LandVest

NARRATIVE APPRAISAL REPORT

&

VALUATION ANALYSIS

PROPERTY

Castle Hill Farm
97.67+/- Acres
Castle Hill Road
Map 4 Lots 29 & 33 (portion); Map 3 Lots 1 & 4
Northbridge, Massachusetts

DATE OF VALUATION

September 23, 2022

PREPARED FOR

R. Gary Bechtholdt, Northbridge Town Planner
Community Planning & Development
7 Main Street
Whitinsville, MA 01588

PREPARED BY

Christopher H. Bowler, MAI, SRA, CRE
Senior Appraiser and Advisor
LandVest, Inc.
Ten Post Office Square
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Boston, MA 02109

LandVest Project # MA3965-CG

September 29, 2022

R. Gary Bechtholdt, Northbridge Town Planner
Community Planning & Development
7 Main Street
Whitinsville, MA 01588

RE: *Castle Hill Farm*
97.67+/- Acres
Castle Hill Road
Map 4 Lots 29 & 33 (portion); Map 3 Lots 1 & 4
Northbridge, Massachusetts

Dear Mr. Bechtholdt:

In response to your request, I am pleased to transmit the appraisal report detailing my estimate of the market value of the fee simple interest in the subject property. This report sets forth the value conclusion, together with supporting data and reasoning which forms the basis for my conclusions. This appraisal has been completed in accordance with the *Uniform Standards for Professional Appraisal Practice* (USPAP 2020-2022) and the *Specifications for Analytical Narrative Appraisal Reports* for the Commonwealth of Massachusetts Executive Office of Energy and Environmental Affairs (EOEEA).

The subject of this report is 97.67+/- acres of primarily residentially zoned land on both sides of Castle Hill Road in the Whitinsville village of Northbridge abutting the Uxbridge town line. The property, known as *Castle Hill Farm,* is a former dairy farm that has not been in use for several decades. Stone walls dating back to the late 19th century outline the property today. The 97.67+/- acres were part of a larger 105+/- acre property as recently as July of 2022, but a 7.85-acre parcel of land with some of the former dairy farm structures has been subdivided from the larger property and will be retained by the owner.

I have been asked to estimate the current market value of the property "as is". As a result of this analysis, it is my opinion that the market value of the fee simple interest in the subject property, as of September 23, 2022, subject to the definitions, assumptions and limiting conditions, extraordinary assumptions, and certifications set forth in the attached report is:

ONE MILLION FOUR HUNDRED FIFTY THOUSAND ($1,450,000) DOLLARS

This letter must remain attached to the report, which contains 86 pages plus related exhibits, for the value opinion set forth to be considered valid.

Respectfully submitted,
LandVest, Inc.

Christopher H. Bowler, MAI, SRA, CRE
Massachusetts Certified General Real Estate Appraiser #495

Table of Contents

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS 5
SUBJECT PROPERTY PHOTOGRAPHS 6
NARRATIVE APPRAISAL REPORT 10
HYPOTHETICAL CONDITIONS & EXTRAORDINARY ASSUMPTIONS 10
PROPERTY RIGHTS APPRAISED 11
ASSUMPTIONS AND LIMITING CONDITIONS 11
DESCRIPTION OF REAL ESTATE APPRAISED 13
ECONOMIC & MARKET CONDITIONS 16
LOCATION DESCRIPTION 22
PUBLIC LAND USE CONTROLS 30
HIGHEST AND BEST USE 31
EXPOSURE TIME 34
APPRAISAL PROCESS 34
VALUATION METHODS USED 35
SALES COMPARISON APPROACH 35
COST OF DEVELOPMENT/SUBDIVISION ANALYSIS 50
RECONCILIATION AND VALUE CONCLUSION 56
CERTIFICATION OF VALUE 57

APPENDIX 58
SUBJECT PROPERTY DEED 59
RECORDED PLAN OF LAND 66
CONCEPTUAL DEVELOPMENT PLANS 68
COMPARABLE LOT SALES LOCATION MAP 72
COMPARABLE ACREAGE SALES LOCATION MAP 74
PWC DEVELOPER SURVEY EXCERPT 76
REALTY RATES DEVELOPER SURVEY EXCERPTS 78
QUALIFICATIONS 84

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

PROPERTY ADDRESS: Castle Hill Road
Map 4 Lots 29 & 33(portion); Map 3 Lots 1 & 4
Northbridge, Massachusetts

OWNER OF RECORD: Alexander J. Vander Baan and Alexandra P. Vander Baan

DATE OF VALUE ESTIMATE: September 23, 2022

TOTAL LAND AREA: 97.67 acres

EXISTING IMPROVEMENTS: Stone wall structures.

ZONING: Residential 1; R-1 (primarily)

FLOOD ZONE: The land appears to abut, but is not located within, the boundaries of a designated flood hazard zone per FEMA Panel #250 27C 1006E dated July 4, 2011.

HIGHEST AND BEST USE: Subdivision into 10 building lots using approval not required or ANR provisions and the "Retreat Lot" provision of the Northbridge Zoning Bylaw (Section 173-18.1).

INTEREST APPRAISED: Fee simple

VALUE ESTIMATE: **$1,450,000**

APPRAISED BY: Christopher H. Bowler, MAI, CRE
LandVest, Inc.

SUBJECT PROPERTY PHOTOGRAPHS
Castle Hill Road
Map 4 Lots 29 & 33 (portion); Map 3 Lots 1 & 4
Northbridge, Massachusetts
Taken by C.H. Bowler (9/23/2022)

View Looking SE at the Northern Portion of the East Side Land of the Subject Property.

Street Scene Looking Southerly Along Castle Hill Road.

SUBJECT PROPERTY PHOTOGRAPHS
Castle Hill Road
Map 4 Lots 29 & 33 (portion); Map 3 Lots 1 & 4
Northbridge, Massachusetts
Taken by C.H. Bowler (9/23/2022)

View Looking NE at the Land on the Eastern Side of Castle Hill Road.

Street Scene Looking Southerly Along Castle Hill Road at the Point Where the Paved Portion of the Roadway Ends. Subject Land is on Either Side of This Path.

SUBJECT PROPERTY PHOTOGRAPHS
Castle Hill Road
Map 4 Lots 29 & 33 (portion); Map 3 Lots 1 & 4
Northbridge, Massachusetts
Taken by C.H. Bowler (9/23/2022)

View Looking Northerly at the Subject Land West of Castle Hill Road.

Street Scene Looking Northerly at Castle Hill Road.

SUBJECT PROPERTY PHOTOGRAPHS
Castle Hill Road
Map 4 Lots 29 & 33 (portion); Map 3 Lots 1 & 4
Northbridge, Massachusetts
Taken by C.H. Bowler (9/23/2022)

View Looking Easterly at the Wooded Portion of the Land Near the Uxbridge Town Line.

View Looking Westerly at the Wooded Portion of the Land Near the Uxbridge Town Line.

NARRATIVE APPRAISAL REPORT

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to estimate the market value of the 97.67-acre property, "as is" as of September 23, 2022.

In estimating this value, it has been necessary to make a careful physical inspection of the property, a review of land planning completed for the property, local zoning by-law, a review of local, state and federal GIS data, and a review of market conditions as of the date of valuation and the impact on the value of the subject property, resulting in a thorough analysis of the property from a legal and physical standpoint. The results are reported in this study.

HYPOTHETICAL CONDITIONS & EXTRAORDINARY ASSUMPTIONS

The value estimate is based upon the following:

- The estimated value of the property is based upon the *extraordinary assumption* that the land has the development potential stated in the Highest and Best Use section of this report.
- No specific geotechnical engineering data has been provided, and as of the date of valuation the subject property was not included as either a contaminated site or a location to be investigated by the Bureau of Waste Site Cleanup of the Department of Environmental Protection, Commonwealth of Massachusetts. It is an *extraordinary assumption* in this report, therefore, that the subject site is not a contaminated site.

Should any of these conditions or assumptions change, or be proven false with additional engineering, then the value estimates contained herein may also change.

MARKET VALUE IS DEFINED 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 consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are motivated.
2. Both parties are well informed or well advised and each is acting in what he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in U.S. dollars, or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing, or sales concessions granted by anyone associated with the sale." (1)

(1) FIRREA 12CFR Part 323.2.

PROPERTY RIGHTS APPRAISED

The property rights appraised in the subject property are fee simple, which is defined as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." (2)

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

3. Responsible ownership and competent property management are assumed.

4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.

9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

(2) The Dictionary of Real Estate Appraisal, Appraisal Institute, Chicago, IL 2015, Sixth Edition - Page 90.

10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This appraisal report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocation of land and building must not be used in conjunction with any other appraisal and are invalid if used.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication.

3. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

5. Any value estimated provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

6. The forecasts, projections, or operating estimates contained herein are based upon current market conditions and anticipated short-term supply and demand factors. These forecasts are, therefore, subject to changes in future conditions.

CLIENT: Town of Northbridge.

INTENDED USER OF REPORT: Town of Northbridge.

INTENDED USE OF REPORT: The intended use of this appraisal is to estimate the market value of the subject property as the client/intended user of this appraisal considers its acquisition.

INTEREST VALUE: Fee Simple.

DATE OF VALUATION: The effective date of valuation of this appraisal is September 23, 2022. All data, analysis, and conclusions are based upon facts in existence as of the date of valuation.

DATE OF REPORT: September 29, 2022.

SCOPE OF THE APPRAISAL: Christopher H. Bowler, MAI, CRE inspected the subject property in June and July of 2021 and more recently on September 23, 2022. Photographs were taken at the later date.

In addition to the inspections, Mr. Bowler:

- Reviewed a previous appraisal of a 105+/- acre property that Mr. Bowler completed in July of 2021.
- Reviewed recent GIS and land planning completed for the property by Jim Monahan and Gloria Molina of LandVest, Inc.
- Reviewed the *Rules and Regulations Governing the Subdivision of Land* in Northbridge; the *Northbridge Zoning By-Law* and discussed development requirements and options with the Northbridge Town Planner.
- Reviewed FEMA flood map information pertaining to the property and soil survey information as well provided by the USDA NCRS.
- Reviewed GIS maps and data available for the subject site from the Town of Northbridge and the Commonwealth of Massachusetts.
- Obtained additional information regarding the property from the Northbridge Assessors Department, Building Department, and the Worcester South Registry of Deeds.
- Gathered information on residential acreage sales, lot sales, infrastructure cost estimates, and development activity in the Northbridge area.
- Mr. Bowler then confirmed and analyzed the data and utilized a Sales Comparison Approach and a Cost of Development/Subdivision Analysis in order to estimate the market value of the property.

DESCRIPTION OF REAL ESTATE APPRAISED

LEGAL DESCRIPTION – The subject of this report is 97.67+/- acres of primarily residentially zoned land on both sides of Castle Hill Road in the Whitinsville village of Northbridge abutting the Uxbridge town line. The property, known as *Castle Hill Farm* is a former dairy farm that has not been in use for several decades. Stone walls dating back to the late 19th century outline the property today. The 97.67+/- acres were part of a larger 105+/- acre property as recently as July of 2022, but a 7.85-acre parcel of land with some of the former dairy farm structures has been subdivided from the larger property and will be retained by the owner.

The following is the address, assessor's and legal reference for the property:

Address	Town	Map	Parcel	Owner of Records	Size of Parcel (ac)		Legal Ref. (Bk/Pg)
Castle Hill Road	Northbridge	4	29	Alexander J. Vander Baan, and Alexandra P. Vander Baan	20.78		67952/244
Castle Hill Road	Northbridge	4	33	Alexander J. Vander Baan, and Alexandra P. Vander Baan	69.47	**	67952/244
Castle Hill Road	Northbridge	3	1	Alexander J. Vander Baan, and Alexandra P. Vander Baan	8.45		67952/244
Castle Hill Road	Northbridge	3	4	Alexander J. Vander Baan, and Alexandra P. Vander Baan	5.93		67952/244
				Original Property Totals	**104.62**		
				Current Property Totals	**97.67**		

** The subject property includes this parcel less the 7.85 acres of Lot 1 in Plan Book 966 Plan 8.

The current owners of the property acquired a larger 104.62-acre property, that included the subject 97.67 acres, from Bernon Family Realty Associates, for $1,711,000 on July 22, 2022. This sale is recorded in Book 67952 Page 244 at the Worcester South Registry of Deeds. On the same day, Bernon Family Realty Associates also sold properties at 38 & 34 Whitin Ave to Alexander J. Vander Baan and Alexandra P. Vander Baan for $245,000 and $244,000 respectively. These properties consist of a 9,000 sq ft lot and an 19,000 sq ft lot respectively, improved with older single-family dwellings. 38 & 34 Whitin Ave are not part of the subject of this appraisal.

A copy of the deed referenced above can be found in the Addenda to this report.

TAXES AND ASSESSMENT - The following is the current assessment and tax burden for the subject:

Address	Town	Map	Parcel	Size of Parcel (ac)		FY 2022 Assessment	FY 2022 Tax Rate	FY 2022 Taxes
Castle Hill Road	Northbridge	4	29	20.78		$ 214,900	$ 13.77	$ 2,959.17
Castle Hill Road	Northbridge	4	33	69.47	**	$ 475,800	$ 13.77	$ 6,551.77
Castle Hill Road	Northbridge	3	1	8.45		$ 158,900	$ 13.77	$ 2,188.05
Castle Hill Road	Northbridge	3	4	5.93		$ 66,100	$ 13.77	$ 910.20
	Original Property Totals			**104.62**		**$ 915,700**		**$12,609.19**
	Current Property Totals			**97.67**				

** The subject property includes this parcel less the 7.85 acres of Lot 1 in Plan Book 966 Plan 8.

Based upon a comparison to my overall value estimate of $1,450,000 for 97.67 acres, it is my opinion that the current assessment by the town is low. This is common for large acreage properties in Northbridge where actual sale prices most often are much larger than assessed values at the time of sale.

LOCATION DESCRIPTION – *Town* – The subject property is in the Worcester County-Blackstone Valley community of Northbridge. Surrounding communities are Grafton to the north; Upton to the northeast; Mendon to the east; Uxbridge to the south; and Sutton to the west. Downtown Worcester in 11 miles to the northwest of Northbridge Center. Boston is 33 miles to the northeast. Providence is 26 miles to the southeast. Northbridge's population per the 2020 U.S. Census was 16,335, up 4% from the 2010 Federal Census.

Northbridge is a growing suburban town made up of several villages: Linwood, Northbridge, Riverdale, Rockdale, and Whitinsville. It is in the Blackstone River Valley of south-central Massachusetts. The area played a major role in early American industrial development, due to its natural resources and strategic location to Worcester and Providence. Situated between Interstates 90, 146, 395, and 495, today the Blackstone Valley has good highway and rail access to the ports, airports, and intermodal facilities of Worcester, Providence, and Boston.

In the period from 1998 through 2005, the Blackstone Valley, including Northbridge, experienced a development frenzy. Significant improvements to Route 146, which connects to the Mass Pike, and an MBTA commuter rail station constructed in the 1990's, made the area far more accessible to the average commuter and transformed the area into a less expensive alternative to communities along the I-495 beltway. Northbridge grew nearly 19% in terms of population between 2000 and 2010.

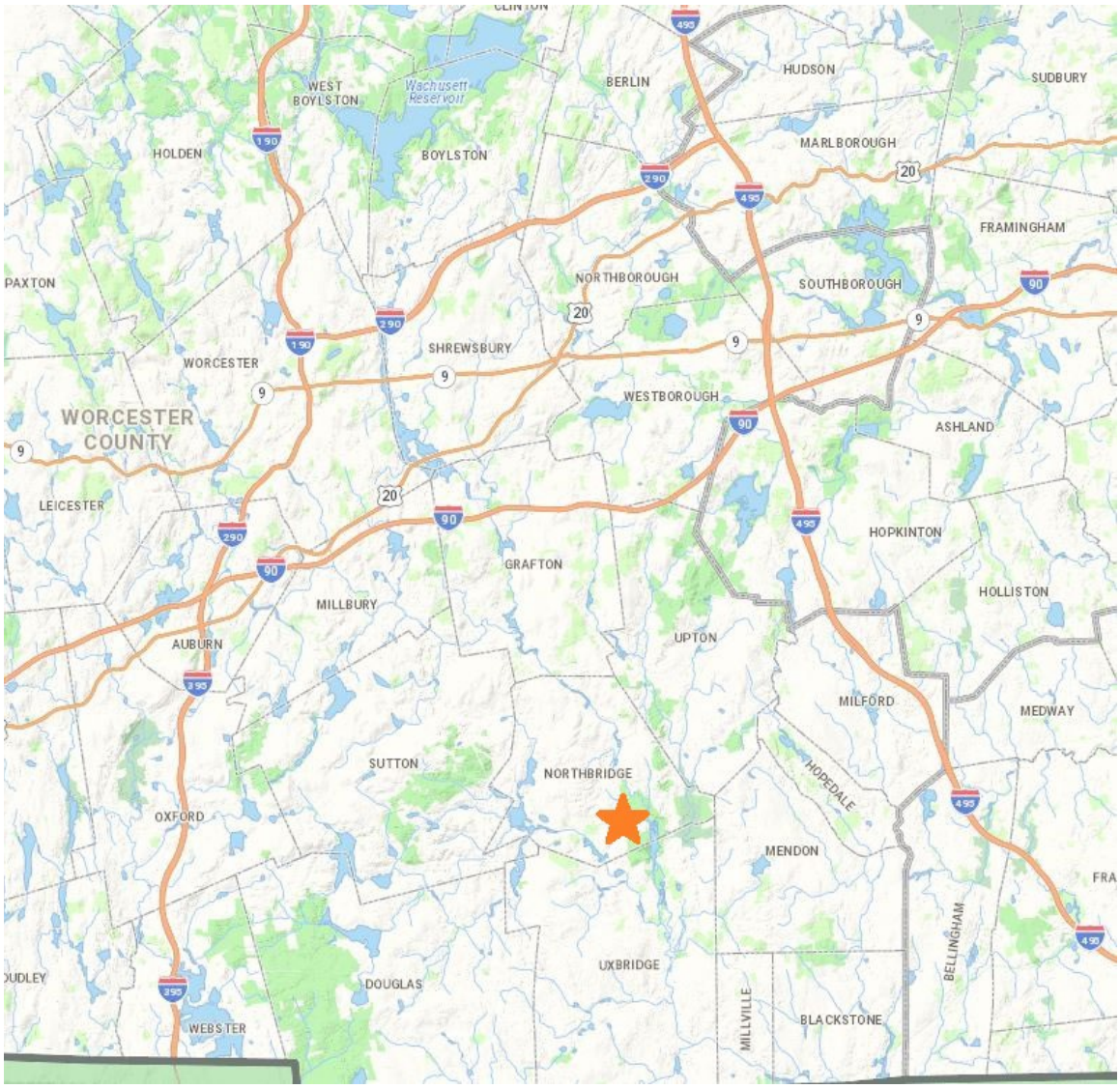
Region - The following is breakdown of Northbridge and each surrounding community by population, density, income, and real estate values:

Town	2020 Population	Area (sq mi)	Density (pers/sq mi)	Median HH Income**	Average SF Home $ Past 12 Mos. ^^
Northbridge	**16,335**	**18.1**	**902.5**	**$ 85,503**	**$ 538,827**
Grafton	19,756	23.3	847.9	$ 103,383	$ 634,756
Upton	8,050	21.7	371.0	$ 126,442	$ 668,638
Sutton	9,361	33.9	276.1	$ 109,375	$ 568,497
Mendon	6,251	18.3	341.6	$ 126,806	$ 650,578
Uxbridge	14,161	30.4	465.8	$ 109,718	$ 472,836
Massachusetts	7,029,917	10,555.0	666.0	$ 84,385	$ 708,557

** Data is from U.S. Census, 2018 adjusted data.

^^ Data is from MLS Statistics.

Northbridge and Uxbridge have retained more of their 'blue collar' identity than surrounding towns. Grafton, with its connection to the MBTA Commuter rail line has become more of a suburban community and has seen extensive development of new subdivisions by national developers Toll Brothers and Pulte Homes. Upton abuts Hopkinton on I-495 and has been the more affordable alternative community for those priced out of towns along the I-495 beltway. Sutton is a rural bedroom community. Mendon is similar in character to Upton.



<u>ECONOMIC & MARKET CONDITIONS</u>: When completing an analysis of real property, it is necessary to have a proper perspective of economic conditions as of the date of valuation. Economic conditions play a significant role in the price paid for real estate at any given time.

As the 3rd quarter of 2022 near an end, the U.S. economy is facing turbulent times. After seemingly making it through the COVI-19 pandemic, and the brief 'shutdown' of many areas of the economy in 2020, strong growth resumed in 2021. Nearly a trillion dollars of stimulus had been pumped into the economy through government programs as a means of offsetting the effects of the pandemic. At the same time COVID-19 had shut down production of many products and services putting them in short supply. Combine these two facts; excess money chasing fewer products and beginning in 2022 inflation has returned to the economy. In fact, inflation is running at the highest rates in over 40 years. To combat inflation the Federal Reserve has begun to raise interest rates rapidly. A possible outcome of this policy is a recession.

I will now look at several key economic indicators to measure the health of the economy now and as of the retrospective date of valuation of July 19, 2022.

ECONOMIC GROWTH (growth in the U.S. GDP)

	Annualized Growth Rate
2022 Q2	-0.9%
2022 Q1	-1.6%
2021 Q4	6.9%
2021 Q3	2.3%
2021 Annual	5.7%
2020 Annual	-3.5%
2019 Annual	2.3%

(Gross Domestic Product is the total market value of the goods and services produced by a nation's economy during a specific period of time).

