



MARKET STUDY/ANALYSIS

129 Parker Street (Proposed Multifamily Development)

129 Parker Street
Maynard, MA 01754



Prepared for:

Mr. William Depietri,
Chief Executive Officer
Capital Group Properties
259 Turnpike Road, Suite 100
Southborough, MA 01772

Prepared by:

Steven Kaye, MAI, CRE
CBRE/New England
33 Arch Street, 10th Floor
Boston, Massachusetts 02110

Date of Market Study/Analysis:

December 14, 2012

December 19, 2012

Mr. William Depietri
Chief Executive Officer
Capital Group Properties
259 Turnpike Road, Suite 100
Southborough, MA 01772

Re: **129 Parker Street**
Maynard, MA 01754

Dear Mr. Depietri:

As requested, I have made an inspection and analysis of the above referenced property for the purpose of conducting a Market Study. The intended use of the market study is to assist you with internal financial planning associated with prospective project permitting and development. The Report is intended for the use of you and those parties authorized by you. The scope of services included a market study/and analysis that considered trends in supply and demand, analysis of the rental market, estimate of market rents, and absorption.

The effective date of the Market Study is December 14, 2012, while the date of report preparation is December 19, 2012. The report is intended to be in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) for “appraisal/consulting” assignments promulgated by the Appraisal Standards Board of the Appraisal Foundation, and conforms to the standards required by Title XI of the Federal Financial Institution, Reform, Recovery and Enforcement Act (FIRREA) of 1989. The Appraisal/Consulting report also intends to comply with the Code of Ethics and Standards of Professional Practice of the Appraisal Institute.

The real property that is the subject of the Market Study consists of an approximate 11.6-acre parcel located in a “master-planned” development site about one-mile south of the downtown commercial district of the Town of Maynard. The site is part of a proposed mixed-use development that will total 398,409 square feet (SF) of retail and office space (Source: Concept Master Plan prepared by CI, Planner/Designer/Architect dated 9/20/12). I understand that the subject development is in the early stages of permitting before the Town of Maynard. The Market Study assumes that the site can support 250 multifamily rental units in a series of three-story buildings.

Mr. William Depietri
December 19, 2012
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The following Bullet Points summarize the organization of the Market Study report.

- Executive Summary
- Property Specifications
- Primary Market Area
- Location/Neighborhood
- Trends in Supply and Demand
- Absorption
- Market Rent Analysis
- Affordable Rent Analysis

If you have any questions, please do not hesitate to contact me. Thank you for the opportunity to be of service.

Respectfully submitted,

CBRE/NEW ENGLAND

A handwritten signature in blue ink that reads "Steven Kaye". The signature is written in a cursive style and is positioned above a light blue rectangular background.

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- Certification of Market Analyst , Steven Kaye, MAI, CRE
- Assumptions and Limiting Conditions
- Qualification of Market Analyst, Steven Kaye, MAI, CRE
- Rent Comps: Adjustment Grids
- Residential Rent Comparable Abstracts
- Engagement Letter

EXECUTIVE SUMMARY

The Market Study has concluded that there is sufficient demand to warrant new development of 250 units of multifamily rental housing. The Market Study assumes a 100% market-rate development.

The site and neighborhood should be suitable for the proposed multifamily rental development. The subject site is estimated to total 11.6 acres, and is a “corner” of a much larger master-planned site that is currently in the permitting process. On a “micro” level, according to the developer (Capital Group Properties), adjacent uses may be a number of large “big-box” retail anchor tenants such as a Super Wal-Mart, Target, or even a grocery store. With proper site planning and design (i.e. adequate “buffers”), the “master planned” mixed-use development should be a positive neighborhood and location influence. With the subject’s multifamily site situated in the very southwestern corner of the Master Plan, it is surrounded by open/green space on two sides (west and south). This should be an effective “complementary” land use in contrast to the more intensive commercial development planned on key retail sites directly to the east and north of the apartment site.

The subject site also has reasonably good “linkages” to area shopping, services, highways, and employment centers. Maynard can be considered an “in-between” suburb of Boston. It is almost midway between the two major suburban employment centers in the Boston metropolitan area. With a location some 22 miles northwest of Boston, it is west of I-95/Route 128, Boston’s inner beltway (10 miles), and east of I-495, the metropolitan area’s outer beltway (8.7 miles). Both are major employment destinations. The subject site also has good access to downtown Maynard one mile to the north (via SR 27) and to a number of shopping areas located in neighboring Stow some 2.5 miles to the west via SR 117.

The recommendations for building design, unit finishes, and amenities are based on an analysis of comparable multifamily rental developments located in the subject’s market area. As a three-story building, elevators may not be required. There are a number of “walk-up” developments in the market area. Access to units can be by standard common entrances to common area hallways. An alternative design is by direct entry, in which upper floor units are accessed by an interior stairway.

Based on an analysis of the market, the Study recommends a unit mix that basically reflects the overall parameters of the market survey. 40% of the recommended unit mix is 1 BR's and 1 BR + Den, 55% is 2 BR's, and 5% is 2 BR + Den/ 3 BR's. A recommendation for principally 2 BR units will appeal to a younger age cohort (age 25-34) who are seeking the extra space of a 2 BR unit, young families who are not ready to purchase their first home, and/or an empty-nester cohort (age 55-64 and 65-74) who may be "trading" down from a previous single-family home.

Recommended unit sizes are also well supported by the market survey, and are summarized in the following Table.

Summary of Unit Mix and Sizes			
Unit Type	# of Units	% of Units	Square Feet (SF)
1 BR Units	44	17.6%	750
	<u>44</u>	<u>17.6%</u>	<u>800</u>
Subtotal:	88	35.2%	775
1 BR + Den Units	6	2.4%	850
	<u>6</u>	<u>2.4%</u>	<u>950</u>
Subtotal:	12	4.8%	900
2 BR Units	69	27.6%	1,050
	<u>68</u>	<u>27.2%</u>	<u>1,150</u>
Subtotal:	137	54.8%	1,100
2 BR + Den/ 3 BR Units	7	2.8%	1,250
	<u>6</u>	<u>2.4%</u>	<u>1,350</u>
Subtotal:	13	5.2%	1,296
Subtotal: All Market-Rate	250	100.0%	986

Unit finishes, features, and amenities should be comparable to the newest comps found in the market. Unit kitchens should feature a good quality hardwood cabinet, granite countertops (although a number of comps still feature laminate), a laminate (wood-like) floor, and stainless steel appliances (or black as a number of comps now feature this style). Unit flooring is typically

carpet, although a number of comps feature hardwood (or laminate) in entryways, hallways, and dining rooms. Bathroom flooring is typically ceramic tile or sheet vinyl. Other notable unit features are balconies and patios and in-unit washers and dryers.

Property amenities should include a “community” building with an on-site management office, a well-appointed community/tenant space and fitness (exercise) room. Outdoor amenities should include a swimming pool. Given the relatively large size of the site, tennis courts could be considered, but this feature is not found at most of the newer developments. Given the abundance of land, some outdoor space could be dedicated to siting areas, picnic/barbecue areas, or even dedicated walking trails.

Most of the parking requirement could be met by surface areas, but the development should consider a number of detached parking garages. Based on a parking ratio of 1.75 spaces/unit (438 total parking spaces), some 20% of the parking requirement (88 spaces) may be met by a series of detached parking garages.

The **Capture Rate** and **Saturation (Supply Penetration) Rates** are two key “metrics” that measure supply and demand conditions and the relative marketability of new construction (subject). For each key floor plan, the capture rate is the ratio of the number of proposed units at the subject to the “net” qualified demand as measured by total qualified demand less competitive supply. The lower the capture rate, the more favorable is the prospects for successful absorption of the subject’s units. Generally speaking, capture rates under 5.0% indicate very favorable prospects for marketability, while capture rates in the 5% to 10% range also indicate favorable prospects for absorption of new units. The saturation rate (also known as the supply penetration rate) is the ratio of current (and proposed) supply to total qualified demand. This is a measure of the relative degree to which supply currently satisfies demand. The lower the saturation rate, the greater the likelihood that supply is **not** currently satisfying qualified demand.

