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Integra Realty Resources
Boston

Appraisal of Real Property

224,000 SF Office Condominium Unit
Office Property
100 Rustcraft Road
Dedham, Norfolk County, Massachusetts 02026

Prepared For:
Town of Dedham

Effective Date of the Appraisal:
October 28, 2013

Report Format:
Summary

IRR - Boston
File Number: 104-2013-0438

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224,000 SF Office Condominium Unit
100 Rustcraft Road
Dedham, Massachusetts

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November 12, 2013

Mr. William G. Keegan, Jr., ICMA-CM
Town Administrator
Town of Dedham
26 Bryant Street
Dedham, Massachusetts 02026

SUBJECT: Market Value Appraisal
224,000 SF Office Condominium Unit
100 Rustcraft Road
Dedham, Norfolk County, Massachusetts 02026
IRR - Boston File No. 104-2013-0438

Dear Mr. Keegan:

Integra Realty Resources – Boston is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value "as if capital expenditures by seller are complete" of the fee simple interest in the property. The client for the assignment is Town of Dedham, and the intended use is for loan underwriting purposes.

The subject consists of the single condominium unit totaling 224,000 square feet (or two separate condominium units together totaling 224,000 square feet), together with their undivided proportionate interest in the common areas and facilities. The table on the following page provides a clarification of the subject's 224,000 square foot premises.

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Clarification of the Subject's 224,000 square foot premises	
Commercial Condominium Class A	The Commercial Condominium Class A consists of the 110,000 square feet that The Davis Companies (seller) will complete capital expenses that are budgeted at $9,500,000 and will include renovating the exterior, roof, windows, roof, mechanical systems. The seller will also be required to deliver the 110,000 square feet in core and shell condition. The Town of Dedham will close on the transaction once the seller has completed these capital expenditures. The Town of Dedham intends to market this 110,000 square feet at a rental rate that reflects the landlord contributing no allowance to the build-out of this space. The 110,000 square foot Commercial Condominium Class A is located in the northerly portion of the building and includes approximately 84,884 square feet on the first floor as well as the second floor that consists of 25,116 square feet.
Commercial Condominium Class B	Commercial Condominium Class B consists of the 114,000 square feet on the southerly portion of the building that will be delivered to the Town of Dedham in its current "as is" condition. The Town of Dedham intends to utilize this 114,000 square feet for town hall offices, a police station, parks and recreation offices, and a senior center. The Town of Dedham is in the preliminary stages of planning the build-out and improvements for the 114,000 square feet, but reportedly have a budget of $10,000,000, which equates to $87.72 square foot.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of Town of Dedham. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

To report the assignment results, we use the summary report option of Standards Rule 2-2 of USPAP. Accordingly, this report contains summary discussions of the data, reasoning, and analyses that are used in the appraisal process whereas supporting documentation is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal.

The subject is part of a larger office and warehouse property that will be split into two condominiums. The subject unit is a 224,000 square foot office condominium that is presently in partial shell condition with the remainder dated office space. There is an accepted offer for the subject to be purchased by the Town of Dedham for $18,000,000. A requirement of the sale is that the seller completes capital improvements to 110,000 square feet of the premises. These expenditures will include exterior improvements and mechanical upgrades. The 110,000 square feet will be delivered to the tenant in core and shell condition. The remaining 114,000 square feet will be delivered in “as is” condition which is primarily open floor plan with no carpet, areas of open unfinished ceilings, and mechanicals in need of upgrades.

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Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As If Capital Expenditures by Seller are Complete"	Fee Simple	October 28, 2013	$19,600,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. Part of the subject premises includes 60,000 square feet that is currently leased and occupied by The Red Cross. This tenant has exercised a new lease with the landlord which will reduce their leased area by 60,000 square feet. The Red Cross currently has a subtenant, Covance, that leases approximately 12,000 square feet within the 60,000 square foot premises. Covance's lease reportedly expires in 2015. For the purpose of this appraisal, we assume that the seller, Red Cross, and Covance have agreed to a termination or relocation agreement so that the Town of Dedham can acquire the fee simple interest of the 224,000 square foot premises.
2. This valuation assumes that The Davis Companies (seller) has completed the proposed capital expenses, as detailed in the Improvements Description Analysis of this report, to the 110,000 square feet of the building at the reported cost of $9.5 million.
3. This valuation assumes that the 224,000 square feet subject premises has been created into a condominium ownership structure. The seller and buyer are also considering instead to creat the 224,000 square feet into two condominium units consisting of 110,000 square feet referred to as Commercial Condominium Class A and 114,000 square feet referred to as Commercial Condominium Class B.
4. As of the date of this report the number of parking spaces that the subject will have the exclusive right to use has yet to be determined. We assume that the subject will have adequate parking for the Town of Dedham's use and there will also be enough parking for the 110,000 square feet to be marketed for lease as office space.

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If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Boston

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Summary of Salient Facts and Conclusions

Property Name	224,000 SF Office Condominium Unit	
Address	100 Rustcraft Road Dedham, Norfolk County, Massachusetts 02026	
Property Type	Office	
Owner of Record	DIV CCM Rustcraft, LLC	
Tax ID	Map: 164, Parcels: 1 & 7; Map: 165, Parcel: 5, and Map: 155, Parcel: 44	
Land Area	53.23 acres; 2,318,714 SF	
Gross Building Area of Entire Building (SF)	493,363 SF	
Rentable Building Area of Subject Condominium Unit (SF)	224,000 SF	
Percent Leased	Currently Vacant	
Year Built; Year Renovated	1954; 1982, 1985, 1995, 1996 and as part of the pending sale to the Town of Dedham the seller will complete various capital improvements to the exterior of the building and mechanical systems.	
Zoning Designation	Research Development and Office Zoning District	
Highest and Best Use - As if Vacant	Office use	
Highest and Best Use - As Improved	Continued office use	
Exposure Time; Marketing Period	12 months; 12 months	
Effective Date of the Appraisal	October 28, 2013	
Date of the Report	November 12, 2013	
Property Interest Appraised	Fee Simple	
Market Value Indications		
Cost Approach	Not Used	
Sales Comparison Approach	$19,600,000	($87.50/SF)
Income Capitalization Approach	Not Used	
Market Value Conclusion	$19,600,000	($87.50/SF)

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Town of Dedham may use or rely on the information, opinions, and conclusions contained in the report. The summary shown above is for the convenience of Town of Dedham, and therefore it is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. Part of the subject premises includes 60,000 square feet that is currently leased and occupied by The Red Cross. This tenant has exercised a new lease with the landlord which will reduce their leased area by 60,000 square feet. The Red Cross currently has a subtenant, Covance, that leases approximately 12,000 square feet within the 60,000 square foot premises. Covance's lease reportedly expires in 2015. For the purpose of this appraisal, we assume that the seller, Red Cross, and Covance have agreed to a termination or relocation agreement so that the Town of Dedham can acquire the fee simple interest of the 224,000 square foot premises.
2. This valuation assumes that The Davis Companies (seller) has completed the proposed capital expenses, as detailed in the Improvements Description Analysis of this report, to the 110,000 square feet of the building at the reported cost of $9.5 million.
3. This valuation assumes that the 224,000 square feet subject premises has been created into a condominium ownership structure. The seller and buyer are also considering instead to creat the 224,000 square feet into two condominium units consisting of 110,000 square feet referred to as Commercial Condominium Class A and 114,000 square feet referred to as Commercial Condominium Class B.
4. As of the date of this report the number of parking spaces that the subject will have the exclusive right to use has yet to be determined. We assume that the subject will have adequate parking for the Town of Dedham's use and there will also be enough parking for the 110,000 square feet to be marketed for lease as office space.

General Information

Identification of Subject

The subject is part of a larger office and warehouse property that will be split into two condominiums. The subject unit is a 224,000 square foot office condominium that is presently in partial shell condition with the remainder dated office space. There is an accepted offer for the subject to be purchased by the Town of Dedham for $18,000,000. A requirement of the sale is that the seller completes capital improvements to 110,000 square feet of the premises. These expenditures will include exterior improvements and mechanical upgrades. The 110,000 square feet will be delivered to the tenant in core and shell condition. The remaining 114,000 square feet will be delivered in "as is" condition which is primarily open floor plan with no carpet, areas of open unfinished ceilings, and mechanicals in need of upgrades.

Property Identification	
Property Name	224,000 SF Office Condominium Unit
Address	100 Rustcraft Road Dedham, Massachusetts 02026
Tax IDs of Larger Property	Map: 164, Parcels: 1 & 7; Map: 165, Parcel: 5, and Map: 155, Parcel: 44

Current Ownership and Sales History

The owner of record of the entire 493,363 square foot property on 53.23 aces is DIV CCM Rustcraft, LLC (The Davis Companies). This party acquired the property at a private auction on March 13, 2013 for a price of $21,000,000. The transaction is recorded in Book: 31131, Page: 423 at the Norfolk County Registry of Deeds.

As of the date of this report, DIV CCM Rustcraft LLC (The Davis Companies) has accepted an offer by the Town of Dedham to purchase 224,000 square feet of building area for $18,000,000. The 224,000 square feet may be subdivided into two commercial condominiums consisting of 110,000 square feet (Commercial Condominium Class A) and 114,000 square feet (Commercial Condominium Class B). The Town of Dedham would acquire the fee simple interest in the 224,000 square foot premises. As part of the $18,000,000 acquisition price, the seller would complete capital expenses to Commercial Condominium Class A that are budgeted at $9,500,000 and would include renovating the exterior, roof, windows, roof, mechanical systems, and deliver the 110,000 square feet in core and shell condition. The seller would not be required to complete any capital expenditures in the 114,000 square foot Commercial Condominium Class B which is primarily an open floor plan in need of a modern build-out and upgrades to the mechanicals.

As will be seen, based on our analysis of comparable sales and conversations with several market participants, our conclusion of market value is in line with the pending sale price.

To the best of our knowledge, no other sale or transfer of ownership has occurred within the past three years.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value "as if capital expenditures by seller are complete" of the fee simple interest in the property as of the effective date of the appraisal, October 28, 2013. The date of the report is November 12, 2013. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

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

- 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."

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of As Is Market Value

As is market value is defined as, "The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date."

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)

Definition of Property Rights Appraised

Fee simple estate is defined as, "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)

Intended Use and User

The intended use of the appraisal is for loan underwriting purposes. The client and intended user is the Town of Dedham. The appraisal is not intended for any other use or user. No party or parties other than the Town of Dedham may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994;

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have prepared two appraisals of the subject property for another client within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

The sales comparison approach is the only approach that has been developed. The cost approach was not developed given that the subject represents a condominium unit within a larger building, making segregated costs and land value less reliable. The income approach has also not been developed given the lack of comparable rentals in similar condition to the subject. Also, the most likely buyer of the subject is an owner-user, which would place most weight on the sales comparison approach.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

David L. Cary, Jr., MAI, MRICS and Gregory T. Curtis conducted an interior and exterior inspection of the property on October 28, 2013.

Report Format

The report has been prepared under the summary report option of Standards Rule 2-2(b) of USPAP. As such, it contains summary discussions of the data, reasoning, and analyses that are used in the appraisal process whereas supporting documentation is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal.

Economic Analysis

Norfolk County Area Analysis

Norfolk County is located in eastern Massachusetts and is 396 square miles in size and has a population density of 1,718 persons per square mile. Norfolk County is part of the Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area, hereinafter called the Boston MSA, as defined by the U.S. Office of Management and Budget.

Population

Norfolk County has an estimated 2013 population of 680,624, which represents an average annual 0.5% increase over the 2010 census of 670,850. Norfolk County added an average of 3,258 residents per year over the 2010-2013 period, and its annual growth rate exceeded the State of Massachusetts rate of 0.4%.

Population Trends

	Population			Compound Ann. % Chng	
	2010 Census	2013 Est.	2018 Est.	2010 - 2013	2013 - 2018
Dedham	24,729	25,121	25,748	0.5%	0.5%
Norfolk County	670,850	680,624	696,501	0.5%	0.5%
Boston MSA	4,552,402	4,635,475	4,762,982	0.6%	0.5%
Massachusetts	6,547,629	6,632,416	6,772,255	0.4%	0.4%

Source: Claritas

Looking forward, Norfolk County's population is projected to increase at a 0.5% annual rate from 2013-2018, equivalent to the addition of an average of 3,175 residents per year. Norfolk County's growth rate is expected to exceed that of Massachusetts, which is projected to be 0.4%.

Employment

Trends in employment are a key indicator of economic health and strongly correlate with real estate demand. Total employment in Norfolk County is currently estimated at 323,029 jobs. Between year-end 2002 and the present, employment declined by 1,017 jobs, equivalent to a 0.3% loss over the entire period. There were declines in employment in four out of the past ten years, influenced in part by two national economic downturns during this time. Recently no clear trend has emerged, either positive or negative, but there was a net gain in jobs over the 2011-2012 period.

Although many areas suffered drops in employment over the last decade, Norfolk County underperformed Massachusetts, which experienced an increase in employment of 1.8% or 56,979 jobs over this period. Employment data is shown in the table that follows.

Employment Trends

	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
Year	Norfolk County	% Change	Massachusetts	% Change	Norfolk County	Massachusetts
2002	324,046		3,214,621		4.6%	5.3%
2003	318,726	-1.6%	3,156,747	-1.8%	5.1%	5.8%
2004	321,104	0.7%	3,179,007	0.7%	4.6%	5.2%
2005	324,027	0.9%	3,209,230	1.0%	4.1%	4.8%
2006	325,581	0.5%	3,244,454	1.1%	4.2%	4.8%
2007	330,770	1.6%	3,276,591	1.0%	3.9%	4.5%
2008	326,145	-1.4%	3,239,142	-1.1%	4.7%	5.4%
2009	313,357	-3.9%	3,143,063	-3.0%	7.4%	8.1%
2010	319,330	1.9%	3,189,802	1.5%	7.3%	8.3%
2011	323,800	1.4%	3,230,820	1.3%	6.2%	7.3%
2012*	323,029	-0.2%	3,271,600	1.3%	5.4%	6.7%
Overall Change 2002-2012	-1,017	-0.3%	56,979	1.8%		
Avg Unemp. Rate 2002-2012					5.2%	6.0%
Unemployment Rate - January 2013					6.0%	7.4%

*Total employment data is as of September 2012; unemployment rate data reflects the average of 12 months of 2012.

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Unemployment rate trends are another way of gauging an area's economic health. Over the past decade, the Norfolk County unemployment rate has been consistently lower than that of Massachusetts, with an average unemployment rate of 5.2% in comparison to a 6.0% rate for Massachusetts. This is indicative of an element of stability in the Norfolk County economy that is not reflected in the declining employment figures.

Recent data shows that the Norfolk County unemployment rate is 6.0% in comparison to a 7.4% rate for Massachusetts, a positive sign for Norfolk County economy but one that must be tempered by the fact that Norfolk County has underperformed Massachusetts in the rate of job growth over the past two years.

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Boston MSA is considered meaningful when compared to the nation overall, as Norfolk County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the Boston MSA than the United States overall during the past eight years. The Boston MSA has grown at a 1.6% average annual rate while the United States has grown at a 1.0% rate. As the national economy recovers from the downturn of 2008-2009, the Boston MSA continues to perform better than the United States. GDP for the Boston MSA rose by 2.4% in 2011 while the United States GDP rose by 1.5%.

The Boston MSA has a per capita GDP of $63,387, which is 51% greater than the United States GDP of $42,070. This means that Boston MSA industries and employers are adding relatively more value to the economy than their counterparts in the United States overall.

Gross Domestic Product

Year	($ Mil) Boston MSA	% Change	($ Mil) United States	% Change
2004	260,172		12,199,532	
2005	263,971	1.5%	12,539,116	2.8%
2006	268,868	1.9%	12,875,816	2.7%
2007	274,824	2.2%	13,103,341	1.8%
2008	277,427	0.9%	13,016,791	-0.7%
2009	271,218	-2.2%	12,527,057	-3.8%
2010	284,254	4.8%	12,918,931	3.1%
2011	291,017	2.4%	13,108,674	1.5%
Compound % Chg (2004-2011)		1.6%		1.0%
GDP Per Capita 2011	$63,387		$42,070	

Source: Bureau of Economic Analysis and Economy.com; data released February 2013. The release of state and local GDP data has a longer lag time than national data.

The figures in the table above represent inflation adjusted "real" GDP stated in 2005 dollars.

Income, Education and Age

Norfolk County is more affluent than Massachusetts. Median household income for Norfolk County is $81,363, which is 27.6% greater than the corresponding figure for Massachusetts.

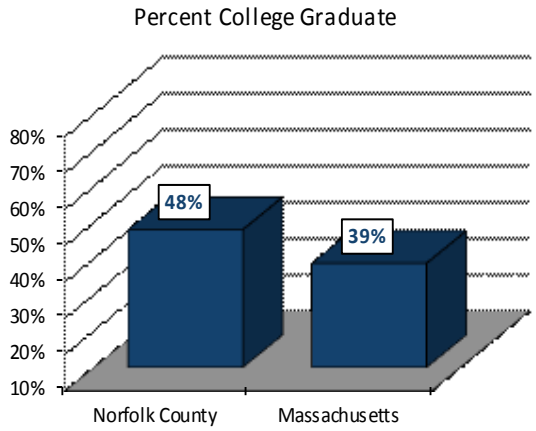
Median Household Income - 2013

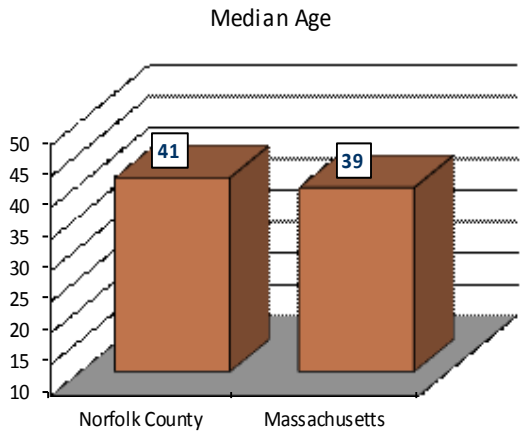
	Median
Norfolk County	$81,363
Massachusetts	$63,748
Comparison of Norfolk County to Massachusetts	+ 27.6%

Source: Claritas

Residents of Norfolk County have a higher level of educational attainment than those of Massachusetts. An estimated 48% of Norfolk County residents are college graduates with four-year degrees, versus 39% of Massachusetts residents. People in Norfolk County are older than their Massachusetts counterparts. The median age for Norfolk County is 41 years, while the median age for Massachusetts is 39 years.

