FINAL

May 6, 2003

Jennifer Goldson, AICP
Community Preservation Planner
Newton Planning & Development Dept.
1000 Commonwealth Avenue
Newton, MA 02459

Re: ***Kessler Woods - Newton, Massachusetts***
Summary Valuations - Alternative Scenarios

Dear Jennifer:

As agreed I am writing to convey my final opinions as to the market value of the above referenced property, expressed as a range, along with the reasoning and assumptions underlying the discreet valuations. As such, this letter is considered an appraisal, reported in a *restricted-use* format. It is *complete* in that all relevant approaches to value were considered and developed. These include the *sales comparison* and *cost of development* approaches.

We have relied on the cost of development approach, which attempts to simulate the logic and assumptions of a likely developer-buyer of the subject property. As part of our analysis, we considered those uses of the subject property that are physically possible, legally permissible and financially feasible. That use (or those uses), that support the highest residual market value for the land is (are) considered the *highest and best use*.

As a starting point, we tested the feasibility of various alternative land uses in each of the four subject areas (Areas 1 through 4) identified by Sasaki Associates in their *Site Accommodation Studies* for each sub-area. The various alternatives for each sub-area include a conventional, modified N-Star subdivision plan, a Subdivision-Approval-Not-Required (ANR) plan, a clustered townhouse plan, and, in the case of Areas 2 and 4, a multi-family apartment plan. In this way, we sought to isolate the highest and best use of each area.

In order to evaluate the relative value of each alternative development program, we started by valuing the conceptual development plans for each sub-area assuming an approval contingency, since this is ordinarily how development land is purchased. This allowed us to determine *approval-contingent* highest and best use and market value for each sub-area. Next, we re-formatted the valuation models to encompass the entire property, with the assumption that each sub-area would be developed according to its discreet highest and best use, as previously determined. This total property/contingent value model assumes conventional subdivision of Areas 1 and 2 and ANR division of Areas 3 and 4. The resulting value indication is that of total property value, *subject to or contingent upon full development approvals*.

Finally, we took up the question of *non-contingent* market value. Our primary approach, which is supported both by our own experience and judgement and by conversations with regional developers, some of which considered bidding for the subject property, is to value the property based on ANR development only, due to the significantly lower relative risk associated with this type of development. A secondary indication is derived by discounting contingent highest and best use value (i.e., mixed conventional and ANR development) for permitting risk over a projected approval period.

Market Value Indications - Total Property

The indicated values of the alternative development plans for each subject sub-area are summarized in the table on the following page, along with contingent and non-contingent total property value. Based on our analysis, it is our opinion that *contingent* total property market value falls within a range of ***$13,500,000 to $14,900,000***, based on a highest and best use entailing development of 34 conventional lots in Areas 1 and 2, as well as 14 ANR lots in Areas 3 and 4.

It is also our opinion that the Aas-is@ *non-contingent* market value of the entire property falls within a broad range of ***$7,400,000 to $9,250,000***. This valuation is supported by two approaches. First, we assumed ANR development of the entire property (27 lots), discounted for permitting over a projected 6-month to one-year approval period. Secondly, we assumed contingent highest and best use value ($13,500,000 to $14,900,000) discounted for permitting over a projected 2 to 4-year approval period.

Please refer to the table on the following page for a summary of our component and total property valuations. This is followed by a summary discussion of the reasoning and assumptions underlying each component valuation.

Summary table (matrix)

Area 1 Valuations (6.8 acres Net Usable Land Area)

Conventional Plan - 11 Lots: We modified the 14-lot N-Star plan by eliminating Lots N43, N44 and N47, all of which were identified by Sasaki as being highly Aregulated@ and subject to special permits. Sasaki also identified two additional Aspecial permit lots,@ Lots N48 and N49, based on required grade changes that would likely exceed the City=s permit threshold of three feet. Based on our understanding that special permits associated with grade changes are almost never denied in Newton, we assumed that these lots could ultimately be permitted. This is an assumption we made for each sub-area of the subject property.

