

Appraisal Report

Golda Meir Water Tower Expansion Newton, MA

Effective Date of Appraisal:
August 8, 2018

Date of Report:
October 5, 2018

Prepared for:
Jewish Community Housing for the Elderly

BONZ AND COMPANY, INC.
| *Real Estate Advisors*

BONZ AND COMPANY, INC.

Real Estate Advisors

October 5, 2018

Ms. Rachel Belanger
Project Manager
JCHE
30 Wallingford Road
Brighton, MA 02135

Dear Ms. Belanger:

In accordance with your request, we respectfully submit herein our appraisal report for the above referenced property. The subject property consists of one land parcel located adjacent to the existing Golda Meir rental development. The subject property has a street address of 160 R Stanton Avenue in Newton, Massachusetts and contains 16,900 square feet of land. It is currently improved with a water tower.

The property is currently owned by the City of Newton but is under a Purchase Option Agreement to Jewish Community Housing for the Elderly III with a purchase price of \$500,000, less the cost of decommissioning the existing water tower and the cost of relocating and providing a permanent site for the City's utility monitoring antennas. The purchase intends to develop the subject property as a parking lot to serve the Golda Meir rental development.

The purpose of this appraisal is to estimate the current market value of the fee simple interest in the subject on an "as is" basis under the existing zoning, in conjunction with a Highest and Best Use analysis.

The parcel is located in an area that had been designated as a (PU) Public Use District. Permitted By-Right uses in a PU district are limited to Day Care facilities and certain Public Institutions. However, on May 8, 2017, which pre-dates our appraisal date, the City held a hearing to consider a rezoning of the subject property to Multi Residence 3. On May 22, 2017, the Zoning and Planning Committee voted to rezone the site and on June 5, 2017 the City Council approved the rezoning.

Based on the zoning in place as of the date of our appraisal, it is our opinion that the Highest and Best Use for the subject would be its development as Multi-family housing. That development is limited to "affordable housing units" based restrictions established by the City Council on April 3, 2017.

The appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice

(USPAP) and the requirements set forth in the Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

This report is based upon our personal inspection of the subject property and its environs. It describes the method of valuation and presents data pertinent to the appraisal process and our value conclusions. It should be noted that the valuation is subject to the Standard Assumptions and Limiting Conditions and the Site Specific Assumptions and Limiting Conditions as defined within this report.

As a result of our analysis, which is based on the information set forth in this report, the extraordinary assumptions outlined in the Site Specific Assumptions section of this report, the appraisers' experience, and additional data contained in the appraiser's files, and our analysis of the subject's Highest and Best Use, it is our opinion that the market value "as is" of the fee simple interest in the subject property, as of August 8, 2018 is:

\$600,000
SIX HUNDRED THOUSAND DOLLARS

This transmittal letter is part of the report, which follows that contains 48 pages exclusive of the Appendices. This report, including all analyses contained within, is based on estimates, assumptions and other information developed from our research of the market, knowledge of the industry and meetings during which the property contact(s) provided us with certain information. The sources of information developed and the bases of estimates and assumptions are stated in the body of this report. As of the date of this report the country was recovering from an extended recession, high unemployment, and severe problems in the financial and real estate markets. We have no responsibility to update this report for events and circumstances occurring after the date of our report.

We have enjoyed the opportunity to conduct this valuation assignment. If you should have any questions regarding this appraisal report, please do not hesitate to contact us.

Respectfully submitted,
BONZ AND COMPANY, INC.



Robert H. Salisbury
Director
Massachusetts Certified General
Real Estate Appraiser, Lic. #75492 (expires February 7, 2020)

TABLE OF CONTENTS

SECTION I—EXECUTIVE SUMMARY	1
CERTIFICATION OF VALUE	3
CONTRIBUTIONS OF OTHER PROFESSIONALS	9
FACTS & FORECASTS UNDER CONDITIONS OF UNCERTAINTY	9
CONTROLS ON THE USE OF THIS APPRAISAL	10
SITE SPECIFIC ASSUMPTIONS & LIMITING CONDITIONS	10
SECTION II—FACTUAL DATA.....	13
PURPOSE, USE, AND INTENDED USERS OF THE APPRAISAL	13
COMPETENCY STATEMENT	13
SCOPE OF WORK.....	13
CRITICAL DATES.....	14
DEFINITION OF VALUE	15
INTEREST APPRAISED	16
IDENTIFICATION OF SUBJECT PROPERTY	16
MARKET OVERVIEW.....	17
<i>Economic Overview</i>	18
<i>General Demographic Overview</i>	26
CITY AND NEIGHBORHOOD OVERVIEW.....	28
<i>Site Description of Subject Property</i>	29
<i>Zoning and Public Land Use Controls</i>	32
<i>Property Tax Information</i>	33
<i>Summary Conclusion</i>	35
SECTION III—ANALYSES AND CONCLUSIONS.....	36
HIGHEST & BEST USE.....	36
<i>Highest and Best Use Analysis of Property “As If”</i>	36
VALUE METHODOLOGY.....	38
AS-IS MARKET VALUE	39
RECONCILIATION OF VALUES.....	48
ESTIMATE OF EXPOSURE & MARKETING TIME	49
APPENDIX	50

LIST OF EXHIBITS

EXHIBIT 1 – SUBJECT PHOTOGRAPHS 5
EXHIBIT 2 – AERIAL PICTURE OF SUBJECT..... 17
EXHIBIT 3 – REGIONAL LOCATION MAP FOR SUBJECT PROPERTY 18
EXHIBIT 4 – PERCENT CHANGE IN U.S. REAL GDP 19
EXHIBIT 5 – CIVILIAN UNEMPLOYMENT RATE TRENDS 21
EXHIBIT 6 - UNEMPLOYMENT RATE TRENDS 23
EXHIBIT 7 - EMPLOYMENT STATISTICS IN 000’S 23
EXHIBIT 8 - MASSACHUSETTS AND BOSTON NECTA EMPLOYMENT BY INDUSTRY 25
EXHIBIT 9 – GREATER BOSTON AREA LARGEST EMPLOYERS 25
EXHIBIT 10 – GENERAL DEMOGRAPHIC TRENDS 27
EXHIBIT 11 – SUBJECT LOCATION IN RELATION TO ADJACENT COMMUNITIES 28
EXHIBIT 12 – NEIGHBORHOOD MAP 29
EXHIBIT 13 – FLOOD MAP 32
EXHIBIT 14 – ZONING MAP..... 33
EXHIBIT 15 – CURRENT ASSESSED VALUE 34
EXHIBIT 16 – SUBJECT PROPERTY TAX PARCEL MAP..... 34
EXHIBIT 17 - SUMMARY OF COMPARABLE IMPROVED SALES 39
EXHIBIT 18 – MAP OF COMPARABLE IMPROVED SALES..... 40
EXHIBIT 19 – COMPARABLE IMPROVED SALES 41
EXHIBIT 20 –IMPROVED SALE ADJUSTMENT GRID 47

SECTION I—EXECUTIVE SUMMARY

Property: Golda Meir Water Tower
160 R Stanton Avenue
Newton, Massachusetts

Property Owners: City of Newton (under a Purchase and Sale Option to
Jewish Community Housing for the Elderly III)

Legal Interest
Appraised: Fee Simple Estate

Effective Date of Value: August 8, 2018

All value analyses are as referenced in the published final rules of the OCC and the FDIC and the Uniform Standards of Appraisal Practice.

Date of Report: October 5, 2018

Special Assumptions: Please refer to the Site Specific Assumptions and Limiting
Conditions of this report.

Hypothetical Conditions: None

Site Improvements: Water Tower

Gross Building Area: No information is available regarding the size of the Water
Tower.

Total Land Area: 0.39 acres, 16,900 square feet

Environmental: We did not observe any indications of environmental issues
on our inspection and none were noted to us. The subject
does not appear on the Massachusetts Department of
Environmental Protection’s list of contaminated sites based
on our review of August 1, 2018. The appraisers
previously were provided evidence of a 1994 environmental
report of environmental threats related to the adjacent 160
Stanton Avenue. However, the report classified the issue as
“No Significant Threat” and no remedial action was
required. Additionally, the tower was originally painted
with lead based paint and the lead paint has migrated into
the soil below based on a report provided to the client by
the City. We do not have any cost estimates associated

with the removal of the lead paint but we have assumed that any costs associated with the lead paint from the tower will be borne by a buyer and have incorporated the impact of the lead paint removal into our value analysis.

Zoning: Multi Residence I (Affordable housing)

Flood Zone: According to FEMA Flood Insurance Rate Map (FIRM) # 25017C0553E, dated June 4, 2010, the subject property appears to be located in a low flood risk zone.

Assessor's Tax Data FY2018:

Property Identification		Assessed Value		
Address	SBL	Land	Building	Total
160 R Stanton	430450033	\$518,200	\$0	\$518,200

Highest and Best Use:

As Is: Develop as residential single-family housing.

Market Value "As Is"

The As-Is market value of the fee simple interest in the subject property as of August 8, 2018, is:

Cost Approach:	Not Applicable
Sales Approach:	\$600,000
Income Approach:	<u>Not Applicable</u>
Reconciled Value:	\$600,000

Estimated Marketing Time: Less than 12 months.

CERTIFICATION OF VALUE

The undersigned certify that to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraisers personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The undersigned 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.
- The undersigned have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction of value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Robert Salisbury inspected the subject property on August 8, 2018.
- No one provided significant real property appraisal assistance to the person signing this certification.
- As of the date of this report, Robert H. Salisbury has completed the continuing education requirements for Certificated General Real Estate Appraisers mandated by the Commonwealth of Massachusetts.

Golda Meir
Water Tower Expansion
Newton, Massachusetts

- Within the prior three years the appraiser or other members of Bonz and Company have not undertaken any other assignments for the property that is the subject of this appraisal.

Respectfully submitted,
BONZ AND COMPANY, INC.



Robert H. Salisbury
Director
Massachusetts Certified General
Real Estate Appraiser, Lic. #75492 (expires February 7, 2020)

Exhibit 1 – Subject Photographs



View of subject from parking lot adjacent to Stanton Avenue



Close up of water tower on subject property

Golda Meir
Water Tower Expansion
Newton, Massachusetts



View from subject property toward Stanton Avenue



Golda Meir rental development located just north of the subject (water tower is visible behind Golda Meir)

Golda Meir
Water Tower Expansion
Newton, Massachusetts



Single family located near subject



Brae Burn Country Club Golf Course adjacent to subject

Golda Meir
Water Tower Expansion
Newton, Massachusetts



Woodland Golf Club viewed from intersection of Washington Street and Stanton Avenue



Newton Wellseley Hosipital located just west of Subject on Washington Street

Contributions of Other Professionals

- Bonz and Company, Inc. relied on information and representations provided by brokers, lenders, city officials, and written documentation such as surveys, plot plans, assessor's records and maps, and recorded deeds to establish sizes of land, buildings and parking lots, as well as the condition of the structure, of the subject property and comparable properties used in this report. Information furnished by others for use in this appraisal is believed to be reliable but cannot be guaranteed by the appraisers.
- The appraisers assume no responsibility for legal matters. Where discussed with local officials, interpretation of codes and ordinances should be considered preliminary and not binding. It is assumed that the utilization of the land and improvements is within the property lines of the subject property, and that no encroachment or trespass exists unless otherwise noted in this report. It is also assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure that would render the property more or less valuable.
- All information furnished regarding properties for sale or rent, financing, or projections of income and expenses is from sources deemed reliable. No warranty or representation is made regarding the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease, financing, or withdrawal without notice.