INFLATION RATE (U.S. annualized)

01-Aug-22	8.3%
01-Jul-22	8.5%
01-Jun-22	9.1%

(CPI for All Urban Consumers).

EMPLOYMENT/UNEMPLOYMENT

	Town of Northbridge	Worcester County	Massachusetts	U.S.
Most Recent Month	3.5%	3.8%	3.6%	3.7%

United States	New Jobs Created	Unempl. Rate
Last Mos.; Aug 2022	315,000	3.7%
Average Last 12 Mos.	523,500	4.2%

STOCK MKT, COMMODITY & INTEREST RATE TRENDS

	Beginning Price 1-Jan-22	Closing Price 23-Sep-22	*Change Since 1/1/2022*
Dow Jones Industrial	36,338	29,421	*-19.04%*
S&P 500	4,766	3,693	*-22.51%*
London Gold $ fix/oz	1,829	1,656	*-9.46%*
Crude Oil $ per barrel	75.21	78.74	*4.69%*
10 Year Treasury	1.51%	3.69%	*143.59%*

S & P 500 Returns

2021	+26.90%
2020	+16.30%
2019	+30.43%
2018	- 6.20%
2017	+19.42%
2016	+9.53%
2015	-0.72%
2014	+11.4%

CONSUMER CONFIDENCE

Source: Conference Board

2022	August	103.2	
2021	August	115.2	
2020	August	86.3	
2019	August	134.2	
2018	August	134.7	(1985=100)

CASE-SHILLER HOME PRICE INDEX

		Greater Boston	*% Change from Prev. Year*	*3 Year Change in Price*
Current	Jun-22	315.9	14.9%	40.98%
1 Year Earlier	Jun-21	274.8	18.6%	
2 Years Earlier	Jun-20	231.8	3.4%	
3 Years Earlier	Jun-19	224.1	-------	

The growth in the U.S. GDP declined at a 0.9% annualized rate in the 2nd quarter of 2022 after a 1.6% decline in the 1st quarter. By most economists' definition this means the economy has entered recession. **GDP**, or gross domestic product, is the value of all goods and services produced here and is considered the official 'scorecard' for the economy. For all of 2021, GDP growth was 5.7%. This comes after COVID-19 caused a decline in 2020. Growth was expected to be more robust in 2021. However, labor, and raw materials shortages, combined with two separate resurgences in infections of COVID-19, lessened growth versus initial forecasts. GDP growth in Massachusetts was a bit more robust, coming in at -.0.2% in the 2nd quarter of 2022 and +0.2% in the 1st quarter of 2022.

The two straight quarterly declines in U.S. GDP doesn't look like a typical recession given very strong labor markets. However, with the Federal Reserve raising interest rates to try and slow the economy and tame inflation (see below), many other economists suggest that this recession is real and labor markets could start to see weakening in the Fall.

Inflation is a significant factor affecting economic conditions at present. The U.S. enjoyed very low inflation, in the 1.5-3% range for over a decade, lasting until the middle of 2021. This allowed interest rates and mortgage rates to hit historic lows in 2019 and 2020. However, the COVID-19 pandemic created a situation in which government stimulus monies flowed into the economy at the same time supply constraints of most all products emerged. The result was too many dollars chasing too few products and as a result inflation is now reaching 40+ year highs. The last reading of the CPI in August of 2022 at 8.3% was extremely high. It was a decrease from the July figure of 8.5%. However, the 8.3% was in excess of most economists projections and triggered a selloff in the stock market.

The **employment** figures show continued improvements in the employment market since the depths of the COVID-19 pandemic. Last month's figure of +315,000 new jobs was strong but the unemployment rate inched up slightly from 3.5% to 3.7%. The employment market is in a unique position due to the aftereffects of the COVID-19 pandemic. Job growth would be even more robust; however, open jobs are remaining unfilled as people are either reluctant to rejoin the workforce for a variety of reasons that may include fears over COVID-19, or generous state unemployment benefits that are encouraging workers to 'stay home' instead of taking the new job.

The **stock market** has been on a wild ride over the past 3+ years. In 2018, the market declined 6.20% in terms of the S&P 500 Index, the largest annual decline in 10 years. But in 2019, the market rebounded sharply, finishing up over 30% for the year. For 2020, the market rose +16.3% after having plunged over 30% in the 1st quarter of the year. For 2021, there was another robust increase, at 26.9%. Thus far in 2022, the market is off to a down start, with the S&P 500 down over 22% as investors are being spooked by rising inflation, rising interest rates, and a war between Russia and Ukraine. The S&P 500 is in 'bear' market territory and nearing a two year low.

The Conference Board **Consumer Confidence** Index rose this past month after three straight monthly declines. Consumers were more confident this past month in short term business conditions and strong labor market conditions. The index now stands at 103.2. The Conference Board, who compiles the index, suggests a reading above 90 translates into an economy on solid footing while a reading above 100 reflects stronger economic growth. Consumer confidence numbers are considered a leading economic indicator, and they have historically been good

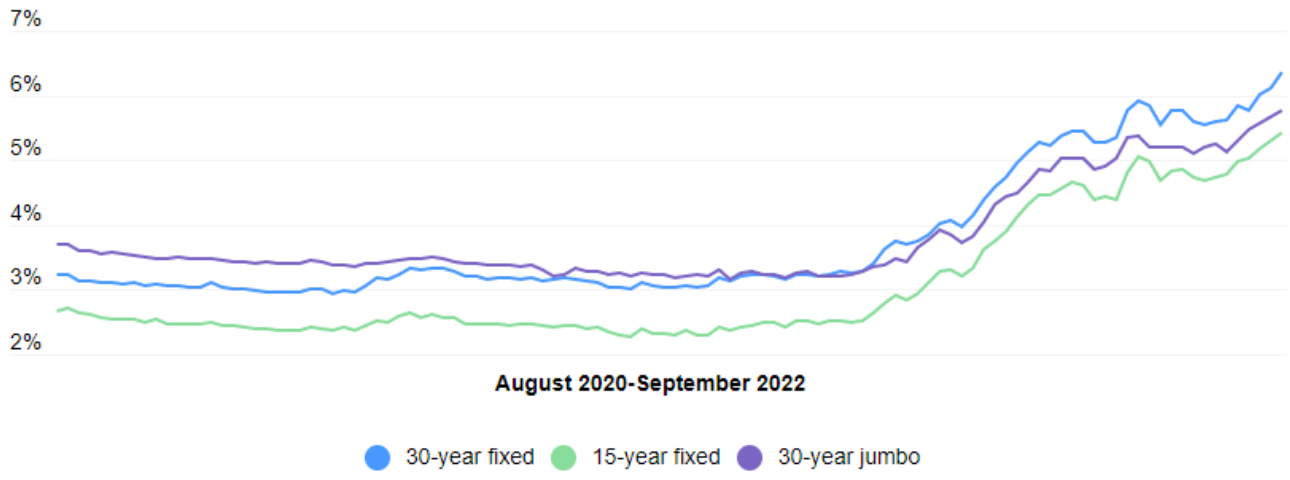
predictors of consumer spending for the next three to six months. As consumer spending is roughly 70% of the U.S. economy, that is no trivial matter.

The residential housing market in Massachusetts has been quite strong over the past five to seven years. An index considered reliable by many market professionals is the **Case-Shiller Home Price Index**. This data includes only repeat sales of homes. The most recent data from the Case-Shiller Home Price Index listed on the previous page indicates that we are up 14.9% in terms of pricing from one year ago in Massachusetts, and an aggregate increase of 40.98% from three years ago. Extremely limited inventory of homes combined with strong demand has caused the price increases. Rising mortgage rates have begun to put a dent in demand. However, the effect has been to slow the pace of price appreciation rather than a drop in prices, as demand still outstrips supply in most metro areas in the U.S.

Interest/Mortgage Rates: The average rate on 30-year mortgages rose to 6.35 percent this week from 6.12 percent the previous week, according to Bankrate's national survey of large lenders. It was the highest reading for mortgage rates since 2008, and further evidence of the end of the decade-long period of low rates that followed the Great Recession. The Federal Reserve has been moving aggressively to control inflation, and its third consecutive rate hike of three-quarters of a percentage point today would seem to create upward longer-term pressure on mortgage rates.

A year ago, the benchmark 30-year fixed-rate mortgage was 3.05 percent. Four weeks ago, the rate was 5.84 percent. The 30-year fixed-rate average for this week is 3.3 percentage points higher than the 52-week low of 3.05 percent.

The rate on a 30-year mortgage averaged 6.35% as of Sept. 21.



Source: Bankrate national survey; figure includes points

Fixed-rate mortgages follow the benchmark 10-year U.S. Treasury Bond. When bond prices fall, yields or rates rise. Bond prices typically fall when investors are confident in the economy and market conditions warrant them putting their money into investments like stocks, with higher risk but higher yield opportunities. The inverse is also true. When investors are nervous about

global and economic conditions, there is a flight to buy 10-year U.S. Treasury Bonds, which increases their price and lowers their interest rate.

Global concerns about the coronavirus and its impact on the economy had pushed investors to safe assets like treasuries, which in turn pushed long-term rates to historic lows in 2020 and 2021. However, with a surge in government spending surrounding the COVID-19 pandemic, along with supply and labor shortages in the economy, inflation has surged to 40+-year highs, and interest rates are rising quickly to contain it.

Northbridge and Massachusetts Single Family Residential Market Snapshot: To get a more defined look at current market conditions and where it may be headed, we have looked at MLS statistics for current listings, pending sales, and total sold relating to single family homes in Northbridge; a regional that includes Northbridge and each abutting community, and the State as a whole. The following is a breakdown of this data:

	VOLUME OF SALES/LISTINGS TRENDS				PRICE TRENDS		
ACTIVE LISTINGS-Single Family Homes		#		% Change	Average Price		% Change
Current Supply of SF Homes	Northbridge	10	Down	-9.09%	$ 572,240	Down	-12.12%
Supply of SF Homes 1 Year Ago	Northbridge	11	-----	-----	$ 651,190	-----	-----
Current Supply of SF Homes	Northbridge+5 towns	62	Down	-16.22%	$ 758,154	Up	3.34%
Supply of SF Homes 1 Year Ago	Northbridge+5 towns	74	-----	-----	$ 733,646	-----	-----
Current Supply of SF Homes	Massachusetts	5,506	Up	13.13%	$ 1,096,784	Up	10.25%
Supply of SF Homes 1 Year Ago	Massachusetts	4,867	-----	-----	$ 994,845	-----	-----
PENDING SALES-Single Family Homes							
# of SF Homes; Went Under Agrmnt; Past Year	Northbridge	161	Down	-3.01%	$ 527,096	Up	19.15%
# of SF Homes; Went Under Agrmnt; Previous 12 mos.	Northbridge	166	-----	-----	$ 442,380	-----	-----
# of SF Homes; Went Under Agrmnt; Past Year	Northbridge+5 towns	771	Down	-6.32%	$ 576,263	Up	12.27%
# of SF Homes; Went Under Agrmnt; Previous 12 mos.	Northbridge+5 towns	823	-----	-----	$ 513,279	-----	-----
# of SF Homes; Went Under Agrmnt; Past Year	Massachusetts	51,196	Down	-12.46%	$ 695,258	Up	8.61%
# of SF Homes; Went Under Agrmnt; Previous 12 mos.	Massachusetts	58,480	-----	-----	$ 640,117	-----	-----
CLOSED SALES-Single Family Homes							
Total Closed Sales of SF Homes; Past Year	Northbridge	151	Down	-11.18%	$ 538,827	Up	25.59%
Total Closed Sales of SF Homes; Previous 12 mos.	Northbridge	170	-----	-----	$ 429,027	-----	-----
Total Closed Sales of SF Homes; Past Year	Northbridge+5 towns	763	Down	-2.68%	$ 584,102	Up	15.47%
Total Closed Sales of SF Homes; Previous 12 mos.	Northbridge+5 towns	784	-----	-----	$ 505,837	-----	-----
Total Closed Sales of SF Homes; Past Year	Massachusetts	49,744	Down	-11.75%	$ 708,559	Up	9.96%
Total Closed Sales of SF Homes; Previous 12 mos.	Massachusetts	56,364	-----	-----	$ 644,376	-----	-----

SOURCE: MLS Statistics

Surrounding towns include: Northbridge, Upton, Mendon,Uxbridge, Sutton, and Grafton.

From a developers/seller's standpoint, the ideal results from these statistics would be *decreasing* inventory, *increasing* sales activity, both pending and closed, and rising prices. The statistics above reflect a low inventory-rising prices market. Pending and closed sales transactions are down year over year. But prices continue to rise. If the downturn in sales activity were due to a decline in demand, we would see a decline in prices as well. But that is not the case looking at the right-hand side of the chart above.

Statewide the statistics do indicate a rise in inventory recently. This rise is thought to be many homeowners realizing the market may be peaking and getting their property on the market before conditions deteriorate. But despite the increase in listings very recently, the overall supply in homes for sale in Massachusetts represents just 1.3-month supply based upon the previous 12 months' worth of closed sales. The National Associates of Realtors indicates a 6-month supply represents a 'balanced' market. It is for this reason that prices continue to rise.

Northbridge Only Residential Market Snapshot: Below are the median house price trends for just Northbridge over the past 10 years. The overall trend is for rising prices, at an annual average of 8.99%. The market struggled after the 2008 economic crisis and recession but has generally been on the rise consistently since 2010.

Northbridge Median SF Home Price

SOURCE: MLS

Period	Median Price	% Change from Prior Year	Total 10 Year % Change	Average Annual % Change
Most Recent 12 months	$ 542,900	32.01%	126.21%	8.99%
9/22/2020-9/21/2021	$ 411,250	8.80%		
9/22/2019-9/21/2020	$ 378,000	8.00%		
9/22/2018-9/21/2019	$ 350,000	9.03%		
9/22/2017-9/21/2018	$ 321,000	-1.23%		
9/22/2016-9/21/2017	$ 325,000	4.17%		
9/22/2015-9/21/2016	$ 312,000	-1.27%		
9/22/2014-9/21/2015	$ 316,000	0.32%		
9/22/2013-9/21/2014	$ 315,000	4.83%		
9/22/2012-9/21/2013	$ 300,500	25.21%		
9/22/2011-9/21/2012	$ 240,000	-----		

Northbridge and most central Massachusetts communities have experienced strong conditions in its single-family housing market. But prices have not risen at the pace of some communities along and inside the Route 128 beltway of Greater Boston where annual appreciation rates have been 10+% and ever higher over the past 3 years.

COMMENTS/CONCLUSIONS: The following conclusions are drawn from a review of the data presented above and a review of market activity.

- As of the date of valuation, the economy is at a crossroads. Labor markets remain strong, and jobs remain unfilled. Consumer demand is still strong. But rising inflation is putting Federal Reserve officials in the position of pushing the economy into recession by raising interest rates as a way of combating inflation. It remains to be seen whether the Fed can maneuver a 'soft landing' and reduce inflation without causing damage to long term economic growth.
- Inflation has returned to the economy and is causing some concerns moving forward. The annualized inflation rate this past month was 8.3%, down slightly from the previous months reading but still near 40-year highs. Oil and prices have been coming down in recent weeks. But grocery costs, housing costs, and home energy costs remain at very high levels. When

inflation is present, there is pressure for interest rates to rise to contain it. Rising interest rates tend to dampen real estate markets.

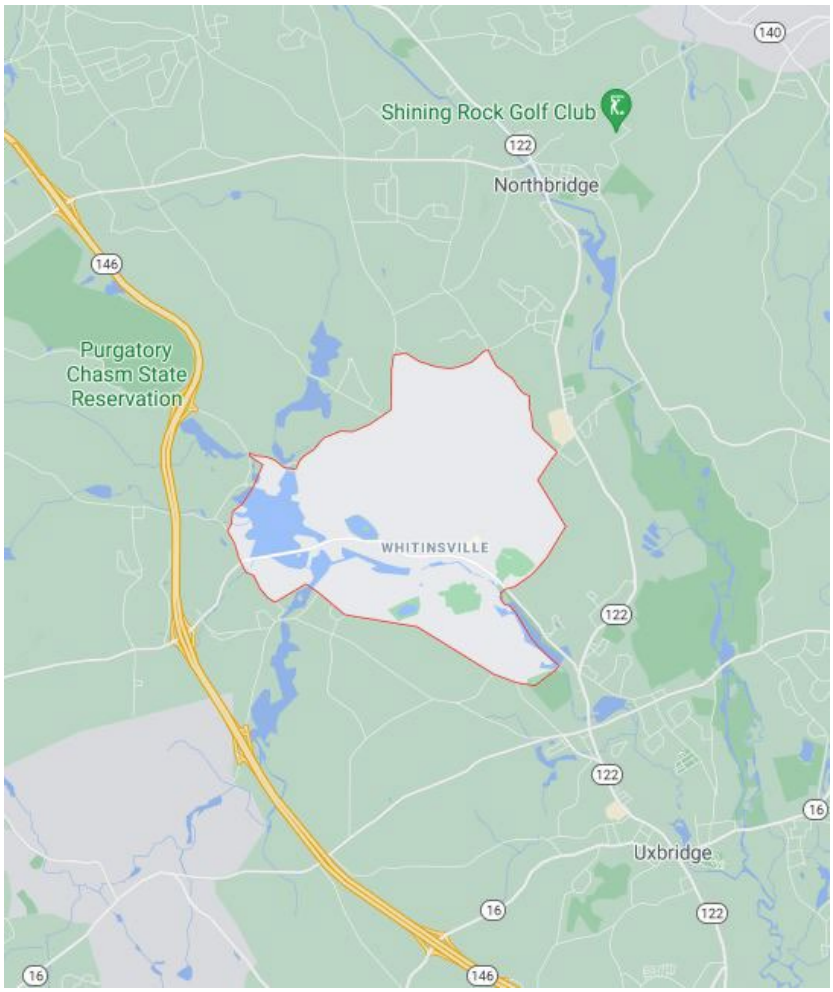
- Consumer confidence remains at a solid level. Per the Conference Board monthly index confidence rose this past month after three straight monthly declines. Confidence in strong labor market conditions was a driver behind this past month's increase.
- The stock market is down sharply thus far in 2022 after having risen substantially in 2021. Markets have been plagued by high inflation and rising interest rates.
- The residential housing market in Massachusetts remains strong and is characterized by low supply and strong demand. Rising mortgage rates are beginning to put a damper on demand but have not yet caused price declines.

LOCATION DESCRIPTION – *Neighborhood* – The subject property is located on both the east and west sides of Castle Hill Road, in the *Whitinsville* village of Northbridge, abutting the Uxbridge town line. This is the far southern portion of the town. Its distance from major roadways and places are as follows:

- Northbridge town hall is 0.6 miles to the north.
- Access to Route 146, an upgraded major highway serving the Blackstone Valley region, is 2.2 miles west.
- The campus of Nipmuc Regional High School is 5.4 miles to the northeast.
- Access to I-495 is 12.5 miles to the northeast.

Whitinsville is a former industrial-mill village located on the Mumford River, a tributary to the Blackstone River. Many of the mills, once active in the textile, remain in the village lining the Mumford River on Main Street. Whitinsville accounts for approximately 6,800 or 41% of Northbridge's population and 3.6 acres or 20% of its land area. As of 2019 the village had a median household income of $77,340 versus $81,504 for the town. The average single family home price in the village is $562,624 versus $535,321 for all of Northbridge. And the owner occupancy in Whitinsville is 52% while for the town it is 64%.

The village center is attractive and densely developed. While there is some vacancy in first floor shops, it is not significant, especially after going through the Covid-19 pandemic.



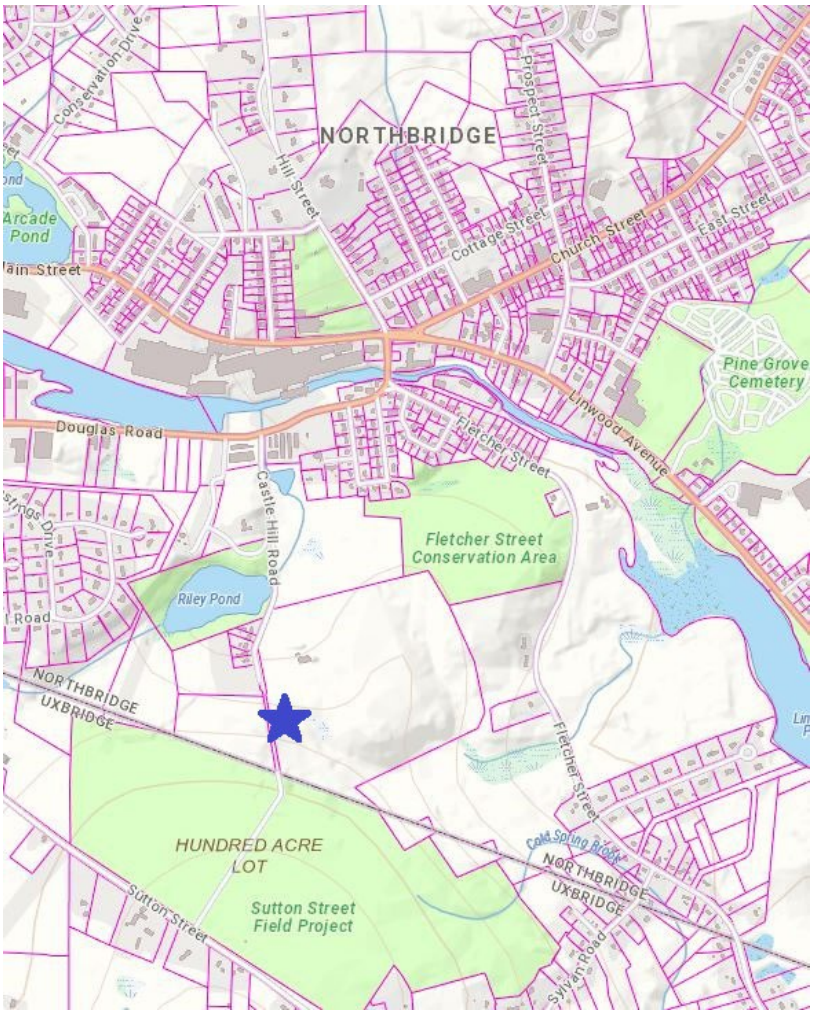
The subject is located to the south of the 'village' in a more rural setting. Abutting the subject to the north is a small, older residential neighborhood where recent prices have ranged from $430,000 for an older, but renovated cape, to $550,000 for a four-family dwelling. Abutting to the northeast and east is a 33-acre conservation tract of land and the 44-acre *Whitinsville Golf Club*, a 9-hole operation. Abutting to the south is the 'Hundred Acre' conservation land in Uxbridge that is 128 acres. To the west is a vacant, 9-acre parcel of land, and just west of this parcel is an 80+ home single family residential neighborhood where recent prices have ranged from $575,000 to $710,000. To the northwest is the 17+/- acre *Riley Pond* conservation parcel that contains the 12+/- acre *Riley Pond*.