Education & Age - 2013





Source: Claritas

Conclusion

The national economic downturn of 2008-2009 had less of an impact on Norfolk County than on many areas of the country.

Over the long term, Norfolk County will benefit from a growing population base and higher income and education levels. Although Norfolk County experienced a decline in the number of jobs over the past decade, it has maintained a consistently lower unemployment rate than Massachusetts during this time, which is a positive indicator. Moreover, Norfolk County benefits from being part of the Boston MSA, which is the tenth most populous metropolitan area in the country, and exhibits both a higher rate of GDP growth and a higher level of GDP per capita than the nation overall. Based on these factors, we anticipate that the Norfolk County economy and employment base will grow, strengthening the demand for real estate.

Area Map

Groton
Lowell
Tewksbury
Chelmsford
Westford
North Billerica
Billerica
Harold Parker State Forest
Middleton
Hamilton
Essex
South Hamilton
Hathorne
Centerville
Manchester
Danvers
Beverly
Prides Crossing
North Reading
Great Brook Farm State Park
Littleton
Nutting Lake
Wilmington
Lynnfield
Peabody
Carlisle
Pinehurst
Reading
Salem
Village of Nagog Woods
Burlington
Wakefield
Marblehead
Harvard
Boxborough
Acton
Concord River
Bedford
Woburn
Stoneham
Burrill Hill
Laurence G Hanscom Field
Concord
Lynn
Minute Man Air Field
Melrose
Lexington
Winchester
Stow
Maynard
Lincoln
Pine River
Nahant
West Medford
Medford
Arlington
Everett
Revere
Sudbury State Forest
Belmont
Hudson
Sudbury
Somerville
Chelsea
Waltham
East Boston
Winthrop
Wayland
Weston
Watertown
Cambridge
Boston
Marlborough
Callahan State Park
Marlboro
Auburndale
Newton
Waban
Brookline
Newton Highlands
Jamaica Plain
Boston Harbor
Hull
Southborough
Fayville
Wellesley Hills
Wellesley
Needham Heights
Dorchester
Hopkinton State Park
Framingham
Needham
Roslindale
North Quincy
Ashland
West Roxbury
Mattapan
Weir River
Charles River
Dover
Milton
Quincy
Woodville
Sherborn
SUBJECT
Hingham
Cohasset
Hopkinton
Weymouth
North Scituate
Minot
Upton State Forest
Westwood
Great Blue Hill
Braintree
East Weymouth
Holliston
Norwood
Medfield
Norwood Memorial
South Weymouth
Accord
Millis
East Walpole
Randolph
Norwell
Canton
Holbrook
Milford
Medway
Walpole
North Marshfield
Hopedale
Sharon
Stoughton
Avon
Rockland
Norfolk
Hopedale Industrial Park
Mendon
South Walpole
Bordenland State Park
Abington
Hanover
Bellingham
Franklin
Brockton
North Pembroke
Whitman
Hanson
Franklin State Forest
Wrentham
Foxborough
North Easton
Pembroke
Gilbert Hills State Forest
South Easton
Bryantville
Sheldonville
Mansfield
East Bridgewater
Millville
Cranland
Blackstone
Easton
Monponsett
Slatersville
Woonsocket
Diamond Hill
Plainville
East Mansfield
West Bridgewater
Elmwood
Forestdale
Mansfield Muni
Bridgewater
Halifax
North Attleboro
Cumberland Hill
Attleboro Falls
Norton
Albion
Plympton
Attleboro
Chartley
Raynham
Smithfield
North Central State
Raynham Center
Valley Falls
Lincoln
Taunton
Middleboro
Central Falls
Pawtucket
East Taunton
Carver
Greenville
Esmond
Taunton Muni-King Field
North Dighton
Centerdale
North Providence
Rumford
Rehoboth
Berkley
Myricks
Lakeville
Shake Den State Park
Seekonk River
Assawompset Pond
DeLORME
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www.delorme.com
MN (14.7° W)
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Surrounding Area

Location

The subject property is located in a mixed use office, industrial and residential neighborhood bound by Route 128 to the southwest, East Street to the southeast, Route 1 to the northwest, and Rustcraft Road to the north. This area generally is delineated as follows:

North	City of Boston
South	Route 128 and the Town of Norwood
East	Town of Milton
West	Route 1, Route 128, and the Towns of Dedham and Needham

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the town is provided by State Route 128/Interstate 95, a major arterial that courses along the southerly and westerly edges of Dedham in a northwest to southeast direction. The Route 128 and Route 1 interchange is located approximately ¾ of a mile to the southwest of the subject with excellent access via Rustcraft Road and Elm Street. Both are two-way town streets. Secondary access to Route 128 is found by traveling northeast on Rustcraft Road to East Street and then south on East Street to the East Street interchange with Route 128 in Canton. This interchange is approximately 1 mile from the subject and trucks are not allowed on this route. The subject benefits from its close proximity to the Route 128/Interstate 95 and Interstate 93 interchange located less than 2 miles to the east of the subject. Overall, vehicular access is good.

Public transportation is provided by rail and is operated by the Massachusetts Bay Transportation Authority (MBTA) and provides access to Boston and the surrounding communities. The nearest train station is located at the Dedham Corporate Center, located just south of the subject. In addition, the subject is located 2 miles northwest of Route 128 University Park Train Station, which also is a commuter rail stop and as well is a major Amtrak stop which provides access throughout the United States. The local market perceives public transportation as good compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

Logan International Airport is located about 15 miles north from the property; travel time is about 25 minutes, depending on traffic conditions. The Boston CBD, the economic and cultural center of the region, is approximately 15 miles from the property.

Demand Generators

Primary employment centers consist of the many firms along the Route 128/I-95 corridor including Dedham, Newton, Needham, Norwood and also Boston and Cambridge. These are located within several to 15 ± miles of the property.

Near-by residential communities such as Needham, Westwood, Norwood, Canton, and the Boston neighborhoods of West Roxbury and Hyde Park, within a few miles from the property, provide a reliable source of skilled workers, middle management personnel, and executives.

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics

2013 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Norfolk County	Boston MSA	Massachusetts
Population 2010	11,145	70,542	216,388	670,850	4,552,402	6,547,629
Population 2013	11,385	72,187	220,744	680,624	4,635,475	6,632,416
Population 2018	11,761	74,726	227,557	696,501	4,762,982	6,772,255
Compound % Change 2010-2013	0.7%	0.8%	0.7%	0.5%	0.6%	0.4%
Compound % Change 2013-2018	0.7%	0.7%	0.6%	0.5%	0.5%	0.4%
Households 2010	4,325	27,246	82,672	257,914	1,760,584	2,547,075
Households 2013	4,408	27,911	84,544	261,981	1,799,190	2,587,868
Households 2018	4,554	28,963	87,464	268,640	1,857,349	2,652,555
Compound % Change 2010-2013	0.6%	0.8%	0.7%	0.5%	0.7%	0.5%
Compound % Change 2013-2018	0.7%	0.7%	0.7%	0.5%	0.6%	0.5%
Median Household Income 2013	$82,426	$69,694	$74,099	$81,363	$69,240	$63,748
Average Household Size	2.5	2.5	2.6	2.5	2.5	2.5
College Graduate %	43%	41%	45%	48%	43%	39%
Median Age	43	42	41	41	39	39
Owner Occupied %	76%	65%	65%	69%	61%	62%
Renter Occupied %	24%	35%	35%	31%	39%	38%
Median Owner Occupied Housing Value	$356,354	$340,455	$365,773	$363,438	$333,595	$299,001
Median Year Structure Built	1955	1955	1951	1960	1958	1958
Avg. Travel Time to Work in Min.	32	33	34	34	32	30

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 72,187, and the average household size is 2.5. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Norfolk County overall, the population within a 3-mile radius is projected to grow at a faster rate.

Median household income is $69,694, which is lower than the household income for Norfolk County. Residents within a 3-mile radius have a lower level of educational attainment than those of Norfolk County, while median owner occupied home values are lower.

Services and Amenities

The nearest commercial area with restaurants, convenience stores and support services is located at Legacy Place, at 950 Providence Highway (US Route 1) at the corner of Elm Street. The subject is located less than 1 mile from Legacy Place via Rustcraft Road and Elm Street. Legacy Place is a 675,000 square foot open-air retail complex with office space, that was constructed in 2009 on a 47 ± acre site that was formerly improved with a multi-screen movie theater. Anchors include Kings, one of Boston's leading entertainment venues, Whole Foods Market, Showcase Cinema de Lux, and LL Bean. At the other end of Route 1 at 300 Providence Highway is the Dedham Mall, an 800,000 square foot complex with traditional anchors such as Sears, Lowe's, Dick's Sporting Goods, and a Super Stop & Shop supermarket.

The closest lodging facilities are located within minutes of the property and include the 256-room Hilton Dedham Place at 25 Allied Drive in Dedham, the 143-room Inn by Marriott Boston Dedham at 235 Elm Street in Dedham, the 202-room Holiday Inn Boston-Dedham Hotel & Conference Center at 55 Ariade Road in Dedham, and the Residence Inn by Marriott Dedham at 259 Elm Street in Dedham.

Land Use

The subject property is located in a mixed use neighborhood developed with residential, office, retail and industrial properties. Other land use characteristics are summarized below.

Surrounding Area Land Uses	
Character of Area	Suburban
Predominant Age of Improvements	25 years
Predominant Quality and Condition	Average
Approximate Percent Developed	95%
Infrastructure/Planning	Above Average
Predominant Location of Undeveloped Land	NA
Prevailing Direction of Growth	NA

Subject's Immediate Surroundings	
North	Residential
South	Dedham Corporate Center
East	Commuter rail train tracks, residential uses
West	Jefferson at Dedham Station Apartments, , Avalon Station 250, Legacy Place, Costco

The subject condominium unit along with the larger office/industrial building is the predominant property on Rustcraft Road. The only other improved properties include single family residences on the northerly side of the street and a baseball field and park. Rail lines of the Massachusetts Bay Transportation Authority (MBTA) run northeasterly/southwesterly through the neighborhood. These tracks abut the subject to the southeast and the Dedham Corporate Center Commuter Rail Station is located just south of the subject. On the southeasterly side of the rail tracks is the Dedham Corporate Center which consists of several modern office properties. In addition there is an Alzheimer/nursing facility, and several office and R&D buildings in this section of the neighborhood.

Route 1, in the area of the subject, is a densely developed commercial strip with various retail, office and service uses at the frontage and industrial uses to the rear. Elm Street, the primary access from Route 1 to Rustcraft Road, is developed with mixed uses including single family residences, a television studio, several modern office buildings, and a large office and warehouse property. There is a Showcase Cinema at the corner of Elm Street and Route 1.

DEVELOPMENT ACTIVITY AND TRENDS

During the last five years, development has been predominantly of commercial retail and multifamily uses, and has included Legacy Place open air retail center, Jefferson at Dedham Station apartment complex, Station 250 apartment complex, and a free standing CVS and Walgreens.

Approximately 3 miles north of the subject along West Street is New Bridge on the Charles, a continuing care retirement community that is sponsored by Hebrew Senior Life (HSL), a 100 + year old organization with corporate offices at 1200 Centre Street in Boston that serves more than 3,500 seniors annually in the Greater Boston area and beyond. The multigenerational complex, which completed construction in the 3rd quarter of 2009, includes 256 independent living units comprised of cottage homes, villas and apartments, 91 assisted living units, and a 250 bed health center. The Rashi School was also constructed on this 162-acre campus which was designed to bring together seniors and children in a setting of learning, living and sharing.

Legacy Place and New Bridge on the Charles are two of the largest developments that have been constructed in recent years in Dedham let alone the Greater Boston area.

We note that the Commonwealth is currently in the process of widening Route 128, which will further enhance access throughout the region.

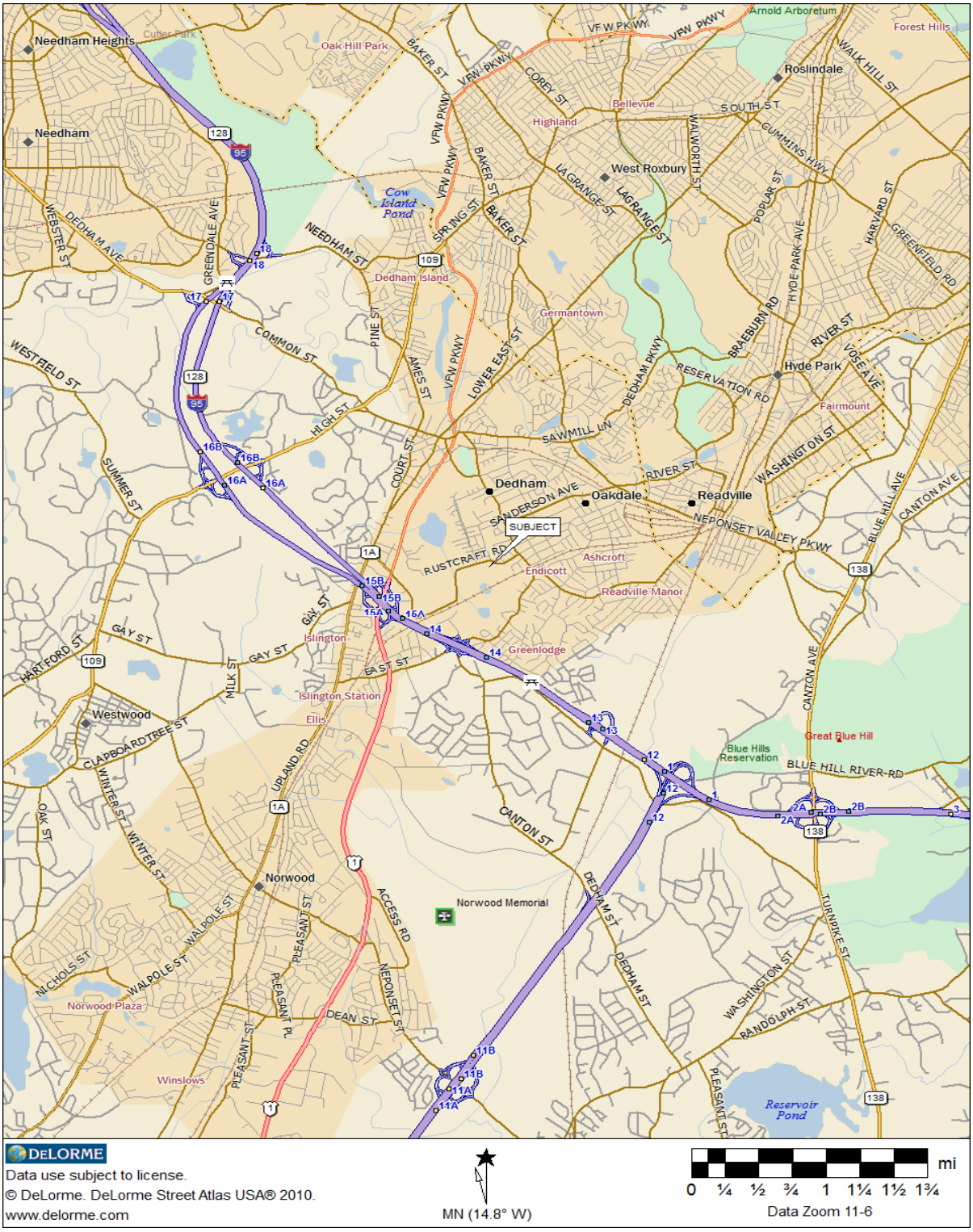
A major mixed use development known as Westwood Station is in the process of moving forward after being on hold since 2008. The redevelopment totals 137 ± acres within the University Avenue Business Park and will be comprised of residential, retail, hotel, office, and public space with a combined density of approximately 4.5 million square feet. The smart growth project will consist of 1.348 ± million square feet of retail/restaurant space, 1.508 ± million square feet of office space, 1.332 ± million square feet of residential (1,000 units), 230,000 ± square feet of hotel space (328 keys), 50,000 ± square feet of utility space, 33,000 ± square feet of fitness space, and 12,000 ± square feet of public safety and community space.

Also, at Needham Crossing, formerly known as the New England Business Center, Normandy Real Estate Partners just broke ground on a new 280,891 square foot office headquarters for TripAdvisor. This building is the first phase of a four phase development which will eventually include three additional office buildings that will total an additional 450,000 square feet. Also at Needham Crossing, Normandy recently completed construction of a new 128-room Marriott Residence Inn Hotel.

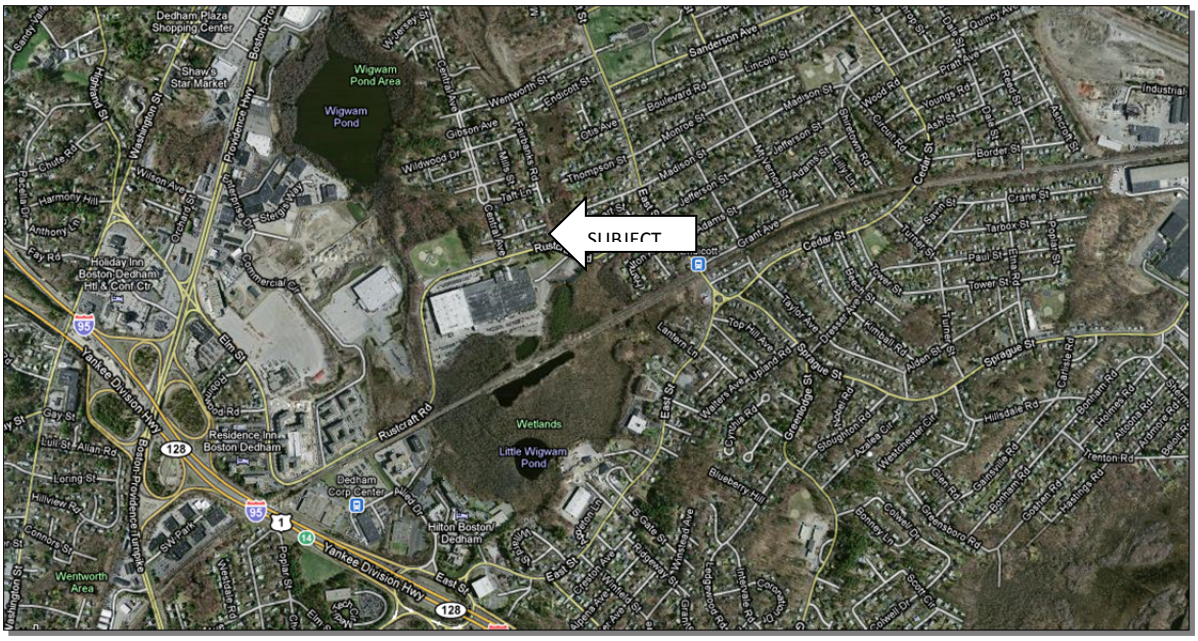
Outlook and Conclusions

The subject is located in a mixed use neighborhood developed with residential, office, retail and industrial properties. The neighborhood has excellent access to retail and service amenities on Route 1 and excellent access to Route 128. In addition the neighborhood is served by an MBTA commuter rail station which is approximately ¼ mile south of the subject property. Overall, the access and amenities of the neighborhood make the subject property an excellent location for office and warehousing uses. The subject is larger than most properties in the neighborhood and is a more intense use than several adjacent properties, but it is considered to be compatible with other development in the neighborhood.