Estimated capture rates range from under 2.0% or under 1.0% for 1 BR, 1 BR + Den, and 2 BR + Den/ 3 BR units. The highest capture rate (6.6%) is for 2 BR units. All are in the “acceptable” range and would suggest a favorable conclusion for the subject’s 250 market-rate units. Likewise, the estimated Saturation rates range from under 8% (1 BR + Den units) to 50% (2 BR units). This would

suggest significant unmet need for all unit types, with 2 BR's having the **least** unmet need, as half of estimated demand is being met by existing and proposed supply.

In summary, the subject's apartment site is "unique" in that it is part of a larger "master-planned" mixed-use development that will feature a number of major retail anchor tenants that will be within walking distance of the apartment site. The Town of Maynard is within one of the most affluent market areas, with some of the most wealthy communities located to the east and south of the subject. The subject's Primary Market Area (PMA) is made up of 12 communities within a 7.5- to 10-mile radius. Furthermore, with a location equidistant to Boston's two major beltways (I-95/Route 128 and I-495), the subject is accessible to both major suburban employment centers.

Market conditions also appear to be very positive based on favorable real estate fundamentals. This can be measured by an improving economy which should help stimulate and facilitate tenant demand. Based on a number of indicators, market occupancy is strong and rents in the sub-market are forecast to increase. Although there have been some additions of new supply, new developments have been absorbed, and there would appear to be no significant overhanging supply. There is a significant number of new multifamily rental developments in the "pipeline", but most are proposed developments that are still in the "permitting" process, and construction financing, although more readily available compared to previous years, is still a challenge for some developers. In the Boston metropolitan area, "barriers to entry" have traditionally been high due to strict land use controls and limited land that is appropriately zoned for multifamily development, particularly in the communities of the Primary Market Area (PMA).

On a "micro" (location) level, the potential "downside" associated with new multifamily rental development is a location (Town of Maynard) that has not seen any significant new multifamily rental development. There may be some risk to filling a major new multifamily rental development that is competing with other developments that are a little closer to the employment centers of both I-95/Route 128 and I-495. The Boston area is just coming out from under the grips of the last recession. Should the economy slip back into recession, this could adversely impact tenant development and the marketability of new development. Another

“wild card” is potential new supply, which is formidable compared to historic trends where there have been very few major new developments in the subject’s Primary Market Area (PMA). However the pipeline of new development includes a number of projects that have not been permitted or may be facing potential litigation by abutters. As previously noted, the barriers to entry” in the Boston area multifamily market are high.

PROPERTY SPECIFICATIONS

Site Photographs



Looking North Along Parker (SR 27) with Entrance to the Subject Site to the Left



Looking West From Parker Street (SR 27) at Entry Road and Pond to Subject Site

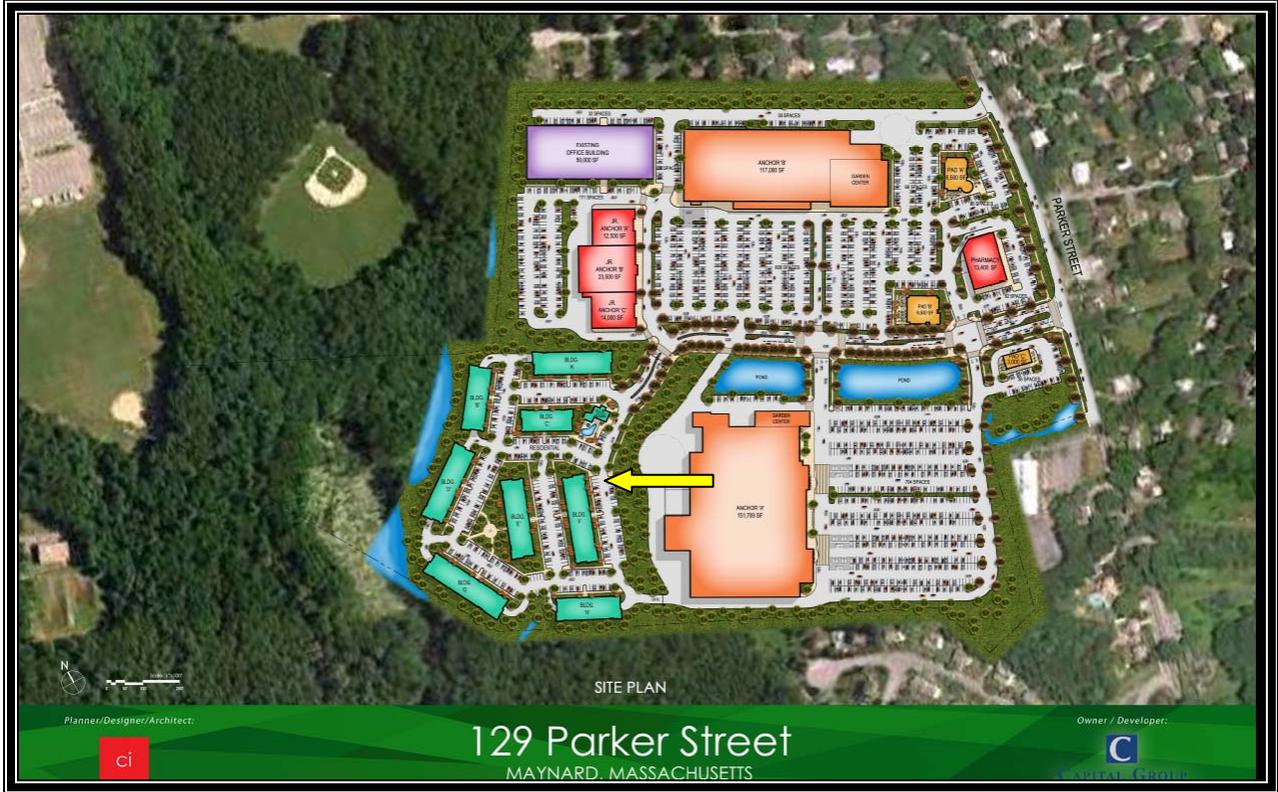


Looking West at Subject Site (Existing Conditions)



Looking East at Pond From the Subject Site

Site Plan: Aerial View



Arrow identifies the subject's apartment site

Rendering of Master Plan: Looking West From SR 27



Arrow identifies the subject's apartment site

The scope of services includes parameters for plans and property specifications of the proposed multifamily development. The market study has concluded that there is support for a proposed multifamily rental development totaling 250 units. Based on market comps, the recommended unit mix and size is as follows. Support for unit mix and unit sizes are provided in the following Exhibits.

As shown in the following Exhibit titled **Unit Mix**, based on a survey of eight developments, some 36% are 1 BR's , 5.6% are 1 BR + Den (Loft)'s, 47% are 2 BR's, and 11% are either 2 BR + Den/Loft or 3 BR units. None of the comps feature Studio units. The Study recommends a unit mix that basically reflects the overall parameters of the market survey. 40% of the recommended unit mix is 1 BR's and 1 BR + Den, 50% is 2 BR's, and 5% is 2 BR + Den/ 3 BR's. A recommendation for principally 2 BR units will appeal to a younger age cohort (age 25-34) who are seeking the extra space of a 2 BR unit, young families who are not ready to purchase their first home, and/or an empty-nester cohort (age 55-64 and 65-74) who may be "trading" down from a previous single-family home.

Unit sizes are well supported by the survey, as the "low" and "high" unit sizes recommended for the subject fall in the middle of the range of market comps.

Summary of Recommended Unit Mix and Distribution			
Unit Type	#	SF	% of Units
1 BR	88	750 - 800	35%
1 BR + Den	12	850 - 950	5%
2 BR	137	1,050 - 1,150	55%
2 BR + Den/ 3 BR	13	1,250 - 1,350	5%
Subtotal/ Average:		1,036	100%

Given the size and configuration of the site, the subject as-proposed will consist of a series of newly constructed three-story walk-up buildings with surface parking and a series of detached garages. There will also be a community building that would house a management office, clubhouse/community room, and fitness center.