Castle Hill Road is a 0.55-mile-long roadway that begins in the north at the intersection with Douglas Road and ends as a dirt path to the south at the Uxbridge town line. The paved portion of this roadway is variable in width and generally cracked and in a state of disrepair. A moderate to dense development of the subject land would likely require an upgrade of approximately 1,800 linear feet of this roadway.

There are 6 properties that share the Castle Hill Road address with subject land. Five are residential and one is a self-storage facility at the corner with Douglas Road. #174 Castle Hill is an older single-family home that fronts on Riley Pond and sold for $400,000 in June of 2021.

Favorable & Unfavorable Factors/Conclusion: Favorable factors to the subject location include its rural setting abutting conservation land on three sides. It is also a hilltop location that offers good views of surrounding areas. It is convenient to Whitinsville Village and local shops.

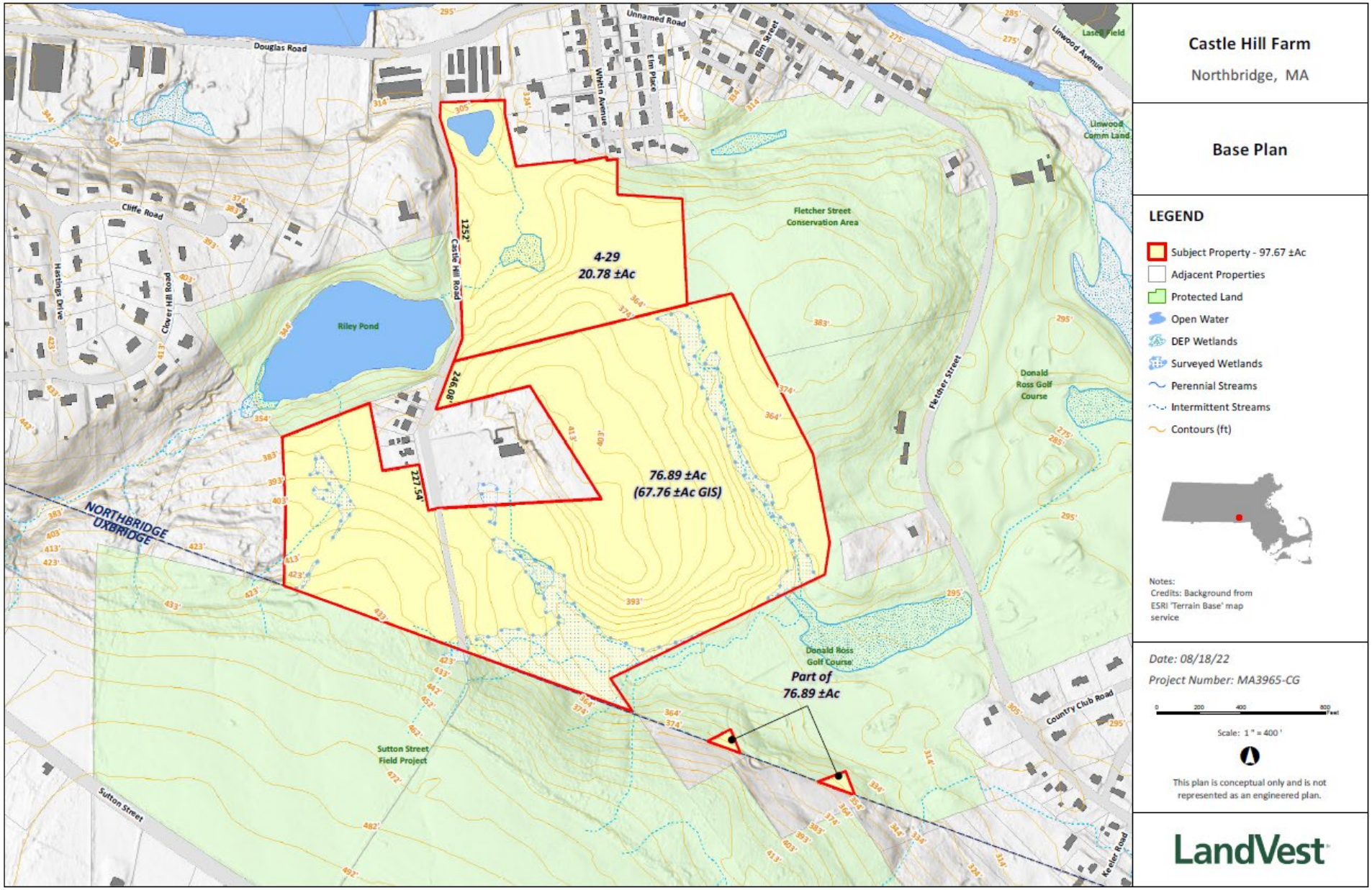
Unfavorable factors to the subject location include the approach to Castle Hill Road which must go by a self-storage facility and a vacant industrial parking lot. The condition of Castle Hill Road itself is a negative factor as well.



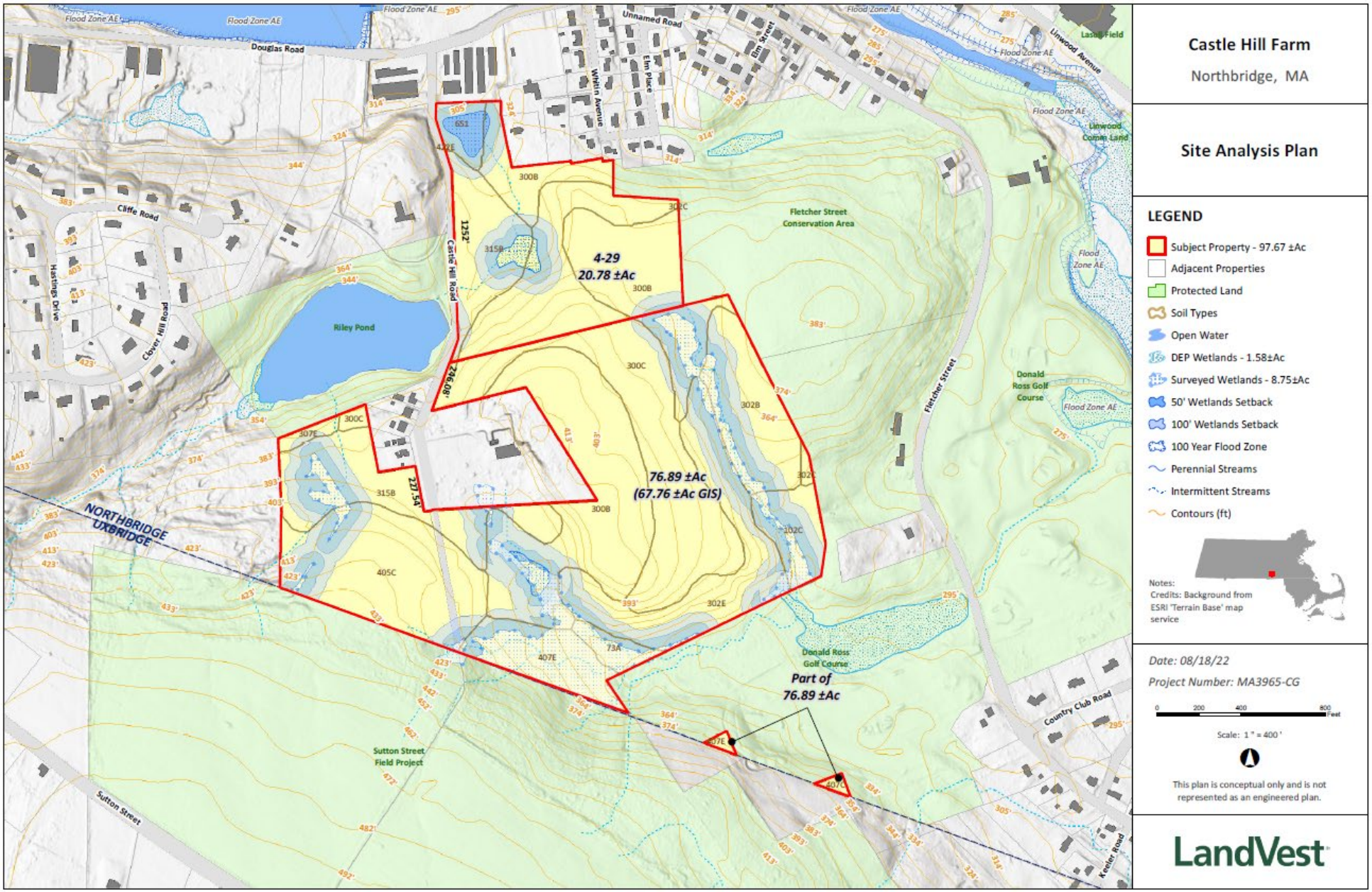
PROPERTY DESCRIPTION: The subject of this report is 97.67+/- acres of primarily residentially zoned land on both sides of Castle Hill Road in the Whitinsville village of Northbridge abutting the Uxbridge town line. The property, known as *Castle Hill Farm* is a former dairy farm that has not been in use for several decades. Stone walls dating back to the late 19th century outline the property today. The 97.67+/- acres were part of a larger 105+/- acre property as recently as July of 2022, but a 7.85-acre parcel of land with some of the former dairy farm structures has been subdivided from the larger property and will be retained by the owner.

The following are additional details regarding the subject property followed by GIS Analysis plans:

Land Area	97.67 acres - total (per assessors records & Plan Bk 966 Plan 8) 83.30 acres - east side of Castle Hill Road 14.37 acres - west side of Castle Hill Road
Upland Area	88.92+/- acres. Remainder is wetlands.
Frontage	1,498.08' on east side of Castle Hill Road. 227.54' on west side of Castle Hill Road. 1,725.62' Total
Shape	Irregular.
Topography	The east side land contains moderate to steep slopes and generally increases in elevation from north to south. Elevations range from 304' above sea level at the northern tip of the site in the vicinity of the small pond. At the location of the abandoned structures on site elevation is 393'. At the peak near the southern boundary line the elevation reaches 418'. On the east side 3.51 acres have slopes in excess of 20%, which per Northbridge bylaw, makes them unusable. On the west side the 14.37 acres increase in elevation in a northwest to southeast direction. Elevations range from 378 to 402 feet above sea level. the land on the west side contains about 7 acres of level, open field and the remainder is treed uplands and wetlands.
Flood Zone	The land appears to abut, but is not located in a designated flood hazard zone per FEMA Panel #250 27C 1006E dated July 4, 2011.
Wetlands	GIS and surveyed wetlands total 8.75+/- acres as shown on the GIS plans to follow. The wetlands include a small pond in the northern tip of the land and border vegetative wetlands.
Utilities	Site has access to municipal water, electricity, telephone, and all tele-communication lines. Municipal sewer lines extend approximately 150' south along Castle Hill Road from Douglas Road but do not reach the frontage of the subject land. A sewer extension permit would be needed to extend the lines for an intense development of the subject 97.67 acres. The water lines along Castle Hill Road have 6" water mains that would be need to be upgraded to 8-12" for a large scale development of the land.
Easements/ Rights of Way	The deeds to the property, and a plan recorded in Plan Book 567 Plan 32 at the Worcester South Registry of Deeds reference a 40' wide electric company easement in favor of Worcester County Electric Company over the eastern portion of the subject land.


Castle Hill Farm
Northbridge, MA
Base Plan
LEGEND
Subject Property - 97.67 ±Ac
Adjacent Properties
Protected Land
Open Water
DEP Wetlands
Surveyed Wetlands
Perennial Streams
Intermittent Streams
Contours (ft)
Notes:
Credits: Background from ESRI 'Terrain Base' map service
Date: 08/18/22
Project Number: MA3965-CG
Scale: 1 " = 400 '
This plan is conceptual only and is not represented as an engineered plan.
LandVest
4-29
20.78 ±Ac
76.89 ±Ac
(67.76 ±Ac GIS)
Part of
76.89 ±Ac
Riley Pond
Fletcher Street Conservation Area
Donald Ross Golf Course
Sutton Street Field Project
Douglas Road
Unnamed Road
Elm Street
Elm Place
Whitin Avenue
Linwood Avenue
Linwood Comm Land
Cliffe Road
Hastings Drive
Clover Hill Road
Castle Hill Road
Fletcher Street
Country Club Road
Keeler Road
Sutton Street
NORTHBRIDGE
OXBRIDGE

Castle Hill Farm
Northbridge, MA
Base Plan Orthophotograph
LEGEND
Subject Property - 97.67 ±Ac
Adjacent Properties
Protected Land
Open Water
DEP Wetlands
Surveyed Wetlands
Perennial Streams
Intermittent Streams
Contours (ft)
Notes:
Credits: 2022 Imagery from Nearmap Imagery map service.
Date: 08/18/22
Project Number: MA3965-CG
0 200 400 800 Feet
Scale: 1 " = 400 '
This plan is conceptual only and is not represented as an engineered plan.
LandVest
Douglas Road
Unnamed Road
Elm Street
Elm Place
Winnin Avenue
Linwood Avenue
Linwood Comm Land
Cliffe Road
Hastings Drive
Clover Hill Road
Riley Pond
Castle Hill Road
122.22
4-29
20.78 ±Ac
Fletcher Street Conservation Area
Fletcher Street
Donald Ross Golf Course
NORTHBRIDGE
UXBRIDGE
76.89 ±Ac
(67.76 ±Ac GIS)
Donald Ross Golf Course
Part of
76.89 ±Ac
Country Club Road
Sutton Street Field Project
Sutton Street
Reuter Road


Castle Hill Farm
Northbridge, MA
Site Analysis Plan
LEGEND
Subject Property - 97.67 ±Ac
Adjacent Properties
Protected Land
Soil Types
Open Water
DEP Wetlands - 1.58±Ac
Surveyed Wetlands - 8.75±Ac
50' Wetlands Setback
100' Wetlands Setback
100 Year Flood Zone
Perennial Streams
Intermittent Streams
Contours (ft)
Notes:
Credits: Background from ESRI 'Terrain Base' map service
Date: 08/18/22
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Fletcher Street Conservation Area
Donald Ross Golf Course
Sutton Street Field Project
Castle Hill Road
Fletcher Street
Douglas Road
Cliffe Road
Hastings Drive
Clover Hill Road
Unnamed Road
Elm Street
Elm Place
Whitin Avenue
Linwood Avenue
Country Club Road
Keeler Road
Sutton Street
NORTHBRIDGE
UXBRIDGE
Flood Zone AE
1252'
746.08'
227.54'

Soils

Based upon NRCS mapping, a copy of which can be found in the Addenda to this report, the following soils exist on site.

Soil Type	Approximate # of Acres on Site	
Water	1.00	
Whitman fine sandy loam; 0-3% slopes, extremely stony	0.50	
Chatfield-Hollis-Rock outcrop complex; 0-15% slopes	0.50	
Sudbury fine sandy loam; 0-3% slopes	0.25	
Montauk fine sandy loam; 3-8% slopes	29.00	
Montauk fine sandy loam; 8-15% slopes	17.00	
Montauk fine sandy loam; 0-8% slopes, extremely stony	8.00	
Montauk fine sandy loam; 8-15% slopes, extremely stony	0.10	
Montauk fine sandy loam; 15-35% slopes, extremely stony	5.00	
Paxton fine sandy loam; 15-35% slopes, extremely stony	4.00	
Scituate fine sandy loam; 3-8% slopes	15.00	
Charlton fine sandy loam; 8-15% slopes	16.00	
Charlton fine sandy loam; 15-35% slopes, extremely stony	1.00	
Canton fine sandy loam; 15-35% slopes, extremely stony	0.10	
Total	**97.5**	**acres**

These soils are generally receptive to septic installation and a low-density development of the land would likely utilize private septic systems. However, there is a possible municipal sewer connection given that a main is 150' south of the Douglas Road intersection on Castle Hill Road. It is likely that a dense development of the subject land (50+ lots/units) would need to utilize the municipal sewer connection. The subject land is at a higher elevation than this connection and a gravitational flow would lessen the need for sewer pumps.

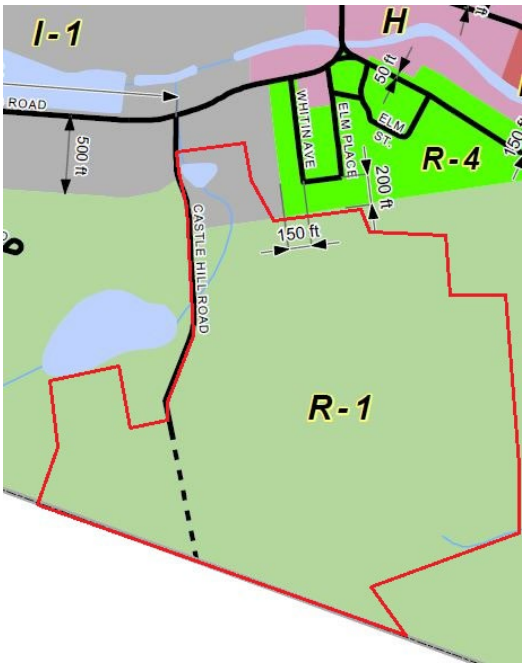
Improvements

There are none on the subject land other than the stone walls. The former farm structures for Castle Hill Farm will remain on a 7.85-acre parcel that is not part of the subject of this appraisal.

Comments/Conclusions: The subject property is a large tract of land in the *Whitinsville* village of Northbridge once used as a dairy farm. The farm has been fallowed for several decades. Previous ownerships have considered development options for the property, but nothing has been approved or is under review as of the date of valuation.

PUBLIC LAND USE CONTROLS

Zoning



The subject acreage is located primarily within the Residential, R1 zoning district of the Town of Northbridge. A small section in the northern portion of the land is zoned Industrial 1. However, this portion it is primarily wetlands and would likely not be used with a development of the land. For this analysis we will focus of the uses allowed in the R1 zone. Uses allowed in this zone include conservation areas, farming and ancillary uses; single family detached dwellings; home office; educational; religious; or municipal uses.

Dimensional requirements include the following:

	With Sewer	Without Sewer
Minimum Lot Size (sf)	30,000	40,000
Minimum Frontage (ft)	150	200
Minimum Setbacks (ft)		
Front	40	40
Side	15	25
Rear	50	50
Maximum Building Height	40'/3 stories	40'/3 stories
Maximum Building Coverage	10%	10%

Two parking spaces per dwelling unit are required.

Reduced frontage lots, or "Retreat Lots" are allowed via Section 173-18.1 of the zoning by law with frontage as low as 40' in the R1 zone provided that the minimum lot size is increased to twice what is required for a conventional frontage lot. Retreat lots require a Special Permit from the Zoning Board of Appeals. No two Retreat Lots can abut one another.

Subdivision Rules and Regulations

The rules and regulations governing the subdivision of land for Northbridge have been reviewed and a copy is retained in the appraiser's files.

Notable regulations include a minimum two means of egress for developments over 18 units/homes and a limit on dead end roadways/cul-de-sacs to no more than 500 feet in length. Although this latter regulation is at the discretion of the planning board and is routinely waived.

The minimum right of way for roadways is 50'. The minimum pavement width is 24'. Vertical granite curbing is required for most sections of a new roadway.

Board of Health Septic System Regulations

New and existing septic systems in town must conform to Title 5 of the State Environmental Code, 310 CMR 15.000.

Wetlands Regulations

The town wetland by-laws follow Commonwealth of Massachusetts wetlands regulations (310 CMR 10.00 and 310 CMR 13.00). State wetland regulations prohibit construction of buildings within wetland areas. State wetland regulations also prohibit the subsurface disposal of wastewater within 50 feet of the edge of vegetated wetland and within 100 feet of a stream or other body of water, and the filling of more than 5,000 sq ft of wetlands, and then only for purposes of providing access within a parcel.

HIGHEST AND BEST USE

The Dictionary of Real Estate Appraisal, Sixth Edition, defines highest and best use as "the reasonable, 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." The highest and best use is often referred to as the optimum use.

Given zoning, market conditions and the physical characteristics of the property, some form of residential development is the likely highest and best use of the subject 97.67 acres. With this in mind, the land planning/GIS department of LandVest has completed 2 different conceptual subdivision plans for the property that present a *dense* development alternative and a *low-density* plan.