Facts & Forecasts Under Conditions of Uncertainty

- Forecasts are based upon the best data concerning the market available as of the effective date of the report but are projected under conditions of uncertainty. Some of our projections may not accurately reflect future conditions; however, we believe that any inaccuracies in the projections will apply to the demand for higher income, market rate housing.

This report assumes that the economy will continue to grow through 2018 and that the demand for residential space will continue to grow. It is possible that some assumptions contained in this appraisal may not materialize and unanticipated events and circumstances may occur. We have no responsibility to update this report for events and circumstances occurring after the date of our report.

Controls on the Use of this Appraisal

- Values for various components of the subject parcel as contained within the report are valid only under the stated program of utilization and are not to be used independently for any purpose and must be considered invalid if so used.
- Possession of this report, or any copy or portion thereof, does not carry with it the right of publication nor may the same be used for any other purpose by anyone without the previous written consent of the appraisers, and, in any event, only in its entirety.
- Neither all nor any part of the contents of the report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the authors, particularly regarding the value conclusions and the identity of the appraisers, of the firms with which they are connected, or any of its associates.
- Neither all nor any part of this report shall be used in the client's reports or financial statements, in any documents filed with any government agency, or in a prospectus or securities offering.
- The appraisers shall not be required to give testimony or to attend any governmental hearing regarding the subject matter of this appraisal without agreement as to additional compensation and without sufficient notice to allow adequate preparation.

Site Specific Assumptions & Limiting Conditions

Extraordinary Assumptions: The Appraisal Foundation defines extraordinary assumptions in the Uniform Standards of Professional Appraisal Practice and Advisory Opinions as:

An assumption directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false could alter the appraiser's opinion or conclusions.^[1]

In our opinion, the following represent extraordinary assumptions:

- **Environmental** – We did not observe any indications of environmental issues on our inspection and none were noted to us. The subject does not appear on the

^[1] Appraisal Standards Board, Uniform Standards of Appraisal Practice, page U-3. Effective January 1, 2018 to December 31, 2019.

Massachusetts Department of Environmental Protection's list of contaminated sites based on our review of August 1, 2018. The appraisers previously were provided evidence of a 1994 environmental report of environmental threats related to the adjacent 160 Stanton Avenue. However, the report classified the issue as "No Significant Threat" and no remedial action was required. Additionally, the tower was originally painted with lead based paint and the lead paint has migrated into the soil below based on a report provided to the client by the City. We do not have any cost estimates associated with the removal of the lead paint but we have assumed that any costs associated with the lead paint from the tower will be borne by a buyer and have incorporated the impact of the lead paint removal into our value analysis.

- Easements: The City currently holds an access easement through the Brae Burn property designated specifically for use only to maintain the water tower. We have been informed that the removal of the water tower results in the termination of this easement. We are not aware of any easements that will create a negative impact on our value analysis.

The subject property is landlocked and would require an easement to ensure access to Stanton Avenue. It is our understanding that Massachusetts accepts the usual presumption that the one who creates a landlocked parcel intends to give the owner of the landlocked parcel an easement to reach a public road. The doctrine is based on the implied intent of the grantor (in the case of the subject property the City of Newton) and public policy considerations that support access to land both to protect the landlocked owner's right to access his or her land and general welfare considerations of making the land alienable and usable. In the case of the subject property, The City of Newton, does not control the land needed for the easement. The City has historically accessed the Water Tower land through an informal easement with JCHE. Given the circumstances of the subject property and the informal easement that historically has been acknowledged by both JCHE and the City of Newton through practice, we have specifically assumed that any easements needed to access Stanton Avenue would be made available to the purchaser of the property without a cost to that buyer.

- Dimensions: According to survey data provided the subject contains 16,900 square feet. We have assumed this is correct and incorporate the size into our analysis.
- Water Tower: Our analysis specifically excludes the cost to remove the water tower and we have assumed that either the current owner of the property would remove the tower, or our value estimate will need to be adjusted to reflect that cost. We did not assume that the current owner would bear the cost of the lead

paint removal. The cost associated with any lead paint removal was incorporated into our sale grid analysis.

- Development Potential: We were not provided any information related to the number of units that can be developed on the site and do not believe that we have sufficient information to make any assumptions relative to the number of units that could be developed. Our analysis of value is based on the size of the property, 16,900 square feet and does not evaluate the subject based on an assumed number of potential units.

SECTION II—FACTUAL DATA

Purpose, Use, and Intended Users of the Appraisal

The purpose of this appraisal is to provide an estimate of the “As Is” market value of the subject property. The client for this appraisal is the Jewish Community Housing for the Elderly (JCHE), who authorized the appraisal in writing on July 17, 2018. A copy of the engagement letter is included in our files. The appraisal will be used to assist the client with their due diligence related to the potential acquisition of the subject property. The intended user of the report is the client and others involved in the proposed use.

Since the appraisal reflects the specific scope of work pursuant to the intended use and intended users based upon the agreement of the client and appraiser, the appraisal could be misleading if considered for any other purpose or in any other context. Therefore, this appraisal is not valid for any other users or use without approval in writing by the appraiser and the client.

Competency Statement

The appraiser is experienced in the valuation of most types of commercial real estate, including, but not limited to, multi-family residential developments, mixed-income and affordable housing, office buildings, industrial buildings, research and development facilities, retail developments, mixed-use projects, and undeveloped land. The appraiser has undertaken appraisals and feasibility studies for numerous multi-family residential developments including land for rental apartment and condominium development, market rate for-sale and rental developments, mixed-income developments, fully subsidized developments, and SRO housing. Mr. Salisbury has completed courses approved by the Appraisal Institute and is a Massachusetts licensed Certified General Real Estate Appraiser. He is competent to perform this appraisal. The qualifications of the appraiser are included in the Appendix of this report.

Scope of Work

The appraiser has relied upon data from the following sources: official and unofficial information from public records, tax and other data from the local assessor; information from the appraiser’s data base, data from MLSPIN, CoStar, Loopnet, local brokers, Reis, Inc., and other third parties cited in this appraisal; market, economic, and demographic

data from public sources, STDBonline.com, the Federal Reserve Bank, public agencies, RERC Reports and PricewaterhouseCoopers Investor Survey, land use data from local zoning boards, as well as information from other specific sources described in this appraisal. Where noted in the specific sections of this appraisal, data has been verified with knowledgeable parties. Where appropriate to the appraisal, the appraiser has researched revenue data, operating cost data, and investment data from the above noted sources and from other specific sources cited in this appraisal.

Where appropriate to the appraisal, the appraiser has researched revenue data, operating cost data, and investment data from the above noted sources and from other specific sources cited in this appraisal. The appraiser has analyzed the property and the interest being appraised. The opinion of value set forth in this appraisal reflects the analysis of market conditions affecting the property. The appraiser has analyzed the highest and best use of the property for the specific purpose of the appraisal and has considered the three accepted approaches to value – the cost approach, the sales comparison approach, and the income approach. Given our analysis of the Highest and Best Use (the development of multifamily housing) and the current information available to us, it is our opinion that the Sales Comparison Approach provides the only reasonable indication of value. Therefore, the final value estimate of the property and the interests appraised as of the effective date of the appraisal reflects the value determined through the sales comparison approach, which provides a credible conclusion of value.

Critical Dates

This estimate of the as-is market value is as of August 8, 2018. All assumptions included in the report are based on information known as of the date of the report. An inspection of the site was made by Mr. Salisbury on this date. All data was reviewed and adjusted where necessary to provide a uniform basis for the valuation. The date of this report is October 5, 2018.

Hypothetical Conditions

USPAP defines a “Hypothetical Condition” as being ... “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis”.¹ USPAP further comments that “hypothetical conditions assume conditions contrary to known factors about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends, or about the integrity of data used in the analysis”² There are no hypothetical conditions associated with this report.

There are no hypothetical conditions associated with this report.

Definition of Value

For the estimate of the property’s Market Value, the most appropriate definition of value is that of market value. According to the Dictionary of Real Estate Appraisal, Fourth Edition, 2002, page 177, “Market Value” is defined as stated as follows:

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

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised and each acting in what they consider their own best interest;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in U. S. dollars or in financial arrangements comparable thereto, and;
- e. The price represents the normal consideration for the property sold unaffected by special creative financing or sales concessions granted by anyone associated with the sale.

¹ Appraisal Standards Board, Uniform Standards of Appraisal Practice and Advisory Opinions, U-3. Effective January 1, 2018 to December 31, 2019.

² IBID

Interest Appraised

The property that is the subject of this appraisal consists of a parcel of land located at 160 R Stanton Avenue in Newton, Massachusetts. The property is improved with a water tower that does not generate income and in our opinion the interest appraised is a fee simple interest. Fee simple interest is defined by the Appraisal Institute as:

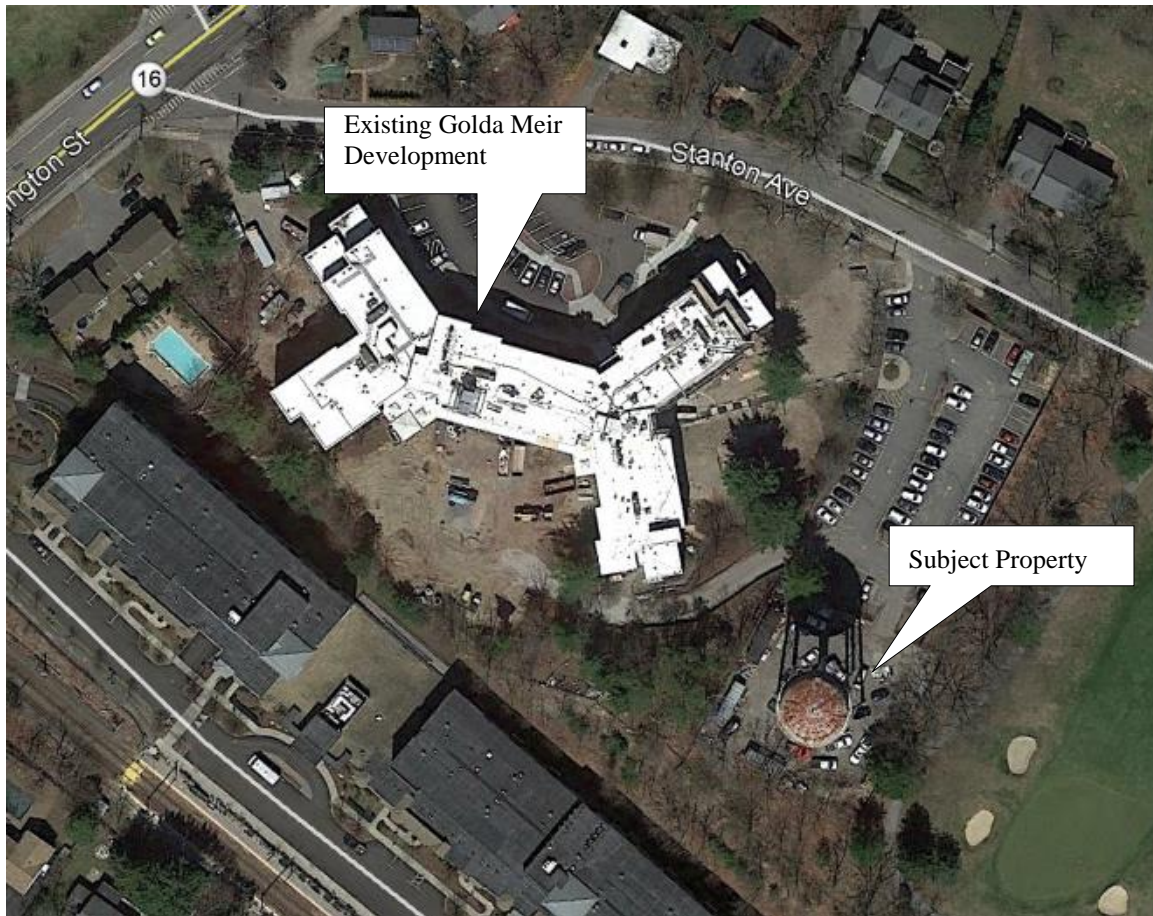
Absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

Identification of Subject Property

The subject property consists of a single parcel of land located at 160 R Stanton Avenue in Newton, Massachusetts. It contains 16,900 square feet of land that is currently improved with a Water Tower. The property is owned by the City of Newton. According to information reviewed, no other transfer of ownership has occurred over the past three years. However, the property is currently subject to a Purchase and Sale Option between the City and Jewish Community Housing for the Elderly III. The option was entered into on June 1, 2018 and includes a purchase price of \$500,000 (less the cost of decommissioning the existing water tower and the cost of relocating and providing a permanent site for the City's utility monitoring antennas). The Option includes a closing date of March 1, 2020.