The proposed unit mix should appeal to a number of target markets. The most common will be the young working professional (s) that likely make up one- to two-person households. This demographic typically has no children. The number of larger units - 2 BR and 2 BR + Den/ 3 BR -- may also attract some families and “empty-nesters”. Most new market-rate multifamily apartment communities have relatively few children, as families with young children (some at school age) typically seek “starter” housing as young children get to school-age. This demographic is the most likely group to have children at ages that may vary, so as not to materially impact the school system. Larger units may also be attractive to an age 55+ population who are looking to downsize from a primary residence. Such households don’t typically have children.

Analysis of Selected Rent Comparables														
Unit Mix														
		#						%						
Property	Municipality	Studio	1 BR	1 BR + Den	2 BR	2 BR + Den/3 BR	Total	Studio	1 BR	1 BR + Den	2 BR	2 BR + Den/3 BR	Total	
Subj.	129 Parker Street	Maynard	0	88	12	137	13	250	0.0%	35.0%	5.0%	55.0%	5.0%	100.0%
1	Concord Mews	Concord	0	66	66	103	115	350	0.0%	18.9%	18.9%	29.4%	32.9%	100.0%
2	Stone Gate Apartments	Marlborough	0	160	8	138	26	332	0.0%	48.2%	2.4%	41.6%	7.8%	100.0%
3	Avalon Orchards	Marlborough	0	69	0	87	0	156	0.0%	44.2%	0.0%	55.8%	0.0%	100.0%
4	Avalon Acton	Acton	0	174	18	170	18	380	0.0%	45.8%	4.7%	44.7%	4.7%	100.0%
5	Simrah Gardens	Hudson	0	29	0	115	14	158	0.0%	18.4%	0.0%	72.8%	8.9%	100.0%
6	Abbot Mill	Westford	0	46	6	58	20	130	0.0%	35.4%	4.6%	44.6%	15.4%	100.0%
7	Kensington at Chelmsford	Chelmsford	0	60	0	84	0	144	0.0%	41.7%	0.0%	58.3%	0.0%	100.0%
8	Princeton Commons	Chelmsford	0	36	0	72	0	108	0.0%	33.3%	0.0%	66.7%	0.0%	100.0%
	Total (#/%)		0	640	98	827	193	1,758	0.0%	36.4%	5.6%	47.0%	11.0%	100.0%

Analysis of Unit Size (SF)				
Floor Plan: 1 BR				
			Unit SF	
Comp #	Property	Municipality/State	Low	High
Subj.	129 Parker Street	Maynard	750	800
1	Concord Mews	Concord	701	799
2	Stone Gate Apartments	Marlborough	703	850
3	Avalon Orchards	Marlborough	851	851
4	Avalon Acton	Acton	723	985
5	Simrah Gardens	Hudson	717	760
6	Pilot Grove	Stowe	530	530
7	Abbot Mill	Westford	783	928
8	Kensington at Chelmsford	Chelmsford	797	797
9	Princeton Commons	Chelmsford	670	778
Statistical Analysis				
	Low		530	530
	High		851	985
	Average		719	809
Floor Plan: 1 BR + Den				
			Unit SF	
Comp #	Property	Municipality/State	Low	High
Subj.	129 Parker Street	Maynard	850	950
1	Concord Mews: <u>Loft</u>	Concord	845	925
2	Stone Gate Apartments: <u>Loft</u>	Marlborough	957	957
3	Avalon Orchards: <u>Loft</u>	Marlborough	1,073	1,073
4	Avalon Acton: <u>Loft</u>	Acton	1,076	1,204
7	Abbot Mill: <u>Den</u>	Westford	897	1,279
Statistical Analysis				
	Low		845	925
	High		1,076	1,279
	Average		970	1,088

Floor Plan: 2 BR				
			Unit SF	
Comp #	Property	Municipality/State	Low	High
Subj.	129 Parker Street	Maynard	1,050	1,150
1	Concord Mews	Concord	975	1,291
2	Stone Gate Apartments	Marlborough	1,073	1,234
3	Avalon Orchards	Marlborough	1,131	1,131
4	Avalon Acton	Acton	1,059	1,132
5	Simrah Gardens	Hudson	912	922
6	Pilot Grove: <u>Townhouse</u>	Stowe	964	964
7	Abbot Mill	Westford	932	1,324
8	Kensington at Chelmsford	Chelmsford	1,085	1,094
9	Princeton Commons	Chelmsford	1,030	1,076
Statistical Analysis				
	Low		912	922
	High		1,131	1,324
	Average		1,018	1,130
Floor Plan: 2 BR + Den/ 3 BR				
			Unit SF	
Comp #	Property	Municipality/State	Low	High
Subj.	129 Parker Street	Maynard	1,250	1,350
1	Concord Mews: <u>2 BR + Loft</u>	Concord	1,101	1,364
2	Stone Gate Apartments: <u>2 BR + Loft/ 3 BR</u>	Marlborough	1,340	1,366
3	Avalon Orchards: <u>2 BR + Loft</u>	Marlborough	1,142	1,142
4	Avalon Acton: <u>2 BR + Loft</u>	Acton	1,601	1,601
5	Simrah Gardens: <u>3 BR</u>	Hudson	1,060	1,060
6	Pilot Grove: <u>Townhouse: 3 BR Townhouse</u>	Stowe	1,215	1,215
7	Abbot Mill: <u>2 BR + Den</u>	Westford	1,305	1,396
Statistical Analysis				
	Low		1,060	1,060
	High		1,601	1,601
	Average		1,252	1,306

Recommendations for unit features and finishes are summarized below.

Kitchens

- Appliance package should include refrigerator, dishwasher, disposal, and microwave. Although stainless steel is recommended, most of the newer comps feature a black, white, or cream color.
- Cabinets: hardwood such as maple or oak.
- Countertops: Granite or laminate. A number of newer comps have granite, but most of the comps have laminate. This is one feature that can help “distinguish” the subject from comps.
- Flooring: Ceramic tile or good quality sheet goods. A number of newer comps are going with a laminate (Trade name “Pergo”) wood-like floor.
- Other: depending on unit size, an “island” for food preparation

Bathrooms

- Two bathrooms in all 2 BR and 2 BR + Den/ 3 BR units
- Good quality vanity with laminate, cultured marble, or “stone” top
- Good quality medicine cabinet with lighting above
- Shower/tub: fiberglass surround and/or shower with glass door
- Flooring: Ceramic tile

Other Features

- In-unit washers and dryers
- Good-sized walk-in closets
- Patios and/or balconies
- Surface parking with a target of 20% garage parking in the form of detached garages

Property Amenities

- Nicely appointed “clubroom” (community room) for tenant use and social functions
- Fitness/Exercise room
- On-site management office
- Additional tenant storage would not appear to be a market requirement, but could be a source of additional Other income

PRIMARY MARKET AREA

The Primary Market Area (hereafter referred to as the **PMA**) is one of the most important determinations in a Market Study. It helps define the area where “demand” will come from, and also identify areas of competitive supply. It considers linkages to the subject such as highways, employment centers, and demographic characteristics of communities. A PMA is typically based on where potential target residents **live**, but can also consider where prospective residents **work**. Maynard is a residential suburb located 22 miles northwest of Boston.

The PMA will consist of 12 communities located within an approximate 7.5- to 10- mile radius. Like Maynard, most are residential suburbs. The following set of **Exhibits** “sort” a number of demographic indicators for Maynard and the balance of communities. The estimated 2012 population of the PMA is just under 176,000. Most communities are smaller to mid-sized towns (under 20,000 population). The largest community is Marlborough (pop. 38,600). In terms of size, Maynard (at just over 10,000 persons) is one of the smaller communities in the PMA.

In terms of household income, Maynard (at \$85,100) has the lowest Average Household Income (AHI) of the 12 communities of the PMA. The communities of the PMA located to the east and south of Maynard are among the most affluent in the Boston metropolitan area. These include Weston, Lincoln, Sudbury, Wayland, Concord, Acton, and Boxborough. The AHI of the PMA is \$131,000, which places the subject some 35% lower than the PMA.

Median Housing Value (MHV) is another demographic indicator of a community’s relative desirability. With an estimated MHV of \$276,500, Maynard ranks 11th out of the 12 communities in the PMA, with the aforementioned more affluent communities well above Maynard. The PMA figure is just over \$436,000.