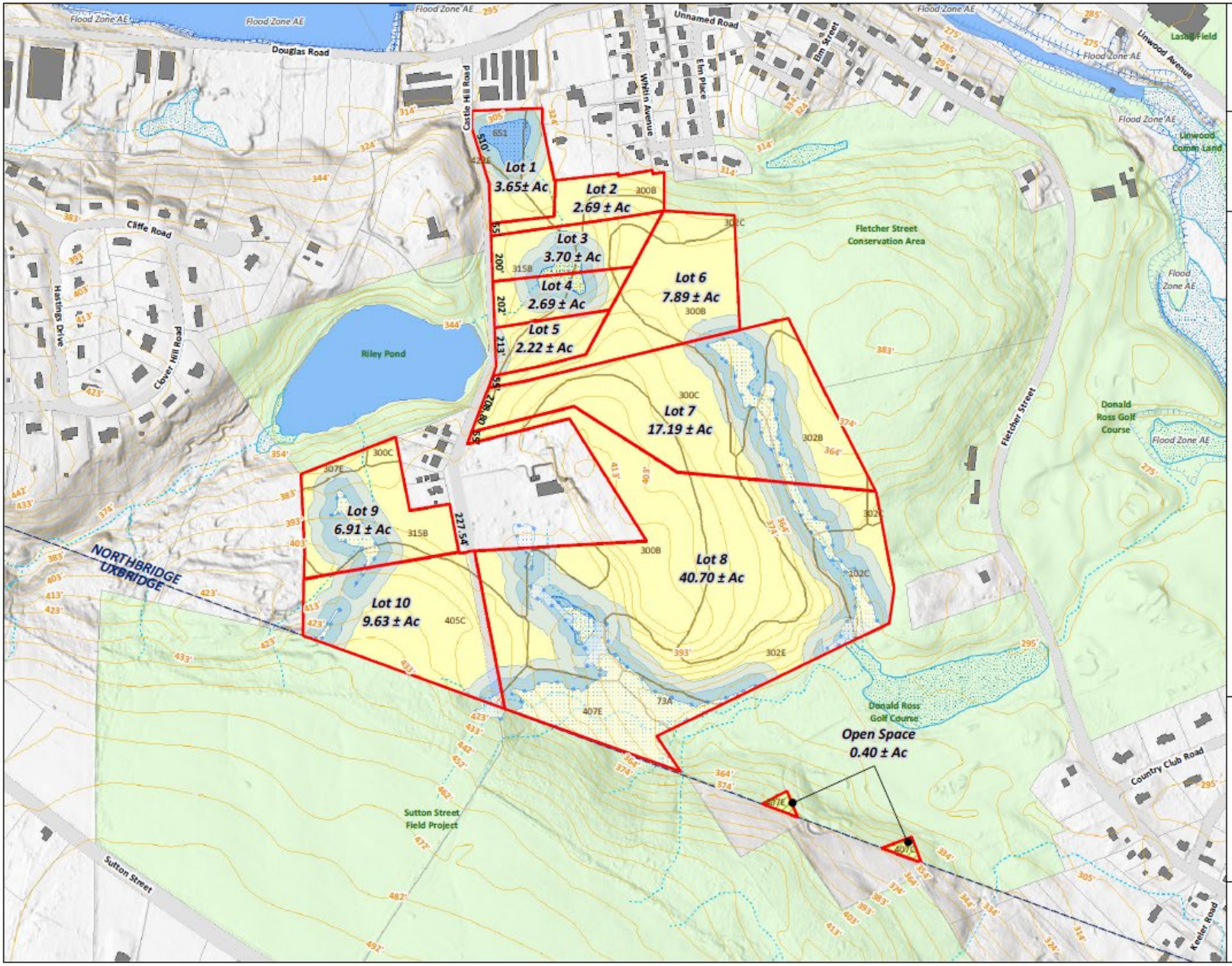
The first conceptual plan is a 65-lot single family conceptual subdivision plan. It calls for the installation of 6,000 linear feet of new roadway. Lots would range in size from 0.73 to 2.92 acres. There would be 19+ acres of open space. This plan would require the extension of sewer lines up Castle Hill Road. It would also require the upgrade of the water lines along this road and an upgrade of approximately 1,800 linear feet of the road itself.

The second conceptual plan is a low density, 10 lot subdivision that does not require any new roadway installation. It would use the existing frontage on Castle Hill Road to draw 6 new Approval Not Required or ANR lots and 4 "Retreat Lots" per provisions of the Northbridge Zoning Bylaw (Section 173-18.1). The latter 4 lots would require a Special Permit from the ZBA. Now, no *new* roadway installation would be needed for this option nor sewer installation. LandVest presumes the 10 new homes would rely upon private septic. But given the water main that serves the existing homes on Castle Hill Road, its likely an upgrade to this line would be needed and some renovation to Castle Hill Road would be required, if for no other reason than to allow for the maximum price to be achieved for the 10 lots and the homes that would be built upon them. Buyers, even under current conditions, are not likely to spend $700,000 to $750,000 for a new home on Castle Hill Road if the roadway looks like it does now, which is cracked and broken.

Both options are *legally permissible* and *financially feasible*.

Of the 2 options; the lower density, 10 lot plan that requires no new roadways yielded a higher value after running cash flow models on each scenario. Recent market evidence from Northbridge and abutting communities indicates a premium is being paid for larger 'kingdom' type lots in low density environs. Five of the subject lots under this scenario would be this type of lot, averaging 16+ acres in size. This type of lot sells at a much higher retail price than say a 1-2 acre lot in town. The other benefits of this option are the minimal infrastructure costs and lower risk. As we head into a residential housing market that is slowing and with significantly higher interest rates, it is my opinion that a developer/buyer looking at the subject land would opt for the low-density plan as well rather than a long term, high cost 60+ lot development option.

Based upon the analysis displayed above, it is my opinion that the highest and best use of the subject property, as of the date of valuation, is for subdivision of the land into 10 ANR and Retreat Lots, and eventual development of the land with 10 single family homes that conform to market demands and preferences. A copy of this projected Highest & Best Use plan can be found below:



Castle Hill Farm

Northbridge, MA

ANR Plan

LEGEND

- Subject Property - 97.67 ±Ac
- Adjacent Properties
- Protected Land
- Soil Types
- Open Water
- DEP Wetlands - 1.58±Ac
- Surveyed Wetlands - 8.75±Ac
- 50' Wetlands Setback
- 100' Wetlands Setback
- 100 Year Flood Zone
- Perennial Streams
- Intermittent Streams
- Contours (ft)

Notes:
Credits: Background from ESRI 'Terrain Base' map service

Date: 09/09/22

Project Number: MA3965-CG

0 200 400 800 Feet

Scale: 1 " = 400 '

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

LandVest

EXPOSURE TIME

The Dictionary of Real Estate, 6th Edition, defines ***Exposure Time*** as:

1. The time a property remains on the market.
2. [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 on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (USPAP, 2016-2017 ed.)

In other words, how long do we estimate it would have taken to sell the subject property at the estimated "as is" value of $1,450,000. Based upon a review of the periods it took to sell the comparable sales presented later in this report, it is our opinion that a reasonable exposure time is 9-12 months.

APPRAISAL PROCESS

The methodology traditionally used for the valuation of real property is derived from three basic approaches to value: The Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. From the indicated values produced by each of these approaches and the weight accorded to each, an estimate of market value is made. The following is a summary of the method used in each approach to value.

COST APPROACH

The Cost Approach is devoted to analysis of the physical value of a property; that is the market value of the land, assuming it were vacant, to which is added the depreciated value of the improvements to the site. The latter is estimated to be the reproduction cost of the improvements less accrued depreciation from all causes.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based upon the principle of substitution, that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property assuming no costly delay in making the substitution. Since few properties are ever identical, the necessary adjustments for differences between comparable properties and the subject property are to a certain extent a function of the appraiser's experience and judgment.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is an analysis of the subject property in terms of its ability to produce an annual net income in dollars. This estimated net annual income is then capitalized at a rate commensurate with the relative certainty of its continuance and the risk involved in ownership of the property.

VALUATION METHODS USED

In order to estimate the value of the 97.67-acre property I have utilized two approaches to value. The first is a direct Sales Comparison Approach, comparing recent sales of large tracts of residentially zoned acreage to the subject property.

The second approach is an alternative method of valuation, commonly referred to as a "Subdivision Analysis" or "Cost of Development Analysis".

SALES COMPARISON APPROACH

A search for residential acreage sales, 50+/-acres in size, in which the highest and best use was for residential development/land banking, was conducted in the Northbridge/Worcester County region from the present dating back approximately 36 months for comparison to the subject 97.67+/- acres.

Of the 8+ sales initially researched, it was my opinion that four were most like the subject in terms of location and development potential.

The following is a description of the four sales that were considered most like the subject.

LAND SALE # 1

Property Identification

Address	66 Park Hill Ave, Millbury, MA 01527.
Property Type	Residential development site.

Sales Data

Grantor	Golfview Country Club LP
Grantee	Czervik Properties LLC
Sale Date	3-Sep-20
Deed Book/Page	63183/325
Assessors Ref (Map/Lot)	22/2
Property Rights Conveyed	Fee Simple
Days on Market	n/a
Conditions of Sale	Arm's length
Financing	Cash or equivalent
Sales History	No prior sale in previous 60 months
Verification	Verified with Grantee, Logan Huffman, deed, local assessors
Sale Price	$ 2,850,000
Cash Equivalent	$ 2,850,000

Land Data

Zoning	Residential III
Topography	Level with some areas of moderate slopes
Utilities	All available
Shape	Irregular
Flood Zone (Y/N)	No. Not in designated flood hazard area

Land Size Information

Gross Land Size (ac)	118.87
Usable Area (ac)	66.00
Wetlands (ac)	30.00
Frontage (ft)	1,525.00

Indicators

Sale $/Gross Acre	$ 23,975.77
Sale $/Usable Acre	$ 43,181.82
Sale $/Front Foot	$ 1,868.85

Remarks

Sale of the former 9-hole Clearview Country Club in Millbury, just south of the Mass Pike and east of Route 122A/146. The site was purchased without approvals and is being developed with the 142-unit "Clearview" senior housing development. Price is for land only. Buyer paid all costs of gaining approvals. The 142 units will be built on 40± acres of the site with the remainder as open space. The 142 units will be built in 71 duplex buildings along with a 2,800-sq-ft clubhouse building. Of the total site area, approximately 66 acres are usable while the remainder is affected by wetlands, slopes, or setbacks and is not usable.

Land Sale No. 1 Map

LAND SALE # 2

Property Identification

Address	Moon Hill Road, Northbridge, Worcester County, MA 01534
Property Type	Residential Land

Sales Data

Grantor	Impact Real Estate and Development, LLC
Grantee	D&F Afonso Builders, Inc.
Sale Date	20-Nov-19
Deed Book/Page	61456/291
Assessors Ref (Map/Lot)	29/18
Property Rights Conveyed	Fee Simple
Days on Market	489
Conditions of Sale	Arm's length
Financing	Cash or equivalent
Sales History	No prior sale in previous 60 months
Verification	Listing Broker Melody Nydam; Other sources: Deeds, plans, assessors. Confirmed by Christopher Bowler.
Sale Price	$1,240,000
Cash Equivalent	$1,240,000

Land Data

Zoning	R1, Residential
Topography	Wooded, level, rolling
Utilities	Private water and septic
Shape	Irregular
Flood Zone (Y/N)	N

Land Size Information

Gross Land Size (ac)	67.74
Usable Area (ac)	60.00
Wetlands (ac)	7.74
Frontage (ft)	776.00

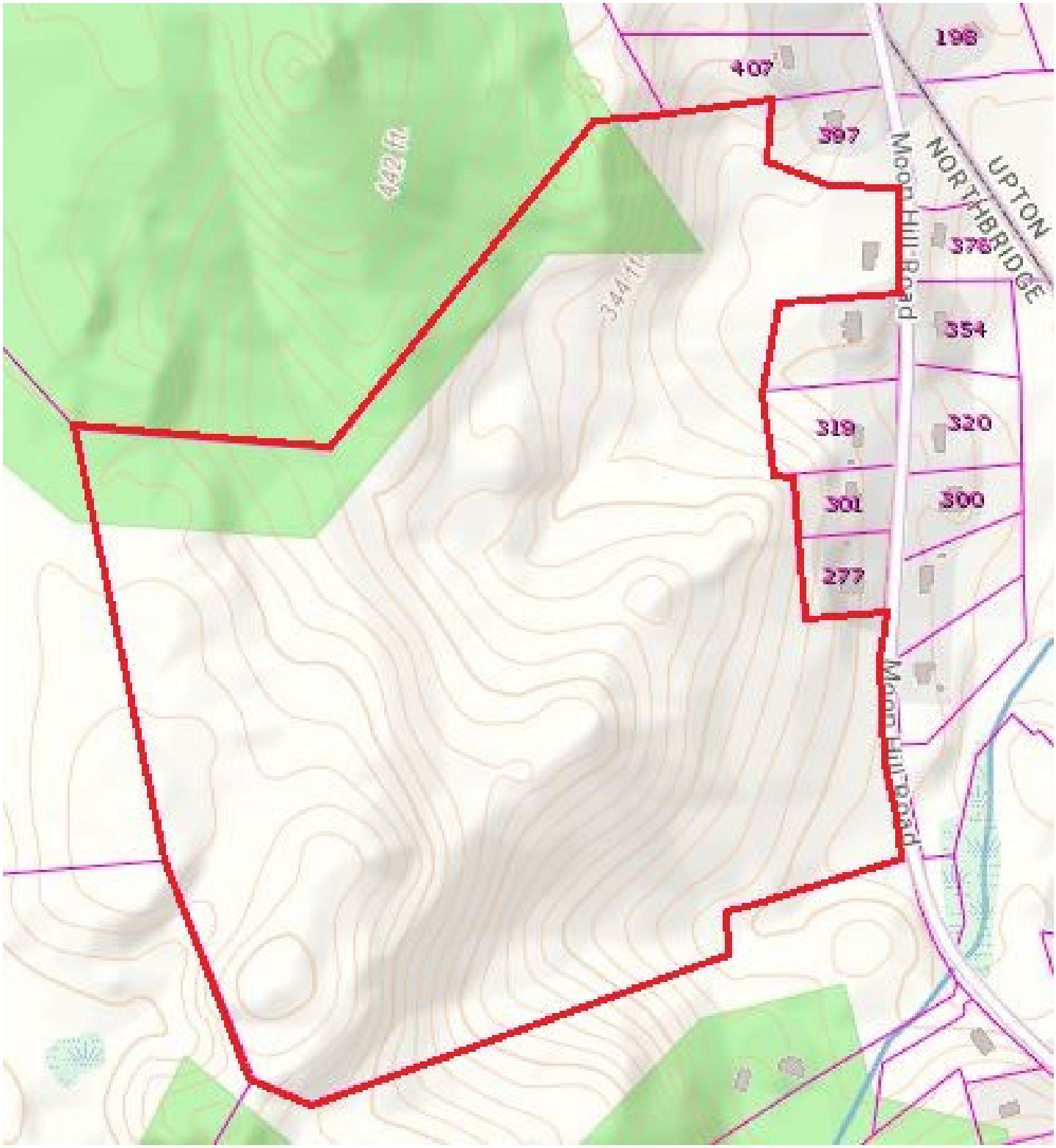
Indicators

Sale $/Gross Acre	$18,305.28
Sale $/Usable Acre	$20,666.67
Sale $/Front Foot	$1,597.94

Remarks

Sale of 67.74 acres that were peliminarily approved for a 41-lot subdivision known as "Moon Hill Estates." Private septic and wells will be used for lots. Requires installation of 6,237 linear feet of new roadway. Sloping site in eastern portion of Northbridge on the Upton town line. Although seller had completed most of the engineering and planning, the final definitive approvals plans were paid for by the buyer.

Land Sale No. 2 Map



LAND SALE # 3

Property Identification

Address	Quaker Street and Puddon Street, Northbridge, Worcester County, MA 01534
Property Type	Residential development site.

Sales Data

Grantor	Kurt A. Lange and Donna M. Lange
Grantee	Shasta Terra, LLC
Sale Date	14-Jun-19
Deed Book/Page	60555/96
Assessors Ref (Map/Lot)	27/89, 91, 29
Property Rights Conveyed	Fee Simple
Days on Market	59
Conditions of Sale	Arm's length
Financing	Cash or equivalent
Sales History	No prior sale in previous 60 months
Verification	Listing broker Robert Alix of Jack Walker Realty; Other sources: Deeds, plan, assessors. Confirmed by Christopher Bowler.
Sale Price	$ 1,600,000
Cash Equivalent	$ 1,600,000

Land Data

Zoning	R1 and R2, Residential
Topography	Moderate to steep slopes
Utilities	Private well and septic required
Shape	Irregular
Flood Zone (Y/N)	N

Land Size Information

Gross Land Size (ac)	149.25	
Usable Area (ac)	145.00	
Wetlands (ac)	4.25	
Frontage (ft)	1,250.00	1,025.79 feet on Puddon; 224.15 feet on Quaker

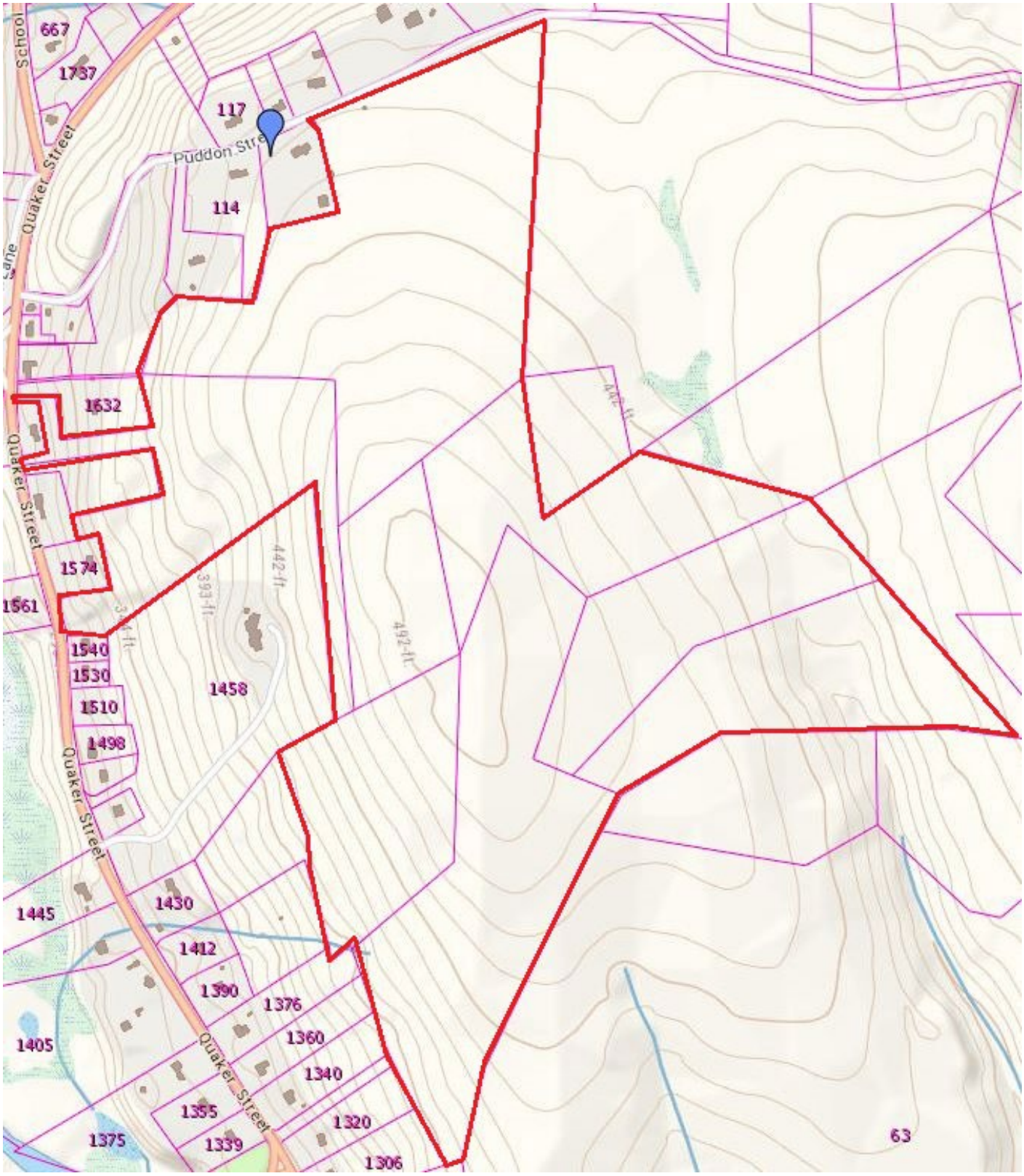
Indicators

Sale $/Gross Acre	$ 10,720.27
Sale $/Usable Acre	$ 11,034.48
Sale $/Front Foot	$ 1,280.00

Remarks

Large tract of "raw" land at intersection of Quaker Street and Puddon Street in Northbridge. All uplands, but not all usable due to steep slopes near the Quaker Street frontages. There was a 2,600-foot-long airstrip on site. Purchased for installation of a 16-megawatt solar field on a 64-acre portion of the land off of Puddon Street. No plans yet for remainder of land.