³ Appraisal Institute, The Dictionary of Real Estate Appraisal, Fourth Edition, (Chicago, 2002), p. 113.

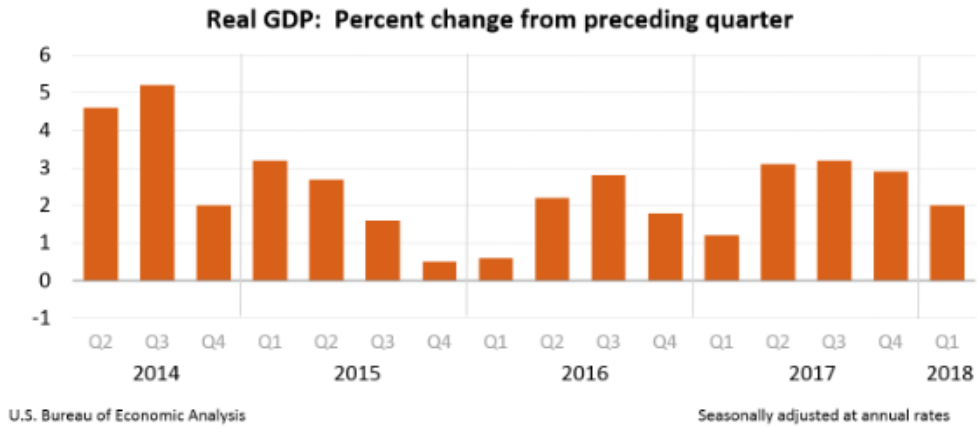
Exhibit 2 – Aerial Picture of Subject



Market Overview

The subject property is located in Newton, Massachusetts, which is a part of Middlesex County. Trends experienced in the balance of Middlesex County as well as the Boston labor market area directly influence the strength of the local market. Additionally, trends evidenced in the national and regional arenas affect metropolitan indicators and, by extension, affect the local market. Therefore, the market analysis section of this report begins with an analysis of national, regional, and metropolitan trends and indicators. A more focused market analysis follows this regional review.

Exhibit 4 – Percent Change in U.S. Real GDP



David Payne, staff economist for Kiplinger, expects the GDP to increase 2.9% for the year, after 2017's 2.3% pace. Tax cuts are boosting GDP through rising consumer spending and stronger business investment. Higher wages, expanding household income, job gains (albeit smaller than before) and credit utilization are also underpinning consumer spending. Housing construction should pound ahead. However, auto sales will downshift. A possible trade war is growth's biggest threat. Although any slowdown in international trade would likely be small, the uncertainties could create knock-on effects that ding business investment.

The University of Michigan's consumer confidence index reports that consumer sentiment slipped in early July but remained nearly equal to the average in the prior twelve months (97.7) and since the start of 2017 (97.4). The continuing strength has been due to favorable job and income prospects, with consumers under age 45 anticipating the largest income gains since July 2000. So far, the strength in jobs and incomes has overcome higher inflation and interest rates. The darkening cloud on the horizon, however, is due to rising concerns about the potential negative impact of tariffs on the domestic economy. Negative concerns about the impact of tariffs have recently accelerated, rising from 15% in May, to 21% in June, and 38% in July (see the chart). Among those in the top third of the income distribution (who account for half of consumer spending), 52% negatively mentioned the impact of tariffs on the economy in early July. The primary concerns expressed by consumers were a decline in the future pace of economic growth and an uptick in inflation. Among those who expressed negative views of the tariffs, the Expectations Index was 30.5 points below those who made no mention of tariffs, and in

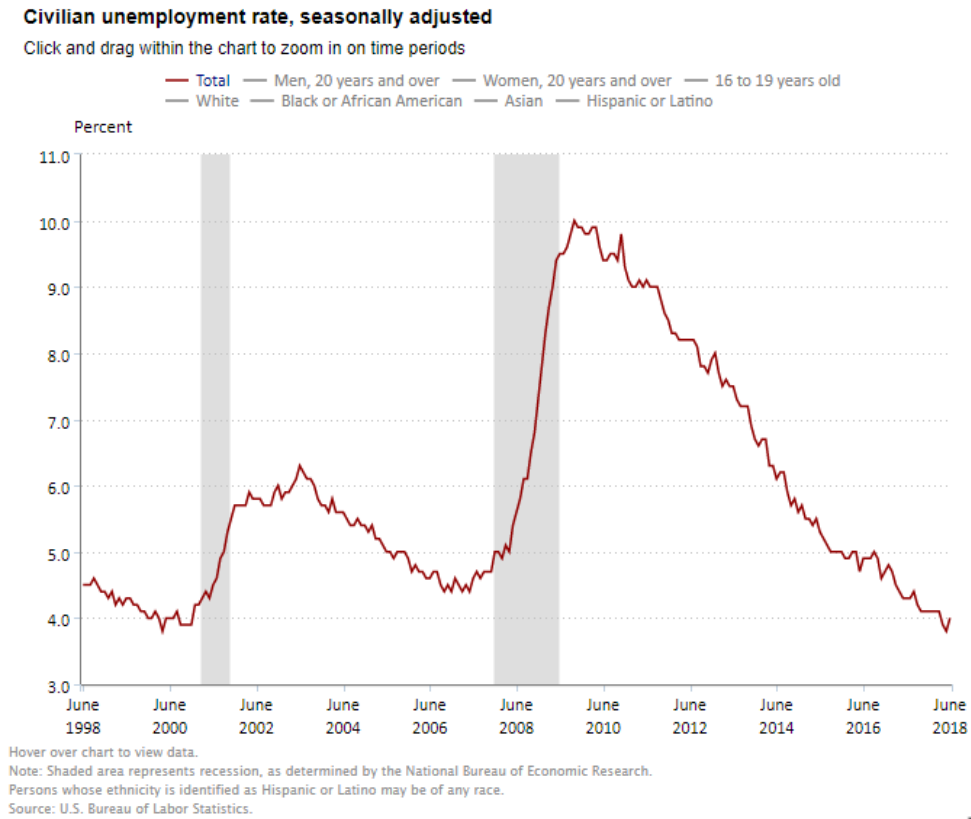
addition, the expected inflation rate was six-tenths of a percentage point higher. While consumers may not understand the intricacies of trade theory, they have substantial experience making decisions about the timing of discretionary purchases based on prospective trends in prices.

After raising rates by a quarter-point in December and again in March, the Federal Reserve is expected to hike interest rates two more times in 2018. The Federal Reserve is committed to raising short-term rates this year and next because it's concerned about the tightening labor market. It very much wants to stay ahead of any inflation that rising wages may generate and will lift short-term rates by a quarter of a percentage point twice more this year (after June's hike). That would put the federal funds rate at 2.5% heading into 2019, when another three to four increases are expected.

The improved climate for business spending is also projected to continue despite concerns that the President's aggressive trade policies could curtail it. As a result of Republican tax legislation signed into law in December, the U.S. corporate tax rate has been slashed from 35% to 21%. The law also includes new investment incentives, such as immediate depreciation of assets put into service from last September through 2022. That is a powerful incentive for companies to upgrade production equipment to seize advantage of faster write-offs at a time when firmer global growth is creating more potential for exports. Business spending on inventories should rise as well as home building, given the shortage of homes for sale relative to demand from would-be buyers.

Total nonfarm payroll employment rose by 213,000 in June, the U.S. Bureau of Labor Statistics reported on July 6, 2018. Job growth occurred in professional and business services, manufacturing, and health care, while retail trade lost jobs. The unemployment rate rose by 0.2 percentage point to 4.0 percent in June, and the number of unemployed persons increased by 499,000 to 6.6 million. A year earlier, the jobless rate was 4.3 percent, and the number of unemployed persons was 7.0 million.

Exhibit 5 – Civilian Unemployment Rate Trends



Gains in jobs and wages nationally indicate continual economic growth. According to Kiplinger, employers took on 223,000 new workers in May. Job growth is still widespread—with the usual strong gain in healthcare, food services, professional and technical services, manufacturing and construction. Somewhat surprising was a strong gain in retail. Eventually, the scarcity of unemployed workers should shrink these monthly additions.

Unemployment dropped to 3.8% in May, down from 4.1% just two months earlier, and its lowest level since 2000. Look for it to edge down a bit further by the end of 2018 as it becomes harder for employers to find suitable candidates. The short-term unemployment rate (those unemployed for less than six months) is at its lowest level since the Korean War in 1953. Monthly initial unemployment claims are the lowest since 1969. Few companies are laying off in this climate

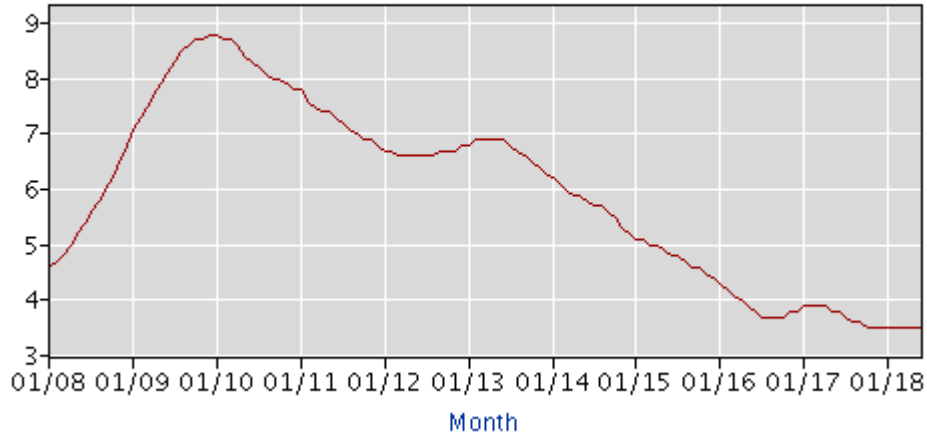
The Conference Board Employment Trends Index (ETI), an aggregate of eight labor-market indicators that shows underlying trends in employment conditions, increased in June after decreasing in May. The Index now stands at 108.94, up from 107.72 in May. The change represents a 5.2 percent gain in the ETI from one year ago.

“As expected, after decreasing in May, the Employment Trends Index continued its solid path upwards in June, with positive contributions from all of its components,” said Gad Levanon, Chief Economist, North America, at The Conference Board. “The labor market will continue to tighten in the coming months, with strong employment growth outpacing the number of people entering the labor force.”

In terms of both job growth and unemployment rates, the state of Massachusetts has outpaced the rest of the U.S. for the past several years. The state’s total unemployment rate remained at 3.5% in June, compared to the country’s rate of 4.0% in June. Over the year, the state’s seasonally adjusted unemployment rate decreased three-tenths of a percentage point from 3.8% in June 2017.