Renter-occupied housing units are a key criterion of demand for new rental housing. Communities in the PMA have a relatively low percentage of existing renter households. Maynard stands out, with over 26.0% of occupied units compared to just 22.5% in the PMA. Marlborough has the highest percentage of renters (at 38.7%).

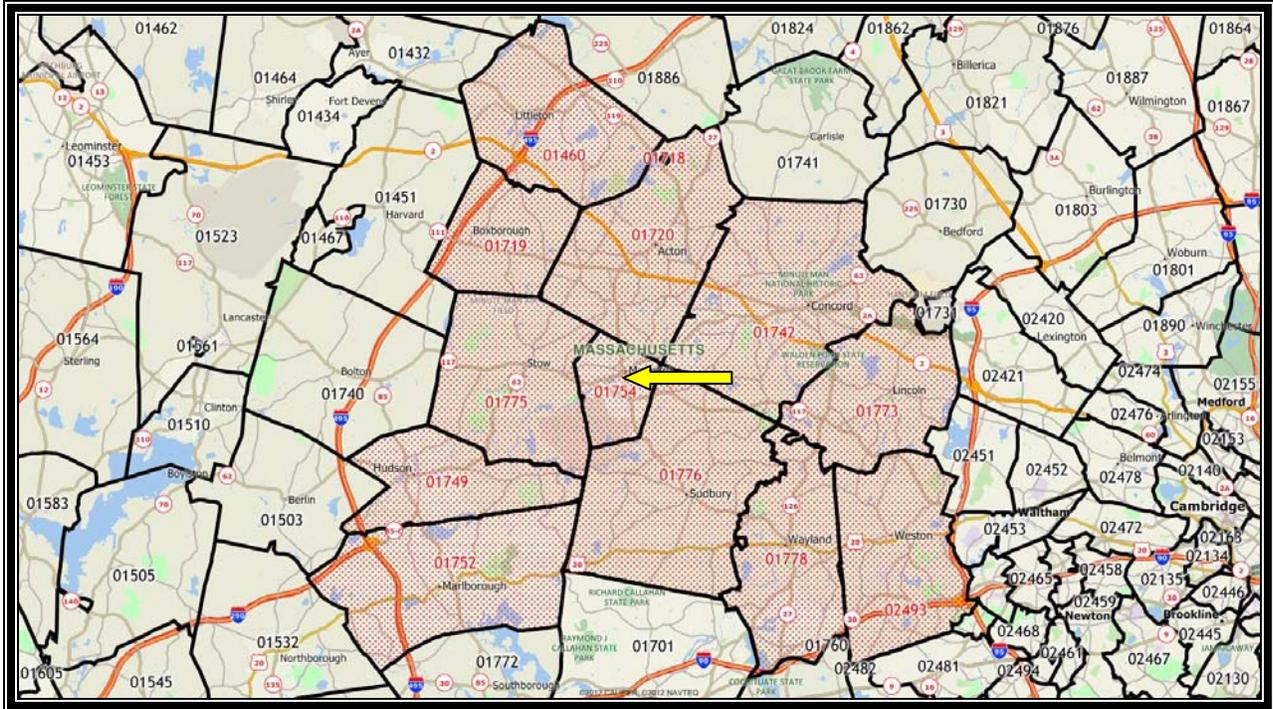
Exhibit : Cities and Towns Within the Primary Market Area (PMA)					
Data Sorted By:		Population			
Primary Market Area					
	2012	2012	2012	Housing Stock	
	Population	Household Income	Housing Value	% Renter-Occupied	
1	Marlborough	38,581	\$85,557	\$273,564	38.7%
2	Acton	22,262	\$141,282	\$470,696	19.2%
3	Hudson	19,206	\$86,373	\$279,388	26.2%
4	Sudbury	17,852	\$189,236	\$625,860	8.9%
5	Concord	17,799	\$159,630	\$657,032	19.9%
6	Wayland	12,927	\$167,774	\$591,924	10.0%
7	Weston	11,286	\$223,576	\$1,000,000	13.2%
8	Maynard	10,040	\$85,137	\$276,507	26.5%
9	Littleton	8,879	\$111,589	\$371,984	13.2%
10	Stow	6,751	\$135,039	\$432,687	11.9%
11	Boxborough	5,107	\$140,943	\$475,725	17.5%
12	Lincoln	5,010	\$193,013	\$802,325	16.7%
Subtotal: Primary Market Area		175,698			
Source: CBRE FastReport (Nielsen/Claritas)					

Exhibit : Cities and Towns Within the Primary Market Area (PMA)					
Data Sorted By:		Average Household Income (AHI)			
Primary Market Area					
	2012	2012	2012	Housing Stock	
	Population	Household Income	Housing Value	% Renter-Occupied	
1	Weston	11,286	\$223,576	\$1,000,000	13.2%
2	Lincoln	5,010	\$193,013	\$802,325	16.7%
3	Sudbury	17,852	\$189,236	\$625,860	8.9%
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11	Marlborough	38,581	\$85,557	\$273,564	38.7%
12	Maynard	10,040	\$85,137	\$276,507	26.5%
Subtotal: Primary Market Area			\$131,080		
Source: CBRE FastReport (Nielsen/Claritas)					

Exhibit : Cities and Towns Within the Primary Market Area (PMA)					
Data Sorted By:		Median Housing Value (MHV)			
Primary Market Area					
		2012	2012	2012	Housing Stock
		Population	Household Income	Housing Value	% Renter-Occupied
1	Weston	11,286	\$223,576	\$1,000,000	13.2%
2	Lincoln	5,010	\$193,013	\$802,325	16.7%
3	Concord	17,799	\$159,630	\$637,032	19.9%
4	Sudbury	17,852	\$189,236	\$625,860	8.9%
5	Wayland	12,927	\$167,774	\$591,924	10.0%
6	Boxborough	5,107	\$140,943	\$475,725	17.5%
7	Acton	22,262	\$141,282	\$470,696	19.2%
8	Stow	6,751	\$135,039	\$432,687	11.9%
9	Littleton	8,879	\$111,589	\$371,984	13.2%
10	Hudson	19,206	\$86,373	\$279,388	26.2%
11	Maynard	10,040	\$85,137	\$276,507	26.5%
12	Marlborough	38,581	\$85,557	\$273,564	38.7%
Subtotal: Primary Market Area				\$436,347	
Source: CBRE FastReport (Nielsen/Claritas)					

Exhibit : Cities and Towns Within the Primary Market Area (PMA)					
Data Sorted By:		Housing Tenure (% Rental)			
Primary Market Area					
		2012	2012	2012	Housing Stock
		Population	Household Income	Housing Value	% Renter-Occupied
1	Marlborough	38,581	\$85,557	\$273,564	38.7%
2	Maynard	10,040	\$85,137	\$276,507	26.5%
3	Hudson	19,206	\$86,373	\$279,388	26.2%
4	Concord	17,799	\$159,630	\$637,032	19.9%
5	Acton	22,262	\$141,282	\$470,696	19.2%
6	Boxborough	5,107	\$140,943	\$475,725	17.5%
7	Lincoln	5,010	\$193,013	\$802,325	16.7%
8	Weston	11,286	\$223,576	\$1,000,000	13.2%
9	Littleton	8,879	\$111,589	\$371,984	13.2%
10	Stow	6,751	\$135,039	\$432,687	11.9%
11	Wayland	12,927	\$167,774	\$591,924	10.0%
12	Sudbury	17,852	\$189,236	\$625,860	8.9%
Subtotal: Primary Market Area					22.5%
Source: CBRE FastReport (Nielsen/Claritas)					

Primary Market Area



LOCATION/NEIGHBOHOOD

Maynard is located in the broader “Metro-West” segment of the Boston metropolitan area some 22 miles northwest of the city of Boston. Although Maynard is not directly served by any limited access highways (SR 2, I-495, I-95/Route 128), there are a number of State highways that bisect the community including SR 27 (north-south) and SR 62/SR 117 (east-west). Maynard is bordered by Acton to the north, Stow to the west, Sudbury and Concord to the east, and Sudbury to the south.