Land Sale No. 3 Map



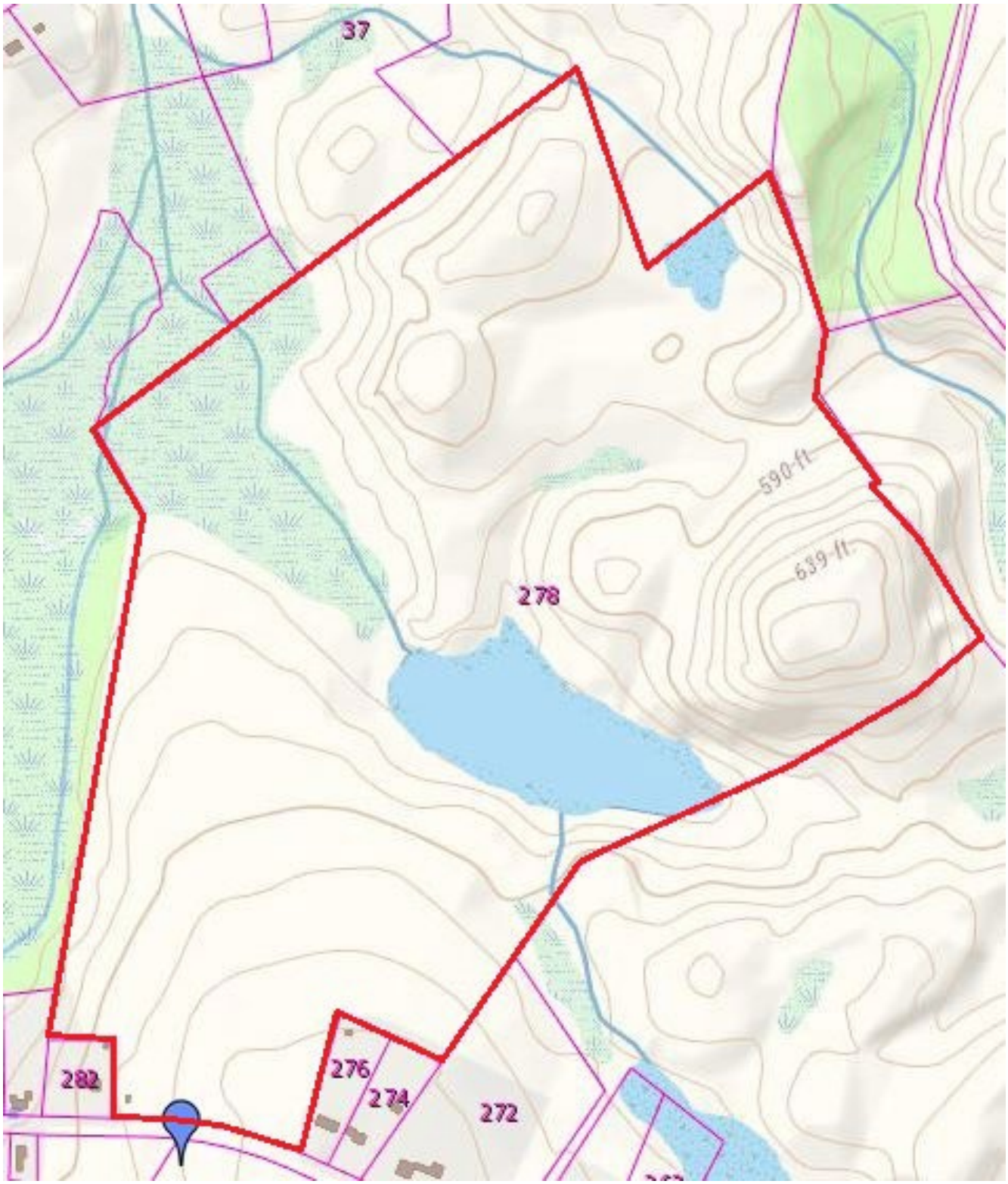
LAND SALE # 4

Property Identification	
Address	276 and 282 West Main Street, Millbury, Worcester County, MA 01527
Property Type	Residential development site.
Sales Data	
Grantor	Jean M. Perry / Triple K. Realty Trust
Grantee	Green Apple Farms, IV LLC
Sale Date	28-Mar-19
Deed Book/Page	60202/9
Assessors Ref (Map/Lot)	
Property Rights Conveyed	Fee Simple
Days on Market	371
Conditions of Sale	Arm's length
Financing	Cash or equivalent
Sales History	No prior sale in previous 60 months
Verification	Listing broker Glenn Damato of Russell Realty; Other sources: Deeds, plan, assessors. Confirmed by Christopher Bowler.
Sale Price	$ 649,000
Cash Equivalent	$ 649,000
Land Data	
Zoning	R, Residential
Topography	Moderate to steep slopes
Utilities	Public water and sewer
Shape	Irregular
Flood Zone (Y/N)	N
Land Size Information	
Gross Land Size (ac)	98.16
Usable Area (ac)	80.16
Wetlands (ac)	18.00
Frontage (ft)	530.00
Indicators	
Sale $/Gross Acre	$ 6,611.65
Sale $/Usable Acre	$ 8,096.31
Sale $/Front Foot	$ 1,224.53

Remarks

Parcel of "raw" land in West Millbury. Conceptual planning for 20 to 30 lots. There are 18± acres of wetlands in the center of the parcel. There is another 5 to 6 acres of steeply sloping land. Access to municipal water and sewer.

Land Sale No. 4 Map



Sales Analysis – The four sales have been compared to the subject using two units of comparison; price per acre; and price per usable acre.

A breakdown of the sales is as follows:

RESIDENTIAL ACREAGE SALES

Date of Valuation 23-Sep-22
Time Adjustment 6%

Sale	Address	City/ Town	Sale Price	Sale Date	Acreage	Price Per Acre	Time Adjusted Price Per Acre	Usable Acres	% Usable	Time Adjusted Price Per Usable Acre	Frontage (feet)	FF to Ac	Water/ Sewer
1	66 Park Hill Ave	Millbury	$ 2,850,000	3-Sep-20	118.70	$24,010	**$ 26,971**	66.00	56%	**$ 48,507**	1,525.00	12.85	pub/pub
2	Moon Hill Road	Northbridge	$ 1,240,000	20-Nov-19	67.74	$18,305	**$ 21,429**	60.00	89%	**$ 24,194**	776.00	11.46	priv/priv
3	Quaker Street	Northbridge	$ 1,600,000	14-Jun-19	149.25	$10,720	**$ 12,830**	145.00	97%	**$ 13,206**	1,250.00	8.38	priv/priv
4	West Main Street	Millbury	$ 649,000	29-Mar-19	98.16	$6,612	**$ 7,997**	80.16	82%	**$ 9,792**	530.00	5.40	pub/pub
Subject	**Castle Hill Farm**	**Northbridge**	**------**	**------**	**97.67**		**------**	**85.41**	**87%**	**------**	**1,725.62**	**17.67**	**priv/priv**

Two of the 4 sales, like the subject, were 'raw' land in which no development approvals were in place. These 2 offered a large tract of land in which some initial ANR development was possible. This is the state the subject property is in at present. Two sold with preliminary approvals in place for development.

The next step in this analysis was to put each sale on a grid for comparison to the subject. The grid follows:

Date of Valuation	**23-Sep-22**				
Market Conditions Adjustment	**6%**				
	SUBJECT	**COMP 1**	**COMP 2**	**COMP 3**	**COMP 4**
ADDRESS	**Castle Hill Rd**	**66 Park Hill Av**	**Moon Hill Rd**	**Quaker St**	**W. .Main St**
CITY/TOWN	**Northbridge**	**Millbury**	**Northbridge**	**Northbridge**	**Millbury**
PURCHASE PRICE		$2,850,000	$1,240,000	$1,600,000	$649,000
REAL PROPERTY RIGHTS CONVEYED	Fee Simple	Similar	Similar	Similar	Similar
Adjustment					
Adjusted Price					
FINANCING TERMS		CASH OR EQU.	CASH OR EQU.	CASH OR EQU.	CASH OR EQU.
Adjustment					
Adjusted Price					
CONDITIONS OF SALE		Arms Length	Arms Length	Arms Length	Arms Length
Adjustment		0%	0%	0%	0%
Adjusted Price		$2,850,000	$1,240,000	$1,600,000	$649,000
SALE DATE/MARKET CONDITIONS		3-Sep-20	20-Nov-19	24-Jun-19	29-Mar-19
Adjustment		12%	17%	20%	21%
Adjusted Price		**$3,201,447**	**$1,451,628**	**$1,912,266**	**$784,946**
SIZE OF PARCEL (ac)	97.67	118.70	67.74	149.25	98.16
PRICE PER ACRE	--------	**$26,971**	**$21,429**	**$12,813**	**$7,997**
USABLE ACRE	85.4	66.0	60.0	145.0	80.2
PRICE PER USABLE ACRE	--------	**$48,507**	**$24,194**	**$13,188**	**$9,792**
LOCATION	Aver/Good	Similar	Similar	Sl Inferior	Sl Inferior
FRONTAGE FEET PER ACRE	17.67'	12.85', Inferior	11.46', Sl Inferior	8.38', Inferior	5.4', Inferior
SITE UTILITY (usable area)	87%	56%, Sl Inferior	89%, Similar	97%, Superior	82%, Similar
UTILITIES (water/sewer)	priv/priv	pub/pub, Superior	Similar	Similar	pub/pub, Superior
ADDITIONAL RESOURCES; GRAVEL, TIMBER	None	Similar	Similar	Similar	Similar
ADVERSE SITE CONDITIONS	wetlands, slopes	Wetlands, Sl Superior	Similar	Slopes, Sl Superior	Similar
RAW LAND vs. APPROVED SITE	Raw	Prel App/Superior	Prel App/Superior	Similar	Similar
INFRASTRUCTURE REQUIRED FOR DEV	**	Yes, Sl Inferior	Yes, Sl Inferior	Yes, Sl Inferior	Similar
SIZE OF PROPERTY	Large	Similar	Med, Sl Superior	Large, Similar	Large, Similar
OVERALL COMPARISON TO SUBJECT	--------	**SUPERIOR**	**SUPERIOR**	**SL INFERIOR**	**INFERIOR**

** No new roadways are needed for subject development, but upgrades to existing water lines are needed for the 10 potential lots.

With each sale, the property rights sold were fee simple. As we are estimating the same, no adjustments were required in the category.

All sales were purchased with either cash or market rate financing. No seller financing was involved. In terms of conditions of sale, all were 'arm's length'. No adjustments required.

As for market conditions, adjustments to the sales are most definitely needed. Based upon a review of repeat sales in the marketplace, the MLS statistics, and the Case-Shiller index data, it is my opinion that prices were rising in the Northbridge area for residential land at approximately 6% per year. We have used this figure in our analysis.

After making the market conditions, categories considered for comparison to the subject were:

Location
Frontage Per Acre
Site Utility (usable area)
Utilities, Presence of Water, Sewer
Additional on-Site Resources; Gravel, Timber
Raw Land vs Approved Land
Infrastructure Required for Development
Size of Property

The comparison to the subject via these categories will be completed using a *qualitative* analysis. This is appropriate here because the sales did not allow for specific *quantitative* adjustments to be derived. Now, it should be noted that a 'qualitative' analysis is just that. The ratings, whether 'superior', 'slightly superior', 'inferior' or 'slightly inferior' have no specific number attached to them. Two 'slightly superior' ratings don't equal one 'superior' and so forth. Rather, the appraiser, after having made all possible numerical adjustments, places the comparables on a grid for comparison.

I rated the comparables to the subject in the 8 categories listed above using the terms 'superior', 'slightly superior', 'inferior', 'slightly inferior' or 'similar'. After having made these individual comparisons, I then derived an overall rating for the comparable in comparison to the subject. This is truly the type of analysis that property owners and potential buyers of large tracts of land engage in when pricing their land or trying to figure out an appropriate offer. Therefore, it is an analysis that is appropriate here.

The *Location* category is self-explanatory.

Frontage Per Acre refers to how much frontage a parcel has in relation to its overall acreage. The higher this number in the local market, the better. The more frontage a parcel has the higher likelihood of realizing ANR development which means less infrastructure.

Site Utility refers to the overall usability of the land. Ideally a parcel is level, free of wetlands and has excellent soils.

Utilities, Presence of Water, Sewer is significant in this market as well. Parcels with access to municipal water and sewer will typically mean higher density and less costs to the developer. Less costs means a higher price can be paid for the land.

Raw Land vs Approved Land takes into consideration the approvals status of a property. A property that is sold fully approved for development will most always sell for more than one that is not approved and requires extensive engineering and legal costs to a potential buyer.

Infrastructure Required for Development pertains to how much interior roadway will need to be installed for development. The more that is required, the more costs to the developer. And in turn less will be paid for land with perceived high infrastructure costs.

Finally, the *Size of the Property* category takes into consideration the economies of scale factor. Larger properties tend to sell for less on a per acre, or per unit basis than similar properties that are smaller, if all other factors are held equal.

At the end of this qualitative adjustment process, we have an "Overall" comparison of each sale to the subject.

Summary – Of the 4 sales, #2 and #3 are most comparable to the subject as each is located in Northbridge. The indicators from these two sales form a 'bracket' in which the value indication for the subject should fall. Sale #2 is superior to the subject overall, as this parcel was sold essentially approved for development whereas the subject is 'raw' land. Sale #3 is inferior to the subject due to location and it steeply sloping conditions. No sewer is available to this land. After purchase it was used for development of a solar field.

The prices per acre for Sales #2 and #3, after adjustment for market conditions, are $21,429 and $12,813 respectively. The prices per 'usable' acre are $24,194 and $13,188 respectively.

The indicators for the subject should fall in between these two sales. I have selected $14,000 and $18,000 as appropriate indicators for the *price per acre* and *price per usable acre* respectively.

The estimated value of the subject via the Sales Comparison Approach is as follows:

	Amount			Price Per Indicator		Indicated Value
Total Acres	97.67	acres	x	$ 14,000	=	$ 1,367,380
Usable Acres	85.41	acres	x	$ 18,000	=	$ 1,537,380
	RECONCILED & ROUNDED					**$ 1,450,000**

COST OF DEVELOPMENT/SUBDIVISION ANALYSIS

The second method of valuation used is known as the Cost of Development Approach or Subdivision Sellout Analysis. This is a valuation tool available to the appraiser when subdivision and development represent the highest and best use of a property. The Cost of Development Approach, or Subdivision Analysis, is a hybrid of all three traditional approaches to value; Cost Approach, Income Approach, and Sales Comparison Approach, and uses techniques from all three.

In this case, after determining the number and type of lots that can be created from the appraised parcel, physically, legally, and economically, a sales comparison analysis of finished lots is then undertaken. We have 10 potential vacant lots per my highest and best use conclusion. After adjusting the comparable sales for differences, the appraiser estimates the most likely retail sale prices of these lots, the probable development period, and the absorption rate.

All costs associated with constructing and selling the lots are then deducted from their projected retail sale prices. The periodic net sale proceeds are then discounted to present value at an appropriate yield rate over the estimated period required for the project development and market absorption. The result is an indication of the value of the property 'as-is'.

Retail Lot Price Projections – I begin with a projection of the retail price potential for the 10 possible subject lots. A search for building lot sales, as well as current listings, was conducted in the Northbridge area dating back 24 months. Of the 12+ sales first researched, 8 sales were considered most like the 10 potential vacant subject lots in terms of location, size of lots, and available utilities. The following are details on these 8 lot sales:

NORTHBRIDGE LOT SALES SUMMARY (presented lowest $ to highest)

Date of Valuation: 23-Sep-22
Annual Time Adjustment 6.0%

	ADDRESS	SALE PRICE/ DATE	TIME ADJUSTED SALE PRICE	LOT SIZE (sf)	LOT SIZE (ac)	LEGAL REF(Bk/Pg)	WATER/ SEWER	GRANTOR/ GRANTEE
1.	Lot 4 Rumonoski Northbridge, MA	$165,000 16-Feb-22	**$170,941**	24,829	0.57	67130/31	public/ public	Degmar Realty LLC/ Nightview, LLC
	Comments:	*Lot located in established neighborhood off of Highland St north of the Whitinsville village. Part of a sale of 2 individual lots between same buyer and seller. On market for 10 days prior to sale.*						
2.	Lot 3 Rumonoski Northbridge, MA	$165,000 16-Feb-22	**$170,941**	23,522	0.54	67130/31	public/ public	Degmar Realty LLC/ Nightview, LLC
	Comments:	*Lot located in established neighborhood off of Highland St north of the Whitinsville village. Part of a sale of 2 individual lots between same buyer and seller. On market for 10 days prior to sale.*						
3.	Lot 52 Genivieve Drive Northbridge, MA	$200,000 31-Mar-21	**$217,790**	41,623	0.96	64818/261	public/ public	Outlaw Two, LLC/ Matthew W. Skudera
	Comments:	*Lot is located on the cul de sac portion of a 14 lot phase of The Camelot subdivision off of Hill Street in Whitinsville. New homes in phase listed from $729,900. All public utilities.*						
4.	149 Brookside Drive Uxbridge, MA	$210,000 3-Jun-22	**$213,867**	439,563	10.09	67696/162	public/ public	Deryl C. Robson/ John and Debra Stratton
	Comments:	*Large, irregular in shape parcel of land located on a side street near the North Uxbridge town center. Development will require a long access driveway. Minor wetlands on site. Access to all public utilities.*						
5.	0 Rocky Road Northbridge, MA	$215,000 27-May-22	**$219,207**	47,916	1.10	67658/323	private/ private	Harry and Jean Bedigian/ Glenn and Tina Geikie
	Comments:	*Level, wooded lot in Whitinsville village of Northbridge near the Sutton town line. Located in established 17 lot cul de sac first installed in 1988.*						
6.	Lot 2 Pearl Street Upton, MA	$275,000 29-Dec-21	**$287,118**	255,627	5.87	66847/131	public/ private	Karen Cote, Trustee KRACME RT/ Wescott Custom Homes, LLC
	Comments:	*Large, retreat lot in rural area of Upton in the eastern section of town. Lot will share a private driveway, already installed with #21 Pearl Street. Municipal water, private sewer.*						
7.	150 Glenview Street Upton, MA	$340,000 2-Sep-22	**$341,174**	80,237	1.84	68169/202	private/ private	Paul and Kimberly Winshman/ Kumar Nishant
	Comments:	*Level, open pasture lot in top Upton location. Lot sold with a $25,000 well already installed. No wetlands. Designed for 4 br septic system.*						
8.	6 Stymast Drive Mendon, MA	$345,000 21-Jun-21	**$371,037**	842,015	19.33	65438/271	public/ public	Alexandra Campbell/ Estate of Jeffrey S. Gold
	Comments:	*Large 'kingdom' lot at the end of a 5 lot cul de sac off of West Hill Road in the 'West Hill' area of town, close to the Northbridge town line.*						

Lot Sales Analysis

The sales range in price from $165,000 to $345,000. For these sales I made a market conditions adjustment of +6% on an annualized basis after a review of the Case-Shiller Index presented earlier and a review of MLS statistics discussed earlier.

No adjustments were required in the conditions of sale, financing, or property rights appraised categories.

I then compared the lots to the subject in six different categories as detailed below, as I feel these categories play the biggest role in determining lot prices in the subject market. The 10 potential subject lots fall into two categories in my opinion. Lots 1 through 5 are more conventional in size. Lots 6-10 are large 'kingdom' lots. Using this Lots 1-5 had ratings of 23.0. And Lots 6-10 had ratings of 24.0 as seen below:

LOT SALES COMPARISON

Ratings: 1 - Poor; 2 - Fair; 3 - Aver; 4 - Good; 5 - Excellent

#	Address	Time Adj. Sale Price	Land Area (ac)	Location	Size	Views	Site Utility	Utilities	Expected Development Costs	Total Score
	SUBJECT LOTS									
	Typical Lots (1-5)	---------	2.99	4.0	4.0	4.5	3.5	4.0	3.0	**23.00**
	Kingdom Lots (6-10)	---------	16.46	4.0	5.0	4.5	3.5	4.0	3.0	**24.00**
#1.	Lot 4 Rumonoski Dr Northbridge	**$170,941**	0.57	3.5	3.0	3.5	3.5	5.0	3.0	**21.50**
#2.	Lot 3 Rumonoski Dr Northbridge	**$170,941**	0.54	3.5	3.0	3.5	3.5	5.0	3.0	**21.50**
#3.	Lot 52 Genivieve Dr Northbridge	**$217,790**	0.96	3.5	3.5	3.5	4.0	5.0	3.0	**22.50**
#4.	149 Brookside Drive Uxbridge	**$213,867**	10.09	4.0	4.5	3.5	4.0	4.5	2.0	**22.50**
#5.	Lot 3 Rocky Road Northbridge	**$219,207**	1.10	4.0	3.0	4.0	5.0	3.0	3.0	**22.00**
#6.	Lot 2 Pearl Street Upton	**$287,118**	5.87	4.5	4.5	4.5	4.0	4.0	3.0	**24.50**
#7.	150 Glenview St Upton	**$341,174**	1.84	5.0	3.5	5.0	5.0	3.0	3.0	**24.50**
#8.	6 Stymast Dr Mendon	**$371,037**	19.33	5.0	5.0	4.5	4.0	3.0	3.0	**24.50**

Note that in the 'Utilities' category I rated the subject lots at the '4.0'. '5.0' is for lots that come readily connected to both municipal water and sewer. The subject lots will have access to municipal water only. Lots that need both private well and septic are rated '3.0'.

Using this rating system, it suggests that the retail price for potential subject lots 1-5 should be above the $219,207 from #5, but below the $287,118 of #6.

For potential subject lots 6-10, the retail price should be slightly below the $287,118 of #6 but well above $219,207 of #5.

Based upon this analysis I have projected the retail price potential of the 10 subject lots as follows:

	Retail $ Projection Each		# of Lots		Totals
Lots 1-5	$ 225,000	x	5	=	$1,125,000
Lots 6-10	$ 275,000	x	5	=	$1,375,000
			Gross Retail		**$2,500,000**
			Average $ per Lot		**$ 250,000**

Up to date of valuation, I adjusted the lot prices up at a 6% annualized rate. Going forward, I have projected an annual price increase at 3%, expecting a slight 'cooling' in market conditions going forward.

Absorption - Retail price projections for the 10 potential lots have been made. The next step in the Cost of Development Analysis is to project a sellout period. This period would include the time it takes to market, sell and close on each of the 10 lots.