Surrounding Area Map



Aerial Views



The outline above in red depicts the subject condominium based on our inspection of the property and a review of floor plans. The outline does not represent the exact configuration of the subject, but instead depicts a general footprint of the subject condominium.

Office Market Analysis

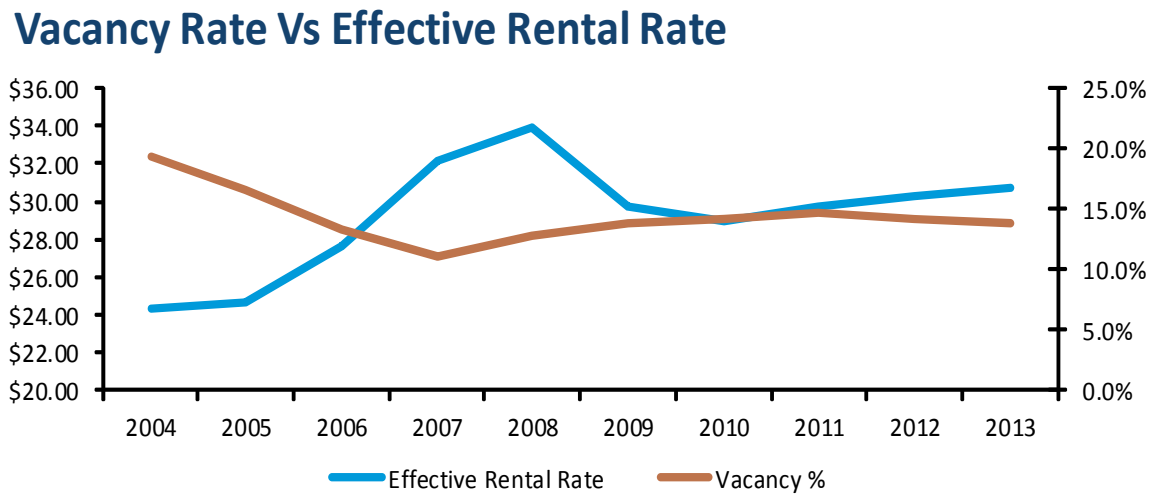
Metro Area Overview

Supply and demand indicators for office space in the Boston area, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented below.

Boston Metro Area Office Market

Year	Quarter	Inventory (SF)	Completions (SF)	Vacancy %	Absorption (SF)	Effective Rental Rate	% Change
2004	Annual	125,142,000	638,000	19.3%	-104,000	$24.35	-5.2%
2005	Annual	123,470,000	584,000	16.6%	1,953,000	$24.67	1.3%
2006	Annual	122,412,000	41,000	13.3%	3,169,000	$27.66	12.1%
2007	Annual	122,763,000	941,000	11.1%	3,015,000	$32.21	16.4%
2008	Annual	123,325,000	1,435,000	12.8%	-1,602,000	$33.87	5.2%
2009	Annual	124,668,000	1,762,000	13.9%	-177,000	$29.75	-12.2%
2010	Annual	125,054,000	584,000	14.1%	50,000	$28.93	-2.8%
2011	Annual	126,146,000	1,092,000	14.7%	203,000	$29.78	2.9%
2012	Annual	126,282,000	136,000	14.2%	802,000	$30.33	1.8%
2013	3	126,759,000	477,000	13.9%	742,000	$30.72	

Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.



Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

The Boston office market contains an overall inventory of about 126,759,000 square feet. Overall inventory has increased at a 0.1% annual compound rate since 2004.

The market has generally strengthened since 2010. The overall vacancy rate is estimated to be 13.9% as of the current time, which represents a decrease from the 2911 and 2012 vacancy rates of 14.7% and 14.2%, respectively. Absorption has been positive since 2010 and has averaged approximately 350,000 square feet per year. Year-to-date 2013 has experienced 742,000 square feet, which is on track to exceed 2012 absorption of 802,000 square feet.

The effective rental rate is $30.72 per square foot, which represents an increase from the 2012 effective rental rate of $30.33 per square foot. Rental rates have been increasing since 2011. The current rental rate is $3.15 per square foot or 9.3% lower than the 2008 peak of $33.87 per square foot. Office rents are reported here on a gross or full service basis.

South Shore/South Suburban Submarket Analysis

The subject is a Class B/C property located in the South Shore/South Suburban office submarket. Key supply and demand indicators for all classes of space in this submarket are displayed in the next table, followed by a separate table showing Class B/C properties only.

South Shore/South Suburban Submarket

Year	Quarter	Inventory (SF)	Completions (SF)	Vacancy %	Absorption (SF)	Effective Rental Rate	% Change
2004	Annual	11,037,000	15,000	17.5%	-42,000	$16.86	-3.7%
2005	Annual	11,059,000	22,000	16.3%	150,000	$16.93	0.4%
2006	Annual	10,609,000	11,000	11.8%	101,000	$18.28	8.0%
2007	Annual	10,547,000	89,000	17.9%	-698,000	$18.13	-0.8%
2008	Annual	10,482,000	260,000	21.4%	-420,000	$18.28	0.8%
2009	Annual	10,691,000	122,000	20.3%	282,000	$16.65	-8.9%
2010	Annual	10,713,000	22,000	19.5%	103,000	$16.23	-2.5%
2011	Annual	10,713,000	0	19.3%	21,000	$16.42	1.2%
2012	Annual	10,713,000	0	17.9%	150,000	$16.52	0.6%
2013	3	10,873,000	160,000	17.8%	143,000	$16.93	

Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

Submarket - Class B/C Properties							
Year	Quarter	Inventory (SF)	Completions (SF)	Vacancy %	Absorption (SF)	Asking Rental Rate	% Change
2004	Annual	9,481,000	15,000	18.7%	-112,000	$20.19	-3.1%
2005	Annual	9,503,000	22,000	17.0%	172,000	$20.00	-0.9%
2006	Annual	9,095,000	11,000	12.2%	104,000	$20.71	3.5%
2007	Annual	8,983,000	39,000	16.1%	-453,000	$21.24	2.6%
2008	Annual	8,818,000	160,000	14.9%	-29,000	$21.78	2.5%
2009	Annual	8,985,000	80,000	20.6%	-372,000	$20.66	-5.1%
2010	Annual	8,985,000	0	21.0%	-35,000	$20.27	-1.9%
2011	Annual	8,985,000	0	21.0%	0	$20.47	1.0%
2012	Annual	8,985,000	0	19.4%	144,000	$20.54	0.3%
2013	3	8,985,000	0	19.2%	16,000	$21.01	

Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

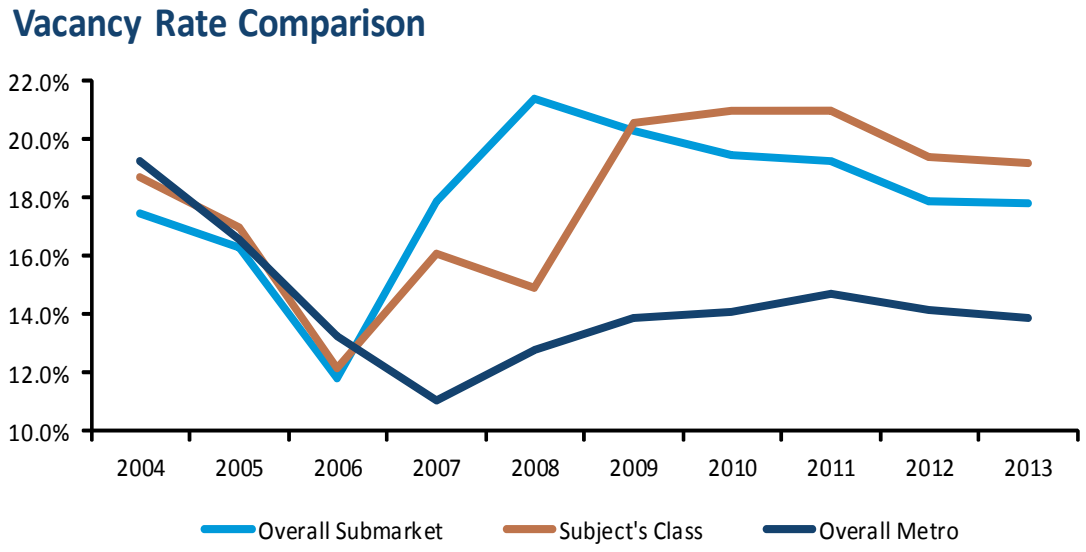
Supply Analysis

The South Shore/South Suburban submarket contains an overall inventory of 10,873,000 square feet, of which 8,985,000 square feet or 83% are Class B/C properties. Within the past 10 years there has been 701,000 square feet of new office product developed; however, the overall inventory has been reduced by 164,000 square feet. The reduction in square footage is due to properties being purchased for owner-occupancy and also older functionally obsolete properties being redeveloped for different uses.

The Class BC properties generally range from 10 to 25 years old and are typically two stories in secondary locations lacking the infrastructure and uniformity of an office park setting. The balance of the submarket is comprised of Class A properties ranging from 5 to 10 years old and typically two to four stories in established office park locations.

Vacancy Rate Trends

Vacancy rate trends for the South Shore/South Suburban submarket are presented in the following chart.



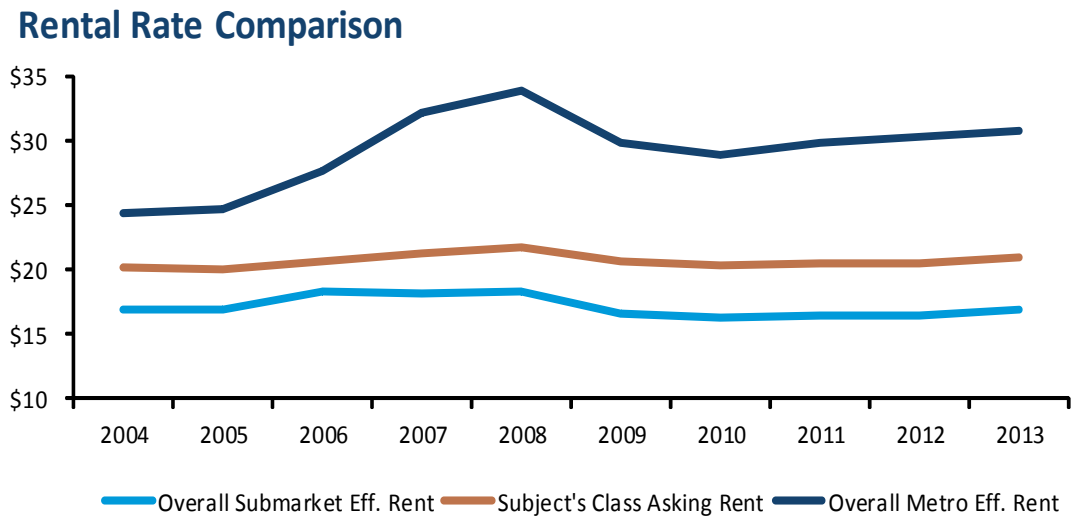
Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

Overall submarket vacancy (all classes of space combined) is estimated at 17.8% as of 3Q 2013, which remains basically unchanged from the 2012 vacancy rate of 17.9%. Over the past 10 years the submarket vacancy rate has ranged from 11.8% in 2006 to 21.4% in 2008.

Class B/C vacancy is higher at 19.2% and also remains basically unchanged from the 2012 Class B/C vacancy rate of 19.4%. Over the past 10 years the Class B/C vacancy rate has ranged from 12.2% in 2006 to 21.00% in 2010 and 2011.

Rental Rate Trends

Trends in reported rents for the South Shore/South Suburban submarket are shown in the chart immediately following.



Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

The average effective rent for the overall submarket is $16.93 per square foot, which represents an increase from the 2011 and 2012 average effective rental rates of $16.42 and $16.52 per square foot. Over the past 10 years the average effective rental rate has ranged from $16.23 per square foot in 2010 to $18.28 per square foot in 2006 and 2008.

The Class B/C asking rental rate is higher at $21.01 per square foot and represents an increase from the 2011 and 2012 rental rates of $20.47 and $20.54 per square foot. Over the past 10 years the Class B/C asking rental rate has ranged from $20.00 per square foot in 2005 to $21.78 per square foot in 2008. *REIS* does not report effective rents for Class B/C properties; therefore, asking rents are used in this analysis.

Office Market Outlook and Conclusions

Supply and demand factors in the region for the short term are expected to be improving. Rental rates are expected to continue to increase. Over the long run, employment growth in the region should foster absorption of excess supply both in the overall region and in the submarket. It is likely that the supply and demand in the market, it will take approximately 3 years to attain a normalized vacancy level of 15%.

Property Analysis

Land Description and Analysis

Land Description	
Land Area	53.23 acres; 2,318,714 SF
Source of Land Area	Site Plan
Primary Street Frontage	Rustcraft Road - 3,012 feet
Shape	Irregular
Corner	No
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	25021C 0181 E
Date	July 17, 2012
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Zoning; Other Regulations	
Zoning Jurisdiction	Town of Dedham
Zoning Designation	Research Development and Office Zoning District
Legally Conforming?	Yes
Zoning Change Likely?	No
Permitted Uses	Uses permitted within the RDO district as matter of right include: farms etc.; churches or places of worship etc.; public and private schools; public or non-profit libraries, museums or art galleries; governmental administration buildings, police or fire stations; use of land for recreation or water supply by a public agency; child care facilities under certain conditions; offices of a doctor or dentist; office uses; wholesale office and showrooms; printing or publishing establishments with not more than 5,000 square feet used for production; research, experimental or testing laboratories not for mass production; plants for light metal fabrication or finishing not using heavy punch presses or drop hammers; and a wide range of accessory uses. Warehouse uses are not permitted within the RDO zoning district.
Minimum Lot Area	1 Acre
Minimum Street Frontage (Feet)	150 Feet
Min. Lot Width as a % of Required	0.7
Min. Space Between Buildings	15 Feet
Minimum Setbacks (Feet)	30 Feet (front), 15 Feet (side), 25 Feet (rear)
Maximum Site Coverage	0.5
Maximum Floor Area Ratio	0.35
Utilities	
Service	Provider
Water	Town fo Dedham
Sewer	Town fo Dedham
Electricity	NSTAR
Natural Gas	NSTAR
Local Phone	Verizon

Environmental Hazards

It is noted that there are two on-site gasoline pumps with underground tanks. These gasoline tanks are located on an area of the property that is not part of the subject condominium unit. An environmental assessment report was not provided for our review and we have no specialized training in this body of knowledge. No consideration has been given to hazardous waste or other factors affecting environmental quality. No testing of any kind was performed or contracted for, and no representation of warranty is made by the appraisers as to the presence or absence of hazardous substances in the subject land and/or its improvements. The absence of such substances is assumed. If there is any concern with regard to environmental quality, the opinion of a competent professional is advised. It is assumed that the property is not adversely affected by environmental hazards.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encumbrances, or restrictions that would adversely affect value.

The site is subject to a main drain and sewer easement and to the flow of two natural water courses running through the site which are identified as East Brook and Little Wigwam Brook. In addition, that area of the site that is included within the limits of said Rustcraft Road is subject to the rights of all persons lawfully entitled thereto in and over the same.

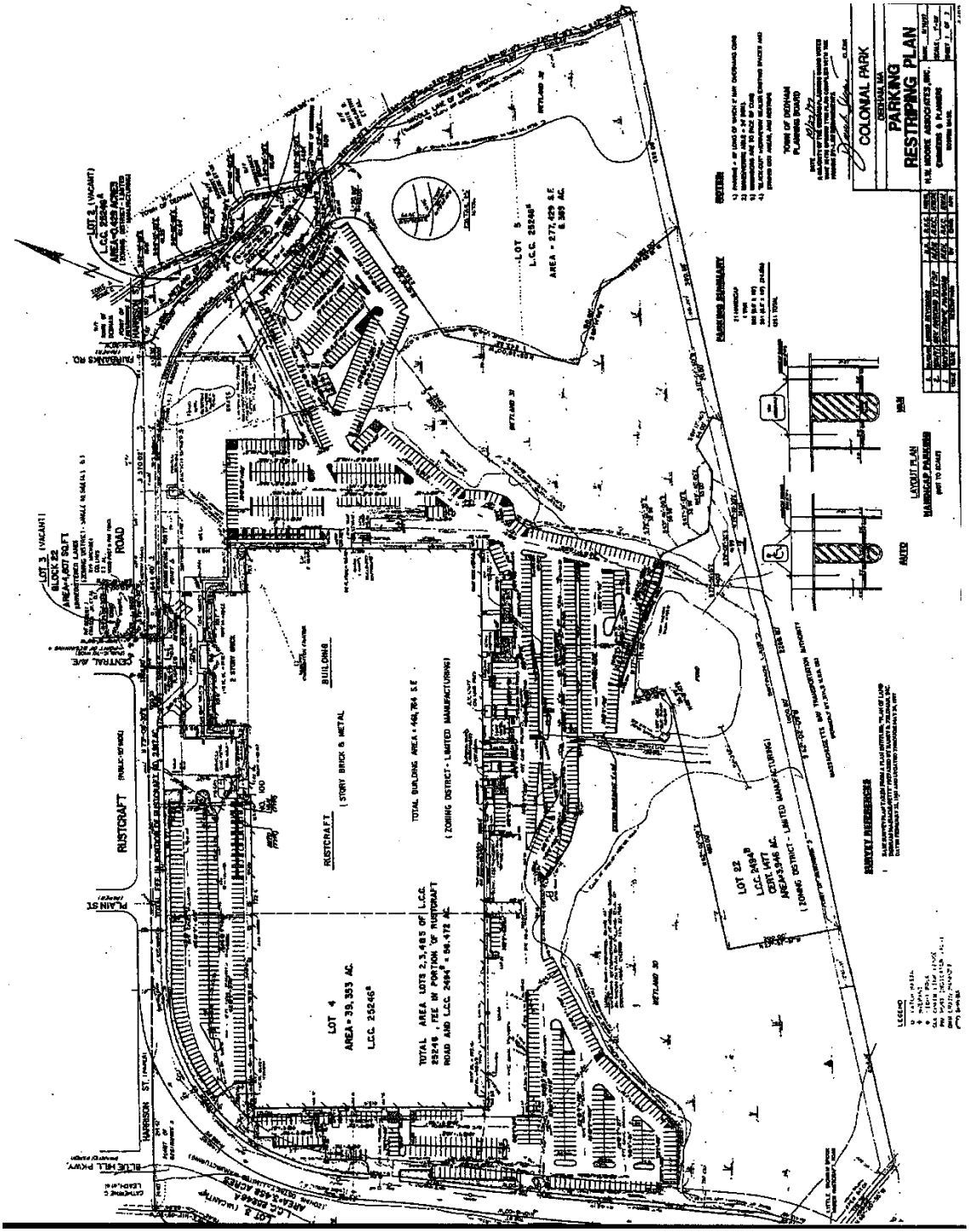
For further information regarding the easement, rights in Rustcraft Road, and water courses, the reader is referred to documents recorded at the Norfolk County Registry of Deed and Norfolk Land Court and/or a qualified title examiner or land surveyor. As discussed in the Contingent and Limiting Conditions in the Introduction of this report, we assume that the operation of the property is in accordance with all regulations under which it is governed. This includes an assumption that the site and improvements conform to any agreements regarding easements, rights in public roads, or water curses, orders of condition, etc. We also assume that the above noted easements, rights, restrictions, and conditions do not affect the marketability or rental of the subject property. We have not conducted a title examination.