The immediate neighborhood will be defined by the commercial uses planned for the “Master Planned” site. Along Parker Street (SR 27) is found a number of residential and light commercial uses. To the west of SR 27, the neighborhood is also characterized by significant open/green space found at Assabet River National Wildlife Refuge and a number of recreational fields used by the High School and Middle School. The following **Table** summarizes adjacent land uses.

Summary of Land Uses Adjacent to the Subject Property	
Land Use	
North	Master Plan: (Subject to successful permitting and future marketing), Retail “Junior” anchor portion totaling some 50,000 SF and an existing 50,000 SF office building (which may be donated to the Town). Further north is the site of the new High School currently under construction. Scheduled to open in the Fall of 2013, the approximately 122,000-square-foot school will serve 410 students.
East	Master Plan: (Subject to successful permitting and future marketing), Retail featuring a 152,000 SF “anchor” pad for a significant user. There is also a small man-made detention pond that runs along the entry road to the subject.
South	Open/ green space beyond which lies the Vose Hill residential subdivision. A number of recent sales of 4 BR Colonials have ranged from \$360,000 to \$415,000. Homes were built in the late 1980’s.
West	Open space and wooded areas owned by the Town of Maynard, beyond which lies the Assabet River National Wildlife Refuge, which encompasses 3.5 square miles in the towns of Maynard, Stow, Hudson, and Sudbury. Formerly part of Fort Devens, the U.S. Army transferred 2,230 acres to the U.S. Fish and Wildlife Service in 2000. Much of the land is for migratory bird conservation.

The subject site has average “linkages” to area highways and public transportation. The nearest limited access highway is SR 2 which is 4.5 miles to the north (via SR 27). As previously mentioned, the region’s two major beltways -- I-95 /Route 128 and I-495 -- are 10 miles and

8.7 miles respectively from the subject property. There are two commuter rail stations along the Fitchburg line. The closest station stop, West Acton, is 3.1 miles from the subject, while the West Concord station (closer to Boston) is 4.5 miles to the east. Travel time is 42 to 56 minutes to Boston's North Station. According to demographic data, only 3.1% of the Primary Market Area's (PMA's) workforce use public transportation to travel to work.

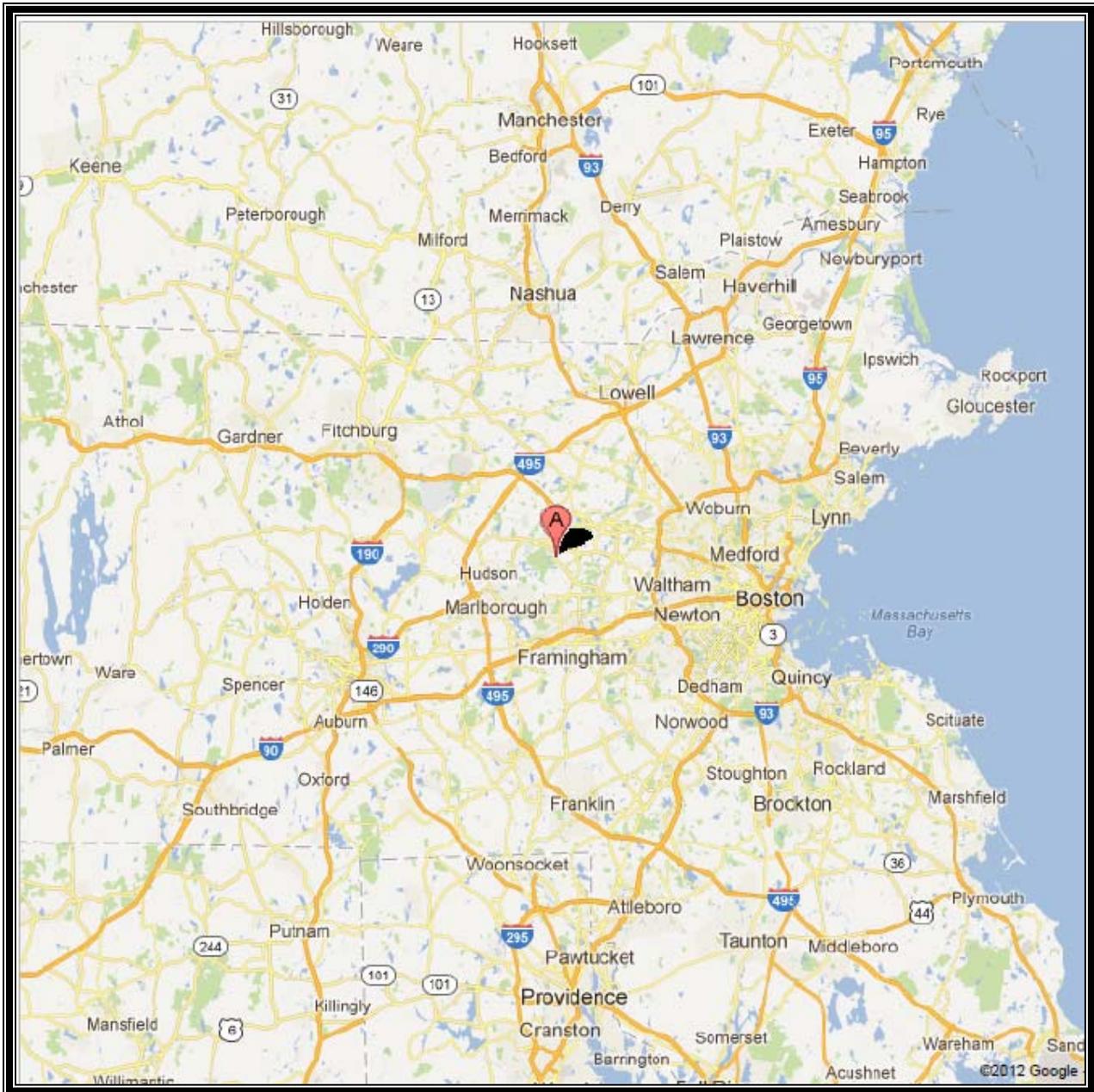
Nearby retail and restaurants are available in and around downtown Maynard about one mile to the north of the subject. There is both a CVS and Walgreen's located on Main Street (SR 62) about one mile from the subject. The nearest full-service supermarket is a Shaw's located in neighboring Stow 2.4 miles west via SR 117.