Based upon a review of market conditions and the time it took to sell each of the comparables listed in this report, I have projected a total 2-year period to sell all lots.

DEVELOPMENTAL EXPENSE ANALYSIS

An estimate of the retail potential and a sellout period for the lots has been made. It is now necessary to deduct expenses related to the construction and marketing of the lots to individual buyers.

The following is an estimate and summary of the necessary expenses.

Engineering/Soil Testing/Approvals – Based upon discussion with two area engineering firms I have projected a total allowance/cost of $3,000 for lot to pay for engineering, soil testing and septic design.

Roadway Costs – There are no new roadway costs involved here. However, I have projected a cost of $300 per linear foot for upgrades to the 1,800 linear feet of Castle Hill Road that would include new water lines to serve the 10 potential subject homes. This cost is projected based upon a review of the Marshall & Swift Cost Service.

Real Estate Taxes During Sellout – I project a per lot annual tax of $3,443 based upon the current tax rate multiplied by the average projected lot price

The real estate tax expense is then calculated as the total burden of all lots remaining unsold at the end of each year, plus ½ of the burden for the lots sold during the year, assuming a straight-line sellout.

Marketing Expense - A marketing expense has been estimated for the purpose of allocating resources to the marketing and sale of the individual units. An allowance of 5% of the sale price has been used and is the norm for commissions in the Northbridge area.

Discount Rate - Discounting is simply the conversion of future benefits, cash flows into a present value. In this case, on the valuation model that follows, we have 2 cash flows that need to be discounted into a present value. The aggregate for the 2 cash flows is $1,792,202. The question arises: "*But why wouldn't the property be worth the $1,792,202?*" Because this figure suggests a developer would buy the land, pay for engineering and testing, upgrades to Castle Hill Road, brokerage fees, and all carrying costs over the 2 years, and assume all financial risk associated with the development - *for free*. This obviously would not happen. Therefore, we need to convert the future benefits of $1,792,202 into a present value using a rate that accounts for the time value of money and compensation for the illiquidity of funds; includes a factor for the risk associated with installing a roadway, carrying costs and selling the various components of the development; and includes a factor for overhead and entrepreneurial profit.

The Dictionary of Real Estate, 6th Edition, defines ***Discount Rate*** as:

> *"A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate." (p 66)*

In order to project a rate commensurate with the subject property we have reviewed two sets of investor/developer surveys, excerpts of which can be found in the Addenda section to this report. The range of discount rates from the Realty Rates most recent survey ranges from 16.13% to 32.03% with an average of 23.6%. The PWC survey has a range of 10% to 30% with an average of 17.2%.

Because the subject is small at just 10 lots, and requires little approvals and infrastructure, it is my opinion that a rate at the lower end of the range is justified. I have projected a rate of 15% for this analysis.

SUMMARY - After making expense deductions, the net cash flows are derived and the present worth of the investment can be calculated. After applying an appropriate discount rate, it is my opinion that the market value of the 97.67-acre property, as is, as of September 23, 2022 via the Cost of Development Approach is **$1,450,000.** The following is our Cost of Development model:

SUBDIVISION DEVELOPMENT ANALYSIS

Subject Property

Castle Hill Farm
Castle Hill Road
Northbridge, MA
97.67 Acres

ANR Subdivision Scenario

Development Presumptions/Expenses

Date of Valuation	23-Sep-22
Average Lot Price	$ 250,000
Annual Price Change	3.0%
Annual Cost Change	4.0%
Real Estate Taxes (during sellout)	$19,761
Legal - Closing Cost per lot	$4.56/$1000+$1000 per lot
Assumed Tax per lot	$3,443
Advertising, brokerage	5%
Discount Rate	15%

(includes overhead and developers profit, time cost of money, risk)

Number of VACANT lots to be sold	10	**Sales During Period**	6	4
		Lots Remaining	4	0

INCOME				**YEAR 1**	**YEAR 2**	**TOTALS**
Proceeds from Lot Sales				$ 1,500,000	$ 1,030,000	$ 2,530,000
EXPENSES						
Engineering/Permitting/Approvals				$ 30,000	$ -	$ 30,000
Upgrade Castle Hill Road (1,800 lf)	@	$300	**per ft**	$ 540,000	$ -	$ 540,000
Legal Expense/Closing Costs		$4.56/$1000+$1000		$ 12,840	$ 8,697	$ 21,537
Real Estate Taxes During Sellout				$ 12,601	$ 7,160	$ 19,761
Advertising, brokerage	@	5%	**of sales proceeds**	$ 75,000	$ 51,500	$ 126,500
Total Expenses				$ 670,441	$ 67,357	$ 737,798
Net Development Proceeds				$ 829,559	$ 962,643	$ 1,792,202
PRESENT WORTH OF NET PROCEEDS		$1,449,252	**Rounded to**	**$1,450,000**		

RECONCILIATION AND VALUE CONCLUSION

The final step in estimating the market values of the property is a correlation of the value from each of the approaches utilized in the appraisal process. In order to estimate the value of the 97.67-acre property I utilized two approaches to value. The first was a direct Sales Comparison Approach, comparing recent sales of large tracts of residentially zoned acreage to the subject property. The second approach was an alternative method of valuation, commonly referred to as a "Subdivision Analysis" or "Cost of Development Analysis".

The Sales Comparison Approach involved the analysis and comparison of 4 sales of large tracts of residentially zoned land in Worcester County to the subject property. These sales were compared to the subject on a price per acre basis, and price per usable acre basis. Two of the sales were in Northbridge like the subject. After adjustments and analysis, indicators of $14,000, and $18,000 respectively were considered appropriate and then multiplied by the subjects' total acres and usable acres to produce an indication of value of $1,450,000.

The second approach used is an alternative method of valuation, commonly referred to as a "Subdivision Analysis" or "Cost of Development Analysis". This is a valuation tool available to the appraiser when subdivision and development represent the highest and best use of a property. Eight building lot sales were reviewed and analyzed to make retail price projections for the 10 lots possible from a subdivision of the land in accordance with our opinion of the highest and best use. Cost necessary to achieve these retail prices were projected based upon a review of actual costs of similar developments in the area, along with expected brokerage commissions and real estate tax costs. The net proceeds from this exercise were then discounted at a 15% rate to produce an indication of value of $1,450,000.

Both approaches to value were given consideration is the final reconciliation of value. Based upon the methods of valuation used, it is my opinion that the market value of the subject property, subject to the extraordinary assumptions cited, as of September 23, 2022 is:

ONE MILLION FOUR HUNDRED FIFTY THOUSAND ($1,450,000) DOLLARS

CERTIFICATION OF VALUE

I 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 our personal unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of this report.
- I have performed services, as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 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 the Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Mr. Bowler is currently certified under the voluntary continuing education program of the Appraisal Institute.
- Christopher H. Bowler made a personal inspection of the property that is the subject of this report and each of the comparables sales used.
- James Monahan and Gloria Molina of LandVest Inc. provided professional land planning assistance to Mr. Bowler.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

This appraisal has been completed using the following *extraordinary assumptions*:

- No specific geotechnical engineering data has been provided, and as of the date of valuation the subject property was not included as either a contaminated site or a location to be investigated by the Bureau of Waste Site Cleanup of the Department of Environmental Protection, Commonwealth of Massachusetts. It is an *extraordinary assumption* in this report, therefore, that the subject site is not a contaminated site.
- It is an *extraordinary assumption* that the land has the development potential as stated in the highest and best use section of this report.

Based upon the data presented above, it is my opinion that the market value of the fee simple interest in the subject property, subject to the definitions, limiting conditions, extraordinary assumptions, and certifications set forth in the attached report, as of September 23, 2022, is:

ONE MILLION FOUR HUNDRED FIFTY THOUSAND ($1,450,000) DOLLARS

Christopher H. Bowler, MAI, CRE
Massachusetts Certified General
Real Estate Appraiser #495

APPENDIX

SUBJECT PROPERTY DEED

Bk: 67952 Pg: 244

Worcester South District Registry of Deeds
Electronically Recorded Document

This is the first page of the document – Do not remove

Recording Information

Document Number	: 80617
Document Type	: DEED
Recorded Date	: July 22, 2022
Recorded Time	: 02:16:43 PM
Recorded Book and Page	: 67952 / 244
Number of Pages(including cover sheet)	: 6
Receipt Number	: 1459223
Recording Fee (including excise)	: $7,957.16

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MASSACHUSETTS EXCISE TAX
Worcester District ROD #20 001
Date: 07/22/2022 02:16 PM
Ctrl# 240344 08009 Doc# 00080617
Fee: $7,802.16 Cons: $1,711,000.00
****

Worcester South District Registry of Deeds
Kathryn A. Toomey, Register
90 Front St
Worcester, MA 01608
(508) 798-7717

Bk: 67952 Pg: 245

Quitclaim Deed

Bernon Family Realty Associates, a Massachusetts General Partnership having a principal office located at One Washington Street, Suite 404, Wellesley, MA 02481, for consideration paid and in full consideration of **ONE MILLION SEVEN HUNDRED ELEVEN THOUSAND AND 00/100 DOLLARS ($1,711,000.00),** hereby grant to **Alexander J. Vander Baan and Alexandra P. Vander Baan, husband and wife, as tenants by the entirety**, of **561 Bridge Street, Dedham, MA 02026**, with **QUITCLAIM COVENANTS**:

Castle Hill Road, Northbridge, MA 01588

Two certain parcels of land situated on the easterly and westerly side of Castle Hill Road, in the Village of Whitinsville, in the Town of Northbridge, County of Worcester and Commonwealth of Massachusetts, bounded and described as follows:

Parcel 1

Beginning at a point on the easterly side of Castle Hill Road which point is 243.08 feet measured S. 04° 28' 51" E. from the intersection of the easterly side of said Castle Hill Road with the southerly side of the Douglas Road, said point being the southwesterly corner of land of Sidney Covich Trustee and being the northwesterly corner of the lot hereby described;

THENCE N. 83° 17' 30" E. with said Covich land 307.06 feet to land now or formerly of Bannings Flower Shop and Greenhouses, Inc.

THENCE S. 15° 56' 11" E. 312.63 feet to a stone bound;

THENCE N. 82° 09' 09" E. 283.48 feet partly with a stone wall to land now or formerly of Robert E. and Mary A. Conlee, the last two (2) lines bounded by said land of Bannings Flower Shop and Greenhouses Inc.;

THENCE N. 78° 33' 10" E. with said Conlee land 142.54 feet to land now or formerly of Alexander R. and Louise V. Gray;

THENCE S. 11° 42' 35" E. 16.52 feet to a point;

THENCE N. 78° 21' 42" E. 61.55 feet to a stone wall at land of the Whitinsville Golf Club, the last two (2) lines bounded by said Gray land;

THENCE S. 05° 07' 57" E. with said stone wall 150.00 feet;

THENCE S. 88° 19' 01" E. 308.90 feet to a stone wall;

THENCE S. 08° 14' 56" E. partly with a stone wall 498.30 feet to land now or formerly of Lillian Garelick Realty Trust, the last three (3) lines bounded by said land of the Whitinsville Golf Club;

THENCE S. 71° 58' 50" W., with said land of the Lillian Garelick Realty Trust and partly with a stone wall 1,149.28 feet to the aforesaid Castle Hill Road;

THENCE N. 17° 43' 50" E. 126.99 feet;

THENCE N. 07° 54' 51" W. 799.07 feet;

THENCE N. 27° 49' 51" W. 161.28 feet;

THENCE N. 16° 44' 51" W. 80.02 feet;

THENCE N. 04° 28' 51" W. 77.22 feet to the point of beginning, the last 5 courses bounded by said Castle Hill Road.

Containing 20.7827 Acres more or less.

Being shown as Lot 2 on a plan entitled "Plan of Land for White Consolidated Industries, Inc. And/Or ATF-Davidson Company, Northbridge, Mass." March 1983, Revised October 1985, Scale 1 inch = 80 feet, Bibeault and Florentz Engineering Co., Civil Engineers and Land Surveyors, 99 Main Street Woonsocket, R.I., which plan is recorded with the Worcester District Registry of Deeds in Plan Book 567, as Plan 32. For grantor's title see deed dated July 7, 1990, and recorded on August 13, 1990, in Worcester District Registry of Deeds, Book 12942, Page 168.

Parcel 2

Beginning at a point on the easterly side of Castle Hill Road which point is 1,733.74 feet from the intersection of the easterly side of said Castle Hill Road with the southerly side of the Douglas Road, said point being the southwesterly corner of the above-described "Parcel 1";

THENCE N. 76° 32' 20" E. along a stone wall and land now or formerly of the Bernon Family Realty Associates 1,377.73 feet to a point at land now or formerly of the Town of Northbridge;

THENCE S. 26° 34' 13" E. 339.90 feet to a drill hole;

THENCE S. 26° 49' 13" E. 524.60 feet to a drill hole;

Bk: 67952 Pg: 247

THENCE S. 10° 17' 08" E. 437.66 feet to a drill hole;

THENCE S. 08° 03' 47" W. 151.48 feet to an iron rod;

THENCE S. 64° 30' 30" W. 1,150.00 feet to a drill hole;

THENCE S. 33° 59' 49" E. 193.79 feet to a point; the last 6 courses being by land now or formerly of Whitinsville Golf Club;

THENCE N. 69° 52' 19" W. 1788.67 feet to a point by the Northbridge/Uxbridge Town line to a point;

THENCE N. 01° 49' 29" E. by land now or formerly of New England Power Co. 356.82 feet to a point;

THENCE N. 02° 43' 31" W. by land now or formerly of New England Power Co. 359.48 feet to a drill hole;

THENCE N. 69° 08' 20" E. along a stone wall by land now or formerly of the Town of Northbridge 453.11 feet to a point;

THENCE S. 10° 32' 16" E. by land now or formerly of Whalen Thibodeau, Robert DeYoung, Peter Lachapelle, and Plumb Family Trust 331.75 feet to a point;

THENCE N. 79° 27' 44" E. by land now or formerly of Plumb Family Trust 180.00 feet to a point;

THENCE S. 10° 32' 16" E. by Castle Hill Road 227.54 feet to a point;

THENCE N. 79° 27' 44" E. crossing Castle Hill Road 50.00 feet to a point;

THENCE N. 10° 32' 16" W. by Castle Hill Road and a stone wall 358.03 feet to a point;

THENCE N. 22° 10' 24" E. by Castle Hill Road and a stone wall 132.88 feet to a point;

THENCE N. 22° 10' 24" E. by Castle Hill Road 246.08 feet to the point of beginning.

Containing 76.89 acres, more or less.

This description contains no new boundaries.

Bk: 67952 Pg: 248

For grantors title see deed from Rhode Island Hospital Trust National Bank to The Bernon Family Realty Associates Partnership dated July 21, 1988, and recorded with the Worcester District Registry of Deeds in Book 11750, Page 360.

Grantor hereby certifies and affirms that:

1. Paul M. Bernon is a Managing General Partner of the Bernon Family Realty Associates Partnership.
2. Paul M. Bernon, acting singly, is hereby authorized and directed to execute and delivery any and all documents deemed by him to be necessary and/or desirable in connection with the sale of certain real estate located on the easterly and westerly side of Castle Hill Road, Northbridge, Massachusetts, as more specifically described in a deed recorded in the Worcester Registry of Deeds dated July 21, 1988, and recorded with the Worcester District Registry of Deeds in Book 11750, Page 360, and in a deed dated July 7, 1990, recorded on August 13, 1990, in Worcester District Registry of Deeds, Book 12942, Page 168, owned by the Partnership to Alex J. Vander Baan and Alexandra J. Vander Baan, for a purchase price of $1,711,000.00, including, without limitation, the execution of deeds, affidavits and closing settlement statements.
3. Paul M. Bernon is a member of the Bernon Family Realty Association General Partnership.
4. This conveyance is in the usual course of business of the Partnership.
5. This conveyance does not involve anything which may not be done by less than all the partners, as set forth in M.G.L. c.108A, § 9.

Bk: 67952 Pg: 249

Executed under seal 18th day of July, 2022.

Bernon Family Realty Associates, a Massachusetts General Partnership

By: _____
Paul Bernon, Managing General Partner

COMMONWEALTH OF MASSACHUSETTS
COUNTY OF Norfolk

On this 18th day of July, 2022, before me, the undersigned notary public, personally appeared the above-named, Paul Bernon, proved to me through satisfactory evidence of identification, which were Drivers License, to be the person(s) who signed the preceding or attached document in my presence, and acknowledged to me that he signed it voluntarily for its stated purpose, by his free act and deed, in his capacity as Managing General Partner of Bernon Family Realty Associates, a Massachusetts General Partnership.

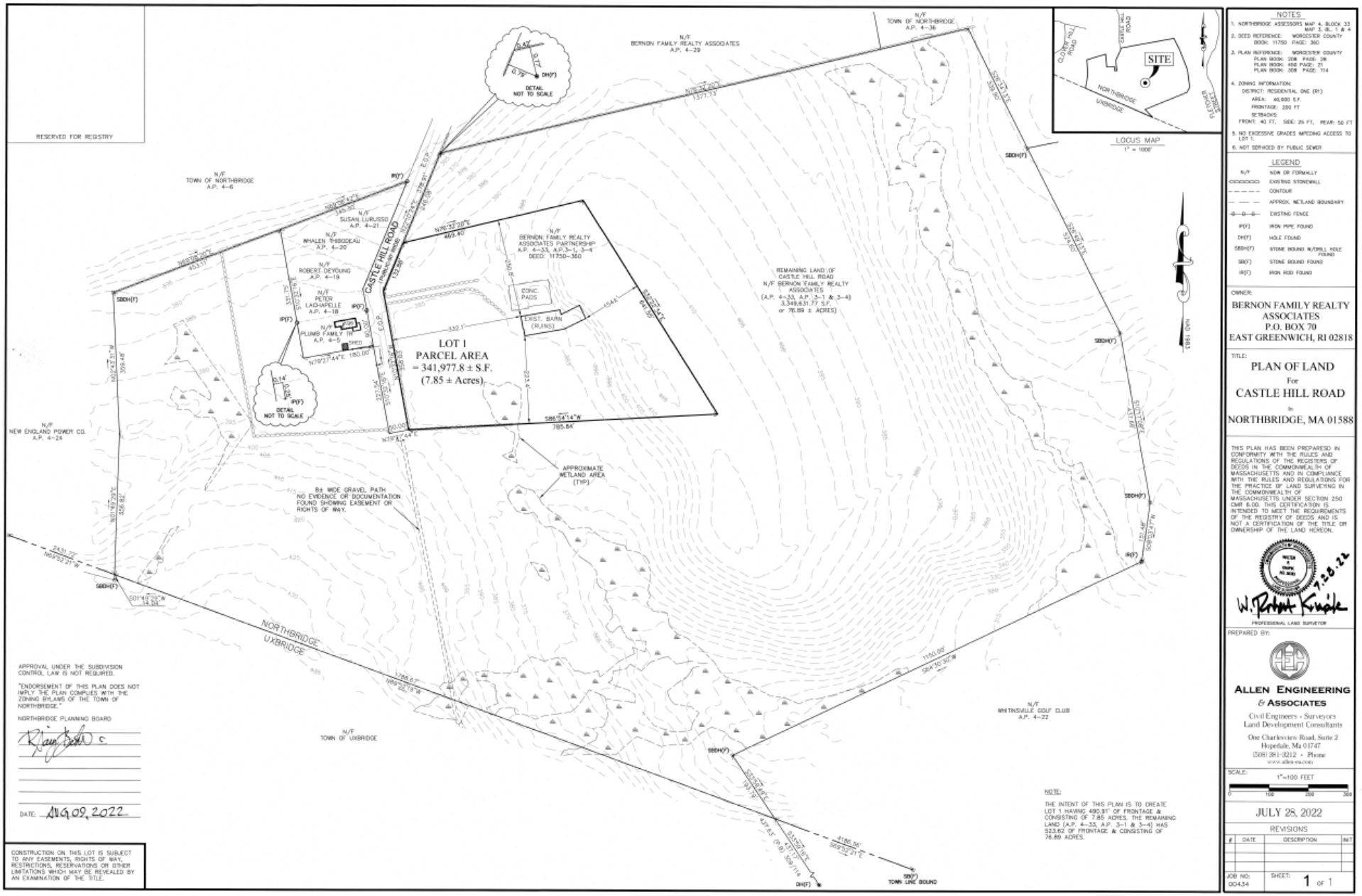
_____
Notary Public Signature

My Commission Expires: 4.27.23

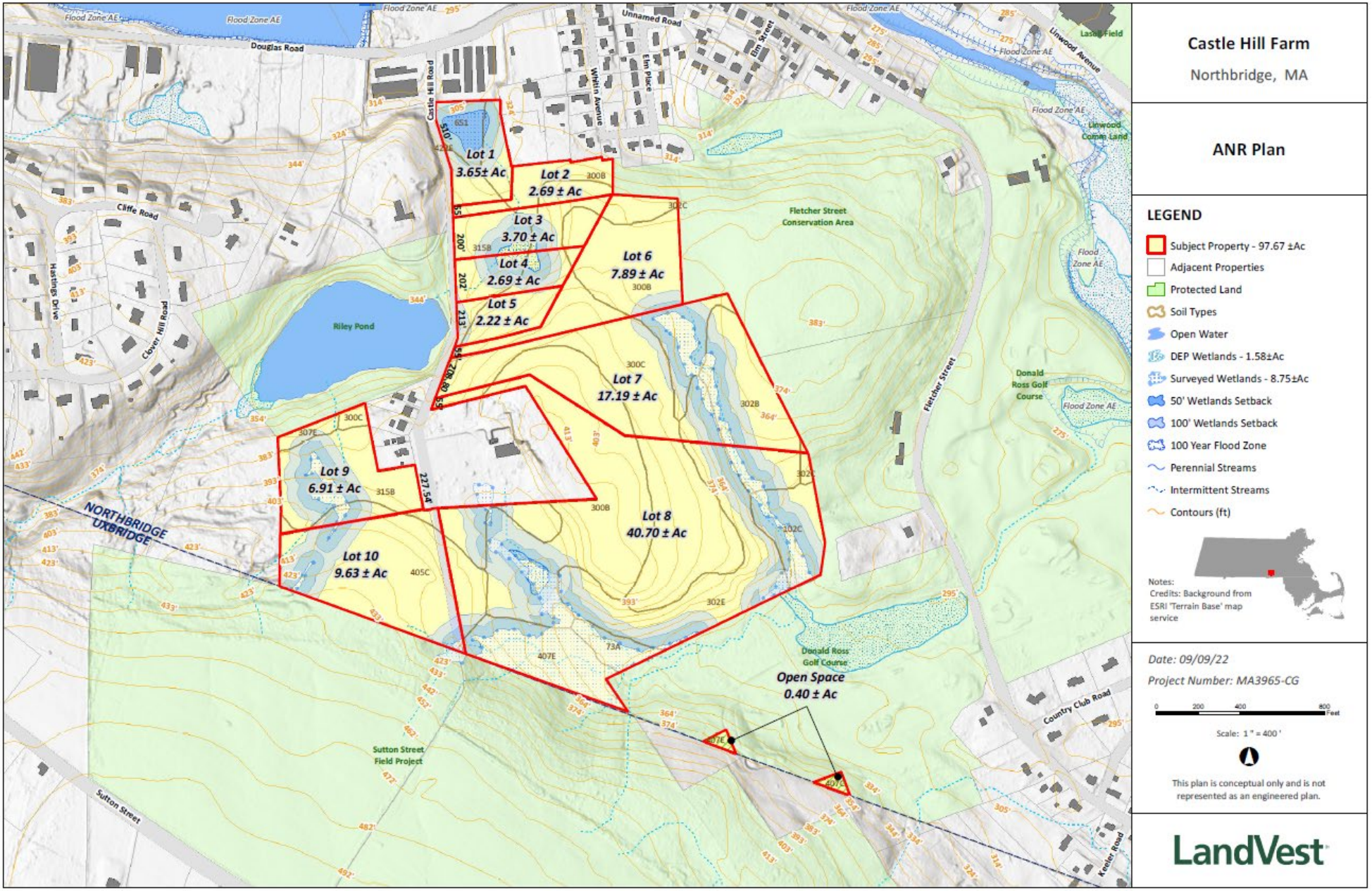
KRISTIN J. LINDSTROM
MY COMMISSION EXPIRES APRIL 27, 2023
COMMONWEALTH OF MASSACHUSETTS
NOTARY PUBLIC