The lots are projected to sell for between $540,000 and $600,000 each, at a rate of up to 12 lots per year. The lots requiring grading permits were projected to sell for 10 percent less than they otherwise would have. Among the development costs we allowed for were included a hydro-geologic study (pro-rated based on an assumed $250,000 for the entire property); development design, engineering and plan preparation ($6,500 per lot); legal costs associated both with gaining approvals ($33,000 or $3,000 per lot) and closing sales ($600 per lot); City filing fees; construction performance bonding; new road construction (520 lineal feet at $350 per lineal foot); new water and sewer lines (520 lineal feet at $70 per lineal foot); and sewer infiltration mitigation costs.

Based on conversations with regional developers and other municipalities in the region, we have assumed that the requisite engineered solution to the I & I problem associated with the subject neighborhood would involve mitigating the daily volume of sewer system infiltration at a ratio of 5 times the projected contribution to the system associated with the subject development. That is, for every gallon of daily sewage flow projected for the subject development, the developer will be required to reduce total system infiltration by 5 gallons per day.

The formula for I & I mitigation varies from municipality to municipality and, in all probability, from project to project. To our knowledge, required mitigation volume ratios can range from 2-to1 to 5-to-1, and the projected cost can range from $1.25 to $5.00 per gallon. Given the apparent severity of the problem in the subject neighborhood, and in light of the ultimate objective of opining on *non-contingent* property market value, we have adopted a conservative formula, and have assumed a 5-to-1 mitigation ratio and a projected cost of $5 per gallon. We have assumed 3 bedrooms per unit and 110 gallons of sewage flow per day, per bedroom. Based on these assumptions, the mitigation cost for this scenario is projected at $90,750.

Other assumed costs include 7 percent of costs for construction overhead/contingency; 10 percent of gross sales for corporate overhead and project management; a real estate tax carry of $10 per $1,000 of appraised value; marketing costs of 7 percent of gross sales; 0.46 percent of gross sales for state documentary transfer taxes; and 0.25 percent of gross sales for insurance and miscellaneous.

We have discounted for developer profit according to two models. In the discounted cash flow (DCF) model, we have allowed for 5 percent price appreciation, 3 percent cost inflation, and a single, total property, non-leveraged discount rate of 20.0 percent, based on surveyed developer yield requirements. The projected net cash flows are then discounted to present value over a projected two-year approval and sellout period, to yield an Area 1 value indication of ***$3,455,000*** ($314,091 per lot).

The second model recognizes the fact that most developers in the region evaluate potential acquisitions on the basis of a static analysis of projected revenues and costs, along with threshold gross profit margins expressed as a percentage of gross sales. In this model, we have assumed current dollar revenues and costs, including acquisition and development financing, and have allowed for an overhead and profit requirement of 27.5 percent of non-appreciated projected revenue. As opposed to the DCF model, where overhead and profit was separated, this allowance covers both overhead and profit. The static analysis indicates an Area 1 value of ***$3,320,000*** ($303,636 per lot).

ANR Plan - 6 Lots: We have assumed a 6-lot division that corresponds to the N-Star ANR plan. The lots are projected to sell for $575,000 each in Year 1. Projected development costs were streamlined relative to the conventional application, and include development design, engineering and plan preparation ($7,500 per lot); legal costs associated both with gaining approvals ($9,000 or $1,500 per lot) and closing sales ($600 per lot); and City filing fees. We have assumed sewer connections could not be conditioned upon I&I mitigation in an ANR filing.

Other assumed costs include 8 percent of costs for construction overhead/contingency; 10 percent of gross sales for corporate overhead and project management; a real estate tax carry of $10 per $1,000 of appraised value; marketing costs of 7 percent of gross sales; 0.46 percent of gross sales for state documentary transfer taxes; and 0.25 percent of gross sales for insurance and miscellaneous.

We have discounted for profit and carry at a non-leveraged discount rate of 15.0 percent in the DCF model, which yields an Area 1 value indication of ***$2,520,000***. In the static model, we have allowed for an overhead and profit requirement of 14 percent of non-appreciated projected revenue. This analysis indicates an Area 1 value of ***$2,515,000***. (The value range stated in the preceding summary table reflects a 5 percent range on either side of $2,515,000.)