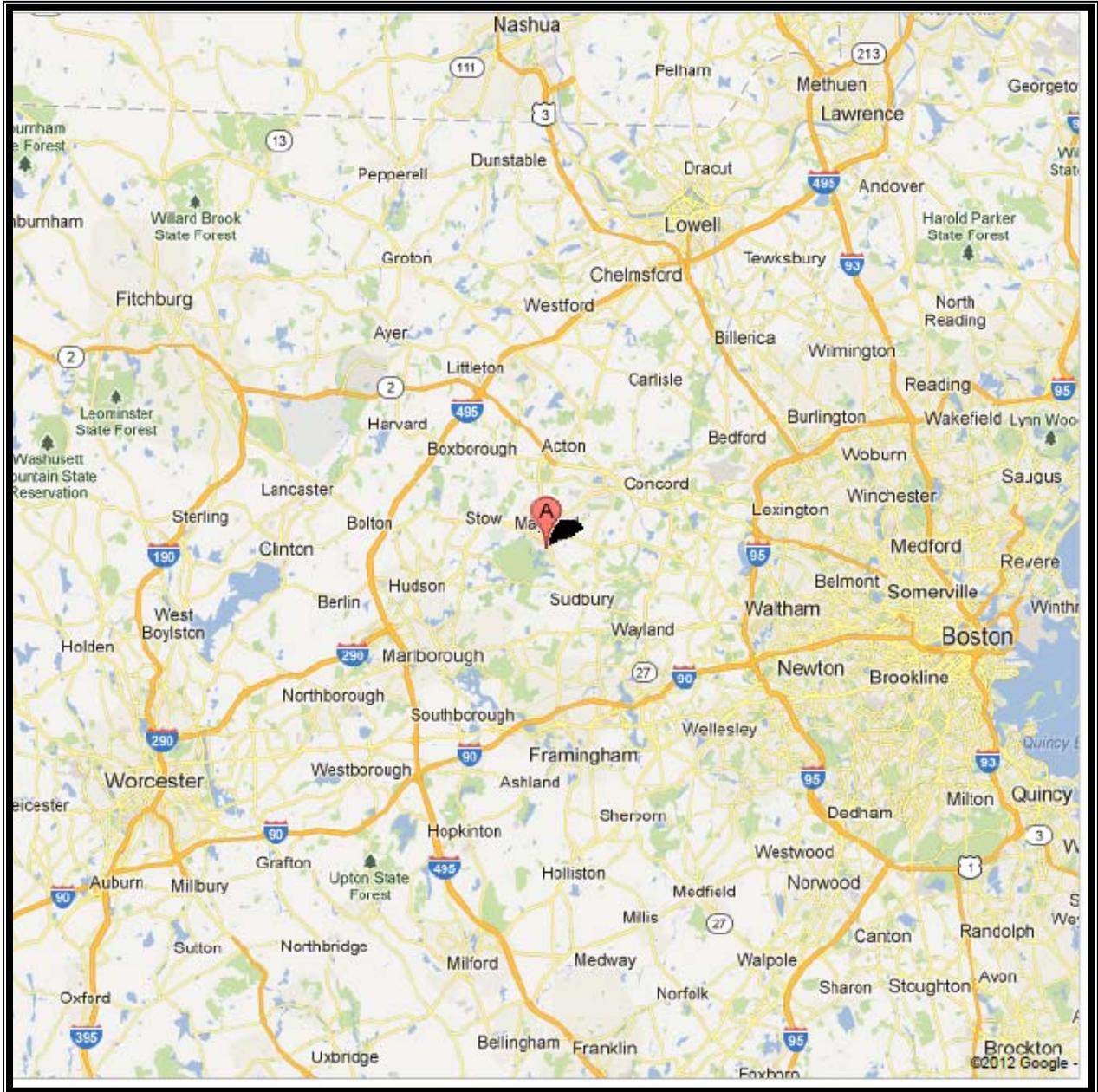
Schools area also conveniently located in relation to the subject site. The Green Meadow Elementary School is located one mile from the subject, while the Middle School and Maynard High School (new school under construction) are both located less than one mile from the subject via SR 27 north to SR 117/SR 62 west.

In summary, the immediate neighborhood should be suitable for a proposed multifamily rental development.