In order to compare the statewide rate to local unemployment rates, the Bureau of Labor Statistics estimates the statewide-unadjusted unemployment rate for June was 3.9 percent. Last week, the Executive Office of Labor and Workforce Development reported the statewide seasonally adjusted unemployment rate in the month of June remained at 3.5 percent for the ninth consecutive month.

Exhibit 6 - Unemployment Rate Trends
unemployment rate



While it is influenced by the macroeconomic trends displayed in Massachusetts as a whole, the subject property is more specifically located in the Boston-Cambridge-Nashua NECTA which exhibits a lower unemployment rate than the state’s rates. The low rates exhibited in both the Commonwealth and the metropolitan area are evidence of a strong economy and are indicators of future population increases.

Exhibit 7 - Employment Statistics In 000's

Nonagricultural Employment		Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Six Month Change
Boston-Cambridge-Nashua NECTA	Total Employed	2,748.8	2,744.5	2,755.0	2,756.5	2,770.7	2,777.6	1.04%
	Unemployment Rate	3.1	3.3	3.4	3.3	3.1	3.1	0.00
State of Massachusetts	Total Employed	3628.6	3622.7	3636.2	3639.2	3645.9	3654.1	0.70%
	Unemployment Rate	3.5	3.5	3.5	3.5	3.5	3.5	0.00
New England	Total Employed	7427.3	7427.7	7451.2	7450.5	7458.0	7477.6	0.67%
	Unemployment Rate	3.7	3.7	3.6	3.6	3.6	3.6	-0.10
United States	Total Employed	147625.0	147801.0	148125.0	148260.0	148455.0	148699.0	0.72%
	Unemployment Rate	4.1	4.1	4.1	4.1	3.9	3.8	-0.30

Source: "New England Economic Indicator," Federal Reserve Bank of Boston and Department of Labor and Workforce Development
All data is seasonally adjusted.

<http://www.bostonfed.org/economic/nee/needata.htm#employment>

Published on 7/20/2018

Preliminary job estimates from the Bureau of Labor Statistics indicate Massachusetts gained 21,400 jobs in June. From June 2017 to June 2018, BLS estimates Massachusetts has added 63,200 jobs. Over the month, the private sector added 18,200 jobs as gains

occurred in Leisure and Hospitality; Professional, Scientific, and Business Services; Other Services; Construction; Manufacturing; and Education and Health Services.

“Over the last year, over 100,000 more Massachusetts residents have become employed in the Commonwealth, helping to push our labor force participation rate to its highest level in 10 years - a full four percentage points higher than the national average. These labor force gains, alongside our consistently low unemployment rate and job growth in key economic sectors of the economy, all point to the continued dynamism of the Massachusetts labor market.” Labor and Workforce Development Secretary Rosalin Acosta said.

According to the Massachusetts Executive Office of Labor and Workforce Development, compared to June 2017, the local unemployment rates dropped in fifteen labor market areas, remained the same in four areas and increased in five labor market areas. Twelve of the fifteen areas for which job estimates are published recorded a seasonal job gain in June. The largest gains occurred in the Boston-Cambridge-Newton, Barnstable, Lowell-Billerica-Chelmsford, Pittsfield, and Framingham areas. The Leominster-Gardner, Brockton-Bridgewater-Easton and Peabody-Salem-Beverly areas lost jobs over the month.

From June 2017 to June 2018, thirteen of the fifteen areas added jobs, with the largest percentage gains in the Lynn-Saugus-Marblehead, Haverhill-Newburyport-Amesbury, Lowell-Billerica-Chelmsford, Boston-Cambridge-Newton, Taunton-Middleborough-Norton, and Brockton-Bridgewater-Easton areas. The Peabody-Salem-Beverly area’s jobs level remained unchanged over the year while the Framingham area lost jobs.

The following table details the year-over-year job growth by sector for the Commonwealth of Massachusetts and the Boston-Cambridge-Nashua NECTA by industry.

Exhibit 8 - Massachusetts and Boston NECTA Employment by Industry

	Massachusetts (in 1,000's)				Boston-Cambridge-Nashua MA NH NECTA (in 1,000's)			
	Period		Change		Period		Change	
	Jun-17	Jun-18	#	%	Jun-17	Jun-18	#	%
Total Non-Farm	3,665,100	3,735,600	70,500.00	1.92%	2,771,400	2,824,800	53,400.00	1.93%
Total Private	3,208,200	3,279,900	71,700.00	2.23%	2,457,700	2,513,200	55,500.00	2.26%
Goods Producing	403,600	420,500	16,900.00	4.19%	303,800	315,500	11,700.00	3.85%
Service Providing	3,261,500	3,315,100	53,600.00	1.64%	2,467,600	2,509,300	41,700.00	1.69%
Mining, Logging, and Construction	157,800	169,300	11,500.00	7.29%	115,500	123,300	7,800.00	6.75%
Manufacturing	245,800	251,200	5,400.00	2.20%	188,300	192,200	3,900.00	2.07%
Trade, Trans. Utilities	586,700	587,800	1,100.00	0.19%	428,800	430,900	2,100.00	0.49%
Information	91,900	91,300	-600.00	-0.65%	80,600	80,200	-400.00	-0.50%
Financial Activities	224,600	225,600	1,000.00	0.45%	187,500	185,800	-1,700.00	-0.91%
Professional Services	574,200	604,700	30,500.00	5.31%	488,900	513,100	24,200.00	4.95%
Education and Health Services	787,300	794,300	7,000.00	0.89%	574,300	582,900	8,600.00	1.50%
Leisure and Hospitality	397,400	409,400	12,000.00	3.02%	287,800	295,700	7,900.00	2.74%
Other Services	142,500	146,300	3,800.00	2.67%	106,000	109,100	3,100.00	2.92%
Government	456,900	455,700	-1,200.00	-0.26%	313,700	311,600	-2,100.00	-0.67%

Source: MA Executive Office of Labor and Workforce Development (EOLWD)

Data Not Seasonally Adjusted

Site: http://lmi2.detma.org/Lmi/lmi_ces_a.asp#aIndustry

The 10 largest employers in the Greater Boston area are listed in the following exhibit. As shown, the major employers are in the Education and Health sectors.

Exhibit 9 – Greater Boston Area Largest Employers

Greater Boston Area Largest Employers	
# Employer	Number of employees
1 Brigham & Women's Hospital	10,000+
2 Massachusetts General Hospital	10,000+
3 Boston Children's Hospital	5,000-9,999
4 Boston University School of Medicine	5,000-9,999
5 Boston University	5,000-9,999
6 Children's Hospital Inc.	5,000-9,999
7 Floating Hospital For Children	5,000-9,999
8 John Hancock Life Insurance Co.	5,000-9,999
9 Liberty Mutual Group Inc.	5,000-9,999
10 Massachusetts Bay Transportation	5,000-9,999

Source: MA Labor and Workforce Development

Household must compete for housing within the local housing market and demand for the subject's units is affected by area's economic performance. The relative strength of the state and local economy encourages migration to the area and puts additional pressures on existing housing stock. An area's economic health influence households residential and migration choices; they directly influence the underlying factors associated with demographic changes. The strength of the economy places disproportionate pressures on lower-income households that find it increasingly difficult to secure housing at affordable prices. Current economic forces serve to decrease the already limited supply of affordable housing and, in as a result, increase demand for new affordable housing units such as those permitted at the subject property.

General Demographic Overview

Population trends in the regional, state and metropolitan areas can reflect the economic trends described and recent social changes. In general, economic expansion, such as that seen in the late 1990s and the mid-2000s, results in migration into an area while economic contraction results in population decline or stagnation. While other factors contribute to population changes, economic trends and migration among different labor areas have the largest impact.

Population growth rates in the region, state, and the Boston Core Based Statistical Area (CBSA) have lagged behind the rates associated with the entire United States, with the growth rates for the CBSA, state and New England region being generally similar. However, forecasts through 2022 indicate that growth rates for the number of households in the Boston CBSA will approximate expected national rates. Analysts project that the Boston CBSA will contain approximately 5.03 million residents and 1.93 million households by 2022.

Exhibit 10 – General Demographic Trends

	Demographic Comparison				Avg. Ann. Change		
	2000	2010	2017	2022	2000-2010	2010-2017	2017-2022
Boston CBSA							
Population	4,391,344	4,552,402	4,830,528	5,028,926	0.37%	1.22%	0.82%
Households	1,679,659	1,760,584	1,852,306	1,925,826	0.48%	1.04%	0.79%
Median Household Income			\$78,835	\$88,108			2.35%
Massachusetts							
Population	6,349,097	6,547,629	6,884,028	7,118,883	0.31%	1.03%	0.68%
Households	2,443,580	2,547,075	2,652,580	2,736,962	0.42%	0.83%	0.64%
Median Household Income			\$71,460	\$79,743			2.32%
New England							
Population	13,922,517	14,444,865	14,970,956	15,328,188	0.38%	0.73%	0.48%
Households	5,387,114	5,664,396	5,837,187	5,966,951	0.51%	0.61%	0.44%
Median Household Income			\$66,663	\$75,763			2.73%
United States							
Population	281,421,906	308,745,538	327,514,334	341,323,594	0.97%	1.22%	0.84%
Households	105,480,101	116,716,292	123,158,887	128,069,416	1.07%	1.10%	0.80%
Median Household Income			\$56,124	\$62,316			2.21%

Source: STDB Online

Median household income levels in the Boston CBSA, Massachusetts, and New England exceed the national median household level for every data point examined. The median household income level for the Boston CBSA exceeded the national level by 40% in 2017 with a gap of \$22,711. The discrepancy is projected slightly widen through 2022 in total dollars, with the median household income level in the CBSA increasing to \$88,108; a level that is \$25,792 more than the national level.

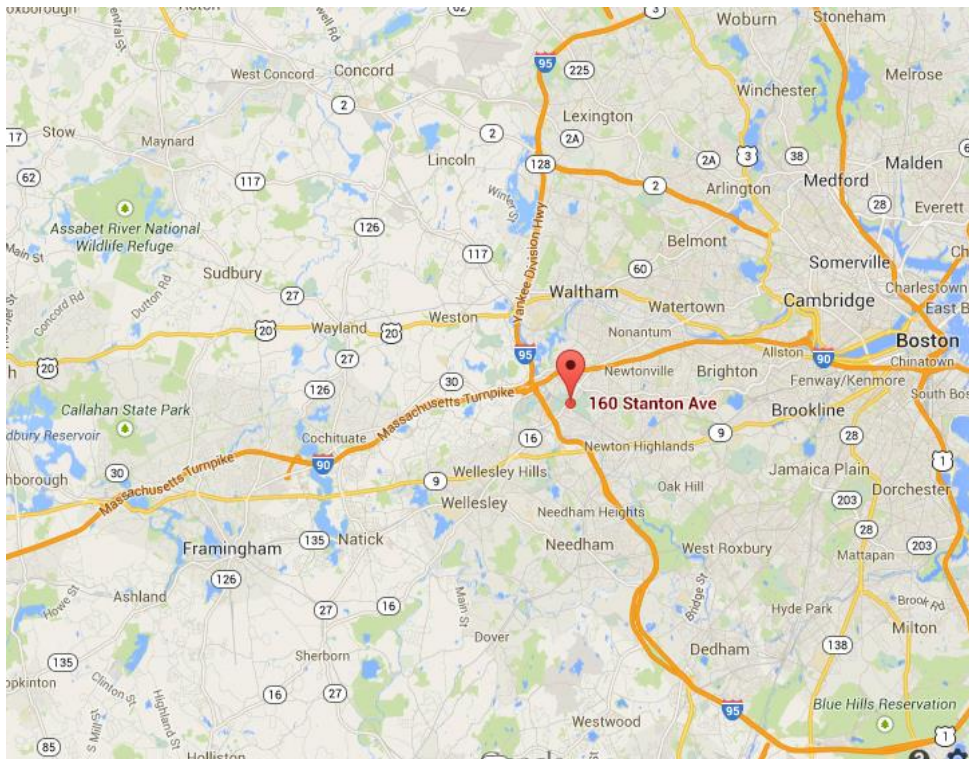
The overview of state, regional and metropolitan area trends helps frame the analysis of local demographic patterns and the expected demand for housing and jobs in the local area. In general, it is expected that New England, Massachusetts, and the Boston metropolitan area will experience continued population growth. Local and regional income levels will continue to exceed national levels. Forecasts for the Boston CBSA indicate an increasing population base with increasingly more affluent households. These trends have a direct impact on the local housing market and that impact can be seen in the increasing strength of that market.