Townhouse Plan - 18 Units: The density of 18 townhouses corresponds to the Sasaki Site Accommodation Study for Area 1, and we have assumed 15 percent of the units, or 3 homes, would have to be priced to be affordable to persons earning 80 percent of the median income for the area. The average home size is assumed to be 2,500 square feet. The market-rate units are projected to sell for between $775,000 and $800,000 each, and the affordable units are priced at $285,000 each. Absorption is projected at an average of 15 unit sales per year.

Among the development costs we allowed for were included a hydro-geologic study (pro-rated based on an assumed $250,000 for the entire property); development design, engineering and plan preparation (6% of hard costs); legal costs associated both with gaining approvals ($54,000 or $3,000 per unit) and closing sales ($700 per unit); City filing fees; construction performance bonding; site preparation/rough grading ($130,000); new road construction (850 lineal feet at $350 per lineal foot); new water and sewer lines (600 lineal feet at $70 per lineal foot); sewer infiltration mitigation costs ($148,500); water & sewer connection fees ($1,000 per unit); unit construction ($115 per square foot, or $287,500 per home); cluster landscaping, courtyard fencing, streetscape and irrigation ($12,335 per unit); lot preparation/finish grading ($25,000 per unit); site landscaping ($5,500 per unit).

Other assumed costs include 7 percent of costs for construction overhead/contingency; 10 percent of gross sales for corporate overhead and project management; a real estate tax carry of $10 per $1,000 of appraised value; marketing costs of 7 percent of gross sales; 0.46 percent of gross sales for state documentary transfer taxes; and 0.25 percent of gross sales for insurance and miscellaneous.

We have discounted for profit and carry at a non-leveraged discount rate of 14.5 percent in the DCF model, which yields an Area 1 value indication of ***$2,275,000.*** In the static model, we have allowed for an overhead and profit requirement of 20 percent of non-appreciated projected revenue. This analysis indicates an Area 1 value of ***$1,775,000.*** The indicated range of $98,600 to $126,389 per unit reflects the broad range in unit values indicated by bulk acreage sales purchased for cluster townhouse development.

Multi-Family/Apartments: Due to the physical constraints associated with Area 1, Sasaki did not generate a high-density apartment plan for this site. Therefore, we have not considered an apartment development program for Area 1.

Area 2 Valuations (11.3 acres Net Usable Land Area)

Conventional Plan - 23 Lots: We modified the 33-lot N-Star plan by eliminating Lots N7, and Lots N11 through N19, all of which were identified by Sasaki as being highly Aregulated@ and subject to special permits. The lots are projected to sell for between $475,000 (road front lots) and $525,000 (interior lots) each in Years 2 and 3 (up to 12 sales per year).

Development costs are similar to those described for Area 1, except that we have assumed somewhat higher costs for new roads ($375 per lineal foot) and water and sewer lines ($80 per linear foot). We have discounted for profit and carry at a non-leveraged discount rate of 20 percent in the DCF model, which yields an Area 2 value indication of ***$5,715,000*** ($248,478 per lot). In the static model, we have allowed for an overhead and profit requirement of 27.5 percent of non-appreciated projected revenue. This analysis indicates an Area 2 value of ***$5,705,000*** ($248,043 per lot). (The value range stated in the preceding summary table reflects a 5 percent range on either side of $5,710,000.)

ANR Plan - 7 Lots: We have reduced the N-Star ANR plan for Area 2 from 8 to 7 lots. Lot N8 of the N-Star ANR plan is highly regulated and contingent on special permit. The lots are projected to sell for $475,000 each. Projected development costs were streamlined relative to the conventional application, and are similar to those assumed for Area 1.

We have discounted for profit and carry at a non-leveraged discount rate of 15.0 percent in the DCF model, which yields an Area 2 value indication of ***$2,430,000***. In the static model, we have allowed for an overhead and profit requirement of 14 percent of non-appreciated projected revenue. This analysis indicates an Area 2 value of ***$2,535,000***. (The value range stated in the preceding summary table reflects a 5 percent range on either side of $2,535,000.)