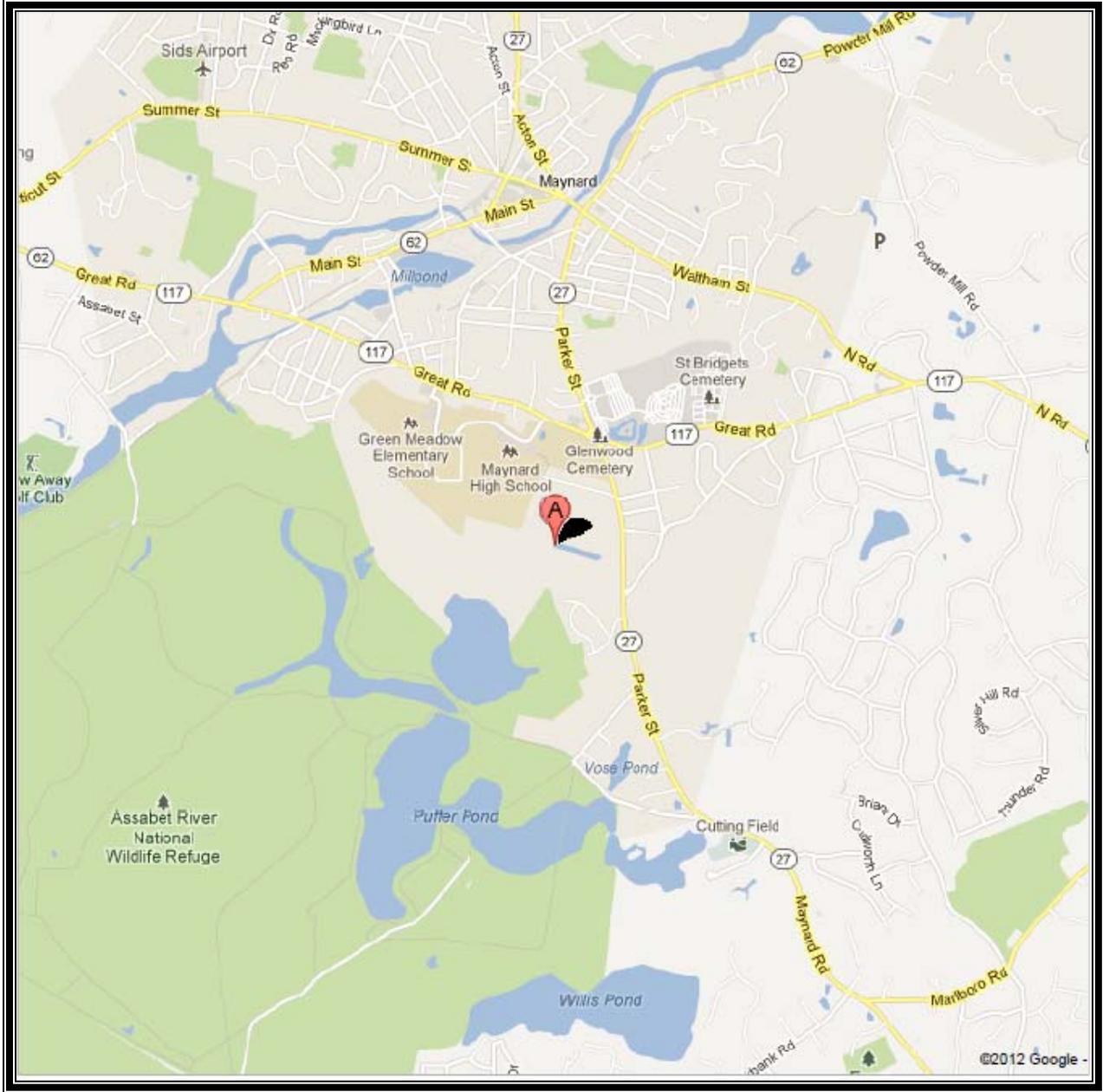
Maps

Regional Maps



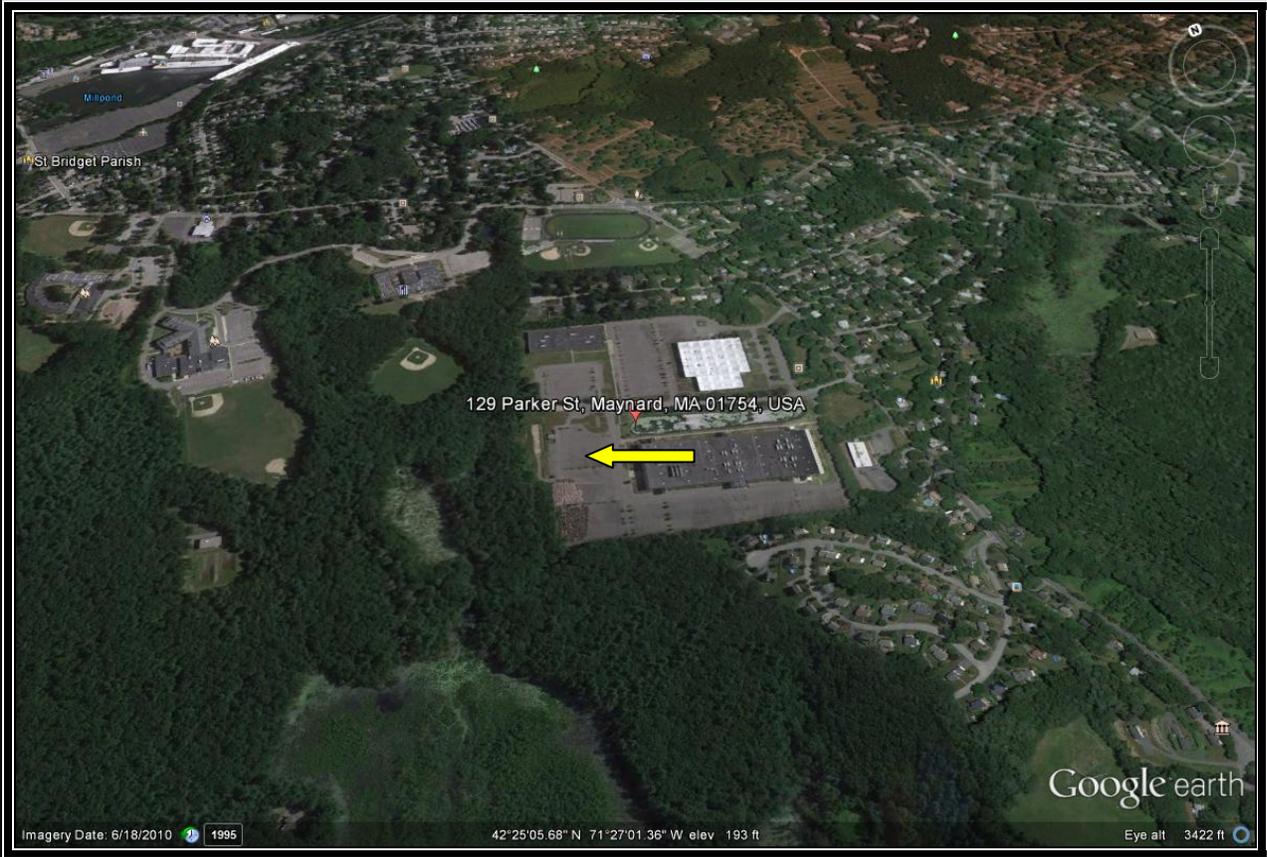


Neighborhood Map

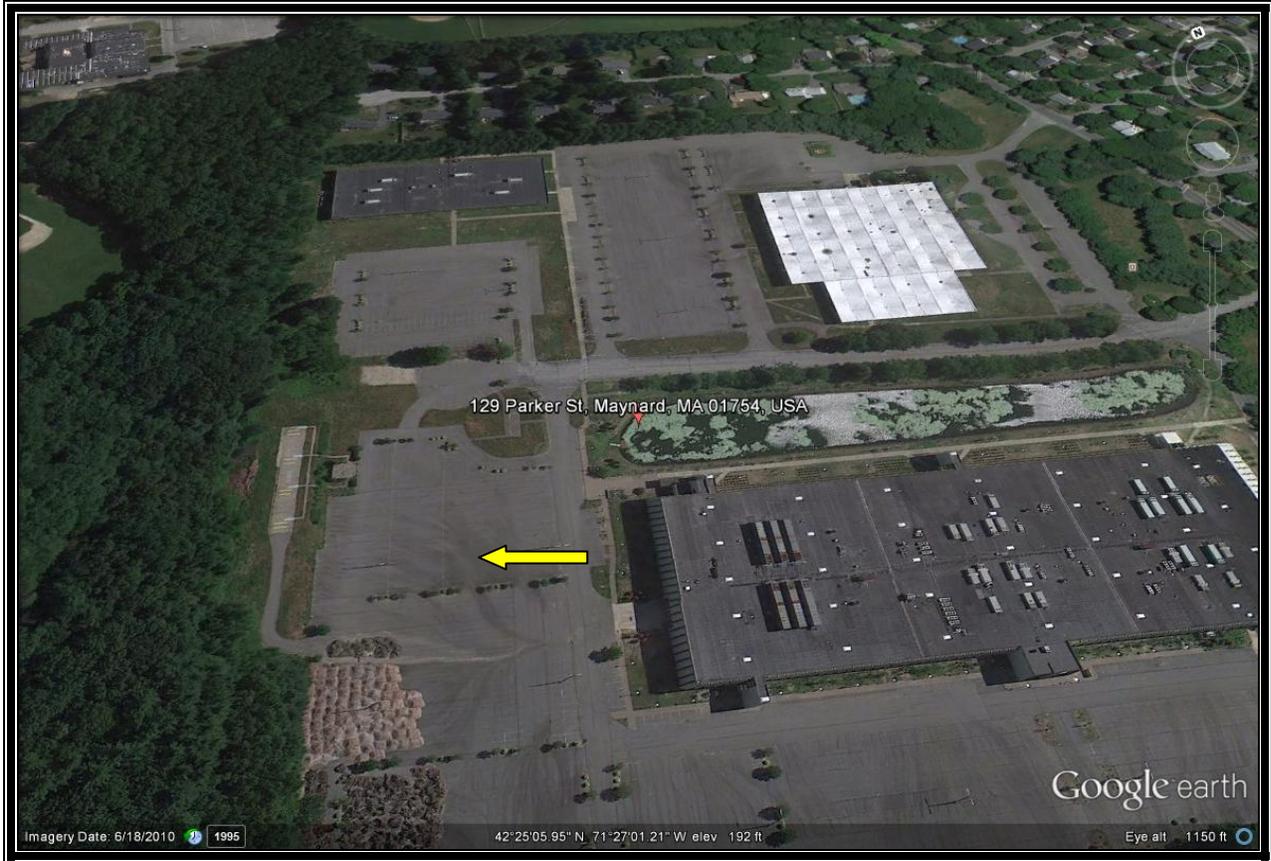


Aerial Maps

“Macro” View



"Micro" View



TRENDS IN SUPPLY AND DEMAND

Supply

Maynard is a community of predominantly owners, as 74% of housing units are owner-occupied. In comparison, close to 78% of the housing stock is owner-occupied in the PMA. In the PMA, there are just over 2,100 housing units in buildings containing 50 or more units. This makes up only 3.0% of the PMA's housing stock. In Maynard, less than 1.0% of the housing stock is in structures containing 50+ units. The area housing stock is on the older side, as just over 37% was built before 1960. Newer housing (defined as constructed after 1980) makes up just fewer than 31% of all structures in the PMA. In comparison to other more affluent communities in the PMA, Median Housing Value (MHV) is significantly lower in Maynard (\$276,507) compared to the PMA (by 36.7%) and the Boston metropolitan area (by 18.0%).

Exhibit						
Housing Units: 2012 Estimate						
Market Area	Maynard		Primary Market Area		Boston MSA	
Housing Units (Occupied)						
Owner Occupied	3,117	73.5%	51,504	77.5%	1,130,686	63.6%
Renter Occupied	1,121	26.5%	14,920	22.5%	646,995	36.4%
Total	4,238	100.0%	66,424	100.0%	1,777,681	100.0%
Housing Units in Structures						
1 Detached	2,871	64.6%	47,192	67.3%	917,180	48.2%
1 Attached	283	6.4%	4,330	6.2%	105,388	5.5%
2	253	5.7%	3,503	5.0%	217,269	11.4%
3 to 19	938	21.1%	10,125	14.4%	412,143	21.7%
20 to 49	79	1.8%	2,012	2.9%	91,631	4.8%
50+	21	0.5%	2,112	3.0%	134,495	7.1%
Mobile home, trailer, other	-	0.0%	797	1.1%	23,426	1.2%
Total	4,445	100.0%	70,071	100.0%	1,901,532	100.0%
Owner- Occupied Property Value						
Median Housing Value (2012)	\$276,507		\$436,347		\$337,005	
% Change: Mun. to Market Area			-36.6%		-18.0%	
Source: <u>CBRE FastReport</u> , Claritas Database						

Historically, multifamily units authorized by permits in the communities of the PMA have been spotty, with the best year (2005) yielding some 496 units. In most years, there were no multifamily units authorized by permit. The last significant development was in Concord, which is Concord Mews: Rent Comp #1 in the Rent Survey. The reported permit figure was 308 unit, but the total development is 350 units. In Maynard, only 28 units were authorized in 2008. (see the following Exhibit).

