R2  <b>Utility Code 1:</b> TYPC  <b>Utility Code 2:</b>  <b>Utility Code 3:</b></p>
Building Area	Ownership History
<p><b>Gross Area:</b> 15264 sqft  <b>Finished Area:</b> 15264 sqft  <b>Basement Area:</b> 0 sqft  <b>Garage Area:</b> 0 sqft  <b>Detached Garage:</b> sqft  <b>Basement Garage:</b> 0 sqft</p>	<p><b>Sale Date:</b> 12:00:00 AM  <b>Sale Price:</b> \$ 2000000  <b>Nal Description:</b>  <b>Grantor (Seller):</b> UNITED STATES OF  <b>Book/Page:</b> AMERICA,GOVER</p>
Building Interior	Assessed Value
<p><b>No. Total Rooms:</b> 5  <b>No. Bedrooms:</b> 2  <b>No. Full Baths:</b> 1  <b>No. Half Baths:</b> 0  <b>Bath Rating:</b> AVER  <b>No. Kitchens:</b> 1  <b>Kitchen Rating:</b> AVER  <b>Building Framing:</b> WOOD  <b>Interior Wall Type:</b> DRYWALL  <b>Fireplaces:</b> 0  <b>Solar Hot Water:</b> False  <b>Central Vac:</b> False  <b>Floor Type:</b> HARDWOOD  <b>Heat Type:</b> FORCED HW  <b>Heat Fuel:</b> OIL  <b>Percent A/C:</b> 0</p>	<p><b>Assessed Yard Value:</b> \$ 6300  <b>Assessed Land Value:</b> \$ 1120100  <b>Assessed Bldg Value:</b> \$1382400  <b>Total Assessed Value:</b> \$2508800</p>



www.cai-tech.com

Data shown on this report is provided for planning and informational purposes only. The municipality and CAI Technologies are not responsible for any use for other purposes or misuse or misrepresentation of this report.



www.cai-tech.com

Data shown on this report is provided for planning and informational purposes only. The municipality and CAI Technologies are not responsible for any use for other purposes or misuse or misrepresentation of this report.

11  
R

DEED

2005030200071 Bk:24011 Pg:401  
03/02/2005 08:58:00 RLD Pg 1/11

Castle Road, Gardner Road and Goddard Drive, Nahant, Massachusetts 01908

KNOW ALL MEN BY THESE PRESENTS, that the UNITED STATES OF AMERICA, acting by and through the Administrator of General Services, under and pursuant to the authority contained in the provisions of Public Law 108-447, signed into law on December 8, 2004, having an address of General Services Administration, New England Region, Thomas P. O'Neill Federal Building, 10 Causeway Street, Boston, Massachusetts 02222, (the "Grantor"), for and in consideration of the sum of TWO MILLION DOLLARS AND NO CENTS (\$2,000,000.00) the receipt of which is hereby acknowledged, does hereby GRANT, GIVE, REMISE, AND RELEASE, without covenants, warranties or representations of any kind or nature, express or implied, to The TOWN OF NAHANT, MASSACHUSETTS, a Massachusetts municipal corporation acting by and through its Town Administrator, having an address of 334 Nahant Road, Nahant, Massachusetts, 01908, hereinafter called the "Grantee", its successors and assigns, all such right, title, and interest as the Grantor has in and to certain real property, commonly known as the former Nahant Coast Guard Housing Site, located at Castle Road, Gardner Road and Goddard Drive in Nahant, Essex County, Massachusetts. The property is comprised of a parcel of land, together with improvements thereon; more particularly described in Exhibit A, attached hereto and incorporated herein (the "Property").

The Property is conveyed subject to any and all existing reservations, easements, restrictions, covenants, and rights, recorded or unrecorded, including those for roads, highways, streets, railroads, power lines, telephone lines and equipment, pipelines, drainage, sewer and water mains and lines, public utilities, and rights-of-way, and including but not limited to, any specific easements, reservations, rights, and covenants described herein; any state of facts that would be disclosed by a physical examination of the Property; any state of facts that an accurate and adequate survey of the Property would disclose; and any and all other matters of record.