Townhouse Plan - 34 Units: The density of 34 townhouses corresponds to the Sasaki Site Accommodation Study for Area 2, and we have assumed 15 percent of the units, or 5 homes, would have to be priced to be affordable to persons earning 80 percent of the median income for the area. The average home size is assumed to be 2,500 square feet. The market-rate units are projected to sell for between $775,000 and $800,000 each, and the affordable units are priced at $285,000 each. The development costs are similar to those assumed in Area 1, except that we have assumed higher costs for site prep./grading, new roads ($400 per lineal foot) and water and sewer lines ($100 per linear foot), due to steep slopes, wetlands and apparent hard rock outcropping.

We have discounted for profit and carry at a non-leveraged discount rate of 14.5 percent in the DCF model, which yields an Area 2 value indication of ***$3,850,000***. In the static model, we have allowed for an overhead and profit requirement of 20 percent of non-appreciated projected revenue. This analysis indicates an Area 2 value of ***$4,675,000***.

Multi-Family/Apartments: Sasaki Associates has accommodated 130 apartment units on the site, assuming an average apartment size of 1,500 square feet, and 3.5 to 4-story buildings with a combination of surface and below ground parking. At this density, we have assumed such a project would have to go through the Chapter 40B/ Comprehensive Permit process to gain approval. That will entail a minimum 25 percent affordable rental units. Based on indications from sales of land for similar purposes, we have estimated the value of this program at $30,000 to $40,000 per unit, or ***$3,900,000 to $5,200,000***.

Area 3 Valuation (1.5 to 2.0 acres Net Usable Land Area)

ANR Plan - 4 Lots: We have reduced the N-Star ANR plan for Area 3 from 5 to 4 lots. Lot N5 of the N-Star ANR plan is highly regulated and contingent on special permit. The lots are projected to sell for $475,000 each. Projected development costs were streamlined relative to the conventional application, and are similar to those assumed for Areas 1 and 2.

We have discounted for profit and carry at a non-leveraged discount rate of 15.0 percent in the DCF model, which yields an Area 3 value indication of ***$1,385,000***. In the static model, we have allowed for an overhead and profit requirement of 14 percent of non-appreciated projected revenue. This analysis indicates an Area 3 value of ***$1,375,000***. (The value range stated in the preceding summary table reflects an approximate 5 percent range on either side of $1,380,000.)

Area 4 Valuations (7.0 acres Net Usable Land Area)

Conventional Plan - 14 Lots: We modified the 15-lot N-Star plan by eliminating Lot N15, which was identified by Sasaki as being highly Aregulated@ and subject to special permit. The lots are projected to sell for between $495,000 and $575,000 each in Years 2 and 3 (up to 12 sales per year). The grading special permit lots are projected to sell at a 10 percent discount from what they would otherwise have sold for.

Development costs are similar to those described for Area 1, except that we have allowed for road widening along Vine Street (1,300 lineal feet at $250 per lf); 1,155 feet of sewer extension in Vine Street at $70 per lineal foot; and $200,000 for traffic signalization at Vine and Lagrange. We have discounted for profit and carry at a non-leveraged discount rate of 20 percent in the DCF model, which yields an Area 4 value indication of ***$3,680,000*** ($262,857 per lot). In the static model, we have allowed for an overhead and profit requirement of 27.5 percent of non-appreciated projected revenue. This analysis indicates an Area 4 value of ***$3,415,000*** ($243,929 per lot).

ANR Plan - 10 Lots: We have assumed an ANR plan that corresponds to the N-Star 10-lot ANR plan for Area 4. The lots are projected to sell for $495,000 to $550,000 each, with grading special permit lots discounted 10 percent from what they would otherwise sell for. Projected development costs were streamlined relative to the conventional application, and are similar to those assumed for Area 1.