Conclusion of Land Analysis

The physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. The subject is a condominium unit that is part of a larger office/industrial building that is situated on a 53.23 acre irregular shaped parcel. Access to the site is from five curb cuts along Rustcraft Road and is considered to be above average. Due to the location along an interior street within a mixed-use neighborhood, the site is considered to have average visibility.

All utilities are available to the site. Based upon a review of the competitive environment, the site provides the physical and functional requirements that a typical developer would regard as necessary for successful development. The location within a mixed-use neighborhood which includes residential properties along the opposite side of the street may not appeal to all developers.

Site Plan


COLONIAL PARK
PARKING
RESTRIPING PLAN
RUSTCRAFT
ROAD
LOT 4
AREA = 39,353 AC.
L.C.C. 25246
LOT 5
L.C.C. 25246
AREA = 277,429 S.F.
6.369 AC.
LOT 22
L.C.C. 24948
CERT. 1477
AREA 3.546 AC.
(ZONING DISTRICT - LIMITED MANUFACTURING)
(ZONING DISTRICT - LIMITED MANUFACTURING)
TOTAL BUILDING AREA = 446,784 S.F.
1 STORY BRICK & METAL
BUILDING
RUSTCRAFT
TOTAL AREA LOTS 2,3,4&5 OF L.C.C.
25246, FEE IN PORTION OF RUSTCRAFT
ROAD AND L.C.C. 24948 = 54.478 AC.
WETLAND 30
WETLAND 32
LAYOUT PLAN
MARRIAGE PARK
PARKING SUMMARY
TOWN OF WENHAM
PLANNING BOARD
LEGEND
CENTRAL AVE
PLAIN ST
HARRISON ST
BLUE HILL PKWY

Improvements Description and Analysis

The subject is part of a larger office and warehouse property that will be split into two condominiums. The subject unit is a 224,000 square foot office condominium that is presently in partial shell condition with the remainder dated office space. There is an accepted offer for the subject to be purchased by the Town of Dedham for $18,000,000. A requirement of the sale is that the seller completes capital improvements to 110,000 square feet of the premises. These expenditures will include exterior improvements and mechanical upgrades. The 110,000 square feet will be delivered to the tenant in core and shell condition. The remaining 114,000 square feet will be delivered in "as is" condition which is primarily open floor plan with no carpet, areas of open unfinished ceilings, and mechanicals in need of upgrades.

Improvements Description	
Name of Property	224,000 SF Office Condominium Unit
General Property Type	Office
Competitive Property Class	B
Occupancy Type	Owner Occupied
Number of Buildings	1
Stories	2 (A portion of the subject's office condominium includes second floor office space consisting of 25,116 square feet)
Construction Class	C
Construction Type	Masonry
Construction Quality	Average
Condition	Average
Rentable Building Area (SF) (Entire Building)	493,363
Subject Condominium Unit (SF)	224,000
Floor Area Ratio (GBA/Land SF)	0.21
Year Built	1954
Year Renovated	1982, 1985, 1995, 1996 and as part of the pending sale to the Town of Dedham the seller will complete various capital improvements to the exterior of the building and mechanical systems.
Actual Age (Yrs.)	59
Estimated Effective Age (Yrs.)	15
Estimated Economic Life (Yrs.)	50
Remaining Economic Life (Yrs.)	35
Number of Parking Spaces	The Condominium Documents and Unit Deed will provide the Town of Dedham with the exclusive right to use a defined portion of the common areas for parking. As of the date of this report, the number of parking spaces is still being negotiated. (See Special Assumption)

Construction Details - Subject Condominium Unit	
Foundation	Poured concrete
Structural Frame	Steel frame
Exterior Walls	The front, or northerly facade, has brick over concrete block with concrete accents. The easterly facade is primarily metal panel with the exception of brick in the northeasterly corner of the building and an area of brick to a height of three feet. The southerly facade has a metal panel exterior and the warehouse addition was built onto the westerly side of the original structure. The front facade has attractive colonial architecture. The 2-story section has wood columns supporting a canopy over the main entrance and there is a colonial style clock tower at the peak of the gable roof.
Windows	Double hung or fixed wood sash windows in the 2-story portion of the building. There is wood panel trim accents below these windows, and a single pane interior window has been added to these windows on the interior. Otherwise windows are fixed thermopane in aluminum casements.
Roof	Primarily flat roof with steel joists supporting a gypsum, tin, and recovery board deck covered with single sheet rubber membrane. A portion of the two story section has a gable style roof with a slate shingle cover.
Interior Finishes	
Floors	The subject condominium unit's office space has an exposed subfloor as the wall-to-wall carpet was removed in 2009.
Walls	Primarily painted drywall walls. Exceptions include exposed brick walls in the cafeteria, ceramic tile walls in the kitchen service area of the cafeteria, and ceramic tile wainscoting in the restrooms.
Ceilings & Lighting	Dropped acoustical tile ceilings with recessed incandescent or fluorescent lighting. Ceiling heights range from 9 to 10 feet.
HVAC	Roof mounted heating and cooling units which heat with gas and low velocity air. There is electric heat with heat pumps throughout the space and electric cooling.
Electrical	Appears adequate. The structure is equipped with an emergency generator.
Elevators	Single passenger elevator
Sprinklers	100% sprinklered
Fire Protection	Hard wired to Dedham Fire Department. Halon systems, smoke detectors, and pull boxes with multiple fire zones.

Improvements Analysis

The subject consists of the single condominium unit totaling 224,000 square feet (or two separate condominium units together totaling 224,000 square feet), together with their undivided proportionate interest in the common areas and facilities. Approximately 110,000 square feet of the premises will be characterized as “Commercial Condominium Class A” under the Condominium Documents and will be delivered to the Town of Dedham in a core and shell condition, as set forth in the Seller Base Building Improvements, presented on the following pages. The base building improvements are intended to represent what is needed to place the Commercial Condominium Class A portion of the premises in commercially marketable condition. The remaining 114,000 square feet

will be characterized as “Commercial Condominium Class B” under the Condominium Documents and will be delivered fully separated by demising walls from any abutting units or common areas but otherwise in their existing condition, i.e., “as is”.

The following base building work for the 110,000 square foot Commercial Condominium Class A will be completed by the seller (The Davis Companies) prior to the Town of Dedham acquisition.

1. Building Exterior Description

    a) The existing three-story building (including unfinished attic area) Class A premises exterior is currently a combination of:

        i. Red brick and limestone façade

        ii. Wood windows frames with wood spandrel panels and wood trim

        iii. Wood entry doors, with brick and bluestone steps

        iv. Slate gable roof on sloped roof areas and

        v. EPDM mechanically fastened roof low sloped roof areas

        vi. Wood columns and portico

        vii. Brick and limestone cupola with wood balustrade and wood clock tower

    b) The existing single-story building Class A premises is currently a combination of :

        i. Red brick and vertical metal panel façade

        ii. Aluminum window frames

        iii. Aluminum entry system

        iv. EPDM mechanically fastened roof on low sloped roof

        v. Aluminum and Kalwall skylights

2. Exterior Work

    a) The exterior will consist of necessary repairs and replacement to existing conditions with materials to match as follows:

    b) Cracked or damaged masonry will be repointed repaired to match existing.

c) Existing wood window frames, spandrel panels and shutters will be repaired or replaced, primed and painted, to match existing.

d) Existing portico trim and columns will be sanded, primed and painted,

e) Existing portico roof will be replaced with new architectural fiberglass shingles.

f) The East and West entries to the Class A Premises will be repaired, sanded, primed, and painted to match existing,

g) The North, East, and West entries to the North Building will provide accessibility to meet requirements under the American with Disability Act.

h) All exterior caulking for the Class A Premises shall be replaced with single component silicone rubber sealant, to be compatible with wood, metal or masonry jambs, heads and sills and wood.

3. Roofing

a) Low sloped roof, located on opposite sides of the gable on the Class A Premises on the single-story building shall be a new single membrane EPDM material fully adhered or mechanically fastened.

b) The slate shingle gable roof on the Class A premises will be replaced with architectural fiberglass shingles.

4. Site / Landscaping

a) New parking will be added to the main entry of the Class A Premises as shown on the Spagnolo Gisness & Associates, Inc. (SG&A) site concept plan dated May 16, 2013.

b) A new curb cut will be added adjacent to the east end of the Class A premises as shown on the SG&A site concept plan dated May 16, 2013.

c) The site will be re-graded to accommodate a no-step accessibility entry.

d) The existing parking lot will be seal coated and re-striped.

e) The landscaping will be provided in accordance with a thoughtful plan incorporating a hardy mixture of plantings prepared by SG&A.

f) Irrigation system will be repaired and re-worked as necessary at new landscaped areas.

5. Site Utilities

a) Install a new NStar switching station located adjacent to Rustcraft Road.

6. Demolition

a) Remove all existing partitions, ceiling grid and tile, lighting, finishes, back to core and shell.

7. Interior Work

a) The existing elevator will be refurbished with new LED lamps and floor finish (broadloom carpet) will be installed.

b) Elevator doors and frames existing shall remain and shall be sanded and primed.

c) Level 3 III Seismic – The Davis Companies (seller) indicates that they have reviewed the seismic conditions with their structural expert who confirmed that they will not be subject to seismic upgrades, as they are making minimal structural changes.

8. Mechanical Systems

a) The Davis Companies (seller) is proposing to install (32) gas-fired, packaged DX rooftop units, to replace the existing HVAC units. HVAC load requirements have been figured as 300 square foot per ton.

b) Rooftop units will be high efficiency units with gas heat, economizer, and programmable thermostats.

c) Service toilet exhaust fans.

d) Run new gas piping to the new rooftop units.

9. Fire Alarm / Life Safety

a) Provide a new fully addressable fire alarm panel for 110,000 square feet.

b) Exit signs will be code compliant and feature a LED display.

10. Sprinkler

a) The Class A Premises will be fully protected with a wet sprinkler system to meet all current National Fire Protection Association (NFPA) standards.

11. Electrical

a) A new 1500 KVA dry type transformer will be installed to replace the 1960's vintage transformer at the existing electrical room.

b) Retrofit a new trip unit on the 3,000 amp draw out breaker at the interior electrical switchgear,

c) Clean, adjust, and lubricate the breaker components. Replace defective parts, as necessary.

d) Retrofit a new trip unit on the 600 amp draw out breaker.

It is our understanding that the above capital work for the 110,000 square foot will be completed by The Davis Companies (seller) Commercial Condominium Class A at the projected cost of $9.5 million or $86.00 per square foot.

Quality and Condition

Upon the Town of Dedham's acquisition of the 224,000 square foot condominium unit, the seller will have completed all of the previously described capital expenditures to the 110,000 square feet consisting of the Commercial Condominium Class A premises. Also, the 110,000 square foot Commercial Condominium Class A premises will be delivered to the Town of Dedham at the time of acquisition in core and shell condition. The Town of Dedham reportedly will aim to market the 110,000 square feet for lease at a rental rate that reflects the landlord doing little or no improvements to the premises.

The remaining 114,000 square foot Commercial Condominium Class B will be purchased by the Town of Dedham in the current "as is" condition and will require similar capital expenditures that the seller is completing for the Commercial Condominium Class A. The Town of Dedham plans on utilizing the 114,000 square feet for town hall offices, a police station, parks and recreation offices, and a senior center. The Town of Dedham is in the preliminary stages of planning the build-out and improvements for the 114,000 square feet, but reportedly have a budget of $10,000,000, which equates to $87.72 square foot.

Functional Utility

The improvements appear to be adequately suited to their current use, and there do not appear to be any significant items of functional obsolescence.

ADA Compliance

Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the

improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

Personal Property

No personal property items were observed that would have any material contribution to market value.

Conclusion of Improvements Analysis

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

Improvements Ratings - As of Acquisition Date	
Visibility	Average
Design and Appearance	Average
Floor to ceiling heights	Average
Elevators	Average
Parking Ratios	Average
Distance of Parking to Building Access	Average
Landscaping	Average

Exterior View of Subject
(Photo Taken on October 28, 2013)

Exterior View of Subject
(Photo Taken on October 28, 2013)

Exterior View of Subject
(Photo Taken on October 28, 2013)

Exterior View of Subject
(Photo Taken on October 28, 2013)

Westerly View of Rustcraft Road
(Photo Taken on October 28, 2013)

Easterly View of Rustcraft Road
(Photo Taken on October 28, 2013)

Interior View of Commercial Condominium Class A
Prior to seller delivering completing capital expenditures
(Photo Taken on October 28, 2013)

Interior View of Commercial Condominium Class A
Prior to seller delivering completing capital expenditures
(Photo Taken on October 28, 2013)

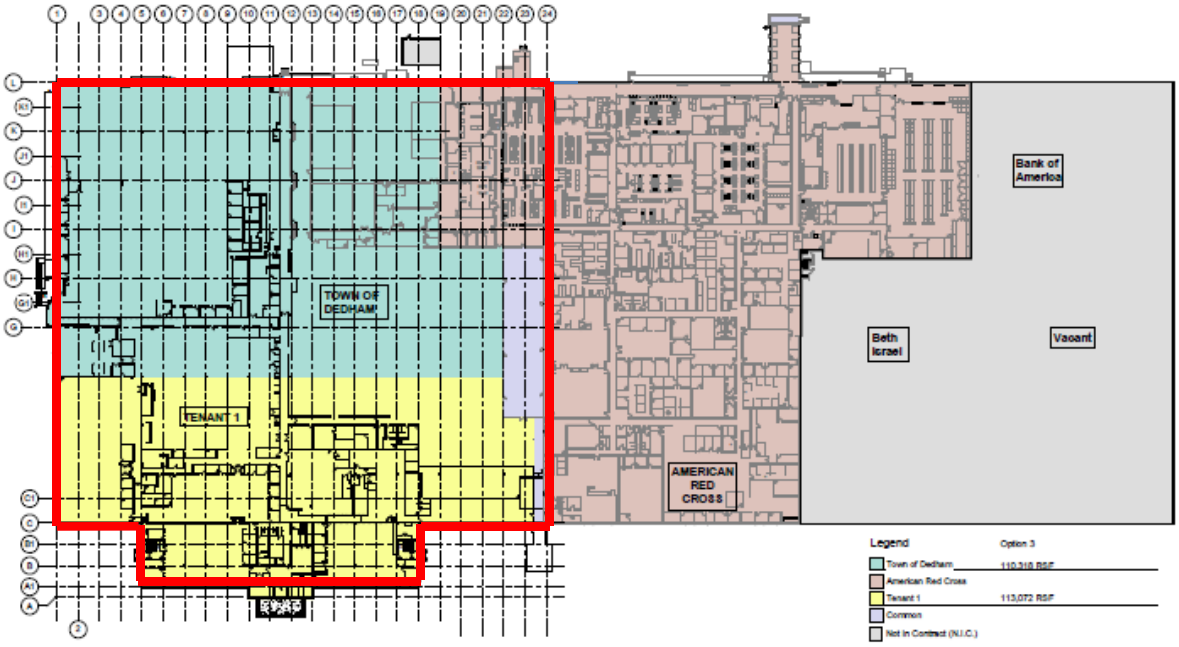
Interior View of Commercial Condominium Class A
Prior to seller delivering completing capital expenditures
(Photo Taken on October 28, 2013)

Interior View of Commercial Condominium Class A
Prior to seller delivering completing capital expenditures
(Photo Taken on October 28, 2013)

Interior View of Commercial Condominium Class B
(Photo Taken on October 28, 2013)

Interior View of Commercial Condominium Class B
(Photo Taken on October 28, 2013)

Floor Plan



The above floor plan in RED is a representative floor plan of the subject condominium and is NOT the final floor plan.

Real Estate Taxes

The subject is currently taxed as part of the larger 53.23 acre property consisting of 493,363 square feet of building area. Since the subject would be owned by the Town of Dedham, real estate taxes would be exempt.

Highest and Best Use

As If Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned Research Development and Office Zoning District. The RDO district is intended to provide employment centers for research and development facilities and company offices associated with high technology industries and business management. An appropriate location for large scale organizations serving a wide geographic area, it is intended to contain park-like groupings of buildings and facilities. Zoning regulations have been established to provide a healthful operating environment for such industry. They include protection against encroachment of commercial or residential uses critical to their operation and expansion, as well as protection from the adverse impact of incompatible uses both within and beyond the district. Zoning regulations are also intended to minimize the adverse impacts of RDO uses on nearby areas, to reduce traffic congestion, to protect the health and safety of residents and workers, and to promote the comfort and welfare of the residents of neighborhoods nearby.