City and Neighborhood Overview

The subject property is located on the west side of the City of Newton, which is in Middlesex County, in northeastern Massachusetts. It is, bordered by Weston and Wellesley on the west, Waltham on the north, Boston, Brighton and Watertown on the east, and Needham on the south. Newton is 7 miles west of downtown Boston; 44 miles north of Providence, Rhode Island; and about 207 miles from New York City.

Newton has excellent access to transportation. Two major highways serve the city, Interstates 95 and 90, which connect Newton to Boston, Providence, western Massachusetts, New Hampshire, and New York City. The MBTA provides Newton with light rail, commuter rail and bus services, connecting it to Boston and other surrounding areas. The Woodland MBTA Station is located directly to the west of the subject.

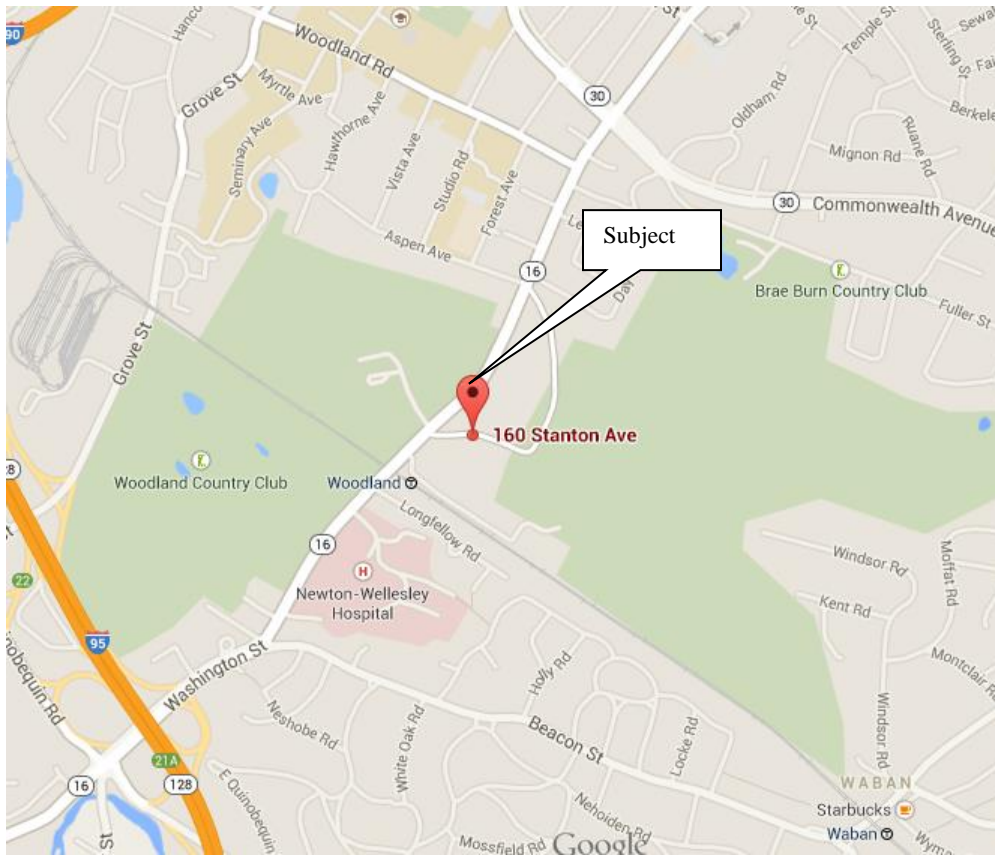
Exhibit 11 – Subject location in relation to adjacent communities



The subject’s neighborhood boundaries are Brae Burn Country club to the east, Woodland Country Club to the west, Interstate I-95 to the southwest, Beacon Street and

Route 6 to the south, Interstate I-95 to the west and Commonwealth Avenue to the north. The subject is directly proximate to two country clubs with golf courses, with the balance of the immediate area featuring large, 3,000 plus square foot single family homes and the Golda Meir rental development.

Exhibit 12 – Neighborhood Map



Overall, this area is desirable as evidenced by the well-maintained homes. There is no change in uses within the subject neighborhood or to adjacent uses in the foreseeable future.

Site Description of Subject Property

This section of the appraisal report summarizes pertinent information concerning the subject property, including a description of the site and existing improvements, property zoning, real estate taxes, and the proposed improvements. The descriptions are based on information obtained from the appraisers' inspection of the property, assessor's data, and

data obtained from the client. We assume no responsibility for errors in public information or information received from knowledgeable parties.

Location:	160 R Stanton Avenue Newton, Massachusetts
Total Land Area:	16,900 feet.
Improvements:	A Water Tower
Surrounding Uses:	The Brae Burn Country Club located adjacent to the subject with single-family residential uses on the opposite side of Stanton Avenue. The Golda Meir rental development encompasses the area between the subject and Washington Street. Other uses in the area include the Woodland Golf Club, the Woodland MBTA Station and the Newton Wellesley Hospital.
Topography:	The site slopes downward west towards Washington Street.
Frontage:	The subject property does not have any road frontage.
Soil Conditions:	Soil reports were not reviewed by the appraisers. Based on the existing improvements and the immediately adjacent Golda Meir structure, it is assumed that the ground is of sufficient load bearing capacity and that slope and terrain are supportive of development. As noted in other sections of the report, we have assumed the presence of lead based paint in the soil.
Environmental:	We did not observe any indications of environmental issues on our inspection and none were noted to us. The subject does not appear on the Massachusetts Department of Environmental Protection's list of contaminated sites based on our review of August 1, 2018. The appraisers previously were provided evidence of a 1994 environmental report of environmental threats related to the adjacent 160 Stanton Avenue. However, the report classified the issue as "No Significant Threat" and no remedial action was required. Additionally, the tower was originally painted with lead based paint and the lead paint has migrated into the soil below based on a report provided to the client by the City. We have assumed that any costs associated with

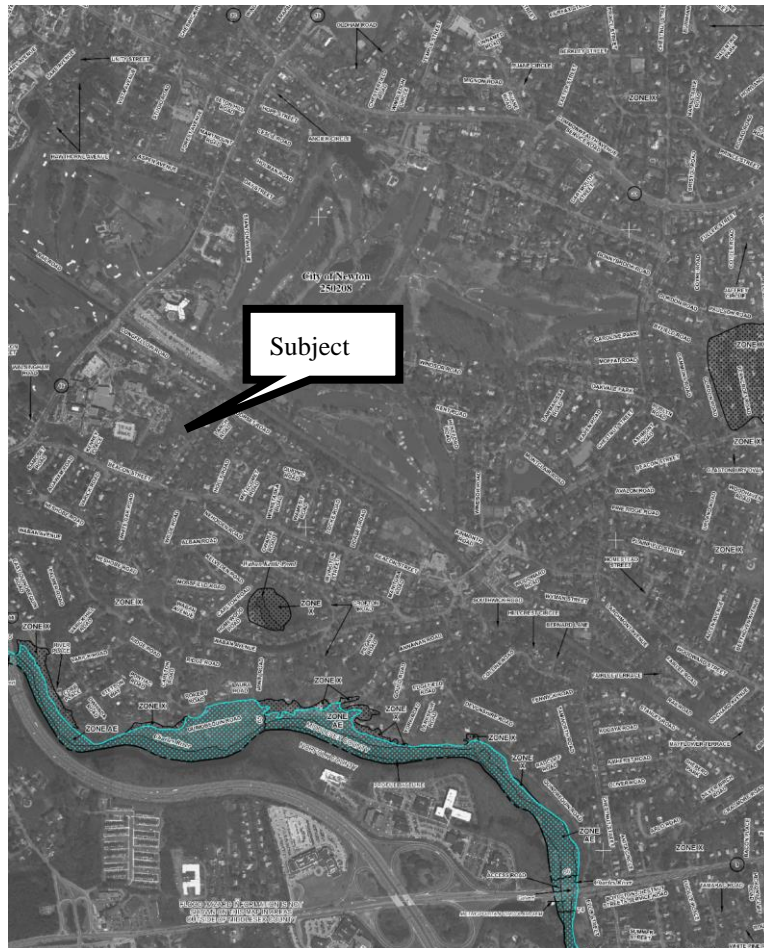
the lead paint from the tower will be borne by the City as part of the decommissioning costs and that there are no environmental issues that pose an adverse impact on our estimate of the subject's values.

Access: The subject property is accessed from Stanton Avenue that connects to Washington Street.

Easements: The City currently holds an access easement through the Brae Burn property designated specifically for use only to maintain the water tower. WE have been informed that the removal of the water tower results in the termination of this easement. We are not aware of any easements that will create a negative impact on our value analysis. We have specifically assumed that any easements needed to access Stanton Avenue would be available.

Flood Zone: According to FEMA Flood Insurance Rate Map (FIRM) # 25017C0553E, dated June 4, 2010, the subject property appears to be located in a low flood risk zone.

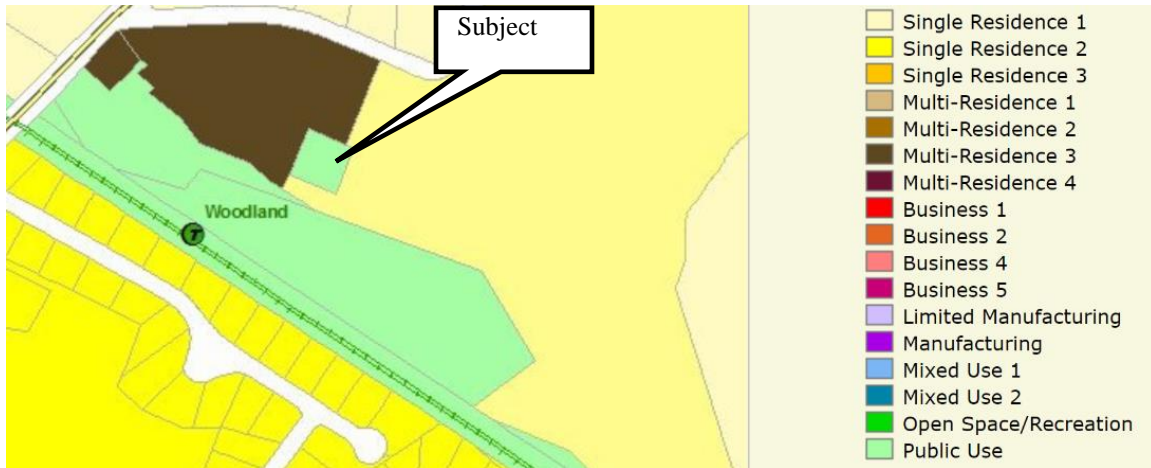
Exhibit 13 – Flood Map



Zoning and Public Land Use Controls

Usage of a property may be limited by public or private land use controls. Public land use controls include: zoning regulations; subdivision rules and regulations; floodplain, water resource and aquifer protection districts; endangered species act legislation; and/or county planning commissions and other overlay or floating districts. Zoning restrictions are the primary public land use control identified for the subject property.