QUITCLAIM DEED

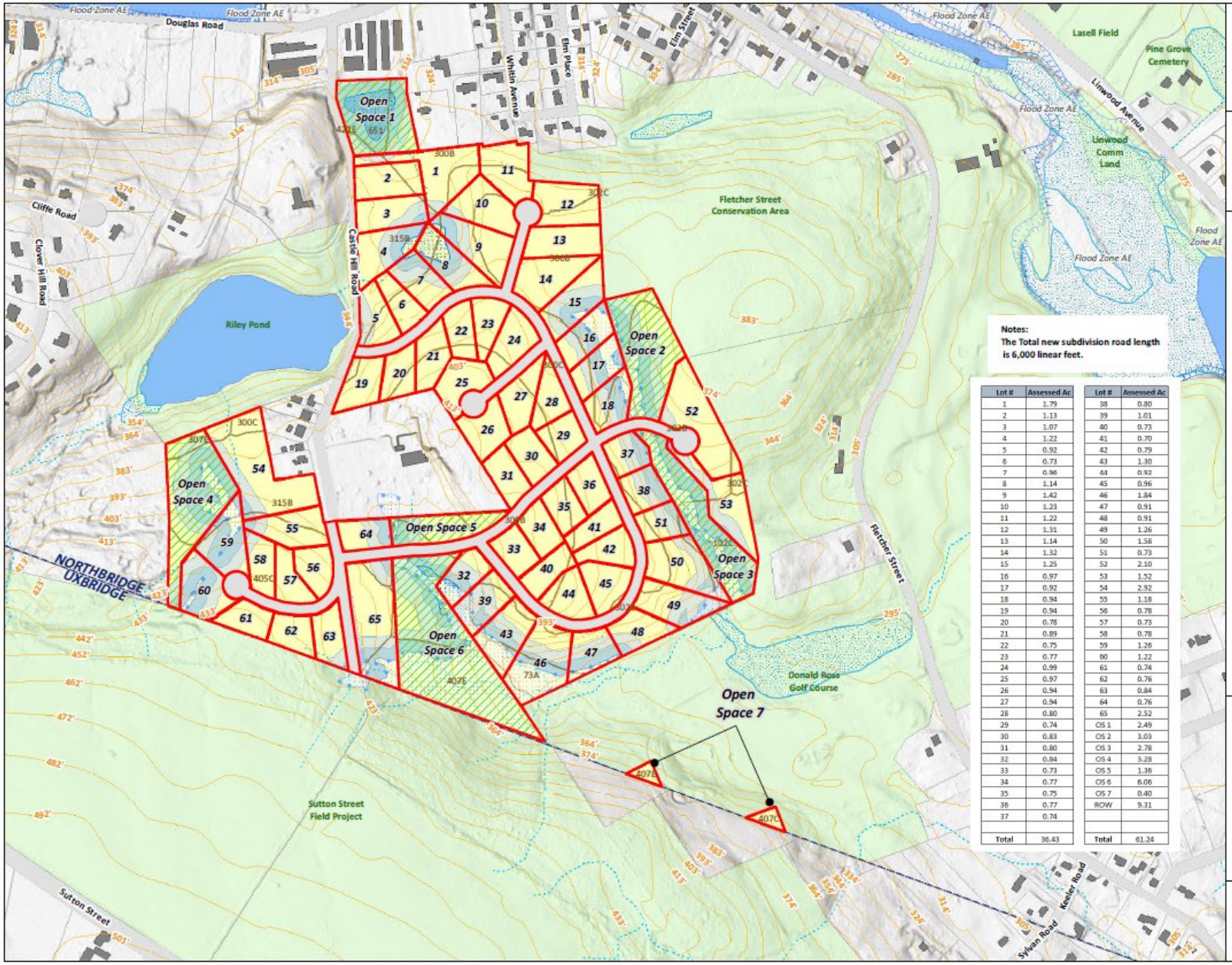
RECORDED PLAN OF LAND


RESERVED FOR REGISTRY
N/F TOWN OF NORTHBRIDGE A.P. 4-36
N/F BERNON FAMILY REALTY ASSOCIATES A.P. 4-29
N/F TOWN OF NORTHBRIDGE A.P. 4-6
N/F SUSAN LURUSSO A.P. 4-21
N/F WHALEN THIBODEAU A.P. 4-20
N/F ROBERT DEYOUNG A.P. 4-19
N/F PETER LAGHAPELLE A.P. 4-18
N/F PLUMB FAMILY TR A.P. 4-5
N/F BERNON FAMILY REALTY ASSOCIATES PARTNERSHIP A.P. 4-33, A.P. 3-1, 3-4 DEED: 11750-360
CASTLE HILL ROAD
CONC. PADS
EXIST. BARN (RUINS)
LOT 1
PARCEL AREA
= 341,977.8 ± S.F.
(7.85 ± Acres)
DETAIL NOT TO SCALE
REMAINING LAND OF CASTLE HILL ROAD N/F BERNON FAMILY REALTY ASSOCIATES (A.P. 4-33, A.P. 3-1 & 3-4) 3,349,631.77 S.F. or 76.89 ± ACRES)
N/F NEW ENGLAND POWER CO. A.P. 4-24
APPROXIMATE WETLAND AREA (TYP)
8± WIDE GRAVEL PATH NO EVIDENCE OR DOCUMENTATION FOUND SHOWING EASEMENT OR RIGHTS OF WAY.
NORTHBRIDGE
UXBRIDGE
N/F TOWN OF UXBRIDGE
N/F WHITINSVILLE GOLF CLUB A.P. 4-22
TOWN LINE BOUND
LOCUS MAP
1" = 1000'
SITE
NORTHBRIDGE
UXBRIDGE
CLOVER HILL ROAD
CASTLE HILL ROAD
DEVOUAR STREET
NORTH
APPROVAL UNDER THE SUBDIVISION CONTROL LAW IS NOT REQUIRED.
"ENDORSEMENT OF THIS PLAN DOES NOT IMPLY THE PLAN COMPLIES WITH THE ZONING BYLAWS OF THE TOWN OF NORTHBRIDGE."
NORTHBRIDGE PLANNING BOARD
DATE: AUG 09, 2022
CONSTRUCTION ON THIS LOT IS SUBJECT TO ANY EASEMENTS, RIGHTS OF WAY, RESTRICTIONS, RESERVATIONS OR OTHER LIMITATIONS WHICH MAY BE REVEALED BY AN EXAMINATION OF THE TITLE.
NOTE:
THE INTENT OF THIS PLAN IS TO CREATE LOT 1 HAVING 490.91' OF FRONTAGE & CONSISTING OF 7.85 ACRES. THE REMAINING LAND (A.P. 4-33, A.P. 3-1 & 3-4) HAS 523.62 OF FRONTAGE & CONSISTING OF 76.89 ACRES.
NOTES
1. NORTHBRIDGE ASSESSORS MAP 4, BLOCK 33 MAP 3, BL. 1 & 4
2. DEED REFERENCE: WORCESTER COUNTY BOOK: 11750 PAGE: 360
3. PLAN REFERENCE: WORCESTER COUNTY PLAN BOOK: 308 PAGE: 28 PLAN BOOK: 458 PAGE: 21 PLAN BOOK: 308 PAGE: 114
4. ZONING INFORMATION: DISTRICT: RESIDENTIAL ONE (R1) AREA: 40,000 S.F. FRONTAGE: 200 FT SETBACKS: FRONT: 40 FT. SIDE: 25 FT. REAR: 50 FT
5. NO EXCESSIVE GRADES IMPEDING ACCESS TO LOT 1.
6. NOT SEWERED BY PUBLIC SEWER
LEGEND
N/F NOW OR FORMALLY
EXISTING STONEWALL
CONTOUR
APPROX. WETLAND BOUNDARY
EXISTING FENCE
IP(F) IRON PIPE FOUND
DH(F) HOLE FOUND
SBDH(F) STONE BOUND W/DRILL HOLE FOUND
SB(F) STONE BOUND FOUND
IR(F) IRON ROD FOUND
OWNER:
BERNON FAMILY REALTY ASSOCIATES
P.O. BOX 70
EAST GREENWICH, RI 02818
TITLE:
PLAN OF LAND
For
CASTLE HILL ROAD
In
NORTHBRIDGE, MA 01588
THIS PLAN HAS BEEN PREPARED IN CONFORMITY WITH THE RULES AND REGULATIONS OF THE REGISTERS OF DEEDS IN THE COMMONWEALTH OF MASSACHUSETTS AND IN COMPLIANCE WITH THE RULES AND REGULATIONS FOR THE PRACTICE OF LAND SURVEYING IN THE COMMONWEALTH OF MASSACHUSETTS UNDER SECTION 250 CMR 6.00. THIS CERTIFICATION IS INTENDED TO MEET THE REQUIREMENTS OF THE REGISTRY OF DEEDS AND IS NOT A CERTIFICATION OF THE TITLE OR OWNERSHIP OF THE LAND HEREON.
7.28.22
PROFESSIONAL LAND SURVEYOR
PREPARED BY:
ALLEN ENGINEERING & ASSOCIATES
Civil Engineers • Surveyors
Land Development Consultants
One Charlestown Road, Suite 2
Hopedale, Ma 01747
(508) 381-0212 • Phone
SCALE:
1"=100 FEET
JULY 28, 2022
REVISIONS
JOB NO: 004,34
SHEET: 1 OF 1

CONCEPTUAL DEVELOPMENT PLANS


Castle Hill Farm
Northbridge, MA
ANR Plan
LEGEND
Subject Property - 97.67 ±Ac
Adjacent Properties
Protected Land
Soil Types
Open Water
DEP Wetlands - 1.58±Ac
Surveyed Wetlands - 8.75±Ac
50' Wetlands Setback
100' Wetlands Setback
100 Year Flood Zone
Perennial Streams
Intermittent Streams
Contours (ft)
Notes:
Credits: Background from ESRI 'Terrain Base' map service
Date: 09/09/22
Project Number: MA3965-CG
Scale: 1 " = 400 '
This plan is conceptual only and is not represented as an engineered plan.
LandVest
Lot 1
3.65± Ac
Lot 2
2.69 ± Ac
Lot 3
3.70 ± Ac
Lot 4
2.69 ± Ac
Lot 5
2.22 ± Ac
Lot 6
7.89 ± Ac
Lot 7
17.19 ± Ac
Lot 8
40.70 ± Ac
Lot 9
6.91 ± Ac
Lot 10
9.63 ± Ac
Open Space
0.40 ± Ac
Riley Pond
Fletcher Street Conservation Area
Donald Ross Golf Course
Sutton Street Field Project
NORTHBRIDGE
UXBRIDGE
Douglas Road
Castle Hill Road
Cliffe Road
Hastings Drive
Clover Hill Road
Unnamed Road
Elm Street
Elm Place
Whitin Avenue
Linwood Avenue
Fletcher Street
Country Club Road
Keeler Road
Sutton Street
Flood Zone AE

Castle Hill Farm
Northbridge, MA
ANR Plan
LEGEND
Subject Property - 97.67 ±Ac
Adjacent Properties
Protected Land
Open Water
DEP Wetlands
Surveyed Wetlands
Perennial Streams
Intermittent Streams
Contours (ft)
Notes:
Credits: 2022 Imagery from Nearmap Imagery map service.
Date: 09/09/22
Project Number: MA3965-CG
0 200 400 800 Feet
Scale: 1 " = 400 '
This plan is conceptual only and is not represented as an engineered plan.
LandVest
Lot 1 3.65± Ac
Lot 2 2.69 ± Ac
Lot 3 3.70 ± Ac
Lot 4 2.69 ± Ac
Lot 5 2.22 ± Ac
Lot 6 7.89 ± Ac
Lot 7 17.19 ± Ac
Lot 8 40.70 ± Ac
Lot 9 6.91 ± Ac
Lot 10 9.63 ± Ac
Open Space 0.40 ± Ac
Douglas Road
Unnamed Road
Elm Street
Elm Place
Linwood Avenue
Linwood Comm Land
Lasalle Field
Cliffe Road
Hastings Drive
Cover Hill Road
Castle Hill Road
Riley Pond
Fletcher Street Conservation Area
Fletcher Street
Donald Ross Golf Course
Sutton Street Field Project
Sutton Street
Country Club Road
Tower Road
NORTHBRIDGE
UXBRIDGE
50'
55'
200'
202'
213'
55'
80'
55'
227.56'



Notes:
The Total new subdivision road length is 6,000 linear feet.

Lot #	Assessed Ac	Lot #	Assessed Ac
1	1.79	38	0.80
2	1.13	39	1.01
3	1.07	40	0.73
4	1.22	41	0.70
5	0.92	42	0.79
6	0.73	43	1.30
7	0.96	44	0.92
8	1.14	45	0.96
9	1.42	46	1.84
10	1.23	47	0.91
11	1.22	48	0.91
12	1.31	49	1.26
13	1.14	50	1.58
14	1.32	51	0.73
15	1.25	52	2.10
16	0.97	53	1.52
17	0.92	54	2.92
18	0.94	55	1.18
19	0.94	56	0.78
20	0.78	57	0.73
21	0.89	58	0.78
22	0.73	59	1.26
23	0.77	60	1.22
24	0.99	61	0.74
25	0.97	62	0.76
26	0.94	63	0.84
27	0.94	64	0.76
28	0.80	65	2.52
29	0.74	OS 1	2.49
30	0.83	OS 2	3.03
31	0.80	OS 3	2.78
32	0.84	OS 4	3.28
33	0.73	OS 5	1.36
34	0.77	OS 6	6.06
35	0.75	OS 7	0.40
36	0.77	ROW	9.31
37	0.74		
Total	36.43	Total	61.24

Castle Hill Farm

Northbridge, MA

HBU Plan

LEGEND

- Subject Property - 97.67 ±Ac
- Adjacent Properties
- Protected Land
- Soil Types
- Open Water
- DEP Wetlands - 1.58±Ac
- Surveyed Wetlands - 8.75±Ac
- 50' Wetlands Setback
- 100' Wetlands Setback
- 100 Year Flood Zone
- Perennial Streams
- Intermittent Streams
- Contours (ft)

Notes:
Credits: Background from ESRI 'Terrain Base' map service

Date: 09/09/22

Project Number: MA3965-CG

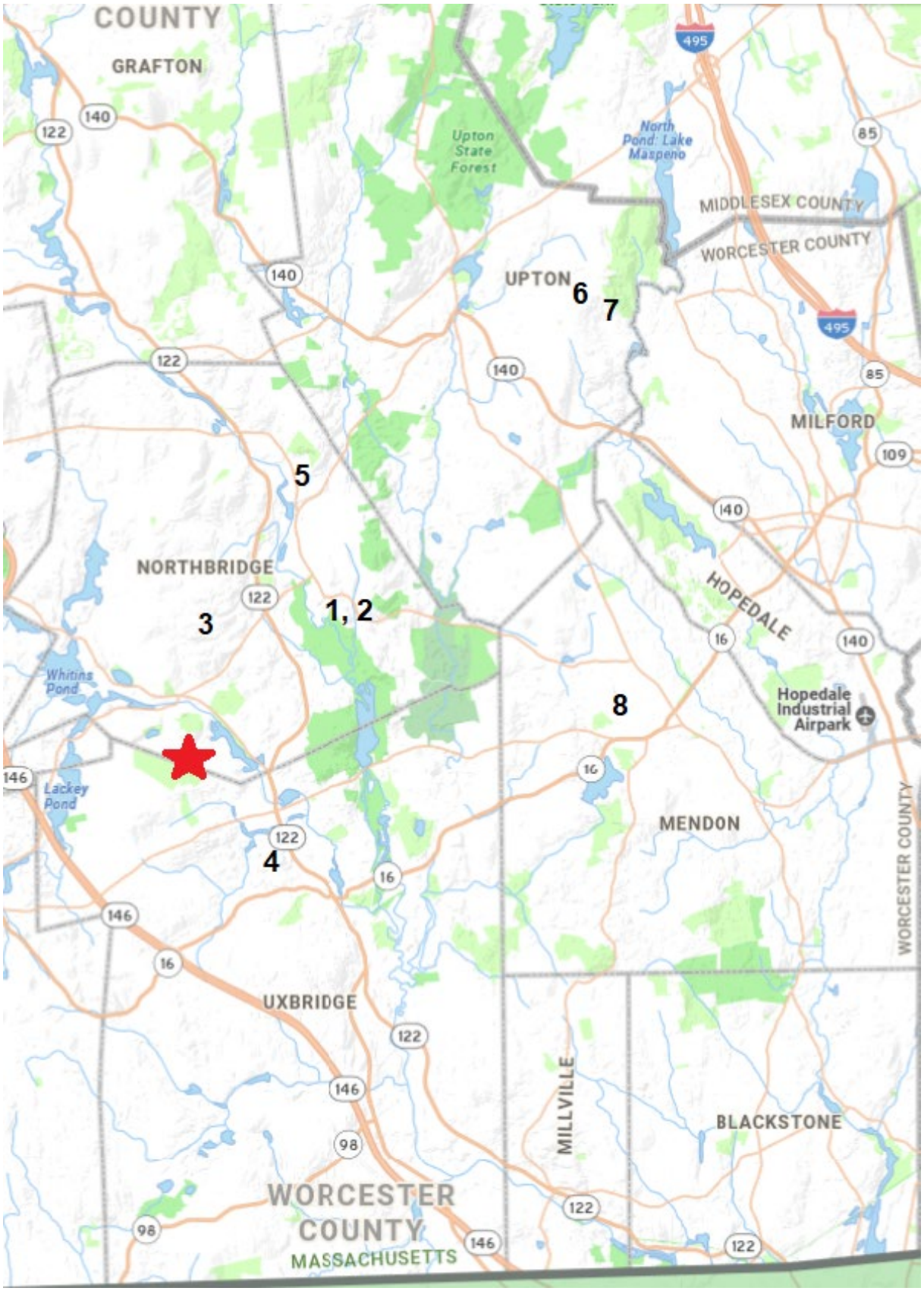
0 200 400 800 Feet

Scale: 1 " = 400 '

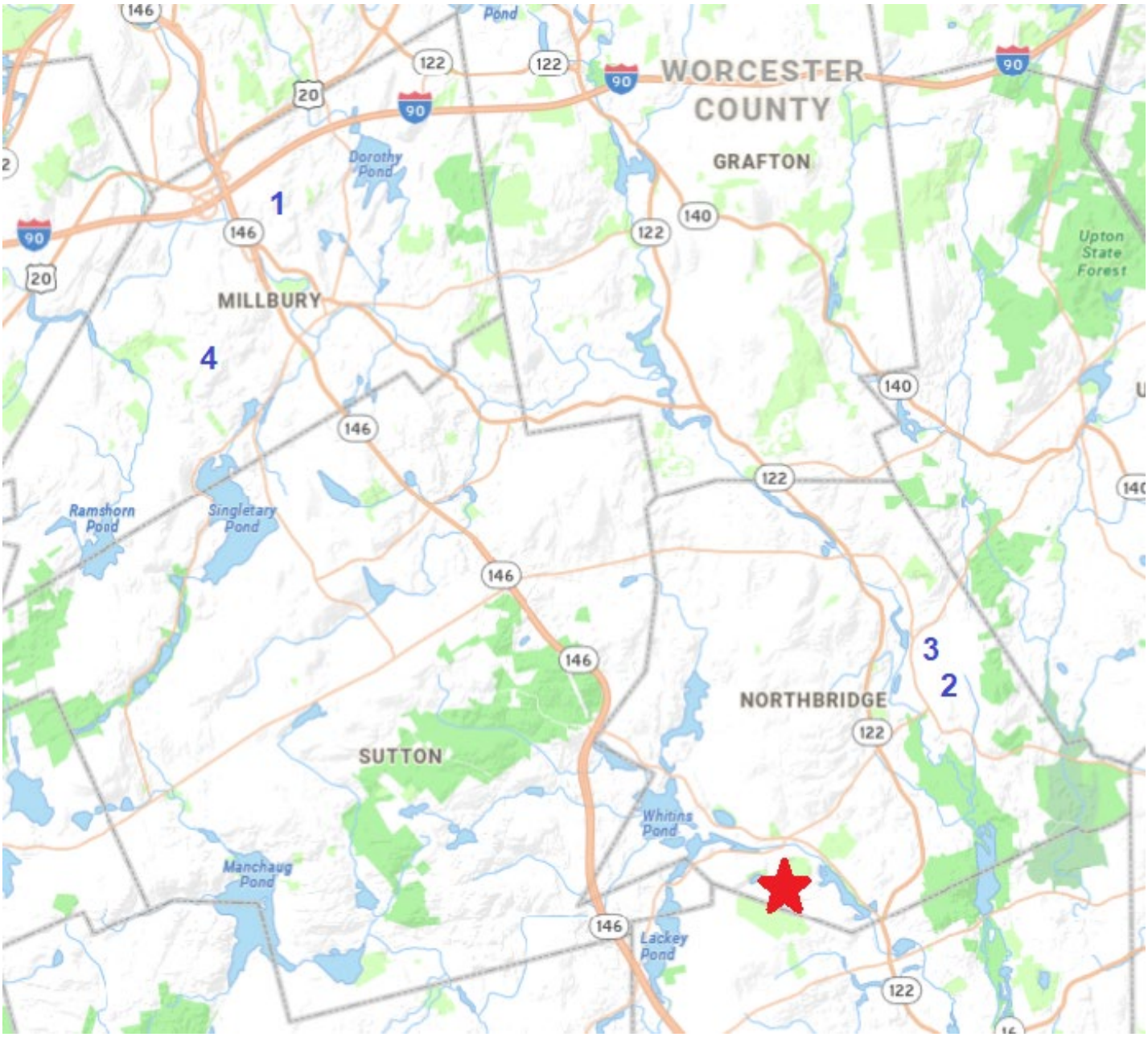
This plan is conceptual only and is not represented as an engineered plan.