Permitted uses within the RDO district as matter of right include: farms etc.; churches or places of worship etc.; public and private schools; public or non-profit libraries, museums or art galleries; governmental administration buildings, police or fire stations; use of land for recreation or water supply by a public agency; child care facilities under certain conditions; offices of a doctor or dentist; office uses; wholesale office and showrooms; printing or publishing establishments with not more than 5,000 square feet used for production; research, experimental or testing laboratories not for mass production; plants for light metal fabrication or finishing not using heavy punch presses or drop hammers; and a wide range of accessory uses. Warehouse uses are not permitted within the RDO zoning district.. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only office use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is limited demand for additional office development at the current time. It appears that a newly developed office use on the site would not have a value commensurate with its cost; therefore, office use is not considered to be financially feasible. Nevertheless, we expect an eventual recovery of the market accompanied by a rise in property values to a level that will justify the cost of new construction. Thus, it is anticipated that office development will become financially feasible in the future.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than holding the property for future development of an office use. Accordingly, it is our opinion that holding the property for future office use, based on the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Holding the property for future development of an office use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

As Improved

The subject is a commercial condominium unit that is part of a larger office/industrial building. The subject's office use is consistent with the highest and best use of the site as if it were vacant.

If the subject was leased it would produce a significant positive cash flow and would be considered financially feasible. The potential buyer intends on occupying approximately half of the condominium unit and finding a tenant or tenants to lease the remainder of the premises.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued office use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

Taking into account the size and characteristics of the subject condominium, the most probable buyer is an owner user or at least a partial owner-user.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

- Property Type: Office (Vacant)
- Location: Eastern Massachusetts
- Size: 50,000 SF +
- Quality: Class A and B
- Transaction Date: Past 3 years

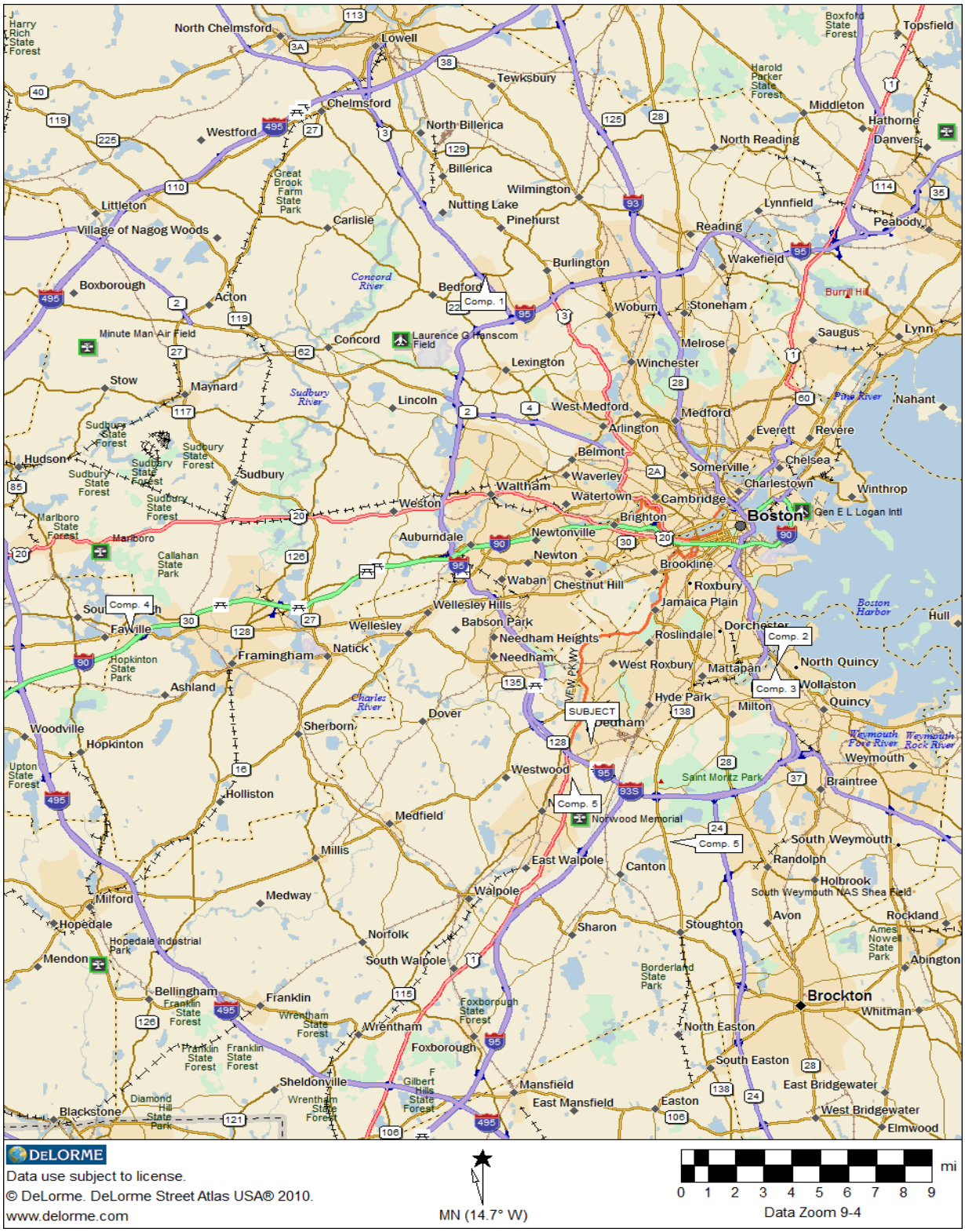
We have conducted an extensive search for office buildings that were purchased vacant and in need of significant capital improvements. Our search yielded 4 sales that occurred in 2013, 1 sale that occurred in 2011 and 1 sale that occurred in 2010. All of these sales were acquired by investors that either had a tenant in place as of the date of sale or intended to market the property for lease. Market condition adjustments have been made to the sales that occurred in 2011 and 2010.

For this analysis, we use price per square foot of rentable area as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Built; # Stories; % Occ.	Acres; FAR; Parking Ratio	Prop Class; Const Type; Prop Rights	Effective Sale Price	Rentable SF	$/Rentable SF
1	201 Burlington Road - 201 Burlington Rd. Bedford Middlesex County MA	Jun-13 Closed	1979 2 Vacant: Investor	10.41 0.30 3.16/1,000	B Steel Frame Fee Simple	$5,650,000	134,197	$42.10
	Comments: This represents the sale of two vacant adjoining office buildings that are situated on a 10.41 acre parcel in Bedford. The properties were historically occupied by Polaroid. The buyer is a national investor that intends to spend significant capital to convert the buildings to modern first Class A office space, including new roof, new HVAC, new exterior, new window, and new asphalt paving.							
2	Heritage Landing II 95 Heritage Dr. Quincy Norfolk County MA	Jun-13 Closed	1980 9 Vacant: Investor	5.00 0.85 3.99/1,000	A Steel Frame Fee Simple	$8,550,000	185,262	$46.15
	Comments: This represents the sale of a fully vacant office building that is located in an office park in North Quincy. The subject was previously occupied by State Street. The property was acquired by Campanelli and Trigate with the intention of completing +/-$3 million in capital expenditures and finding multiple tenants to lease the property. The buyer also acquired Heritage Landing I in a separate transaction, which was also vacant.							
3	Heritage Landing I 61 Enterprise Dr. Quincy Norfolk County MA	Jun-13 Closed	1980 5 Vacant: Investor	6.27 0.63 4.21/1,000	A Steel Frame Fee Simple	$7,750,000	172,536	$44.92
	Comments: This represents the sale of a fully vacant office building that is located in an office park in North Quincy. The subject was previously occupied by State Street. The property was acquired by Campanelli and Trigate with the intention of completing +/-$3 million in capital expenditures and finding multiple tenants to lease the property. The buyer also acquired Heritage Landing II in a separate transaction, which was also vacant.							
4	Office Building 15 Pleasant Street Framingham So Middlesex County MA	Apr-13 Closed	1969 5 Vacant: Investor	8.10 0.26 4.16/1,000	B Masonry Fee Simple	$5,500,000	92,591	$59.40
	Comments: This represents the sale of a vacant, 5-story, 92,591 square foot, Class B office building that is located in the westerly section of Framingham. The property is located just outside of the 9/90 Corporate Center and the Framingham Technology Park, in close proximity to the interchange of the Massachusetts Turnpike and Route 9. The building had been 100% leased and occupied by Genzyme until 2011 when the tenant vacated the premises. The building has been vacant since Genzyme vacated and was vacant as of this sale date. The buyer plans on conducting a major renovation, expansion and repositioning of the asset. The transaction also included a 2.15 acre development parcel located at 16 Pleasant Street Connector.							
5	Office Building 40 Pequot Way Canton Norfolk County MA	Jun-11 Closed	2001 3 Vacant: Investor	10.76 0.13 4.00/1,000	B Steel Frame Fee Simple	$3,780,000	63,000	$60.00
	Comments: This office property is located off of Route 138 in Canton. The property was previously owner-occupied by Tweeter. Tweeter sold this property vacant to a regional investor, Equity Industrial Partners, that was able to secure a lease with LoJack for the entire building. Although the building was constructed in 2001, Equity Industrial had to complete significant capital expenditures to make the building ready for LoJack.							
6	Steward Health Care 30 Perwal St. Westwood Norfolk County MA	Sep-10 Closed	1971 1 Vacant: Investor	10.52 0.22 4.96/1,000	B Masonry Fee Simple	$3,800,000	101,000	$37.62
	Comments: This represents the sale of a vacant flex building that was acquired by a regional investor. The buyer completed a substantial renovation of the building to convert the building into modern office space. The renovation project included a new energy management system, structural code upgrades, significant upgrades to suppression and protection systems, upgraded restrooms, and new ceilings and paint throughout the building. In addition, the renovation project also included landscaping. Subsequent to the buyer acquiring the property a long term net lease for the entire building was signed with Steward Healthcare.							

Comparable Improved Sales Map



Sale 1
201 Burlington Road, Bedford, MA

Sale 2
95 Heritage Road, Quincy, MA

Sale 3
61 Enterprise Road, Quincy, MA

Sale 4
15 Pleasant Street Connector, Framingham, MA

Sale 5
40 Pequot Way, Canton, MA

Sale 6
30 Perwal Street, Westwood, MA

Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factors	
Effective Sale Price	Accounts for atypical economics of a transaction, such as excess land, non-realty components, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, such as 1031 exchange transaction, assemblage, or forced sale.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors. Excludes differences in rent levels that are already considered in previous adjustments, such as for location or quality

The following table summarizes the adjustments we make to each sale. Our analysis considers the subject's current condition, prior to the seller completing the planned capital expenditures prior to the Town of Dedham's acquisition. Since the Town of Dedham will acquire the 224,000 square foot condominium unit in two states of condition (110,000 square feet in shell and core condition with all new mechanicals and exterior work and the remaining 114,000 square feet in its current condition which will require significant capital expenditures), the adjustments below reflect the current "as is" condition of the subject. Following these adjustments we will make individual adjustments to the subject's 110,000 square foot premises and the 114,000 square foot premises.

Improved Sales Adjustment Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	224,000 SF Office Condominium Unit	201 Burlington Road - North & South	Heritage Landing II	Heritage Landing I	Office Building	Office Building	Steward Health Care System
Address	100 Rustcraft Road	201 Burlington Rd.	95 Heritage Dr.	61 Enterprise Dr.	15 Pleasant Street Connector	40 Pequot Way	30 Perwal St.
City	Dedham	Bedford	Quincy	Quincy	Framingham So	Canton	Westwood
County	Norfolk	Middlesex	Norfolk	Norfolk	Middlesex	Norfolk	Norfolk
State	Massachusetts	MA	MA	MA	MA	MA	MA
Sale Date		Jun-13	Jun-13	Jun-13	Apr-13	Jun-11	Sep-10
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		$5,650,000	$8,550,000	$7,750,000	$5,500,000	$3,780,000	$3,800,000
Gross Building Area	493,363	134,197	185,262	172,536	92,591	63,000	101,000
Price per SF of Rentable Area		**$42.10**	**$46.15**	**$44.92**	**$59.40**	**$60.00**	**$37.62**
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		–	–	–	–	–	–
Financing Terms		Cash to seller	Conventional	Conventional	Conventional	Conventional	Conventional
% Adjustment		–	–	–	–	–	–
Conditions of Sale		Arms Length	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length
% Adjustment		–	–	–	–	–	–
Market Conditions		Jun-13	Jun-13	Jun-13	Apr-13	Jun-11	Sep-10
Annual % Adjustment		–	–	–	–	10%	10%
Cumulative Adjusted Price		**$42.10**	**$46.15**	**$44.92**	**$59.40**	**$66.00**	**$41.39**
Location		10%	–	–	–	–	–
Building Quality		–	–	–	–	–	–
Age/Condition		–	–	–	–	-15%	–
Economic Characteristics		–	–	–	–	–	–
Other		–	–	–	-15%	–	–
Net $ Adjustment		$4.21	$0.00	$0.00	-$8.91	-$9.90	$0.00
Net % Adjustment		10%	0%	0%	-15%	-15%	0%
Final Adjusted Price		**$46.31**	**$46.15**	**$44.92**	**$50.49**	**$56.10**	**$41.39**
Overall Adjustment		10%	0%	0%	-15%	-7%	10%

Range of Adjusted Prices	**$41.39 - $56.10**
Average	**$47.56**

Comparable 1 is located in Bedford, which is considered an inferior location as compared to the subject. Comparables 2 and 3 are located in North Quincy, which although closer to Boston there is higher vacancy in the Quincy market as compared to the subject's location along Route 128. Comparable 4 also includes a 2.15 acre development site along Pleasant Street Connector, which can accommodate a retail building. We have adjusted Comparable 4 downward to reflect this additional parcel. Comparable 5 is a newer building, but still required significant capital expenditures by the buyer. Therefore, a downward adjustment has been made. Comparable 6 is considered similar overall as compared to the subject.

We also considered the May 2005 sale of 150 Royall Street, Canton, for $23,000,000 or $88.69 per square foot. The property was acquired by an owner-user (OneBeacon Insurance) and required a substantial capital improvement plan. Given that this transaction occurred 8 years ago during different market conditions, we have not included this sale as part of the main set of comparables analyzed. We

have mentioned it though given the proximity in nearby Canton and the similar capital expenditures that the buyer completed subsequent to the transaction. This property benefits from direct exposure to Route 128.

Value Indication

Prior to adjustments, the sales reflect a range of $37.62 to $60.00 per square foot. After adjustment, the range is narrowed to $41.39 - $56.10 per square foot, with an average of $47.56 per square foot. We have placed most weight on Comparables 2, 3 and 6 given their overall similarities as compared to the subject. The average adjusted sale price of these three sales is $44.15 per square foot.

As mentioned previously, the adjustments in the grid compared the sale properties to the subject in its current "as is" condition as of the date of this report. We have estimated the subject's value based on the "as is" condition and then adjusted for the value of the capital expenditures that the seller will complete prior to the Town of Dedham's acquisition.

Value Indication by Sales Comparison - Commercial Condominium Class A	
Indicated Value per SF (As Is - Prior to seller completing Capital Expenditures)	$45.00
Subject - Commercial Condominium Class A Square Feet	110,000
Indicated Value	$4,950,000
Adjustments	
Capital Expenditures that The Davis Companies (seller) will complete prior to acquisition	$9,500,000
Total Adjustments	$9,500,000
Indicated Value	$14,450,000
$/SF	$131.36

Value Indication by Sales Comparison - Commercial Condominium Class B	
Indicated Value per SF (As Is)	$45.00
Subject - Commercial Condominium Class A Square Feet	114,000
Indicated Value	$5,130,000
$/SF	$45.00

The following table represents the combined value of the 224,000 square foot subject condominium.

Combined Value by Sales Comparison of Commercial Condominiums Class A and B	
Indicated Value by Sales Comparison Approach of Commercial Conominium Class A	$14,450,000
Indicated Value by Sales Comparison Approach of Commercial Conominium Class B	$5,130,000
Total	$19,580,000
Rounded	$19,600,000

As part of this analysis, we have also considered development costs for an office building in the submarket. The following provides information that provides further support for our value conclusion.

- Normandy Real Estate Partners is constructing a Class A, 280,891 square foot office building that will be 100% leased and occupied by TripAdvisor upon completion. The land area is 4.7 acres. The property is located at Needham Crossing with direct exposure to Route 128. Reportedly, the development costs total $100,000,000 or $356 per square foot. We were not able to obtain a breakdown of the development costs between land, hard costs, and soft costs.

- 40 Allied Drive, Dedham is a 66,000 square foot, two story masonry and glass office building that is situated on a 4.96 acre parcel off of Route 128. The building represents ground up new construction that was completed in 2013 and consists of medical office space plus day surgery areas and MRI imaging areas. The property is occupied by New England Baptist Hospital, Shields Imaging and a variety of private groups and individual doctors. Reportedly, the development costs totaled $25,000,000 or $378 per square foot. We were not able to obtain a breakdown of the development costs between land, hard costs, and soft costs.

- 10 Corporate Drive, Burlington is a 106,887 square foot, Class A office building that was constructed in 2009 by Multi-Employer Properties Trust. The building was constructed on speculation as there were no leases in place. Total construction costs, including land costs was $32,000,000 or $300 per square foot. The construction cost of $32,000,000 represents a shell building, with the exception of the lobby which was built-out. The property is located within the Burlington Office Park, which consists of 4 Class A office buildings totaling 487,719 square feet.

We recognize that the three comparables indicated above represent Class A office buildings which are superior to the subject which is considered Class B. If the Town of Dedham were to acquire land in the market for an office development the price would likely be between $25 and $50 per buildable square foot. Based on our review of Marshall & Swift Cost Estimator and discussions with developers and investors, the cost to construct a shell building would likely be between $100 and $150 per square foot. Soft costs generally range from 10% to 20% of the total hard costs. Therefore, the total development costs would be between $135 and $230 per square foot. Our indicated value for the subject of $19,600,000 or $87.50 reflects that approximately half of the building will have all new mechanicals and new exterior. Also, our value indication is lower than the cost to construct new given the depreciation that the subject is met with given that the infrastructure is 59 years old.

Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows:

Summary of Value Indications	
Cost Approach	Not Used
Sales Comparison Approach	$19,600,000
Income Capitalization Approach	Not Used
Reconciled	$19,600,000

The sales comparison approach is the only approach that has been developed. The cost approach was not developed given that the subject represents a condominium unit within a larger building, making segregated costs and land value less reliable. The income approach has also not been developed given the lack of comparable rentals in similar condition to the subject. Also, the most likely buyer of the subject is an owner-user, which would place most weight on the sales comparison approach. Accordingly, our value opinion follows.

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As If Capital Expenditures by Seller are Complete"	Fee Simple	October 28, 2013	$19,600,000

Extraordinary Assumptions and Hypothetical Conditions
The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. Part of the subject premises includes 60,000 square feet that is currently leased and occupied by The Red Cross. This tenant has exercised a new lease with the landlord which will reduce their leased area by 60,000 square feet. The Red Cross currently has a subtenant, Covance, that leases approximately 12,000 square feet within the 60,000 square foot premises. Covance's lease reportedly expires in 2015. For the purpose of this appraisal, we assume that the seller, Red Cross, and Covance have agreed to a termination or relocation agreement so that the Town of Dedham can acquire the fee simple interest of the 224,000 square foot premises.
2. This valuation assumes that The Davis Companies (seller) has completed the proposed capital expenses, as detailed in the Improvements Description Analysis of this report, to the 110,000 square feet of the building at the reported cost of $9.5 million.
3. This valuation assumes that the 224,000 square feet subject premises has been created into a condominium ownership structure. The seller and buyer are also considering instead to creat the 224,000 square feet into two condominium units consisting of 110,000 square feet referred to as Commercial Condominium Class A and 114,000 square feet referred to as Commercial Condominium Class B.
4. As of the date of this report the number of parking spaces that the subject will have the exclusive right to use has yet to be determined. We assume that the subject will have adequate parking for the Town of Dedham's use and there will also be enough parking for the 110,000 square feet to be marketed for lease as office space.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot be reasonably foreseen at this time.

Exposure and Marketing Times

Our estimates of exposure and marketing times are as follows:

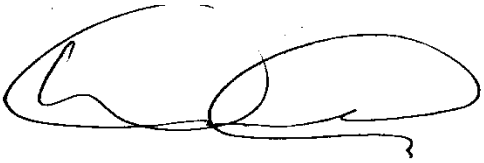
Exposure Time and Marketing Period	
Exposure Time (Months)	12
Marketing Period (Months)	12

Certification

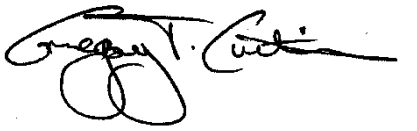
We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We 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.
4. We have prepared two appraisals of the subject property for another client within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our 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.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. David L. Cary, Jr., MAI, MRICS, made a personal inspection of the property that is the subject of this report. Gregory T. Curtis has personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, David L. Cary, Jr., MAI, MRICS completed the continuing education program for Designated Members of the Appraisal Institute.

15. As of the date of this report, Gregory T. Curtis completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



David L. Cary, Jr., MAI, MRICS
Certified General Real Estate Appraiser
Massachusetts Certificate # 1325



Gregory T. Curtis
Certified General Real Estate Appraiser
Massachusetts Certificate # 75184

Assumptions and Limiting Conditions

This appraisal is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos or toxic mold in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.

9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.

10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.

11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.

12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.

14. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

15. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.

16. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during

the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

21. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22. Integra Realty Resources – Boston is not a building or environmental inspector. Integra Boston does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.

23. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. It is expressly acknowledged that in any action which may be brought against Integra Realty Resources – Boston, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the

preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Boston, an independently owned and operated company, has prepared the appraisal for the specific purpose stated elsewhere in the report. The intended use of the appraisal is stated in the General Information section of the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

27. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. Part of the subject premises includes 60,000 square feet that is currently leased and occupied by The Red Cross. This tenant has exercised a new lease with the landlord which will reduce their leased area by 60,000 square feet. The Red Cross currently has a subtenant, Covance, that leases approximately 12,000 square feet within the 60,000 square foot premises. Covance's lease reportedly expires in 2015. For the purpose of this appraisal, we assume that the seller, Red Cross, and Covance have agreed to a termination or relocation agreement so that the Town of Dedham can acquire the fee simple interest of the 224,000 square foot premises.
2. This valuation assumes that The Davis Companies (seller) has completed the proposed capital expenses, as detailed in the Improvements Description Analysis of this report, to the 110,000 square feet of the building at the reported cost of $9.5 million.
3. This valuation assumes that the 224,000 square feet subject premises has been created into a condominium ownership structure. The seller and buyer are also considering instead to creat the 224,000 square feet into two condominium units consisting of 110,000 square feet referred to as Commercial Condominium Class A and 114,000 square feet referred to as Commercial Condominium Class B.
4. As of the date of this report the number of parking spaces that the subject will have the exclusive right to use has yet to be determined. We assume that the subject will have adequate parking for the Town of Dedham's use and there will also be enough parking for the 110,000 square feet to be marketed for lease as office space.

Addendum A

Appraiser Qualifications

FINAL

David L. Cary, Jr., MAI, MRICS

Integra Realty Resources
Boston

313 Congress Street
Suite 100
Boston, MA 02210

T 617.451.9110
F 617.451.0039

irr.com

Experience

Senior Managing Director for Integra Realty Resources - Boston. Actively engaged in real estate valuation and consulting since 1987. Background includes over twenty-five years in the real estate appraisal and consulting business. Recent experience is concentrated in major urban and suburban developments. Valuations have been performed on various properties including, but not limited to, neighborhood and community shopping centers, apartment complexes, single and multi-tenanted industrial buildings, low to high rise office buildings, mixed used facilities, and vacant land for different uses. Clients served include accountants, investment firms, law firms, lenders, private and public agencies. Valuations have been performed for condemnation purposes, estates, financing, and due diligence support. Valuations and market studies have been done on proposed, partially completed, renovated and existing structures.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute
Young Advisory Council, January 1998 - December 1999
President: Massachusetts Chapter of the Appraisal Institute, January 2009
Royal Institute of Chartered Surveyors, Member (MRICS) Royal Institute of Chartered Surveyors, November 2007
Member: Real Estate Finance Association of the Greater Boston Real Estate Board, January 2000

Member: American Arbitration Association Roster of Arbitrators, January 2008

Licenses

Massachusetts, Appraiser, 1325, Expires February 2014
Rhode Island, Appraiser, A00891G, Expires January 2014
Connecticut, Appraiser, RCG.989, Expires April 2014
New Hampshire, Appraiser, NHCG619, Expires February 2014
Maine, Appraiser, 2298, Expires December 2013

Education

B.A. Degree, Business Economics, Brown University, Providence, RI (1987)
Successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, accredited universities and others.
Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.

Qualified Before Courts & Administrative Bodies

Massachusetts Superior Courts in Lawrence and Marlborough
United States Bankruptcy Court
New Hampshire Board of Tax and Land Appeals

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FINAL

Gregory T. Curtis

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Experience

Analyst for Integra Realty Resources, Boston, Massachusetts. Mr. Curtis has been involved in appraisals of multi-family, apartment complexes, retail shopping centers, office buildings, industrial properties, residential subdivisions, condominiums, and raw land. Some past assignments involved the valuation of multiple parking garages located in Boston's CBD; valuation of a proposed commercial and debris transfer recycling facility, valuation of a Class A airplane hangar; market rent study of various General Service Administration owned office buildings; valuation of a Class A Boston high rise office building; valuation of a 400,000 square foot Class A refrigerated warehouse; and the valuation of several net leased drug stores;

Clients served include accountants, investment firms, law firms, lenders, private and public agencies. Valuations have been performed for estates, financing, and due diligence support. Valuations and market studies have been done on proposed, partially completed, renovated and existing structures.

Professional Activities & Affiliations

Member: Appraisal Institute
Member: Leadership Development Advisory Council
Member: Boston Area Young Real Estate Professionals
Member: National Association of Industrial and Office Properties

Licenses

Massachusetts, Certified General Real Estate Appraiser, 75184, Expires May 2015

Education

B.A. Degree, Mass Communications, Quinnipiac University, Hamden, CT (2002)

Successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, for credit towards the MAI designation, including.

Uniform Standards of Professional Appraisal Practice (USPAP) 15 hours 2003
Foundations of Real Estate Appraisal-Basic Appraisal Principles 39 hours 2003
Appraising Complex Residential Properties 18 hours 2005
Basic Income Capitalization 40 hours – January, 2006
Advanced Income Capitalization 40 hours– March 2006
Uniform Standards of Professional Appraisal Practice (USPAP) – 7 hrs 2006 & 2008
Highest and Best Use and Market Analysis 40 hours – December 2006
Advanced Sales Comparison and Cost Approach 40 hours – March 2007
Report Writing and Valuation Analysis 40 hours – May 2007
Advanced Applications 40 hours – June 2008

gtcurtis@irr.com - 617-532-7906

FINAL

COMMONWEALTH OF MASSACHUSETTS

DIVISION OF PROFESSIONAL LICENSURE - BOARD OF

REAL ESTATE APPRAISERS

CERT GEN. REAL ESTATE APPRAISER

ISSUES THE ABOVE LICENSE TO:

INTIEGRA LEGGAT MCCALL & WERNER
DAVID L CARY JR
313 CONGRESS ST
SUITE 100
BOSTON MA 02210-1283

LICENSE NO	EXPIRATION DATE	SERIAL NO.
1325	02/18/14	976503

Signature

Fold, Then Dr ..ch Along All Perf. rations

COMMONWEALTH OF MASSACHUSETTS

DIVISION OF PROFESSIONAL LICENSURE

BOARD OF

REAL ESTATE APPRAISERS

ISSUES THE FOLLOWING LICENSE AS A

CERT GEN. REAL ESTATE APPRAISER

GREGORY T CURTIS

9 BIRDS HILL AVE

NEEDHAM MA 02492-4229

LICENSE NUMBER	EXPIRATION DATE	SERIAL NUMBER
75184	05/18/15	29423

LICENSEE SIGNATURE

FINAL

Integra Realty Resources, Inc.
Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 63 independently owned and operated offices in 33 states and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and each is headed by a Senior Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins., MAI, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, Jr., MAI, MRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Denis Gathman, MAI, CRE, FRICS, SRA
CHICAGO, IL - Eric L. Enloe, MAI, FRICS
CINCINNATI, OH - Gary S. Wright, MAI, FRICS
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS
DAYTON, OH - Gary S. Wright, MAI, FRICS
DENVER, CO - Brad A. Weiman, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Gregory B. Cook, SR/WA
GREENSBORO, NC - Nancy Tritt, MAI, SRA, FRICS
GREENVILLE, SC - Michael B. Dodds, MAI, CCIM
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS
JACKSONVILLE, FL - Robert Crenshaw, MAI
KANSAS CITY, MO/KS - Kenneth Jaggers, MAI, FRICS
LAS VEGAS, NV - Shelli L. Lowe, MAI, SRA, FRICS
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS
MIAMI/PALM BEACH, FL - Scott M. Powell, MAI, FRICS
MIAMI/PALM BEACH, FL- Anthony M. Graziano, MAI, CRE, FRICS
MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
NEW JERSEY COASTAL - Halvor J. Egeland, MAI
NEW JERSEY NORTHERN - Barry J. Krauser, MAI, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Larry D. Webb, MAI, FRICS
ORLANDO, FL - Christopher Starkey, MAI, MRICS
PHILADELPHIA, PA - Joseph D. Pasquarella, MAI, CRE, FRICS
PHOENIX, AZ - Walter 'Tres' Winius III, MAI, CRE, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS
RALEIGH, NC - Chris R. Morris, MAI, FRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
SALT LAKE CITY, UT - Darrin W. Liddell, MAI, CCIM, FRICS
SAN ANTONIO, TX - Martyn C. Glen, MAI, CRE, FRICS
SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
SAVANNAH, GA - J. Carl Schultz, Jr., MAI, FRICS, CRE, SRA
SEATTLE, WA - Allen N. Safer, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Robert E. Gray, MAI, FRICS
WASHINGTON, DC - Patrick C. Kerr, MAI, SRA, FRICS
WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS

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FINAL

Addendum B

Financials and Property Information

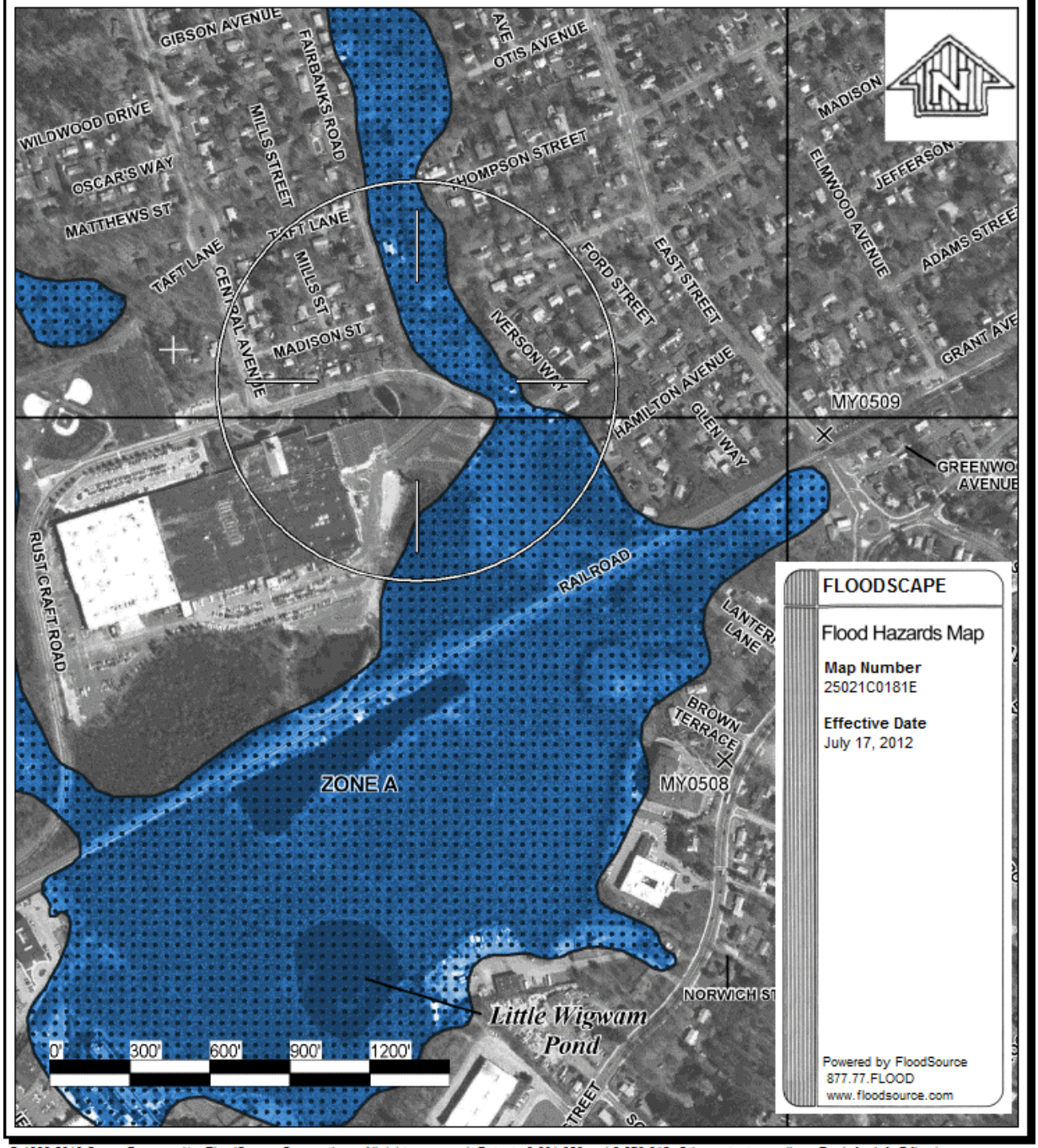
FINAL

InterFlood by a la mode

www.interflood.com • 1-800-252-6633

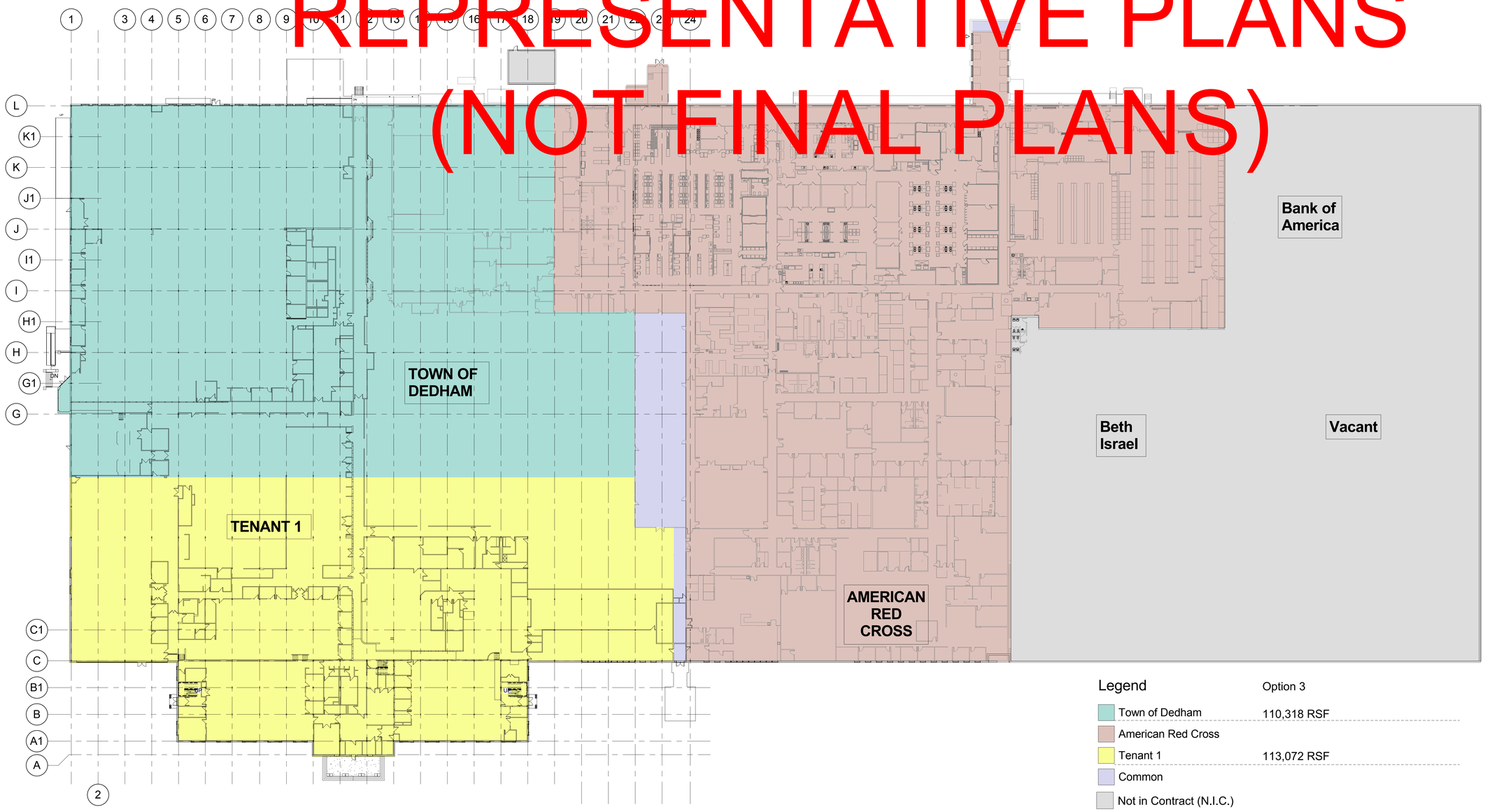
Prepared for:
Integra Realty Resources--Boston

100 Rustcraft Rd
Dedham, MA 02026-4507



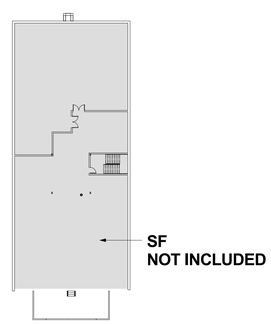
© 1999-2013 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com.