We have discounted for profit and carry at a non-leveraged discount rate of 15.0 percent in the DCF model, which yields an Area 4 value indication of ***$3,775,000*** ($377,500 per lot). In the static model, we have allowed for an overhead and profit requirement of 14 percent of non-appreciated projected revenue. This analysis indicates an Area 4 value of ***$3,715,000***. (The value range stated in the preceding summary table reflects a 5 percent range on either side of $3,715,000.)

Townhouse Plan - 21 Units: The density of 21 townhouses corresponds to the Sasaki Site Accommodation Study for Area 4, and we have assumed 15 percent of the units, or 3 homes, would have to be priced to be affordable to persons earning 80 percent of the median income for the area. The average home size is assumed to be 2,500 square feet. The market-rate units are projected to sell for between $775,000 and $800,000 each, and the affordable units are priced at $285,000 each. The development costs are similar to those assumed in Area 1, except for the off-site sewer, traffic and road widening improvements required for Area 4, as noted above.

We have discounted for profit and carry at a non-leveraged discount rate of 14.5 percent in the DCF model, which yields an Area 4 value indication of ***$3,355,000*** ($159,762 per unit) In the static model, we have allowed for an overhead and profit requirement of 20 percent of non-appreciated projected revenue. This analysis indicates an Area 4 value of ***$3,240,000*** ($154,285 per unit). These indicates are above the upper end of the range indicated by bulk sales.

Multi-Family/Apartments: Sasaki Associates has accommodated 50 apartment units on the site, assuming an average apartment size of 1,500 square feet, and 3.5 to 4-story buildings with a combination of surface and below ground parking. We have again assumed this project would entail a Comprehensive Permit and 25 percent affordable units. Based on indications from sales of land for similar purposes, we have estimated the value of this program at $30,000 to $40,000 per unit, or ***$1,500,000 to $2,000,000***.

Highest & Best Use & Market Value - Contingent on Approval

The foregoing analysis demonstrates that the highest and best use of Areas 1 and 2 is development with conventional building lots, and that the highest and best use of Areas 3 and 4 is ANR development. The indicated value for the entire property, subject to and contingent upon approvals, is approximately ***$13,575,000 to $14,800,000***.

Non-Contingent Market Value - Total Property

As noted above, we have approached the non-contingent valuation of the subject property in two ways. In the first approach, we have discounted the contingent highest and best use value ($13,575,000 to $14,800,000) by 30 percent over a projected two to four year approval period. This calculation yields an indicated range in total property, non-contingent value of about *$5,000,000 to $8,400,000.*

In the second approach, we have discounted the indicated value of 27 ANR lots by 30 percent for permitting risk over a projected 6-month to 1-year approval period. The indicated non-contingent value is $9,620,000 to $10,645,000. Discounting the low end of the range over 2-year and one year, respectively, brackets a lower limit of value in the range of $7,400,000 to $8,365,000. Discounting the high end of the range over 2-year and one year, respectively, brackets an upper limit of value in the range of $8,190,000 to $9,250,000.

Thus, the broad range indicated by discounting the 27-lot ANR value is ***$7,400,000 to $9,250,000***. The central tendency of this analysis (i.e., upper end of low range and lower end of high range) is in the range of *$8,200,000 to $8,350,000.*

Finally, we considered the impact of reducing the ANR plan from a projected 27 lots to 23 lots, wherein we eliminated all grading special permit lots in order to reduce the permitting risk. This plan has an estimated value of about $8,790,000. We then discounted this value over 2-year to 1-year at 20 percent. This calculation yields an indicated non-contingent value range of about *$6,760,000 to $7,640,000*. Thus, this analysis supports the lower end of the value range indicated by the 27-lot plan.

We hope the foregoing provides you with the guidance you need to move the process forward. It is our intention to document our analysis and opinions in a self-contained narrative report, which will be completed within the next week.

Please call me with any questions.

Sincerely,

Michael J. Hart, MAI
LandVest, Inc.
(MA Cert. General Appraiser #675)

Terrence Boyle
LandVest, Inc.