Return to:  
Ganz, Ham & Riley  
225 Friend Street  
Boston, MA 02114  
617-523-6722

The Property is conveyed subject to the following further covenants, conditions, matters and restrictions:

**CONDITION OF PROPERTY:** The Grantee, in accepting this Deed, acknowledges and attests that it has inspected, is aware of, and accepts the condition and state of repair of the Property. It is understood and agreed that the Property is conveyed 'as is' and 'where is' without any representation, warranty or guarantee of any kind or nature, express or implied, including, without limitation, any representation, warranty or guarantee as to quantity, quality, character, condition, size or kind, or that the same is in any particular condition or fit to be used for any particular purpose. The Grantee, in accepting this Deed, acknowledges that the Grantor has made no representation or warranty concerning the condition or state of repair of the Property that has not been fully set forth in this Deed.

**NOTICE & COVENANT REGARDING HAZARDOUS SUBSTANCE**

**ACTIVITY:** Notice Regarding Hazardous Substance Activity: Pursuant to 40 CFR 373.2 and Section 120(h)(3)(A)(i) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA)(42 U.S.C. 9620 (h)(3)(A)(i)), and based upon a complete search of agency files, the United States gives notice that no hazardous substances have been released or disposed of or stored for one year or more on the Property.

CERCLA Covenant: Grantor warrants that all remedial action necessary to protect human health and the environment has been taken before the date of this conveyance. Grantor warrants that it shall take any additional response action found to be necessary after the date of this conveyance regarding hazardous substances located on the Property on the date of this conveyance.

(1) This covenant shall not apply: (a) in any case in which Grantee, its successors or assigns, or any successor in interest to the Property or part thereof is a Potentially Responsible Party (PRP) with respect to the Property immediately

prior to the date of this conveyance; or (b) to the extent that such additional response action or part thereof found to be necessary is the result of an act or failure to act of the Grantee, its successors or assigns, or any party in possession after the date of this conveyance that either: (i) results in a release or threatened release of a hazardous substance that was not located on the Property on the date of this conveyance; or (ii) causes or exacerbates the release or threatened release of a hazardous substance the existence and location of which was known and identified to the applicable regulatory authority as of the date of this conveyance.

(2) In the event Grantee, its successors or assigns, seeks to have Grantor conduct any additional response action, and, as a condition precedent to Grantor incurring any additional cleanup obligation or related expenses, the Grantee, its successors or assigns, shall provide Grantor at least 45 days written notice of such a claim. In order for the 45-day period to commence, such notice must include credible evidence that: (a) the associated contamination existed prior to the date of this conveyance; and (b) the need to conduct any additional response action or part thereof was not the result of any act or failure to act by the Grantee, its successors or assigns, or any party in possession.

Reservation of Right of Access: Grantor reserves a right of access to all portions of the Property for environmental investigation, remediation or other corrective action. This reservation includes the right of access to and use of available utilities at reasonable cost to Grantor. These rights shall be exercisable in any case in which a remedial action, response action or corrective action is found to be necessary after the date of this conveyance, or in which access is necessary to carry out a remedial action, response action, or corrective action on adjoining property. Pursuant to this reservation, the United States of America, and its respective officers, agents, employees, contractors and subcontractors shall have the right (upon reasonable advance written notice to the record title owner) to enter upon the Property and conduct investigations and surveys, to include drilling, test-pitting, borings, data and records compilation and other activities

related to environmental investigation, and to carry out remedial or removal actions as required or necessary, including but not limited to the installation and operation of monitoring wells, pumping wells, and treatment facilities. Any such entry, including such activities, responses or remedial actions, shall be coordinated with record title owner and shall be performed in a manner that minimizes interruption with activities of authorized occupants.

**ASBESTOS:** The Grantee, in accepting this Deed, acknowledges that it has been informed by Grantor that the Property contains asbestos-containing materials, and that Grantee has been provided with the following notice and warning by Grantor. Grantee, in accepting this deed, acknowledges that it accepts the transfer and Deed of the Property subject to the terms and conditions contained herein:

- a) The Grantee is warned that the Property contains asbestos-containing materials. Asbestos is a hazardous material. Unprotected exposure to asbestos fibers has been determined to significantly increase the risk of cancer, mesothelioma, and asbestosis. These diseases can cause serious bodily harm resulting in disability or death.
- b) The Grantee is deemed to have relied solely on its own judgment in assessing the overall condition of all or any portion of the Property, including any asbestos hazard or concerns.
- c) No warranties, either expressed or implied, are given with regard to the condition of the Property including, without limitation, whether the Property does or does not contain asbestos or is or is not safe for a particular purpose. The failure of Grantee to have inspected or to be fully informed as to the condition of all or any portion of the Property shall not constitute grounds for any claim or demand against Grantor.