REPRESENTATIVE PLANS
(NOT FINAL PLANS)



Legend	Option 3
Town of Dedham	110,318 RSF
American Red Cross	
Tenant 1	113,072 RSF
Common	
Not in Contract (N.I.C.)	

Level 2



LEVEL 3

TOWN OF DEDHAM

100 Rustcraft Road
Dedham, MA 02026

THE DAVIS COMPANIES

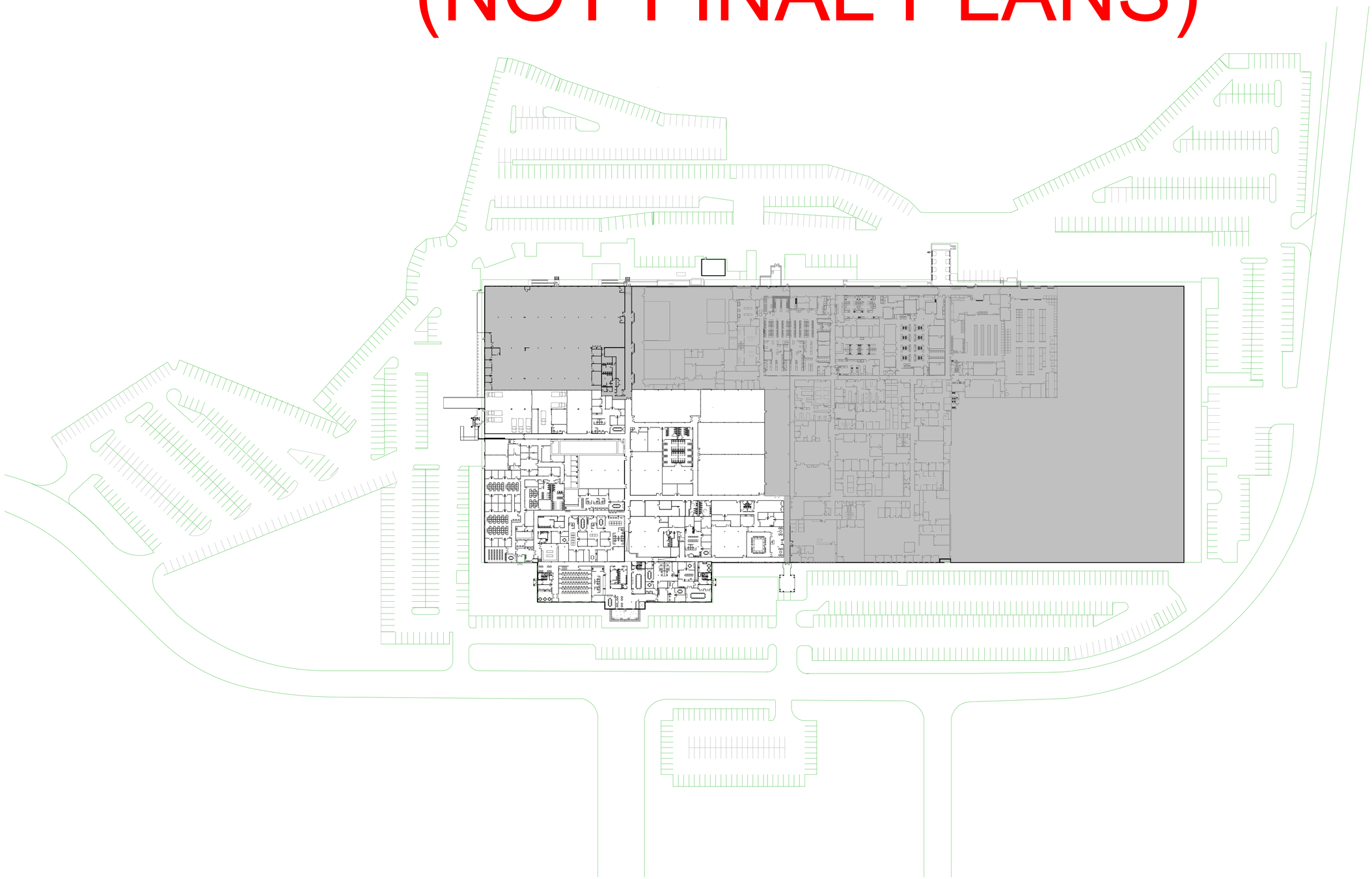
Town of Dedham
Option 3

Project:	3424.00
Date:	08/02/13
Scale:	1/32"=1'-0

C:\Revit\3424.00 100 Rustcraft_Archive Copy 8 2 13_rjoedshaw.rvt
© 2011 Spagnolo Gisness & Associates, Inc.

SPAGNOLO GISNESS & Associates, Inc.
200 high street | boston, ma 02110
t.617.443.0680 | f.617.443.0689 | www.sga-arch.com

REPRESENTATIVE PLANS
(NOT FINAL PLANS)



100 Rustcraft Road

Dedham, MA 02026

THE **DAVIS** COMPANIES

SITE PLAN

Project:	3479.00
Date:	05/16/13
Scale:	1"=60'-0

0 15 30 60 120

C:\Revit\3479.00 100 Rustcraft_ARC_2013-0702_jpowers.rvt
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SPAGNOLO GISNESS & Associates, Inc.
200 high street | boston, ma 02110
t.617.443.0680 | f.617.443.0689 | www.sga-arch.com

FINAL

The Davis Companies

T 617.451.1300
F 617.451.3604

125 High Street, 21st Floor
Boston, MA 02110

September 18, 2013

Board of Selectman
Town of Dedham
Dedham Town Hall
26 Bryant Street
Dedham, MA, 02026

Re: Rustcraft Road Project

Ladies and Gentlemen:

We are pleased to submit this Memorandum of Understanding concerning a potential sale of a portion of our property at 100 and 150 Rustcraft Road to the Town of Dedham. The terms set forth herein are intended to represent the present mutual understanding of the property owner and the Town of Dedham as to terms tentatively agreed-upon, and to focus future negotiations towards a binding agreement.

The Parties

In this Memorandum of Understanding the terms "we," "us," and "our" mean DIV CCM Rustcraft, LLC, which is an affiliate of The Davis Companies, and owner of 100 and 150 Rustcraft Road, Dedham. The terms "you," "your," and the "Town" mean The Town of Dedham, and the "Property" means the premises owned by us at 100 and 150 Rustcraft Road, Dedham and described in the deed filed with the Norfolk Registry District of the Land Court as document no. 1,278,738, including adjacent buildings and lands.

Summary of the Transaction

The transaction will be structured as the sale by us and the purchase by you of a commercial condominium unit located at the Property. We will work with you to enter into a Purchase and Sale Agreement (called the " P&S" below) and finalize condominium documents.

Transaction Details

Seller: DIV CCM Rustcraft, LLC

Buyer: The Town of Dedham

Condominium Structure: We will prepare all necessary documentation to submit the Property to condominium ownership pursuant to Massachusetts General Laws Chapter 183A, including, but not limited to, a Master Deed complying with M.G.L. Ch. 183A, §8, any necessary floor plans, Declaration of Trust and Condominium Association Bylaws (together, the "Condominium Documents"), and a Unit Deed or Deeds with respect to the premises to be acquired by the Town. (As noted below, the premises to be acquired by the Town may comprise one or two separate condominium units). At the appropriate time in accordance with the terms of the P&S, we will file the Master Deed at the Norfolk County Registry of Deeds and submit the Property to condominium ownership.

The Premises: Subject to preparation of the Condominium Documents, the Town will acquire a single condominium unit totaling approximately 224,000 square feet of space (or two separate units together totaling approximately 224,000 square feet of space), together with an undivided proportionate interest in the common areas and facilities (the "Premises"). Final measurement of the premises will be made by our architect. Approximately 110,000 square feet of the Premises will be characterized as a "Commercial Condominium Class A" under the Condominium Documents and will be delivered in a core and shell condition, as set forth in the exhibit entitled "Base Building Improvements", attached hereto. The Base Building Improvements are intended to represent what is needed to place the Commercial Condominium Class A portion of the Premises in commercially marketable condition, and are subject to further negotiation of the parties. The remaining approximately 114,000 square feet will be characterized as a "Commercial Condominium Class B" under the Condominium Documents and will be delivered fully separated by demising walls from any abutting units or common areas but otherwise in their existing condition, i.e., "as is". The final description of the unit(s) remains to be negotiated by the parties.

Parking: The Condominium Documents and Unit Deed will provide the Town with the exclusive right to use a defined portion of the common areas for parking. It may further provide the Town with the right to the use of other non-exclusive parking in common with the other unit owners. At no time will parking spaces allocated to the Town (whether exclusively or in common) be less than its proportionate share of the total common parking, or that which is required by zoning.

FINAL

Purchase Price: The purchase price for the premises will be $18 million, which sum, less the Deposit (as defined below), shall be paid in immediately available funds on the closing date.

Deposits: The Town shall pay a deposit of an amount to be agreed upon as set forth in the P&S, which shall be held in escrow by a title company mutually agreeable to the parties for application to the purchase price.

Costs: Except as otherwise provided herein, each party will bear its owns costs and expenses, including, without limitation, all attorneys' fees and other third party fees in connection with the transaction.

Closing: The closing will occur at the time set forth in the P&S, which is anticipated to be no later than 30 days after we give you notice that the Property complies with the Condominium Documents and the Town has approved the delivered base building and shell, which date is anticipated to be in the Fall of 2014.

Broker Fees: The Town acknowledges and agrees that it has not worked with any broker in connection with the transaction other than Marwick Associates, whose fee, subject to agreement, will be paid by us pursuant to a separate written agreement upon the closing of the transaction and payment of the full purchase price, and the P&S will provide for customary indemnities with respect to brokerage commissions or finder's fees.

Conditions of Town Purchase: The Town's purchase of the Premises will be conditional upon the vote of the Dedham Town Meeting authorizing the purchase of the premises and appropriating sufficient funds for the purchase and the Town's subsequent fit-up, and upon the Town's compliance with the Uniform Procurement Act (G.L. c.30B) and all other legal requirements. It is anticipated that such a vote will be taken at a Special Town Meeting in November, 2013.

Schedule: We envision the following general steps being taken in the order given:

- Execution of this Memorandum of Understanding
- Preparation by us of a draft P&S and negotiation with you of the terms and conditions of the P&S
- Town Meeting Authorization of Purchase and Funding
- Preparation by us and agreement on form of Condominium Documents
- Execution of the P&S
- Posting by you of the purchase deposit
- Due Diligence by you, including any desired environmental, survey, and title work

FINAL

- Completion by us of all work at the Property to necessary to convey the Premises and common areas in agreed-upon condition
- Closing of the transaction

Other Terms: In connection with the negotiation of the P&S we expect to discuss with you such matters as the timing of your due diligence, the amount of the deposit; rights for telecommunications and solar power equipment, the amount of any deposit by you into the condominium reserve fund, and key elements of the Condominium Documents, among other things.

Exclusivity: We will agree until December 1, 2013 not to enter into any agreement for the sale or lease of the Property or any portion thereof which would interfere with the ability to consummate the transaction.

Non-Binding: It is understood and agreed that notwithstanding anything to the contrary herein, this Memorandum is non-binding and creates no legal rights or obligations whatsoever. Until a mutually satisfactory purchase and sale agreement has been executed by the parties, neither party shall have any obligation to consummate the conveyance of the Premises outlined above, nor to enter into or continue discussions or negotiations, and either party may terminate discussions at any time for any reason or no reason without further obligation whatsoever.

If the foregoing general summary of terms is acceptable to the Town, please sign below so that we may proceed to the next step, preparation of a draft Purchase and Sale Agreement.

Very truly yours,

Jonathan Davis
Chief Executive Officer

JD:sds
cc: William Keegan, Town Administrator
John M. Sisk, Marwick Associates
Cappy F. Daume, The Davis Companies
Daniel Wheeler, The Davis Companies
Scott D. Spelfogel, Esq., The Davis Companies

FINAL

AGREED AND ACCEPTED:

THE TOWN OF DEDHAM
Board of Selectmen

Michael Butto

Sarah MacDonald

Jon P. MacDonald

Paul Reynolds

FINAL

The Davis Companies

T 617.451.1300
F 617.451.3604

One Appleton Street
Boston, MA 02116

BASE BUILDING IMPROVEMENTS
COMMERICAL CONDOMINIUM CLASS A
100 RUSTCRAFT ROAD
DEDHAM, MA 02026

Scope of Work

The office building configuration as shown on the test fit plans prepared by Spagnolo Gisness Associates, Inc. dated 5/16/2013 showing 224,078 Square feet. (Of the 224,078 square feet, approximately 110,000 square feet is Commercial Condominium Class A subject to the following base building work and is referred to herein as the 'Class A Premises'.

1. Building Exterior Description

   a. The existing three story building Class A Premises exterior is currently a combination of:

      i. Red brick and limestone facade
      ii. Wood windows frames with wood spandrel panels, and wood trim
      iii. Wood entry doors, with brick and bluestone steps
      iv. Slate gable roof on sloped roof areas and
      v. EPDM mechanically fastened roof low sloped roof areas
      vi. Wood columns and portico
      vii. Brick and limestone cupola with wood balustrade and wood clock tower

   b. The existing single story building Class A Premises is currently a combination of:

      i. Red brick and vertical metal panel façade
      ii. Aluminum window frames
      iii. Aluminum entry system
      iv. EPDM mechanically fastened roof on low sloped roof
      v. Aluminum and Kalwall skylights

2. Exterior Work

   The exterior work will consist of necessary repairs and replacement to existing conditions with materials to match as follows:

   a. Cracked or damaged masonry will be repointed repaired to match existing.

   b. Existing wood window frames, spandrel panels and shutters will be repaired or replaced, primed and painted, to match existing.

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c. Existing wood cupola, rails, trims and panels will be repaired or replaced, primed and painted, to match existing.

d. Existing portico trim and columns will be sanded, primed and painted.

e. Existing portico roof will be replaced with new architectural fiberglass shingles.

f. The East and West entries to the Class A Premises will be repaired, sanded, primed, and painted to match existing.

g. The North, East, and West entries to the North Building will provide accessibility to meet the requirements under the American with Disability Act.

h. All exterior caulking for the Class A Premises shall be replaced with single component silicone rubber sealant, to be compatible with wood, metal or masonry jambs, heads and sills and wood.

3. Roofing

a. Low sloped roof, located on opposite sides of the gable on the Class A Premises on the single story building shall be a new single membrane EPDM material fully adhered or mechanically fastened.

b. The slate shingle gable roof on the Class A Premises will be replaced with architectural fiberglass shingles.

4. Site / Landscaping

a. New parking will be added to the main entry of the Class A Premises as shown on the SG&A site concept plan dated 5/16/13.

b. A new curb cut will be added adjacent to the east end of the Class A Premises as shown on the SG&A site concept plan dated 5/16/13.

c. The site will be re-graded to accommodate a no-step accessible entry.

d. The existing parking lot will be seal coated and re-striped.

e. The landscaping will be provided in accordance with a thoughtful plan incorporating a hardy mixture of plantings prepared by Spagnolo Gisness Associates, Inc.

f. Irrigation system will be repaired and re-worked as necessary at new landscaped areas.

FINAL

5. Site Utilities

    a. Install a new NStar switching station located adjacent to Rustcraft Road.

6. Demolition

    a. Remove all existing partitions, ceiling grid and tile, lighting, finishes, back to core and shell.

7. Interior Work

    a. The existing elevator will be refurbished with new LED lamps and floor finish (broadloom carpet) will be installed.

    b. Elevator doors and frames are existing to remain and shall be sanded and painted.

    c. Level 3 III Seismic - We have reviewed the seismic considerations with our structural expert who confirmed that we will not be subject to seismic upgrades, as we are making minimal structural changes.

8. Mechanical Systems

    a. We are proposing to install (32) gas fired, packaged DX rooftop units, to replace existing HVAC units. HVAC load requirements have been figured as 300 square foot per ton.

    b. Rooftop units will be high efficiency units with gas heat, economizer, and programmable thermostats.

    c. Service toilets exhaust fans.

    d. Run new gas piping to the new rooftop units.

9. Fire Alarm / Life Safety

    a. Provide a new fully addressable fire alarm panel for 110,000 square feet.

    b. Exit signs will be code compliant and feature a LED display.

10. Sprinkler

    a. The Class A Premises will be fully protected with a wet sprinkler system to meet all current National Fire Protection Association (NFPA) standards.

11. Electrical

FINAL

a. A new 1500 KVA dry type transformer will be installed to replace the 1960's vintage transformer at the existing electrical room.

b. Retrofit a new trip unit on the 3,000 amp draw out breaker at the interior electrical switchgear.

c. Clean adjust and lubricate the breaker components. Replace defective parts as necessary.

d. Retrofit a new trip unit on the 600 amp draw out breaker.