MJH

cc: Jennifer Goldson

CERTIFICATION OF VALUE

I hereby certify that, to the best of my knowledge and belief:

- X I have made a personal inspection of the property that is the subject of this report.
- X The statements of fact contained in this report are true and correct.
- X The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- X I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- X My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- X My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- X I am a designated member of the Appraisal Institute (MAI-#9340). My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. As of the date of this report, I have completed the continuing education requirements of the Appraisal Institute. I am currently certified in several states, including Massachusetts (CG-675).
- X The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- X No one provided significant professional assistance to the person signing this report.

Date: ____________________

Appraiser: ____________________

Michael J. Hart, MAI
(Massachusetts Certified General Appraiser #675)

CERTIFICATION OF VALUE

I hereby certify that, to the best of my knowledge and belief:

X I have made a personal inspection of the property that is the subject of this report.

X The statements of fact contained in this report are true and correct.

X The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

X I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

X My engagement in this assignment was not contingent upon developing or reporting predetermined results.

X My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

X My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

X The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

X No one provided significant professional assistance to the person signing this report.

Date: ____________________

Appraiser: ____________________
Terrence Boyle

Michael J. Hart

Senior Appraiser, Real Estate Consulting Group, LandVest, Inc.

Michael Hart is Senior Appraiser in LandVest's Real Estate Consulting Group. LandVest, Inc. is a broad-based real estate company headquartered in Boston. As Senior Appraiser, Mr. Hart is responsible for production of appraisals, as well as review and oversight of all appraisal-related work produced by the company. He also engages in a broad spectrum of advisory and consulting activity.

Prior to joining LandVest, Mr. Hart worked for six years in the San Francisco Bay Area as a Senior Commercial Real Estate Appraiser for C. Warren Fox Appraisal Services (Redwood City, California). Mr. Hart's duties included appraisals and appraisal review for commercial, industrial, residential and agricultural property throughout northern California. Prior to that, Mr. Hart worked as a commercial appraiser on Boston's North Shore, for Realconsultants (Ipswich, Massachusetts).

Mr. Hart earned his B.A. from Boston College (1982) where he majored in Economics and Philosophy. He holds the MAI designation, the commercial appraisal designation awarded by the Appraisal Institute. He is licensed as a Certified General Appraiser in the states of Connecticut, Maine, Massachusetts, Rhode Island and New York. He is also a licensed real estate broker in the states of Massachusetts and Rhode Island.

MICHAEL J. HART CLIENT LIST - PARTIAL

Institutional - Financial - Fiduciary

Bank of America
Bank of Boston
Bank of Canton
Bessemer Trust
Boston Private Bank & Trust
California National Bank
Chemical Banking - NYC
Citibank - New York
Commercial Bank of San Francisco
Engelhard-Hanovia
Fleet National Bank
GE Capital Services - SFG
International Bank of Singapore
Investor's Bank & Trust Company
Mercantile Bank
OnBank - Syracuse
People's Bank
Resource Investment, Inc.
Shawmut National Corp.
State Street Bank - Trust Dept.
Strategic Timberland Trust (STT)
The Forestland Group
US Trust Company
Wainwright Bank & Trust Co.
Wellington Management Co.
Wells Fargo Bank
Welch & Forbes

Institutional - Non-Profit/Conservation

Land for Maine=s Future Program
Massachusetts Audubon
Nantucket Conservation Foundation
New England Forestry Foundation
St. Paul=s School
The Conservation Fund
The Nature Conservancy
The Trustees of Reservations

Government Agencies

Federal Deposit Insurance Corp. (FDIC)
Maine Dept. Of Environmental Conservation
Massachusetts Dept. of Agriculture
Massachusetts Dept. Of Environmental Protection
Massachusetts Division of Fisheries & Wildlife
New York Dept. Of Transportation
New York Dept. Of Environmental Conservation
Resolution Trust Corp. (RTC)
U. S. General Services Adm.

Private - Corporate

Crown Vantage Corp.
Group Hosp. & Medical Services
International Paper Company
J.D. Irving, Ltd.
Lassiter Properties, Inc.
Mead Oxford Corp.
Mercy Health Systems
Niagra Mohawk Corp.
Okamura Corporation
Raychem, Inc.