d) The description of the Property as set forth herein, and any other information provided with respect to the Property was based on the best information available to the General Services Administration's Property Disposal Division and is believed to be correct, but any error or omission shall not constitute grounds or reason for any claim by Grantee against Grantor, including, without limitation, any claim for allowance, refund or deduction from the purchase price for such Property.

e) Grantor assumes no liability for damages for personal injury, illness, disability or death to Grantee or to Grantee's employees, invitees, or any other person subject to Grantee's control or direction, or to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with asbestos on the Property.

f) Grantee further agrees by acceptance of the Deed to the Property that, in its use and occupancy of the Property, it will comply with all Federal, State, and local laws, ordinances, orders and regulations relating to asbestos.

**OBJECTS AFFECTING NAVIGABLE AIRSPACE:** Pursuant to the requirements of House Report Number 95-1053 entitled "FAA Determinations of 'No Hazard' For Structures Near Airports", it has been determined that Logan International Airport, Boston, Massachusetts is located within six (6) nautical miles of the Property. No construction on or alteration of the Property or any portion thereof shall be undertaken by the Grantee, his heirs, successors or assigns unless and until a written determination of no hazard to air navigation shall have been issued by the FAA pursuant to 14 CFR Part 77, "Objects Affecting Navigable Air Space", or under the authority of the Federal Aviation Act of 1958, as amended. This restriction shall run with the Property.

**EXCESS PROFITS COVENANT:**

(a) This covenant shall run with the land for a period of 3 years from the date of conveyance. With respect to the property described in this deed, if at any time within a 3-year period from the date of transfer of title by the Grantor, the Grantee, or its successors or assigns, shall sell or enter into agreements to sell the Property, either in a single transaction or in a series of transactions, it is covenanted and agreed that all proceeds received or to be received in excess of the Grantee's or a subsequent seller's actual allowable costs will be remitted to the Grantor. In the event of a sale of less than the entire Property, actual allowable costs will be apportioned to the Property based on a fair and reasonable determination by the Grantor.

(b) For purposes of this covenant, the Grantee's or a subsequent seller's allowable costs shall include the following:

- (1) The purchase price of the real property;
- (2) The direct costs actually incurred and paid for improvements which serve only the Property, including road construction, storm and sanitary sewer construction, other public facilities or utility construction, building rehabilitation and demolition, landscaping, grading, and other site or public improvements;
- (3) The direct costs actually incurred and paid for design and engineering services with respect to the improvements described in (b)(2) of this section; and
- (4) The finance charges actually incurred and paid in conjunction with loans obtained to meet any of the allowable costs enumerated above.

(c) None of the allowable costs described in paragraph (b) of this section will be deductible if defrayed by Federal grants or if used as matching funds to secure Federal grants.

(d) In order to verify compliance with the terms and conditions of

this covenant, the Grantee, or its successors or assigns, shall submit an annual report for each of the subsequent 3 years to the Grantor on the anniversary date of this deed. Each report will identify the property involved in this transaction and will contain such of the following items of information as are applicable at the time of submission:

- (1) A statement indicating whether or not a resale has been made;
- (2) A description of each portion of the property that has been resold;
- (3) The sale price of each such resold portion;
- (4) The identity of each purchaser;
- (5) The proposed land use; and
- (6) An enumeration of any allowable costs incurred and paid that would offset any realized profit.

(e) The Grantor may monitor the Property and inspect records related thereto to ensure compliance with the terms and conditions of this covenant and may take any actions which it deems reasonable and prudent to recover any excess profits realized through the resale of the property.

**NON-DISCRIMINATION COVENANT:** The Grantee covenants for itself, its heirs, successors, and assigns and every successor in interest to the Property hereby conveyed, or any part thereof, that the said Grantee and such heirs, successors, and assigns shall not discriminate upon the basis of race, color, religion, national origin, or sex in the use, occupancy, sale or lease of the Property or in their employment practices conducted thereon. This covenant shall not apply however, to the lease or rental of a room or rooms with a family dwelling unit, nor shall it apply with respect to religion to premises used primarily for religious purposes. The United States of America shall be deemed a beneficiary of this covenant without regard to whether it remains the owner of any land or interest therein in the locality of the Property hereby conveyed and shall have

sole right to enforce this covenant in any court of competent jurisdiction. Any owner of the Property (or any portion thereof) that violates this covenant shall be liable for its own acts, and the Seller agrees that others in the chain of title are not responsible for violation of this covenant by anyone other than themselves during their ownership of any portion of the Property.