Exhibit 14 – Zoning Map



The parcel is located in an area that had been designated as a (PU) Public Use District. Permitted By-Right uses in a PU district are limited to Day Care facilities and certain Public Institutions. On May 8, 2017, which pre-dates our appraisal date, the City held a hearing to consider a rezoning of the subject property to Multi Residence 3. On May 22, 2017, the Zoning and Planning Committee voted to rezone the site and on June 5, 2017 the City Council approved the rezoning.

Based on the zoning in place as of the date of our appraisal, it is our opinion that the Highest and Best Use for the subject would be its development as Multi-family housing. That development is limited to “affordable housing units” based on the limits established by the City Council on April 3, 2017.

Please note that, as outlined in the report’s Site Specific Assumptions, we have assumed that any easements needed to access Stanton Avenue would be made available to the purchaser of the property without a cost to that buyer. Our assumptions are based, in part, on the City’s historic assess that has been acknowledged by both JCHE and the City of Newton through practice, we have specifically assumed

Property Tax Information

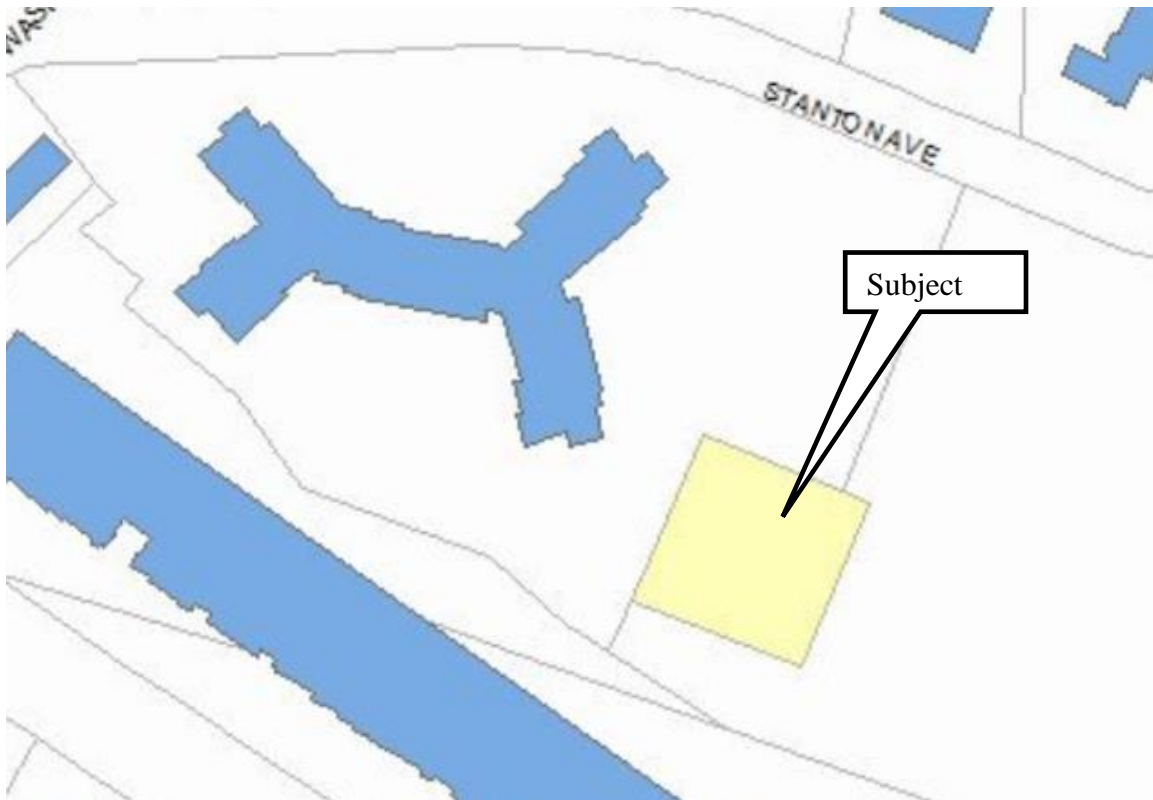
Municipal taxes in the Commonwealth of Massachusetts are assessed on a fiscal year basis, which runs from July 1 of the initial year to June 30 of the following year. The fiscal year levy is based on the assessed value of the property as of January 1 of the initial

year. In our opinion the assessment does not have a significant impact on our analysis of value.

Exhibit 15 – Current Assessed Value

Property Identification		Assessed Value		
Address	SBL	Land	Buiding	Total
160 R Stanton	430450033	\$518,200	\$0	\$518,200

Exhibit 16 – Subject Property Tax Parcel Map



Summary Conclusion

There are no physical factors that are noted that would negatively impact the value. We have assumed that the subject could obtain an easement that will allow it to access Stanton Avenue. The subject parcel appears well suited for new development. A review of the external factors relating to the subject's site (i.e. economic, social, physical, environmental attributes) indicates that the existing land uses in the neighborhood continue to function coherently and the market would support new residential development at the subject, specifically new affordable multi-family rental development.

SECTION III—ANALYSES AND CONCLUSIONS

Highest & Best Use

Highest and best use is a basic premise of value. As with value, highest and best use is not an absolute, objective fact; it reflects the appraisers' opinion of the best use of the property based on an analysis of prevailing market conditions. Highest and best use is defined in The Dictionary of Real Estate Appraisal, Fourth Edition, (2002) as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

Highest and Best Use Analysis of Property “As If”

The subject property is improved with a water tower and, from our analytic perspective is effectively vacant.

Legal Permissibility: The criteria of legal permissibility must take into account public regulations, as well as private regulations and deed restrictions. To our knowledge, there are no documented private regulations or deed restrictions that impact the subject property. The public regulations that primarily affect the subject property are the Town's zoning and subdivision regulations. The parcel is located in an area that had been designated as a (PU) Public Use District. Permitted By-Right uses in a PU district are limited to Day Care facilities and certain Public Institutions. However, on May 8, 2017, which pre-dates our appraisal date, the City held a hearing to consider a rezoning of the subject property to Multi Residence 3. On May 22, 2017, the Zoning and Planning Committee voted to rezone the site and on June 5, 2017 the City Council approved the rezoning.

Based on the zoning in place as of the date of our appraisal, it is our opinion that the Highest and Best Use for the subject would be its development as Multi-family housing. That development is limited to “affordable housing units” based on the limits established by the City Council on April 3, 2017.

Physical Possibility: The size, shape and geographic characteristics of a site may affect possible uses to which it can be developed. The frontage, depth and configuration of a parcel of land often determine its utility for various uses. Irregularly shaped parcels may have comparatively less utility than a regularly shaped parcel of the same size and topography. The subject contains 16,900 of land that currently contains a water tower. The sites are served by all public utilities. Given the development associated with the surrounding parcels and based on the information we have reviewed, we have assumed that the subject can physically accommodate any legal use.

Financial Feasibility: In order for a potential land use to be financially justified there must be adequate market support. There have been a number of new affordable and market rate rental development built in the area in the last several years. Local activity and the sales prices associated with completed developments support the development of a new multifamily housing.

Maximally Productive: This is defined as that use from among the legally, physically and financially feasible uses that provides the highest rate of return or value. As noted above there are multiple uses for the site that are legally, and physically feasible, but not financially feasible.

Given the zoning, the condition of the residential markets within the subject market area and the economic outlook, in the appraiser's judgment, the highest and best use for the subject site would be to develop the property as affordable rental housing.

Value Methodology

To appraise the subject property, the appraisers must rely on a valuation model, or models, which combine known characteristics or attributes of the subject property with identifiable market parameters to produce reliable estimates of value. In general, these models attempt to focus on those characteristics that market participants consider to be most important and thereby simplify real world conditions through the elimination of non-essential information.

In accepted appraisal practice, three basic valuation models have evolved: the cost approach, the sales comparison approach, and the income approach. Each is based upon a somewhat different set of underlying assumptions and, as a result, each arrives at a value estimate via a somewhat different path. Appraisal practice further holds that each of these approaches is to be applied unless there is some compelling reason as to why one approach would not provide a reliable value estimate. After application of these approaches, the strengths and weaknesses of each approach is considered and reconciled to produce a single value estimate for the property being appraised. We have reviewed each approach and evaluated its applicability to each of the requested values.

Cost Approach: The Cost Approach begins with an estimate of the subject's site value as if vacant and ready to develop. The cost to replace the improvements new is then estimated from either market evidence or cost manuals. An estimate is then made of the total dollar amount of accrued depreciation due to physical deterioration, functional obsolescence, and adverse economic influences (external obsolescence). The present depreciated cost of improvements is then estimated by subtracting the total accrued depreciation from the cost to replace new. Finally, estimated land value is added to arrive at an indicated value. The Cost Approach is not appropriate for vacant property or property's effectively vacant as we have assumed for the subject.

Income Approach: The income approach allows specific recognition of the expected operating expenses that the property will incur. The income approach is not typically developed in contexts where the subject property does not have a revenue stream. Therefore, the income (development) approach was not employed.

Sales Comparison Approach: The Sales Comparison Approach is an appraisal technique in which a market value estimate is predicated upon prices paid in actual market transactions, current listings and offerings. It is a process of evaluating a property by direct comparison with recent sales and offerings of similar property. The reliability of this technique is dependent upon the degree of similarity of each property with the property being appraised, the time of sale or offering, and the quality and quantity of factual data available for analysis.

In our opinion the Sales Approach provides the only reasonable indication of value given the limits of the data we have reviewed, and we have fully relied on the value indicated by this approach.

As-Is Market Value

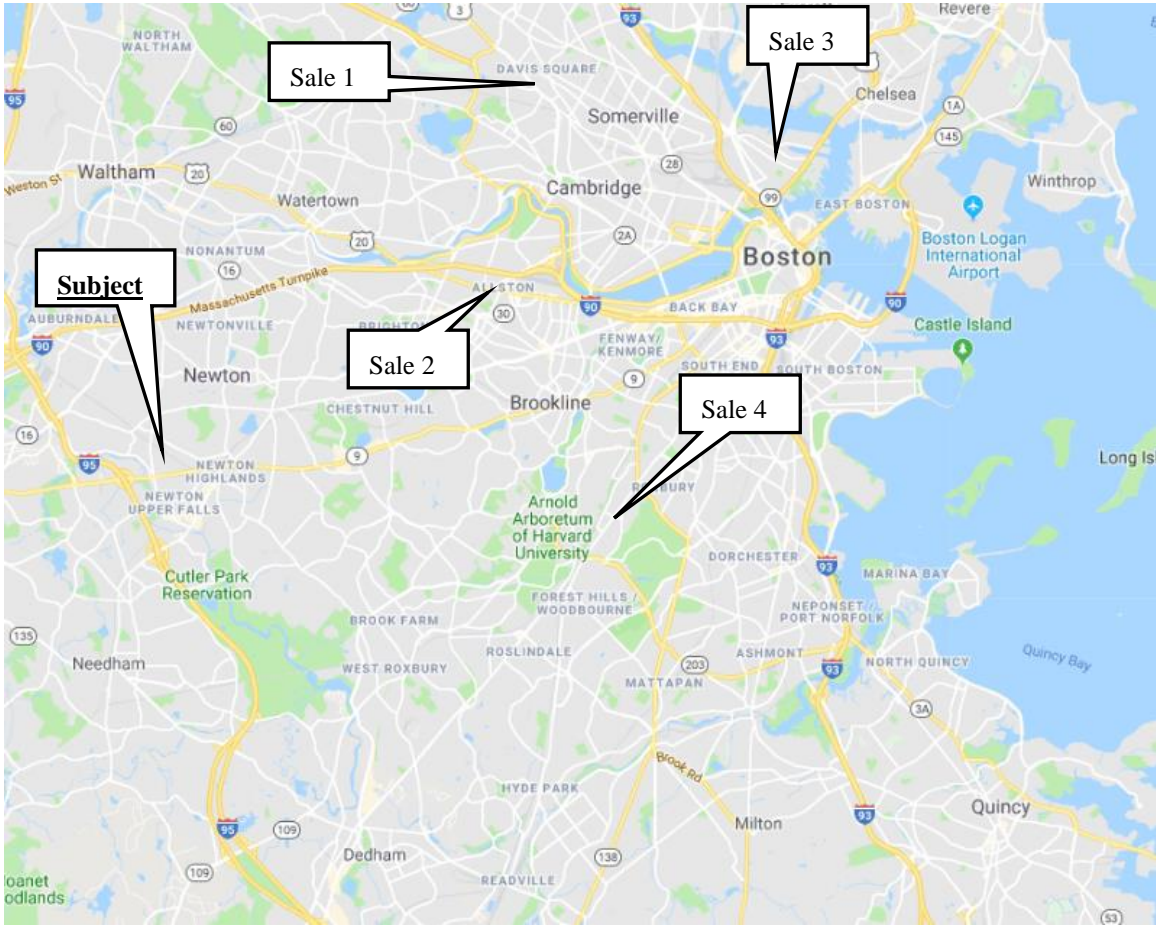
The subject has been evaluated as if it is a vacant parcel ready for development. Each sale has been examined with respect to key attributes such as lot size, location, and suitability for development