Ryder Truck, Inc.
The Forestland Group
Six Rivers Limited Partnership
Wagner Forest Management, Ltd.

MICHAEL J. HART CLIENT LIST - PARTIAL

Legal

Battle Fowler
Cravath, Swain & Moore
Foley, Hoag & Elliott

Harmon, Jones & Sanford
Hoch & McHugh
Johnson, O'Malley & Hovey
Minz, Levin, Cohn, Ferris, Glovsky & Popeo
Palmer & Dodge
Pierce, Atwood, Scribner & Allen
Rackemann, Sawyer & Brewster
Ropes & Gray
Shaheen, Cappiello, Stein & Gordon
Verrill & Dana

Bernstein, Shur, Sawyer & Nelson
Edwards & Angell
Devorsetz Stinziano Gilberti Heintz & Smith
Hinckley, Allen & Snyder
Hutchins, Wheeler & Dittmar
Milbank, Tweed, Hadley & McCloy
Nutter, McClennen & Fish

Peabody & Arnold
Powers & Hall
Riemer & Bronstien
Sherburne, Powers & Needham
Law Office of Stephen J. Small, P.C.
White & Case

KESSLER WOODS VALUATION - NEWTON, MASSACHUSETTS ***(For City of Newton)***

Summary Valuations of Alternative Development Programs (May 6, 2003)

SUBJECT SUB-COMPONENTS & NET USABLE LAND AREA (NULA)	CONVENTIONAL SUBDIVISION	ANR SUBDIVISION	CLUSTERED TOWNHOMES	MULTI-FAMILY/ APARTMENTS	CONTINGENT HIGHEST & BEST
AREA 1 **Brookline Street (6.8 ac. NULA)**	$3,320,000 - $3,650,000 (11 Lots; 520 lf road)	$2,515,000 - $2,740,000 (6 Lots)	$1,775,000 - $2,275,000 (18 Units; 3 Affordable)	Non-Applicable	$3,320,000 - $3,650,000 (11 Lots Conventional)
AREA 2 **Lagrange Street (11.3 ac. NULA)**	$5,705,000 - $6,400,000 (23 Lots; 1,710 lf road)	$2,525,000 - $2,825,000 (7 Lots)	$3,850,000 - $4,675,000 (34 Units; 5 Affordable)	$3,900,000 - $5,200,000 (130 Units; $30,000 - $40,000/Unit)	$5,705,000 - $6,400,000 (23 Lots Conventional)
AREA 3 **Vine Street (1.5-2.0 ac. NULA)**	Non-Applicable	$1,375,000 - 1,525,000 (4 Lots)	Non-Applicable	Non-Applicable	$1,375,000 - $1,525,000 (4 Lots ANR)
AREA 4 **Vine & Lagrange Streets (7.0 ac. NULA)**	$3,280,000 - $3,690,000 (14 Lots; 405 lf road + Off-site road & sewer)	$3,530,000 - $3,900,000 (10 Lots; plus sewer extension)	$3,100,000 - $3,400,000 (21 Units; 3 Affordable)	$1,500,000 - $2,000,000 (50 Units; $30,000 - $40,000/Unit)	$3,530,000 - $3,900,000 (10 Lots ANR)
TOTAL PROPERTY MARKET VALUE **(Contingent on Approvals)**	$13,680,000 - $15,265,000 (52 Lots - Including 4 ANR Lots in Area 3)	$10,045,000 - $11,065,000 (27 Lots - Single DCF Calculation)	$10,100,000 - $11,875,000 (77 Lots - Including 4 ANR Lots in Area 3)	$10,095,000 - $12,375,000 195 Units - Including Lots in Areas 1 & 3)	**$14,250,000 - $15,800,000** (34 Conventional Lots & 14 ANR Lots)
TOTAL PROPERTY MARKET VALUE **(Non-Contingent)**					**$6,670,000 - $9,620,000** (27 ANR Lots - Discounted For Permitting)