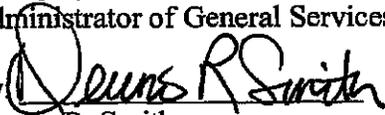
All of the covenants, conditions, restrictions, reservations and obligations described in this Deed run with the Property and are binding upon the Grantee and its heirs, successors and assigns. Grantee's acceptance of this Deed is an acknowledgement that it is bound by all such covenants, conditions, restrictions and obligations.

Meaning and intending to convey all right, title and interest of the Grantor in the Property as evidenced by a Decree of Condemnation in favor of the United States of America in the United States District Court of Massachusetts recorded in the Essex County Registry of Deeds at Book 1736 Page 204.

TO HAVE AND TO HOLD the Property with all privileges and appurtenances thereunto belonging to said Grantee.

IN WITNESS WHEREOF, the UNITED STATES OF AMERICA, acting by and through the Administrator of General Services has caused these presents to be duly executed for and in its name and behalf by Dennis R. Smith, Regional Administrator, New England Region, General Services Administration, who has this 1<sup>st</sup> day of March 2005 hereunto set his hand and seal.

UNITED STATES OF AMERICA  
Acting by and through the  
Administrator of General Services

By   
Dennis R. Smith  
Regional Administrator  
General Services Administration  
New England Region, Boston, MA

**ACKNOWLEDGEMENT**

Commonwealth of Massachusetts )  
County of Suffolk ) ss.

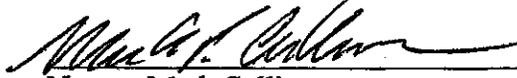
In Boston, in said County and State, on this 1<sup>st</sup> day of March 2005 before me personally appeared Dennis R. Smith, Regional Administrator, General Services Administration, Boston, Massachusetts, duly empowered and authorized, known by me to be the party executing the foregoing instrument and by him duly executed, to be his free act and deed in his capacity as Regional Administrator, General Services Administration, Boston.

Carol H. Chirico  
Carol H. Chirico, Notary Public  
My commission expires August 28, 2009

**CONCURRENCE WITH TERMS & CONDITIONS**

The undersigned acknowledges receipt of this Deed and the acceptance of each of the terms and conditions as recited herein.

TOWN OF NAHANT



Name: Mark Cullinan

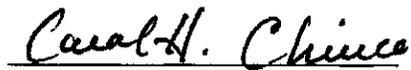
Title: Town Administrator

**ACKNOWLEDGMENT**

Commonwealth of Massachusetts )  
County of Essex ) ss.

I, Carol H. Chirico, a Notary Public in and for the Commonwealth of Massachusetts, do hereby certify that Mark Cullinan, personally known to me to be Town Administrator of the Town of Nahant, Massachusetts, appeared before me this day in person and acknowledged that he signed, sealed, and delivered the said instrument in his official capacity as Town Administrator as his free and voluntary act on behalf of the Town of Nahant, for the consideration and purposes therein set forth, and that he was duly authorized by law to execute the same.

IN WITNESS THEREOF, I have hereunto set my hand and seal this 1<sup>st</sup> day of March, 2005.



Notary Public

My Commission expires:

## Exhibit A

A certain parcel of land with improvements situated in the City of Nahant, County of Essex, Commonwealth of Massachusetts, Lying northeasterly of Castle Road, a County way, and northerly of Gardner Road, said to be a Town way, and more particularly bounded and described as follows:

Beginning at a point 17 feet northeasterly of the sideline of the 1941 Layout of Castle Road, which point is the following two (2) courses away from a stone bound in the southwesterly sideline of Castle Road: N 38° 54' 00" E a distance of 33.00 feet to a point; S 51° 05' 58" E a distance of 150.00 feet to the aforesaid point of beginning; thence the following thirteen (13) courses along land conveyed to the Town of Nahant by deed recorded in Book 3804 at Page 566: N 38° 54' 00" E a distance of 83.00 feet to a point; S 69° 06' 00" E a distance of 111.00 feet to a point; S 50° 06' 00" E a distance of 216.00 feet to a point; N 74° 54' 00" E a distance of 29.00 feet to a point; N 15° 54' 00" E a distance of 90.00 feet to a point; N 58° 54' 00" E a distance of 138.00 feet to a pin in a concrete bound; N 72° 54' 00" E a distance of 228.00 feet to a capped iron rod set; S 17° 06' 00" E a distance of 125.00 feet to a capped iron rod set; S 18° 54' 00" W a distance of 52.00 feet to a capped iron rod set at a chain link fence; S 16° 06' 00" E a distance of 77.00 feet along a chain link fence to a point; S 73° 19' 34" W a distance of 80.84 feet along a chain link fence to a fence corner post; S 13° 32' 59" W a distance of 40.56 feet along a chain link fence to a fence corner post; S 72° 19' 17" W partly along a chain link fence a distance of 151.42 feet to a fence corner post at Trimountain Road; thence along the easterly line of Trimountain Road; N 16° 50' 48" a distance of 18.63 feet to a point; thence along the northerly line of Gardner Road; S 75° 13' 08" W a distance of 168.79 feet to a point; thence the following two (2) courses along said land now or formerly of the Town of Nahant; westerly on a curve to the right with a radius of 50.00 feet an arc length of 46.84 feet to a point, which point is N 77° 56' 25" W a distance of 45.15 feet from the last mentioned point; N 51° 05' 58" W a distance of 395.21 feet to the point of beginning.

**Standard Limiting Conditions**

**STANDARD LIMITING CONDITIONS**

1. The appraiser(s) assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does (do) the appraiser(s) render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Sketches, maps, plans, and exhibits in the report may show approximate dimensions and are included to assist the reader in visualizing this property. The appraiser(s) has (have) made no survey of the property. Data relative to size and area were taken from sources considered reliable. It is assumed that no encroachments exist.
3. The appraiser(s), by reason of this appraisal, is (are) not required to give further consultation, testimony, or attend court with reference to the property that is the subject of this appraisal, unless arrangements have otherwise been made.
4. Any distribution of the valuation in the report between land and the improvements applies only under the existing program of utilization. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
5. The appraiser(s) assumes (assume) there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser(s) assumes (assume) no responsibility for such conditions or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such items furnished can be assumed by the appraiser(s).
7. Neither all, nor any part of the content of the report, or copy thereof, including conclusions as to the property value, the identity of the appraiser(s), professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser(s) is (are) connected, shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, mortgage insurers, or professional appraisal organizations, without the previous written consent of the appraiser(s); nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the appraiser(s).
8. On all appraisals subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workman-like manner.
9. Unless otherwise stated in this report, the existence of hazardous material, which

may or may not be present on the subject property, was not observed by the appraiser(s). The appraiser(s) has (have) no knowledge of the existence of such materials on or in the property. The appraiser(s), however, is (are) not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the subject. The value estimate is predicated on the assumption that there is no such material on or in the subject property that would have an impact on value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

10. The date of value is expressed within this report. Any forecasts included in this report are based on existing market conditions and expectations. The appraiser(s) takes (take) no responsibility for any events, conditions, economic factors, physical factors, or other circumstances occurring after the date of value that would affect the opinions expressed in this report.
11. Except as otherwise noted, it is assumed that there are no encroachments, building violations, code violations, or zoning violations affecting the subject property.
12. Responsible ownership and competent property management are assumed.
13. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
14. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
15. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based

**Certification of Value**

I hereby certify that:

1. Slater Anderson made an inspection of the property that is the subject of this appraisal on February 25, 2014.
2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are correct;
3. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
4. I have no present or prospective interest in the property that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
5. LandVest's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
6. My analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of The Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
7. As of the date of this report, I (Slater W. Anderson) have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.
8. The use of this report is subject to the requirements of The Appraisal Institute relating to review by its duly authorized representatives.
9. No one provided significant professional assistance to the person signing this report.
10. I have appraised the subject property in the prior three years.