FINAL

Addendum C

Comparable Data

Office Sale Profile

FINAL

Sale No. 1

Location & Property Identification

Property Name:	201 Burlington Road - North & South
Sub-Property Type:	Office: Low - Rise
Address:	201 Burlington Rd.
City/State/Zip:	Bedford, MA 01730
County:	Middlesex
Market Orientation:	Suburban

Lat./Long.: 42.502604/-71.239286 IRR Event ID (710723)

Sale Information

Sale Price:	$5,650,000
Eff. R.E. Sale Price:	$5,650,000
Sale Date:	06/05/2013
Sale Status:	Closed
$/SF GBA:	$42.10
$/SF NRA:	$42.10
Case Study Type:	none
Grantor/Seller:	201 TSLF LLC (Tremont Realty Capital)
Grantee/Buyer:	Tremview Investments LLC (Nordblom)
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	Conventional
Document Type:	Deed
Recording No.:	Book: 1435, Page: 107
Verified By:	Gregory T. Curtis
Verification Type:	Confirmed-Seller

Operating Data and Key Indicators

Operating Data Type:	In Place
OAR(Cap. rate)Actual:	0.00%

Improvement and Site Data

MSA:	Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area
GBA-SF:	134,197
NRA-SF:	134,197
Acres(Gross):	10.41
Land-SF(Gross):	453,459
Year Built:	1979
Building/M&S Class:	B/A
Construction Quality:	Average
Improvements Cond.:	Average
Construction Desc.:	Steel Frame
No. of Buildings/Stories:	2/2
Total Parking Spaces:	424
Park. Ratio 1000 SF GLA:	3.16
No. Surface Spaces:	424
Park. Ratio 1000 SF GBA:	3.16
Bldg. to Land Ratio FAR:	0.30
Bldg. Phy. Info. Source:	Past Appraisal
Source of Land Info.:	Past Appraisal

Comments

This represents the sale of two vacant adjoining office buildings that are situated on a 10.41 acre parcel in Bedford. The properties were historically occupied by Polaroid. The buyer is a national investor that intends to spend significant capital to convert the buildings to modern first Class A office space, including new roof, new

Comments (Cont'd)

HVAC, new exterior, new window, and new asphalt paving.

These two connected office buildings are located in close proximity to Route 3 and Route 128 in Bedford. The property was historically occupied by Polaroid.

Office Sale Profile

FINAL

Sale No. 2

Location & Property Identification

Property Name:	Heritage Landing I
Sub-Property Type:	Office: Mid - Rise
Address:	61 Enterprise Dr.
City/State/Zip:	Quincy, MA 02171
County:	Norfolk
Market Orientation:	Suburban

Lat./Long.: 42.275051/-71.037697 IRR Event ID (685304)

Sale Information

Sale Price:	$7,750,000
Eff. R.E. Sale Price:	$7,750,000
Sale Date:	06/03/2013
Sale Status:	Closed
$/SF GBA:	$44.92
$/SF NRA:	$44.92
Case Study Type:	none
Grantor/Seller:	HUB MA Realty Trust
Grantee/Buyer:	Campanelli-Trigate Heritage Quincy, LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	Cash
Document Type:	Deed
Recording No.:	Document: 1285051 at the Norfolk County
Verified By:	Gregory T. Curtis
Verification Type:	Confirmed-Seller Broker

Operating Data and Key Indicators

Vacancy Rate:	100%
OAR(Cap. rate)Actual:	0.00%

Improvement and Site Data

MSA:	Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area
GBA-SF:	172,536
NRA-SF:	172,536
Acres(Gross):	6.27
Land-SF(Gross):	273,121
Year Built:	1980
Most Recent Renovation:	2004
Building/M&S Class:	A/A
Improvements Cond.:	Good
Construction Desc.:	Steel Frame
No. of Buildings/Stories:	1/5
Total Parking Spaces:	727
Park. Ratio 1000 SF GLA:	4.21
No. Surface Spaces:	248
No. Covered Spaces:	479
Park. Ratio 1000 SF GBA:	4.21
Elevators/Count:	Yes
Bldg. to Land Ratio FAR:	0.63
Bldg. Phy. Info. Source:	Past Appraisal
Source of Land Info.:	Public Records

Comments

This represents the sale of a fully vacant office building that is located in an office park in North Quincy. The subject was previously occupied by State Street. The property was acquired by Campanelli and Trigate with the intention of completing +/-$3 million in capital

Comments (Cont'd)

expenditures and finding multiple tenants to lease the property. The buyer also acquired Heritage Landing II in a seperate transaction, which was also vacant.

This Class A office building is located in an office park setting in North Quincy.

Office Sale Profile

FINAL

Sale No. 3

Location & Property Identification

Property Name:	Heritage Landing II
Sub-Property Type:	Office: Mid - Rise
Address:	95 Heritage Dr.
City/State/Zip:	Quincy, MA 02171
County:	Norfolk
Market Orientation:	Suburban

Lat./Long.: 42.275391/-71.037300 IRR Event ID (685312)

MSA:	Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area
GBA-SF:	185,262
NRA-SF:	185,262
Acres(Gross):	5.00
Land-SF(Gross):	217,800
Year Built:	1980
Most Recent Renovation:	2004
Building/M&S Class:	A/A
Construction Quality:	Good
Improvements Cond.:	Good
Construction Desc.:	Steel Frame
No. of Buildings/Stories:	1/9
Total Parking Spaces:	739
Park. Ratio 1000 SF GLA:	3.99
No. Surface Spaces:	329
No. Covered Spaces:	410
Park. Ratio 1000 SF GBA:	3.99
Elevators/Count:	Yes
Bldg. to Land Ratio FAR:	0.85
Bldg. Phy. Info. Source:	Past Appraisal
Source of Land Info.:	Public Records

Sale Information

Sale Price:	$8,550,000
Eff. R.E. Sale Price:	$8,550,000
Sale Date:	06/03/2013
Sale Status:	Closed
$/SF GBA:	$46.15
$/SF NRA:	$46.15
Case Study Type:	none
Grantor/Seller:	HUB MA Realty Trust
Grantee/Buyer:	Campanelli-Trigate Heritage Quincy, LLC
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	Cash
Document Type:	Deed
Recording No.:	Document: 1285053 at the Norfolk County Land Court
Verified By:	Gregory T. Curtis
Verification Type:	Confirmed-Buyer

Operating Data and Key Indicators

Vacancy Rate:	100%
OAR(Cap. rate)Actual:	0.00%

Improvement and Site Data

Comments

This represents the sale of a fully vacant office building that is located in an office park in North Quincy. The subject was previously occupied by State Street. The property was acquired by Campanelli and Trigate with the

Comments (Cont'd)

intention of completing +/-$3 million in capital expenditures and finding multiple tenants to lease the property. The buyer also acquired Heritage Landing I in a seperate transaction, which was also vacant.

This Class A office building is located in an office park setting in North Quincy.

Office Sale Profile

FINAL

Sale No. 4

Location & Property Identification

Property Name:	Office Building
Sub-Property Type:	Office: Low - Rise
Address:	15 Pleasant Street Connector
City/State/Zip:	Framingham So, MA 01701
County:	Middlesex
Market Orientation:	Suburban

IRR Event ID (641712)

Sale Information

Sale Price:	$5,500,000
Eff. R.E. Sale Price:	$5,500,000
Sale Date:	04/11/2013
Sale Status:	Closed
$/SF GBA:	$59.40
$/SF NRA:	$59.40
Case Study Type:	none
Grantor/Seller:	CRCP Pleasant Street LLC (Crosspoint Associates)
Grantee/Buyer:	NREF III Pleasant LLC (Normandy)
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller - buyer obtained financing
Terms of Sale:	Conventional
Document Type:	Deed
Recording No.:	Book: 61586, Page: 52
Verified By:	Gregory T. Curtis
Verification Type:	Confirmed-Seller Broker

Operating Data and Key Indicators

Vacancy Rate:	100%
OAR(Cap. rate)Actual:	0.00%

Improvement and Site Data

MSA:	Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area
GBA-SF:	92,591
NRA-SF:	92,591
Acres(Gross):	8.10
Land-SF(Gross):	352,836
Year Built:	1969
Most Recent Renovation:	1986
Building/M&S Class:	B/A
Construction Quality:	Good
Improvements Cond.:	Good
Construction Desc.:	Masonry
No. of Buildings/Stories:	1/5
Total Parking Spaces:	385
Park. Ratio 1000 SF GLA:	4.16
No. Surface Spaces:	385
Park. Ratio 1000 SF GBA:	4.16
Elevators/Count:	Yes
Bldg. to Land Ratio FAR:	0.36
Bldg. Phy. Info. Source:	Past Appraisal
Source of Land Info.:	Past Appraisal

Comments

This represents the sale of a vacant, 5-story, 92,591 square

Comments (Cont'd)

foot, Class B office building that is located in the westerly section of Framingham. The property is located just outside of the 9/90 Corporate Center and the Framingham Technology Park, in close proximity to the interchange of the Massachusetts Turnpike and Route 9. The building had been 100% leased and occupied by Genzyme until 2011 when the tenant vacated the premises. The building has been vacant since Genzyme vacated and was vacant as of this sale date. The buyer plans on conducting a major renovation, expansion and repositioning of the asset. The transaction also included a 2.15 acre development parcel located at 16 Pleasant Street Connector.

This building was 100% occupied by Genzyme until 2011. As of 2012 the building has been vacant. The land area includes a 2.15 unimproved development parcel directly across from the main office site.

Office Sale Profile

FINAL

Sale No. 5

Location & Property Identification

Property Name:	Office Building
Sub-Property Type:	Office: Low - Rise
Address:	40 Pequot Way
City/State/Zip:	Canton, MA 02021
County:	Norfolk
Market Orientation:	Suburban

Lat./Long.: 42.176682/-71.109756 IRR Event ID (499213)

Sale Information

Sale Price:	$3,780,000
Eff. R.E. Sale Price:	$3,780,000
Sale Date:	06/24/2011
Sale Status:	Closed
$/SF GBA:	$60.00
$/SF NRA:	$60.00
Case Study Type:	none
Grantor/Seller:	Tweeter Opco, LLC (Weles Fargo)
Grantee/Buyer:	Equity Industrial Pequot, LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller - buyer obtained financing
Terms of Sale:	Conventional
Document Type:	Deed
Recording No.:	Book 28881 Page 195
Verified By:	Gregory T. Curtis
Verification Type:	Confirmed-Buyer

Operating Data and Key Indicators

Vacancy Rate:	100%
Operating Data Type:	In Place
OAR(Cap. rate)Actual:	0.00%

Improvement and Site Data

MSA:	Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area
GBA-SF:	63,000
NRA-SF:	63,000
Acres(Gross):	10.76
Land-SF(Gross):	468,706
Year Built:	2001
Building/M&S Class:	B/C
Construction Quality:	Average
Improvements Cond.:	Average
Construction Desc.:	Steel Frame
No. of Buildings/Stories:	1/3
Total Parking Spaces:	252
Park. Ratio 1000 SF GLA:	4.00
No. Surface Spaces:	252
Park. Ratio 1000 SF GBA:	4.00
Elevators/Count:	Yes
Topography:	Level
Corner Lot:	No
Traffic Flow:	Low
Bldg. to Land Ratio FAR:	0.13
Bldg. Phy. Info. Source:	Public Records
Source of Land Info.:	Past Appraisal

Comments

Comments (Cont'd)

This office property is located off of Route 138 in Canton. The property was previously owner-occupied by Tweeter. Tweeter sold this property vacant to a regional investor, Equity Industrial Partners, that was able to secure a lease with LoJack for the entire building. Although the building was constructed in 2001, Equity Industrial had to complete significant capital expenditures to make the building ready for LoJack.

This office building is located off of Route 138 in Canton.

Office Sale Profile

FINAL

Sale No. 6

Location & Property Identification

Property Name:	Steward Health Care System
Sub-Property Type:	Office
Address:	30 Perwal St.
City/State/Zip:	Westwood, MA 02090
County:	Norfolk
Market Orientation:	Suburban

Lat./Long.: 42.213528/-71.179092 IRR Event ID (568660)

Sale Information

Sale Price:	$3,800,000
Eff. R.E. Sale Price:	$3,800,000
Sale Date:	09/23/2010
Sale Status:	Closed
$/SF GBA:	$37.62
$/SF NRA:	$37.62
Grantor/Seller:	Analog Devices Inc
Grantee/Buyer:	Campanelli-Trigate Westwood LLC
% of Interest Conveyed:	100.00
Financing:	All cash
Terms of Sale:	Cash sale.
Document Type:	Deed
Verified By:	Christina M. Kunz
Verification Date:	7/31/12
Verification Type:	Secondary Verification

Improvement and Site Data

MSA:	Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area
Legal/Tax/Parcel ID:	WWOO-000024-000000-000086
GBA-SF:	101,000
NRA-SF:	101,000
Acres(Gross):	10.52
Land-SF(Gross):	458,251
Year Built:	1971
Most Recent Renovation:	2011
Building/M&S Class:	B/C
Construction Quality:	Good
Improvements Cond.:	Average
Exterior Walls:	Block
Construction Desc.:	Masonry
No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	No/No
Total Parking Spaces:	501
Park. Ratio 1000 SF GLA:	4.96
No. Surface Spaces:	501
Park. Ratio 1000 SF GBA:	4.96
Bldg. to Land Ratio FAR:	0.22
Bldg. Phy. Info. Source:	Public Records
Source of Land Info.:	Past Appraisal

Comments

This represents the sale of a vacant flex building that was acquired by a regional investor. The buyer completed a substantial renovation of the building to convert the building into modern office space. The renovation project included a new energy management system, structural code upgrades, significant upgrades to suppression and protection systems, upgraded restrooms, and new ceilings and paint throughout the building. In addition, the renovation project also included landscaping. Subsequent to the buyer acquiring the property a long

Comments (Cont'd)

term net lease for the entire building was signed with Steward Healthcare.

This former warehouse/manufacturing building was converted to 100% office space in 2011. The property is located immediately off US Route 1 near the Norwood town line. The property is located approximately one mile south of Route 128.

FINAL

Addendum D

Engagement Letter

FINAL

Integra Realty Resources
Boston

313 Congress Street
Suite 100
Boston, MA 02210

T 617.451.9110
F 617.451.0039
www.irr.com

October 21, 2013

William G Keegan, Jr., ICMA-CM
Town Administrator
Town of Dedham
26 Bryant Street
Dedham, MA 02026

SUBJECT: Proposal/Authorization for Valuation and Consulting Services
Property
Single Commercial Condominium Unit Totaling Approximately 224,000 SF at 150 Rustcraft Road, Dedham, MA (the "Subject Property")

Dear Mr. Keegan:

Upon your acceptance of this letter agreement, Integra Realty Resources – Boston ("IRR – Boston"), will prepare an appraisal of the Subject Property. The appraisal will be presented in a summary report.

The purpose of the appraisal is to provide an opinion of the market value of the fee simple interest in the Subject Property. The intended use of the report is for internal planning purposes. The appraisal will be prepared in conformance with and subject to, the Standards of Professional Practice and Code of Ethics of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation.

In accordance with our correspondence, the scope of this assignment will require IRR – Boston to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis and preparation of the report.

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

FINAL

All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions a copy of which is attached as Attachment I.

The total fee for this assignment will be $5,000 including expenses and the delivery date will be no later than 11/12/13 assuming notice to proceed is granted by 10/21/13, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. **Any additional meeting time, consultation, pretrial conference time, and or testimony after the delivery of the report will be billed at the hourly rate of $350**. The fees will be due and payable within 30 days of the delivery of the report. It is understood that simple interest of 15% per annum will accrue on any unpaid balance for compensation due, subject to reduction pursuant to any applicable usury law. We shall also be entitled to recover our costs (including attorneys' fees), associated with collecting any amounts owed or otherwise incurred in connection with this assignment. If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed. Upon default, we shall be permitted to file a lien against the subject property for any amounts owed pursuant to this engagement.

Upon request, two copies of the appraisal reports will be provided. Otherwise, as we aim to lower our carbon footprint, the report will be delivered as an electronic pdf. If more than two hard copies are requested, the fee for the additional reports will be $100 each. The delivery date is contingent upon the absence of events outside our control, timely access for inspection of the properties, as well as our receipt of all requested information necessary to complete the assignment.

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance or wetlands. Therefore, unless we have been provided with appropriate third party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our then current hourly rates for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, IRR - Boston and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in our marketing materials, database and derivative products so long as your identity is kept confidential. You agree that all data already in the public domain may be utilized on an unrestricted basis.

FINAL

If you are in agreement with the terms set forth in this letter and wish us to proceed with the engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,

INTEGRA REALTY RESOURCES – BOSTON

David L. Cary, Jr., MAI
Senior Managing Director

Attachments

AGREED & ACCEPTED THIS 21st **DAY OF** October**, 2013.**

BY: TOWN OF DEDHAM

AUTHORIZED SIGNATURE

William G Keegan Jr.
NAME (PRINT)

FINAL

ATTACHMENT I

ASSUMPTIONS & LIMITING CONDITIONS

This appraisal report is based on the following assumptions, except as otherwise noted in the report.

a) The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.

b) There are no existing judgments or pending or threatened litigation that could affect the value of the property.

c) There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.

d) The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.

e) The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.

f) The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal report is subject to the following limiting conditions, except as otherwise noted in the report.

a) An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.

b) The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.

c) No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.

d) No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

e) Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.

f) We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

g) No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

h) We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.

i) The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall

be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.

j) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.

k) Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.

l) Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

m) If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.

n) No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

o) The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.

p) The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

q) The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

r) The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to *ADA*. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

s) The appraisal report is prepared for the exclusive benefit of you as "Client", your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

t) No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the Subject Property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.

u) The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of

flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

v) Integra is not a building or environmental inspector. Integra does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.

w) The appraisal report and value conclusion assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

x) Integra – Boston is an independently owned and operated company. It is expressly acknowledged that in any action which may be brought against Integra - Boston, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement, the appraisal report, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

y) The use of the appraisal report by anyone other than the Client is prohibited. Accordingly, the appraisal report will be addressed to and shall be solely for your use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable) and you agree to indemnify and hold us harmless from any and all costs, damages and expenses associated with such unauthorized disclose (including reasonable attorneys' fees).

z) The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public record, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

aa) All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.