For the property we have considered four sales acquired for residential development that occurred in the subject’s greater market area within the last two years. The sales occurred in Cambridge and the Boston neighborhoods of Allston, Charlestown, and Jamaica Plain.

Exhibit 17 - Summary of Comparable Improved Sales

Sale #	Address	Community/ Neighborhood	Sale Date	Sale Price	Land Size (sf)	Price/ SF
1	99 Elmwood Street	Cambridge	Nov-17	\$2,250,000	18,295	\$123
2	20 Penniman Rd	Allston	Aug-16	\$4,000,000	14,136	\$283
3	30 Polk St	Charlestown	Jun-18	\$841,500	12,768	\$66
4	1383-3389 Washington St	Jamaica Plain	Nov-16	\$3,888,742	17,000	\$229
			Min:	\$841,500	12,768	\$66
			Max:	\$4,000,000	18,295	\$283
			Average:	\$2,745,061	15,550	\$175
			Median:	\$3,069,371	15,568	\$176

Exhibit 18 – Map of Comparable Improved Sales



The four sales reflect sales of parcels primarily intended for market rate development. The majority of parcels purchased for affordable housing development or either purchased at a discount because the seller wants to promote the development of affordable housing or are purchased with a funding package that typically includes grants, deferred interest loans and syndication derived equity. These funding sources, considered intangible assets, limit the usefulness of affordable housing sales in any comparative analysis. We have, therefore, selected sales to be developed for market-rate units and have adjustments to reflect the impact of income and rent restrictions. The properties are within ten miles of the subject and we consider each of the locations sufficiently similar to the subject in terms of rental housing demand to allow for a reasonable analysis.

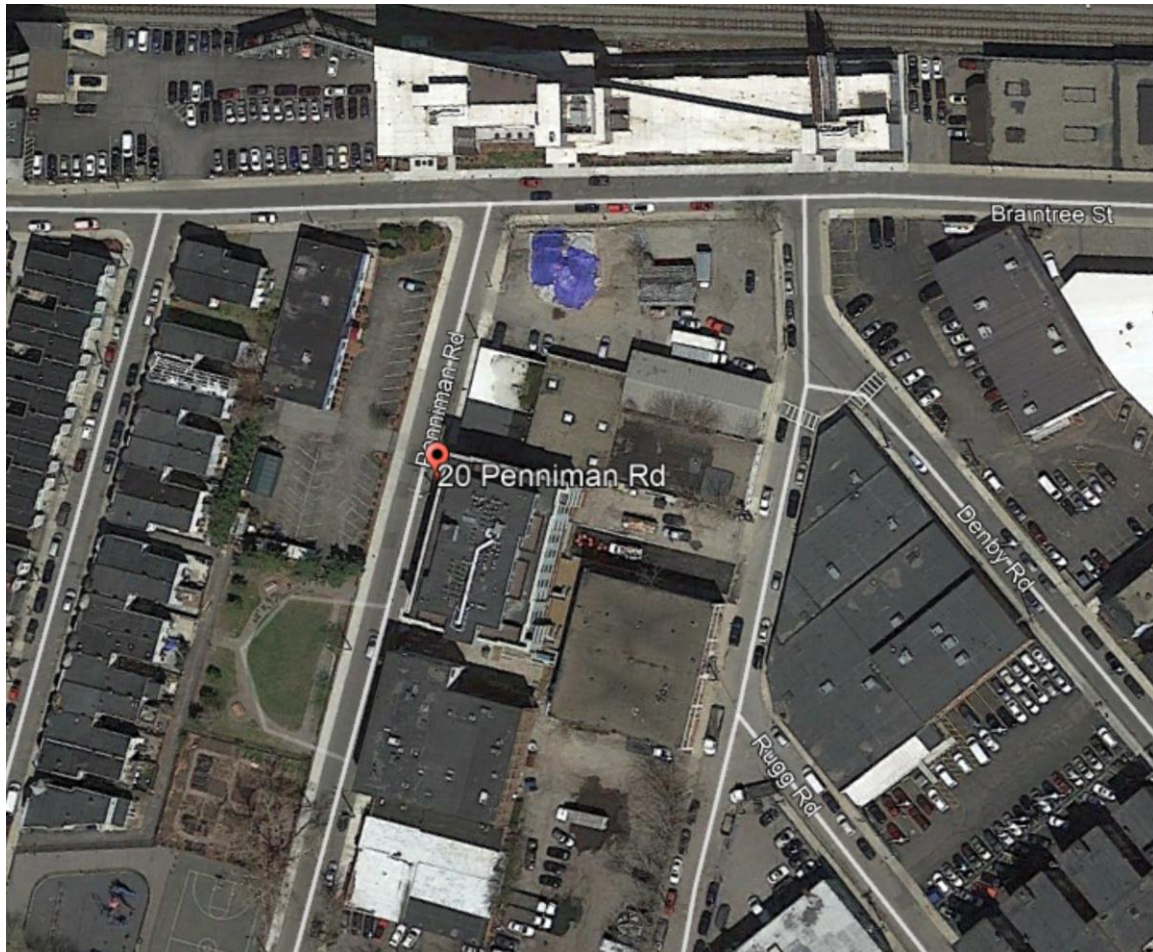
Exhibit 19 – Comparable Improved Sales
Comparable Sale #1:
99 Elmwood Street



Location:	99 Elmwood Street Somerville, MA
Grantor:	Rona Realty LP
Grantee	Senne Development LLC
Date of Sale:	November 2017
Parcel Size:	18,295
Sales Price:	\$2,250,000
Walk Score:	92

Comments: This transaction represents of a 0.42-acre site to be developed into 34 residential units and one ground floor retail space. The property is located in Somerville and is approximately 7.30 miles northeast of the subject. We consider the location to be somewhat superior to the subject’s Newton location in terms of rent and value potential.

Comparable Sale #2



Location:	20 Penniman Street Boston (Allston), MA
Grantor:	Penniman Developers Realty Trust
Grantee	20 Penniman Road Realty Trust
Date of Sale:	August 20, 2016
Parcel Size:	14,136 square feet
Available Utilities:	Sewer, Water, Gas, Electric
Sales Price:	\$4,000,000
Walk Score:	90

Comments: This site is located on Penniman Street off of Cambridge Street in the Boston neighborhood of Allston approximately 5.6 miles east of subject site. The intended use of the site is for 36 residential condominiums. We consider the specific location of this sale to be inferior to the subject's in terms of rent potential.

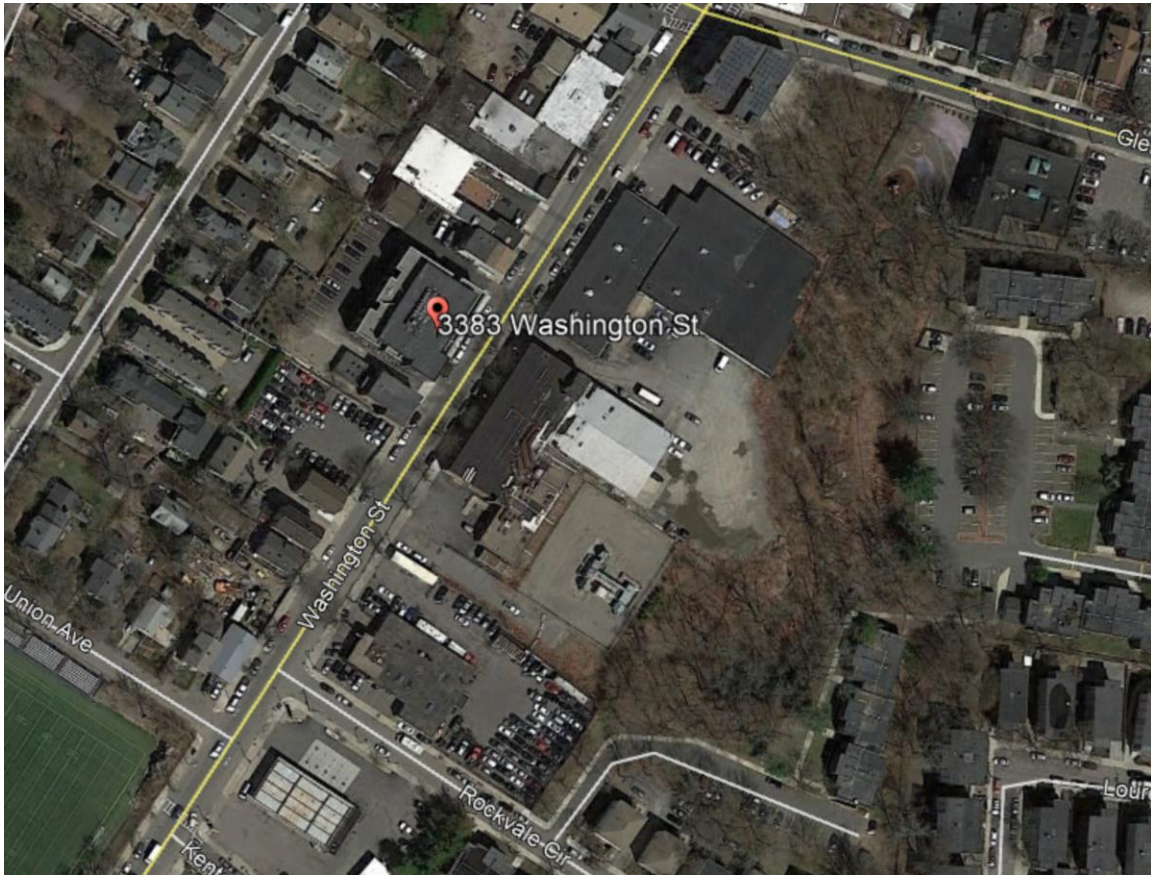
Comparable Sale #3



Location: 30 Polk Street
Boston (Charlestown), MA
Grantor: 30 Polk Street LLC
Grantee: Polk Street Development LLC
Date of Sale: August 11, 2016
Parcel Size: 12,768 square feet
Sales Price: \$3,050,000
Units Approved: 30
Sales Price Per Unit: \$101,667

Comments: This site is located on Polk Street next to Charlestown High School off of Medford Street and Bunker Hill Street in the Boston neighborhood of Charlestown. The intended use of the site is for 30 residential condominiums. The sale is approximately 9.75 east-northeast of the subject. We consider the specific location of this sale to be similar to the subject's location in terms of rent potential.