Date: 2/28/14  
LANDVEST INC., Real Estate Consulting Group

Appraiser:



---

Slater Anderson, Senior Appraiser  
MA Certified General Lic. No. 70909

**Qualifications of Appraiser**

**QUALIFICATIONS OF SLATER W. ANDERSON**

**SLATER W. ANDERSON**

Mr. Anderson is a Senior Advisor with the Real Estate Consulting Group (RECG) and Co-Director of the Energy & Environmental Asset Group (EEAG) at LandVest, Inc., a broad-based real estate company involved in all aspects of land planning, real estate brokerage, consulting, appraisal, development, and conservation planning. As Senior Advisor, he is responsible for residential and commercial appraisals, expert testimony, development feasibility studies, land use planning and design, and implementation of development and conservation projects. As Co-Director of EEAG, he is responsible for project development and management. Mr. Anderson has been with LandVest since August 1999.

**EDUCATION**

Undergraduate Studies:

Connecticut College  
Bachelor of Arts, Liberal Arts / 1992

Graduate Studies:

University of Massachusetts – Amherst  
Master of Regional Planning / 1996

**LICENSES AND MEMBERSHIPS**

Certified General Real Estate Appraiser -  
Massachusetts (LIC # 70909)  
Connecticut (LIC # 0001089)  
Rhode Island (LIC # A013335G)  
California (LIC # AG044670 - Inactive)  
Vermont (LIC # 080.0093284 - Inactive)

Appraisal Institute -  
Associate Member

American Institute of Certified Planners -  
Certified Planner (Inactive)

Real Estate Salesperson Licenses –  
Massachusetts (#9034418)  
Rhode Island (#S33130)

**EXPERT WITNESS**

Massachusetts Appellate Tax Board and in local jurisdictions.

## QUALIFICATIONS OF SLATER W. ANDERSON

### PROFESSIONAL HISTORY

Prior to joining the firm, Mr. Anderson was GIS Manager and Planner with the Metropolitan Area Planning Council where his responsibilities included management of GIS mapping projects, proposal writing, and public outreach. The Metropolitan Area Planning Council serves 101 cities and towns surrounding Boston, Massachusetts. From 1992 to 1994, Mr. Anderson worked for an architectural firm in Jackson, Wyoming assisting in the design of residential homes.

### REAL ESTATE EDUCATION

Real Estate Courses	Provider	Date	Hours
Basics of RE Appraisal	JMB	Oct-99	30
USPAP	JMB	Oct-00	15
Appraising Income Properties	JMB	Mar-02	30
Advanced Income Property Appraising	JMB	Aug-02	35
Appraising 1-4 Family Properties	JMB	Feb-03	30
Appraising the Single Family Residence	MBREA	Apr-03	36
Practical Residential Appraising	MBREA	Nov-03	18
Lead Hazard Awareness Class	RI	Feb-12	3
National USPAP Update	MBREA	Dec-07	7
MA Real Estate Sales CE	AREA	Oct-08	10
Appraising Income Properties	JMB	Nov-08	30
Intro to Commercial Appraisal	MBREA	Dec-08	3.5
Residential Cost Approach	MBREA	Dec-08	7
2008-2009 National USPAP Update	MBREA	Dec-09	7
National USPAP Update	MBREA	Dec-09	7
UASFLA Yellow Book Course	AI	Feb-10	7
MA Real Estate Sales CE	AREA	Oct-10	10
2010-2011 USPAP Update	MBREA	May-11	7
Intro to Commercial	MBREA	Sep-11	3
Appraising Apartments	McKissock	Sep-11	7
Income Approach	MBREA	Sep-11	7
Inro to Comm. Green Bldgs.	AI	Sep-11	7
Sales Comparison Approach	MBREA	May-11	7
Mortgage Fraud	MBREA	May-11	7
CT Mandatory Appraisal Law	McKissock	Aug-12	3
Business Practices & Ethics	AI	Oct-12	5
MA Real Estate Sales CE	AREA	Oct-12	12
2012-2013 USPAP Update	JMB	Oct-13	7
Residential Appraisal Review	McKissock	Oct-13	7
Even Odder - More Oddball Appraisals	McKissock	Oct-13	7
Land & Site Valuation	McKissock	Oct-13	7
		<b>Total:</b>	<b>378.5</b>

**CORRESPONDENCE** LandVest, Inc.  
 Ten Post Office Square  
 Boston, MA 02109  
 Direct: (617) 357-8990  
 Office: (617) 723-1800  
 Fax: (617) 482-7957  
 E-Mail: sanderson@landvest.com