LandVest

COMPARABLE LOT SALES LOCATION MAP


COUNTY
GRAFTON
Upton State Forest
North Pond: Lake Maspeno
MIDDLESEX COUNTY
WORCESTER COUNTY
UPTON
6
7
MILFORD
5
NORTHBRIDGE
3
1, 2
HOPEDALE
Whitins Pond
Hopedale Industrial Airpark
8
Lackey Pond
MENDON
4
WORCESTER COUNTY
UXBRIDGE
MILLVILLE
BLACKSTONE
WORCESTER COUNTY
MASSACHUSETTS

COMPARABLE ACREAGE SALES LOCATION MAP


WORCESTER COUNTY
GRAFTON
MILLBURY
SUTTON
NORTHBRIDGE
Dorothy Pond
Ramshorn Pond
Singletary Pond
Manchaug Pond
Whitins Pond
Lackey Pond
Upton State Forest
1
2
3
4

PWC DEVELOPER SURVEY EXCERPT

National Development Land Market

Based on our Survey results, the industrial and multifamily sectors of the U.S. commercial real estate industry offer the best development land investment opportunities due to strong tenant demand. Investors also see opportunities in the single-family residential sector. "The housing market remains on fire with prices rising and inventory low," remarks an investor. However, many are mindful that rising interest rates could dampen demand even though U.S. homebuilding unexpectedly rose in March 2022. Still, record low housing supply should continue to support homebuilding this year.

Total spending on U.S. private construction was up 14.6% on a year-over-year basis in March 2022 (see Table DVL-1). When looking more closely at these figures, private residential spending was up 18.4% while private nonresidential spending was up 8.5% – a significant change from a decline of 1.2% in February 2022.

In the nonresidential sector, each segment reported year-over-year increases in spending as of March 2022 except for lodging, religious, power, and communication. The largest increase was posted for the manufacturing segment – up 31.8% compared to March 2021. The educational segment also reported a strong year-over-year increase (+16.1%).

Discount Rates

Free-and-clear discount rates including developer's profit range from 10.00% to 30.00% and average 17.20% this quarter (see Exhibit DL-1). This average is 40 basis points higher than six months ago, 50 basis points higher than a year ago, and assumes entitlements are in place. Without entitlements in place, certain investors will increase the discount rate an average of 213 basis points.

Growth Rate Assumptions

Growth rates for development expenses, such as amenities, real estate taxes, advertising, and administration, range from 0.00% to 15.00% and average 3.76%. For lot pricing, investors indicate a range from 2.00% to 10.00%; the average growth rate is 4.38%.

Absorption Period

The absorption period required to sell an entire project varies significantly depending on such factors as location, size, and property type. This quarter, the most common preferred absorption period among investors is one to 20 years, averaging 7.8 years. One investor prefers 20 years or more.

Forecast Value Change

Over the next 12 months, surveyed investors are mostly optimistic regarding value trends for the national development land market. Their expectations range from a decline of 5.0% to growth of 25.0% with an average expected value change of +7.0%. This average is better than where is was both six months ago, as well as a year ago (+5.8% for both time periods).

Marketing Period

The typical time that a property is on the market prior to selling ranges from one to 12 months and averages 7.6 months.

Exhibit DL-1
DISCOUNT RATES (IRRS)[a]
Second Quarter 2022

	CURRENT QUARTER	FOURTH QUARTER 2021
FREE & CLEAR		
Range	10.00% – 30.00%	10.00% – 30.00%
Average	17.20%	16.80%
Change		+ 40

a. Rate on unleveraged, all-cash transactions; including developer's profit

Table DVL-1
U.S. CONSTRUCTION SPENDING*
March 2021 to March 2022

	Year-Over-Year Change
Total Nonresidential	**+ 8.5%**
Manufacturing	+ 31.8%
Transportation	+ 2.3%
Lodging	– 25.4%
Office	+ 4.9%
Power	– 0.3%
Amusement and Recreation	+ 10.2%
Health care	+ 6.2%
Communication	– 1.7%
Commercial	+ 15.5%
Religious	– 9.6%
Education	+ 16.1%
Total Residential	**+ 18.4%**
New single family	+ 19.4%
New multifamily	+ 3.9%
Total Private	**+ 14.6%**

* Private construction
Source: U.S. Census Bureau; seasonally adjusted

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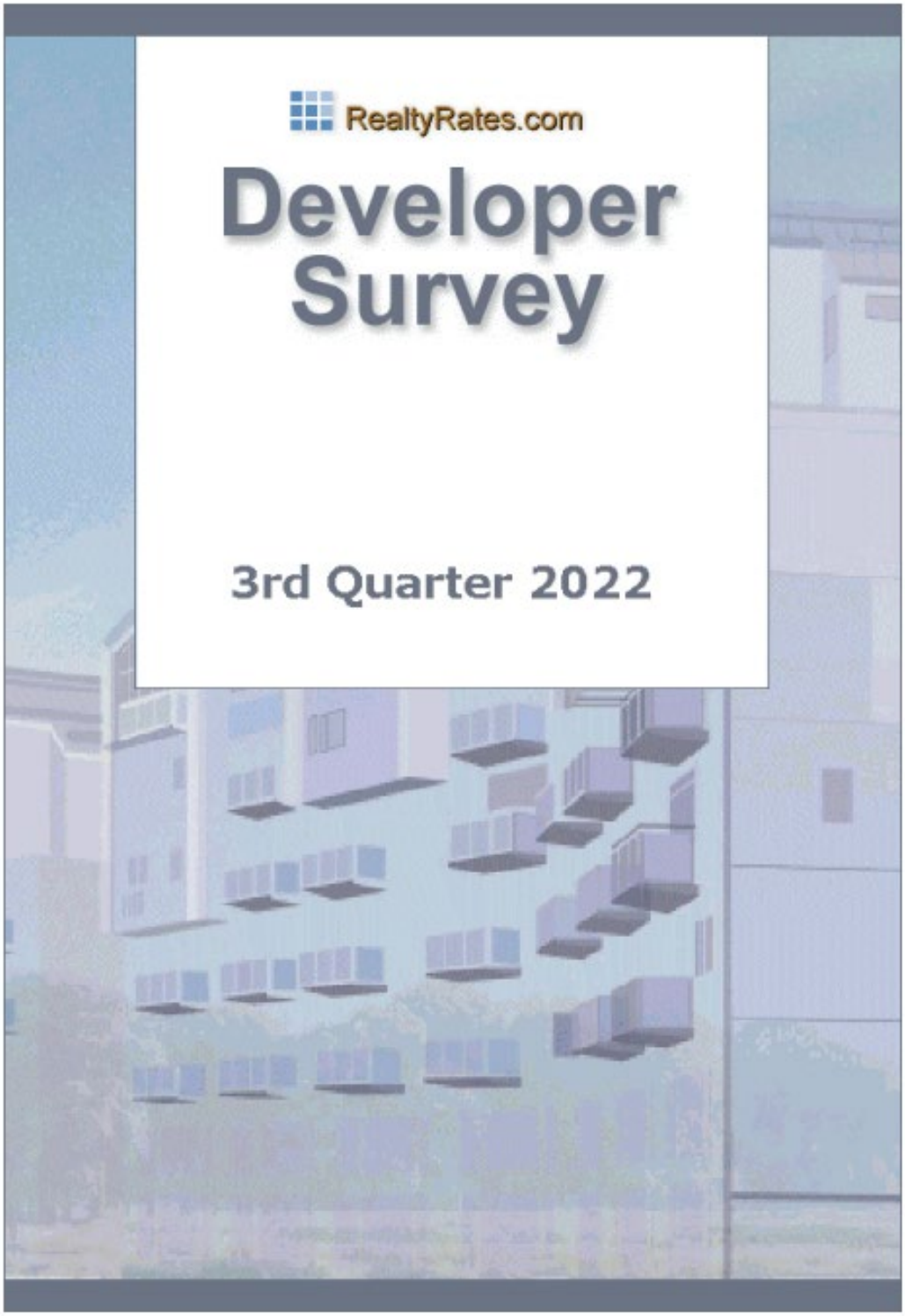
REALTY RATES DEVELOPER SURVEY EXCERPTS


RealtyRates.com
Developer Survey
3rd Quarter 2022

RealtyRates.com - Developer Survey ™

Welcome to the 3rd Quarter, 2022 edition (2nd Quarter 2022 data) of the RealtyRates.com™ *Developer Survey*.

The *Developer Survey* tracks actual and pro-forma discount rates on 22 sell-out property types including residential subdivisions and PUDs, business and industrial parks, and residential and commercial/industrial condominiums and co-ops. The data is presented on both a national and regional basis and covers all 50 states as well as Puerto Rico, Guam and the U.S. Virgin Islands.

The *Developer Survey* represents a polling of 366 commercial appraisers (8%), lenders (26%), and local, regional and national developers (66%). The bulk of the data is comprised of individual tables for each region that include surveyed actual (historical) and pro-forma (forward looking) minimum, maximum and average discount rates for each property type. In the case of subdivisions and PUDs, rates incorporate developer's profit, while condominium and co-op rates do not.

RealtyRates.com™ is the Trade Name and a Trademark of Robt. G. Watts (RGW). Founded in Honolulu, Hawaii as Pacific Research Company and now headquartered in Bradenton, Florida, RGW has provided professional analytical, advisory and development management services to investors, property owners, major corporations, lenders and government agencies worldwide since 1973.

We hope you find the *Developer Survey* useful and informative.

Robert Watts

ROBT G WATTS
RealtyRates.com™

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Market Commentary

RealtyRates.com™ *Developer Survey* Reports Increased Discount Rates For All Sell-Out Property Types During 2nd Quarter 2022

Prices continued upward, inventories expanded slightly and increases in average discount rates for all Sell Out property types were reported during the 2nd Quarter of 2022.

Site-Built Residential Subdivision rates increased an average of 87 basis points, while Manufactured Housing increased an average 88 basis points during the 2nd Quarter. Likewise, Commercial and Industrial Subdivision rates were up an average 88 basis points. Meanwhile, Residential Condominiums increased 104 basis points while Commercial/Industrial Condominiums were up 122 basis points during the same period.

Overall, pro-forma and actual discount rates moved largely in tandem, indicating a market consistent outlook by developers.

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2022*
Average Comparative (Quarter-Over-Quarter) National Rates

Subdivisions & PUDs	Actual Rates			Pro-Forma Rates		
	2Q22	1Q22	Basis Point Change	2Q22	1Q22	Basis Point Change
Site-Built Residential	30.56%	29.67%	89	29.34%	28.49%	85
-100 Units	27.26%	26.46%	81	26.17%	25.40%	77
100-500 Units	29.49%	28.63%	86	28.87%	28.03%	85
500+ Units	30.69%	29.79%	90	30.63%	29.74%	90
Mixed Use	31.06%	30.15%	91	31.00%	30.09%	91
Manufactured Housing	33.48%	32.58%	90	31.51%	30.66%	85
-100 Units	30.02%	29.19%	83	28.26%	27.48%	78
100-500 Units	32.50%	31.61%	89	31.20%	30.35%	85
500+ Units	33.83%	32.91%	92	33.11%	32.21%	90
Business Parks	31.55%	30.65%	90	29.70%	28.85%	85
-100 Acres	28.34%	27.51%	83	26.67%	25.89%	78
100-500 Acres	30.65%	29.77%	89	29.43%	28.58%	85
500+ Acres	31.90%	30.98%	92	31.22%	30.32%	90
Industrial Parks	28.22%	27.32%	90	27.14%	26.27%	87
-100 Acres	25.45%	24.62%	83	24.00%	23.22%	78
100-500 Acres	27.47%	26.58%	89	26.42%	25.57%	85
500+ Acres	28.57%	27.65%	92	26.94%	26.08%	87

Condominiums & Co-Ops	Actual Rates			Pro-Forma Rates		
	2Q22	1Q22	Basis Point Change	2Q22	1Q22	Basis Point Change
Primary Residential	17.59%	16.46%	113	16.86%	15.84%	102
Hi-Rise/Urban Townhouse	17.77%	16.76%	101	17.06%	16.09%	97
Garden/Suburban Townhouse	17.31%	16.11%	119	16.62%	15.47%	115
Mixed Use	18.08%	17.03%	105	17.16%	16.17%	99
Resort & Second Home	19.66%	18.63%	103	18.51%	17.53%	97
Hi-Rise	19.33%	18.32%	101	18.56%	17.59%	97
Garden/Townhouse	17.63%	16.59%	103	16.92%	15.93%	99
Commercial/Industrial	18.19%	16.94%	125	17.29%	16.11%	118
Urban Office	16.99%	15.81%	118	16.15%	15.03%	112
Suburban Office	16.88%	15.60%	128	16.05%	14.84%	121
Retail	18.47%	17.29%	118	17.56%	16.44%	113
Industrial	16.99%	15.74%	125	16.15%	14.97%	118

*2nd Quarter 2022 Data

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New England - CT, MA, ME, NH, RI, VT

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2022* New England - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	17.86%	40.30%	26.97%	16.13%	35.31%	23.95%
-100 Units	17.86%	34.74%	25.78%	16.13%	32.03%	23.60%
100-500 Units	18.31%	38.22%	27.13%	16.18%	34.50%	24.33%
500+ Units	18.75%	39.95%	27.59%	16.21%	35.31%	24.21%
Mixed Use	19.20%	40.30%	27.37%	16.60%	34.84%	23.66%
Manufactured Housing	18.26%	43.87%	28.80%	16.54%	38.77%	25.85%
-100 Units	18.26%	38.15%	27.64%	16.66%	35.18%	25.40%
100-500 Units	18.72%	41.97%	29.13%	16.54%	37.89%	26.13%
500+ Units	19.17%	43.87%	29.63%	16.57%	38.77%	26.01%
Business Parks	18.21%	40.71%	27.35%	16.44%	35.98%	24.51%
-100 Acres	18.21%	35.40%	26.27%	16.44%	32.64%	24.05%
100-500 Acres	18.67%	38.94%	27.65%	16.49%	35.16%	24.79%
500+ Acres	19.12%	40.71%	28.12%	16.53%	35.98%	24.68%
Industrial Parks	18.32%	35.14%	24.88%	16.54%	31.05%	22.28%
-100 Acres	18.32%	30.55%	23.95%	16.54%	28.17%	21.91%
100-500 Acres	18.78%	33.61%	25.15%	16.59%	30.35%	22.53%
500+ Acres	19.24%	35.14%	25.56%	16.63%	31.05%	22.41%

*2nd Quarter 2022 Data

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RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2022* New England - Condominiums & Co-Ops						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Primary Residential	12.29%	21.94%	16.51%	10.86%	21.06%	15.20%
Hi-Rise/Urban Townhouse	12.78%	21.94%	17.01%	11.29%	20.23%	15.44%
Garden/Suburban Townhouse	12.29%	20.89%	15.93%	10.86%	19.27%	14.46%
Mixed Use	12.65%	21.94%	16.60%	11.64%	21.06%	15.69%
Resort & Second Home	13.64%	23.94%	17.45%	12.05%	22.07%	15.83%
Hi-Rise	13.78%	23.94%	18.48%	12.17%	22.07%	16.78%
Garden/Townhouse	13.64%	20.57%	16.42%	12.05%	18.96%	14.89%
Commercial/Industrial	10.86%	22.95%	15.78%	9.60%	21.16%	14.34%
Urban Office	11.79%	20.95%	16.04%	10.42%	19.32%	14.57%
Suburban Office	10.96%	20.75%	15.22%	9.69%	19.13%	13.83%
Retail	11.60%	22.95%	16.59%	10.25%	21.16%	15.08%
Industrial	10.86%	20.99%	15.29%	9.60%	19.35%	13.90%

*2nd Quarter 2022 Data

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General Information

The RealtyRates.com™ *Developer Survey* represents one of the most comprehensive data sets of investment activity compiled for the commercial real estate industry. While no information in this highly fragmented industry is perfect or all encompassing, RealtyRates.com has established rigid data collection and classification methodology including sourcing requirements and detailed procedures to ensure the integrity and timeliness of our information.

Survey Scope

The RealtyRates.com™ *Developer Survey* summarizes discount rates for conventionally financed subdivisions and planned unit developments (PUDs) and residential and commercial condominiums and co-ops nationwide. The data is distributed amongst 13 regions encompassing all 50 states as well as Puerto Rico, Guam, and the U.S. Virgin Islands.

Data Sources

Data presented in the *Developer Survey* are provided by 366 commercial appraisers (4%), lenders (52%), and local, regional and national developers (44%).

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QUALIFICATIONS

QUALIFICATIONS OF CHRISTOPHER H. BOWLER
REAL ESTATE APPRAISER AND CONSULTANT

EDUCATION

- BA Economics, Union College, Schenectady, New York 1987

- Appraisal Institute
  MAI, SRA Course Requirements
  Condemnation Appraising: Principles and Applications
  Valuation of Conservation Easements
  Uniform Appraisal Standards for Federal Land Acquisitions; Yellow Book

- Argus Software
  Valuation DCF 2 Day Training; 11/09

PROFESSIONAL AND TRADE AFFILIATIONS

- The Counselors of Real Estate
  2015 CRE Designation #13359

- Appraisal Institute
  1992 Senior Residential Appraiser - SRA Designation
  2000 Member of Appraisal Institute - MAI Designation #11564
  2002-4 Director, Massachusetts Chapter
  2005 Secretary, Massachusetts Chapter
  2006 Treasurer, Massachusetts Chapter
  2007 Vice President, Massachusetts Chapter
  2008 President, Massachusetts Chapter

- Massachusetts Certified General Real Estate Appraiser License #495
- New Hampshire Certified General Real Estate Appraiser License #NHCG 1076

PROFESSIONAL EXPERIENCE

Qualified expert witness; Land Court of Massachusetts.
Qualified expert witness; Massachusetts Appellate Tax Board.

BUSINESS EXPERIENCE

Presently a Senior Appraiser and Consultant for LandVest, Inc. Mr. Bowler has prepared appraisals of apartment complexes, office buildings, industrial buildings, shopping centers, research and development facilities, hotels/motels, golf courses, restaurants, laboratory-life sciences buildings, medical office buildings, auto dealerships, truck terminals, warehouses, bank branches, commercial and industrial condominium units and buildings, lumber yards, service stations, industrial mill buildings, and cranberry bogs.

Mr. Bowler's experience also includes the appraisal of large tracts of land, conservation restrictions, proposed developments, condominium projects, mixed-use retail and residential, and traditional single-family subdivisions. Mr. Bowler has prepared market studies and feasibility analyses for proposed developments of both residential and commercial projects. Mr. Bowler has been employed in the following manner during his professional career.

2022-present	Senior Appraiser and Consultant LandVest Inc. Boston, Massachusetts
1992-2022	Senior Associate Avery Associates Acton, Massachusetts
1987-1992	Real Estate Appraiser Edward W. Bowler Associates Waltham, Massachusetts
1987	Research Associate, New York State Department of Transportation Albany, New York

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