Comparable Sale #4
3383-3389 Washington Street



Location:	3383 Washington Street Jamaica Plain, MA
Grantor:	Justin E. Ianstosca
Grantee	Washington JP Construction
Date of Sale:	November 2016
Parcel Size:	17,000 square feet
Sales Price:	\$3,888,742

Comments: This site is located on Washington Street near Franklin Field in the Boston neighborhood of Jamaica Plain. The intended use of the site is for the development of an unknown number of residential units. The sale is approximately 7.25 east-southeast of the subject. We consider the specific location of this sale to be slightly inferior to the subject's location in terms of rent potential.

Discussion of Adjustments

Land sales analyses can be completed based on a variety of units of measurement. Typical options include the price per square foot of land purchase, the price per developable square foot of land, sometimes called the price per F.A.R., the price from frontage foot, or, where data is available, the price per unit to be developed. Given the data and information available to us, we examined the sales based on a price per square foot of land.

Interests Appraised

Property rights consist of both the physical real estate and the rights involved in ownership of the property. In analyzing the building transactions, each comparable involves the exchange of the fee simple interest. The interest being appraised is a fee simple interest.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. No adjustments were needed.

Market Conditions (Time)

The sales occurred between August 2016 and June 2018. Rental rates and improved apartment building sales have continued to increase during this period with the increasing exceeding increases in construction and development costs. Buyers considering the acquisitions of land to be developed as residential housing will evaluate recent rent, value, and cost trends and will examine forecasts of future trends. The forecasts will review the impact of the large amount of recent development and the unknown impact on construction costs of current tariffs with the potential of future tariffs.

Based on our analysis of the market, and accounting for future impacts, we selected an adjustment rate of 2.50%.

Location

This adjustment accounts for the locational characteristics of the comparable sales as compared to those of the subject property. As discussed in the Sale Summaries, we consider the locations of Sale 1 to be superior, Sale 3 to be similar, and the locations of Sales 2 and 4 to be inferior in terms of future rent and value potential.

Size (Parcel Size)

The subject and the comparables are all of similar sizes, ranging from 12,768 to 18,295 square feet and no adjustment was needed.

Use

We have assumed that the subject will be developed as affordable multi-family housing. Such developments typically have income and rent restrictions that limit value. We adjusted each of the sale by 50% to reflect the impact on value and the limiting impact on the potential pool of buyers of the restriction.

Lead Paint

As discussed, we have assumed that the soil on the site contains lead based paint and will need to be remediated. We do not have any cost estimates associated with the removal. Given the strength of the local housing market we believe that buyers would remain interested in the property even without knowing the true cost of the soil removal. However, we believe that they would complete negative adjustments for each of the sales. We adjusted each of the sale by 15% to reflect the impact on value.

Access

As noted in the Site Specific Assumptions and reiterated in the section on Zoning and Use Control, our analysis assumes that a buyer could be provided with an easement needed to access Stanton Avenue. However, even with the assumed granting of an easement, the subject will have limited access to roads. We adjusted each of the sales downward to reflect this impact.

Conclusion of Sales Approach

The next table shows the impact of our assumptions and adjustments and displays the initial and adjusted prices of each of the comparables on a price per square foot of land. The adjusted sales prices range from \$13 to \$64 per foot of land. The sales prices prior to adjustments were \$66 to \$283 per foot, with the adjustments reducing the range by \$167 per foot. The sales exhibit an average and median adjusted sales price per square foot of living area of \$37 and \$35, respectively. A weighted average based on the gross adjustments completed is similar at \$37 per foot.

The subject property is currently controlled by an Option that was executed on June 21, 2018 with a price of \$500,000, or \$30 per foot. The price is less the cost of decommissioning the existing water tower and the cost of relocating and providing a permanent site for the City's utility monitoring antennas.

We consider the Option to be an arm's length transaction with both parties assuming that the price reflected market conditions, given the zoning and other use restrictions that were

relevant at the time of the Option. The \$30 per foot Option price supports a value that reflects the lower end of the comparable data. Therefore, based on the sales analysis completed and with weight given to the Option price, we consider the data to indicate a price of \$35 per foot of land, equal to a rounded value of \$600,000.

Exhibit 20 –Improved Sale Adjustment Grid

Land Sale Analysis Newton Water Tower Newton, MA	Sale 1 99 Elmwood Street Cambridge	Sale 2 20 Penniman Rd Allston	Sale 3 30 Polk St Charlestown	Sale 4 3383-3389 Washington ST Jamaica Plain
BASIC DATA				
Common Name		Penniman on the Park	30 Polk St	3383-3389 Washington ST
Seller	Rona Realty LP	Penniman Developers RT	Helge Capital	Justin E. Ianstosca
Buyer	Senne Development LLC	20 Penniman Road RT	Edward Tribble	Washington JP Construction
Date of Sale	8/8/2018 Nov-17	Aug-16	Jun-18	Nov-16
SALE DATA				
Recorded Sale Price	\$2,250,000	\$4,000,000	\$841,500	\$3,888,742
Land Area (sf)	16,900	18,295	14,136	12,768
Proposed No. of Units	34	36	30	30
Price/SF Land	\$122.98	\$282.97	\$65.91	\$228.75
Price/Unit	\$66,176	\$111,111	\$28,050	
ADJUSTMENTS				
Interest	Fee Simple	Fee Simple	Fee Simple	Fee Simple
o Adjustment	0.00%	0.00%	0.00%	0.00%
o Adjusted Price Per SF	\$123	\$283	\$66	\$229
Conditions of Sale	Typical	Typical	Typical	Typical
o Adjustment	0.00%	0.00%	0.00%	0.00%
o Adjusted Price Per SF	\$123	\$283	\$66	\$229
Market Conditions (Time in Days)	261	737	65	628
o Adjustment (annually @)	2.50%	1.79%	5.05%	0.45%
o Adjusted Price Per SF	\$125	\$297	\$66	\$239
Other Adjustments				
Location	Superior	Inferior	Similar	Inferior
o Adjustment	-5.00%	2.50%	0.00%	2.50%
Use (Affordable)	Market	Market	Market	Market
o Adjustment	-50.00%	-50.00%	-50.00%	-50.00%
Size	Similar	Similar	Similar	Similar
o Adjustment	0.00%	0.00%	0.00%	0.00%
Site Conditions/Environmental	Superior	Superior	Superior	Superior
o Adjustment	-15.00%	-15.00%	-15.00%	-15.00%
Site Conditions/Access	Superior	Superior	Superior	Superior
o Adjustment	-15.00%	-15.00%	-15.00%	-15.00%
NET ADJUSTMENT				
	-85.00%	-77.50%	-80.00%	-77.50%
ADJUSTED PRICE PER Sq.Ft				
	\$18	\$64	\$13	\$51
ADJUSTED PRICE FOR SUBJECT				
	\$337,500	\$900,000	\$168,300	\$874,967

RECONCILIATION OF VALUES

Reconciliation is the analysis of alternative conclusions to arrive at a final estimate of value. The presentation of the reconciliation will first review the major factors that influence the subject value to assure that the data, analytical techniques and logic followed are valid, realistic, and consistent.

Property Identification – The subject property consists of one land parcel located adjacent to the existing Golda Meir rental development. The subject property has a street address of 160 R Stanton Avenue in Newton, Massachusetts and contains 16,900 square feet of land. It is currently improved with a water tower.

The parcel is located in an area that had been designated as a (PU) Public Use District. Permitted By-Right uses in a PU district are limited to Day Care facilities and certain Public Institutions. However, on May 8, 2017, which pre-dates our appraisal date, the City held a hearing to consider a rezoning of the subject property to Multi Residence 3. On May 22, 2017, the Zoning and Planning Committee voted to rezone the site and on June 5, 2017 the City Council approved the rezoning.

Valuation Analysis - Based on the assumptions stated in this report and the characteristics of the subject property, we have relied on the sales comparison approach in our analyses. The Cost Approach and Income Approach are not considered to provide reliable indicators of value. The Sales Approach indicates a value of \$600,000.

Conclusion – Therefore, as a result of our analysis, which is based on the information set forth in this report, the extraordinary assumptions outlined in the Site Specific Assumptions section of this report, the appraisers’ experience, and additional data contained in the appraiser’s files, it is our opinion that the market value “As Is” of the fee simple interest of the subject property as of August 8, 2018 is

\$600,000

SIX HUNDRED THOUSAND DOLLARS

ESTIMATE OF EXPOSURE & MARKETING TIME

Exposure Time:

Exposure time may be defined as follows: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value as of the effective date of this appraisal. ⁴

The interest being appraised is the fee simple interest in a 16,900 square foot parcel of land that is improved with a water tower. The estimated market value is reflective of market conditions. There were sales of land for residential development in the market area and based upon market evidence, we estimate the exposure time to have been less than 12 months.

Marketing Time:

Marketing time may be defined as followed: Marketing time is the amount of time that it might take to sell the property interest at the estimated market value during the period immediately after the effective date of the appraisal.⁵

The interest being appraised is the fee simple interest in a 16,900 square foot parcel of land that is improved with a water tower. The estimated market value is reflective of market conditions. There have been documented sales between 2016 and 2018 for residential development. We believe that the market evidence supports a marketing period of less than 12 months.

⁴ Appraisal Standards Board, Uniform Standards of Appraisal Practice 2016-2017, page 3.

⁵ Appraisal Standards Board, Uniform Standards of Appraisal Practice 2016-2017, AO-7

APPENDIX

Appendix 1 – Qualifications

Qualifications of Robert H. Salisbury

Employment

Mr. Salisbury is a Director of Bonz and Company Inc, where he has worked since 1996. Prior to that Mr. Salisbury was employed by the Santa Cruz Housing Authority in Santa Cruz, California. He also has served as Director of Development for Innovative Housing, a San Francisco Bay Area non-profit specializing in the development and operation of shared housing and as Project Manager for The Community Builders, a national non-profit that provides housing development consulting services.

Education

Mr. Salisbury holds the degree of Bachelor of Arts from the University of Wisconsin at Madison, Wisconsin and a Master's in Public Policy from the Kennedy School of Government at Harvard University in Cambridge, Massachusetts. He is a Massachusetts licensed Certified General Real Estate Appraiser and is MAP Certified and HUD Approved for appraisals and market studies completed as part of the financing requirements for HUD's Multi-Family Accelerated Processing. Mr. Salisbury is a Member of the National Council of Affordable Housing Market Analysts for which he was peer certified as an Affordable Housing Analyst.

Experience

Mr. Salisbury's market analysis experience includes

- 1) *Low-Income Housing Tax Credit properties:* These include fully affordable and mixed-income properties located in Rhode Island, Massachusetts, and New Hampshire. The analyses were completed for private developers, non-profit housing corporations, and state agencies.
- 2) *Market-Rate Housing properties:* These include new construction and gut renovation and range from moderate income low-rise development to high-rise luxury buildings in areas such as South Boston and Charlestown in Boston, Massachusetts, Winooski, Vermont, and Portland Maine. These include market studies completed for 221 (d) (4) financing.

His valuation experience includes

- 1) *Housing and related development assignments:* Market-rate, low, moderate, and mixed income housing ranging from town-house development to high-rise condominiums and rental apartments. Mr. Salisbury has completed several 223 (F) and 221 (d) (4) appraisals under the MAP Guidelines.
- 2) *Land Valuations.*
- 3) *Valuations of the Tax Credit Allocations.*