Exhibit : Building Permits in Cities and Towns Within the Primary Market Area (PMA)											
Housing Type	Multi-Family										
Primary Market Area										YTD 2011	YTD 2012
	2005	2006	2007	2008	2009	2010	2011				
1 Acton											
2 Boxborough											
3 Concord						308					
4 Hudson	140										
5 Lincoln			30								
6 Littleton	15										
7 Marlborough	341										
8 Maynard				28							
9 Stow											
10 Sudbury											
11 Wayland											
12 Weston											
Subtotal: Primary Market Area	496	0	30	28	0	308	0	0	0	0	0
Source: C-40 Reports, U.S. Department of Commerce											

In the Boston MA-NH, PMSA, multifamily units authorized by permit averaged approximately 1,900 units per year between 1996 and 2003. Under the new “expanded” definition of the Boston PMSA, multifamily units authorized by permit since 2004 have averaged over 4,500 units. Multifamily permits “peaked” in 2005 at close to 8,000 units. In the past five years, permits have declined to 6,400 units in 2006, to 5,200 units in 2007, to 3,800 units in 2008, and 2,000 units in 2009. In 2010, there was an increase to 2,557, before falling to just over 2,300 units in 2011. Year-to-date (October 2012), multifamily permitting activity has more than **doubled** from 1,534 units in 2011 to 3,282 units in 2012. This should be indicative of an increase in multifamily starts and completions going forward in 2012 and 2013. The following exhibit titled **Multifamily Housing Units Authorized by Permit** summarizes the data for the Boston metropolitan area (Boston, MA-NH, PMSA).

Housing Units Authorized by Permit						
Boston, MA-NH, PMSA*						
Market Area						
Boston, MA-NH, PMSA*						
Year	Total	% Change	1	% Change	5+	% Change
2012 YTD (Through Sept.)	6,407	67.6%	2,966	23.2%	3,036	148.2%
2011 YTD (Through Sept.)	3,823		2,408		1,223	
2011**	6,139	12.1%	3,394	10.4%	2,321	-9.2%
2010**	6,672	-12.6%	3,748	10.8%	2,557	24.9%
2009**	5,476	-28.3%	3,073	-9.1%	2,048	-46.0%
2008**	7,634	-32.1%	3,382	-36.2%	3,794	-27.4%
2007**	11,248	-19.2%	5,305	-14.0%	5,229	-18.3%
2006**	13,916	-20.2%	6,167	-25.9%	6,402	-19.1%
2005**	17,442	13.1%	8,318	1.4%	7,912	31.1%
2004**	15,423		8,204		6,037	
2003	9,039	25.2%	4,421	-6.7%	3,793	102.9%
2002	7,219	-5.7%	4,741	3.3%	1,869	-24.6%
2001	7,656	-4.2%	4,589	-9.5%	2,478	9.7%
2000	7,990	-4.3%	5,070	-11.9%	2,258	20.1%
1999	8,347	4.8%	5,758	-7.5%	1,830	56.3%
1998	7,967	6.2%	6,226	1.6%	1,203	26.0%
1997	7,504	2.9%	6,128	1.7%	955	-3.3%
1996	7,291		6,028		988	
Average Annual 1996 - 2003	7,877		5,370		1,928	
Average Annual 2004 - 2011	10,494		5,199		4,538	
<p>* The Boston PMSA includes a broad geographic region that covers portions of eight counties in the greater Boston metropolitan area.</p> <p>** As of 2004 the "Boston, MA-NH, PMSA" is no longer tracked. 2004-2010 YTD data reflects the "Boston-Cambridge-Quincy, MA-NH NECTA", which is a larger geographic area than the form PMSA. The number of permits for 2010 represent the "preliminary" total through December, but are not the official annual numbers reported by the Census Bureau. Therefore, 2010 has been excluded from the totals and averages above.</p> <p>Note: Annual % Changes are specific to the periods in which the geographic areas were the same (i.e 1996-2003 and 2004-2009).</p>						
Source: US Bureau of the Census C-40 Reports on New Privately Owned Units Authorized by Permits						

There has been limited new multifamily rental construction in the communities of the PMA over the past few years. The most notable new development is Concord Mews (350 units) in Concord, MA. It was completed in phases between February and November 2012, and is now 75% leased in just a 10.5-month period.

The following **Exhibit** summarizes research on the "pipeline" - developments both under construction and proposed. There are currently no multifamily rental projects under construction. In the "pipeline", 10 projects totaling 1,576 units were identified. The downturn in the economy and real estate market in 2008 and 2009 halted plans for a number of developments, and none appear to be close to breaking ground. Most are being permitted

under Chapter 40B, the Commonwealth's affordable housing law. There is one notable development in Maynard. This is Clocktower Place, which is being permitted for 300 units. There is limited information available on this development, since it has not formally submitted plans to the Town. It will reportedly be oriented to "workforce" housing catering to one-and two-person households. Most units will be Studios or "Loft"-style units with open floor plans.

Based on the status of permitting, a second Exhibit presents an estimated "time-line" for developments over a five-year forecast (2013 - 2017). None of the 10 projects have announced specific plans to break ground. Over the next three years (2013 - 2015), some 60% (940 units) of the total units in the pipeline (numbering 1,576) are assumed to come on-line, and will be considered in the projection of supply in the Capture and Saturation Rate analyses to follow.

Summary of Multifamily Rental Supply: Subject's Primary Market Area (PMA)						
Under Construction and Proposed.						
Project	City/Town	# of Units	Status	Developer	Probability	Permitting Status
Under Construction						
None						
Subtotal: Under Construction		0				
Proposed						
Clocktower Place	Maynard	300	In Permitting	Wellesley Rosewood	50.0%	Portion of existing mill. Concept is for "workforce" housing containing a mix of 1 BR (loft) units).
1620 Main Street	Maynard	24	Approved	MacDonald Dev.	50.0%	3-story market-rate development. Developer has built several other projects in Maynard -- 28 units and 26 units
The Residences at Beaver Brook	Boxborough	244	In Permitting	Gutierrez Co.	25.0%	Chapter 40B. Have received comprehensive permit, but will require additional permits for water & sewer
Cabot Ridge Apartments	Hudson	176	In Permitting	Conroy Dev. Corp.	25.0%	40B. Currently before the Zoning Board of Appeals (ZBA) for second public hearing. Town has sewer capacity concerns.
141-143 Broad Street	Hudson	33	Approved	Wildwater Development	75.0%	
Fifteen Great Road	Littleton	200	In Permitting	Omni Dev.	50.0%	40B. Located in Nagog Park. Is still under review. No approvals or break-ground date.
Brookview Village	Marlborough	225	In Permitting	Gutierrez Co.	90.0%	"Friendly" 40B. Approved with conditions. Two 4-story elevator buildings. Potential break ground in summer 2013.
Pilot Grove, Phase 2	Stow	38	Approved	The Community Builders	90.0%	Mixed-income development featuring tax-credit and market-rate units
Johnson Farm	Sudbury	120	In Permitting	Moss Development	50.0%	40 B. Is under appeal and in litigation by abutters. Garden-style development with 10 three-story walk-up buildings.
Rivers Edge, Route 20	Wayland	216	In Permitting	TBD	25.0%	Town-owned real estate that is currently being re-zoned. Town will issue an RFP to developers in the 3rd Quarter 2013.
Subtotal: Proposed		1,576				
Subtotal: Under Constr. & Proposed		1,576				

Summary of Multifamily Rental Supply: Primary Market Area							
Under Construction and Proposed							
Project	Municipality	2013	2014	2015	2016	2017	Total
Under Construction							
Proposed							
Clocktower Place	Maynard				150	150	300
1620 Main Street	Maynard	24					24
The Residences at Beaver Brook	Boxborough			244			244
Cabot Ridge Apartments	Hudson			176			176
141-143 Broad Street	Hudson	33					33
Fifteen Great Road	Littleton		200				200
Brookview Village	Marlborough	225					225
Pilot Grove, Phase 2	Stow		38				38
Johnson Farm	Sudbury				120		120
Rivers Edge, Route 20	Wayland				216		216
Subtotal : U/C & Proposed		282	238	420	486	150	1,576
Percent		18%	15%	27%	31%	10%	100%

Demand

The Town of Maynard's population declined by 3.2% last decade (2000 - 2012 estimated), after growing modestly (by 0.6%) in the 1990's. The Town's 2012 estimated population was 10,040 persons. Over the next five years, the community's population is projected to decrease slightly (by 0.7%). In comparison to Maynard, the PMA grew at a much higher rate in the 1990's (by 11.0%). Last decade, growth slowed to 5.0%. In the PMA, population will continue to grow modestly over the next five years (by 2.0%).

New household formation is a key determinant of housing demand. In 2012, there were some 66,400 households in the PMA. Over the next five years, the number of households will remain unchanged, while in the PMA, the number of households is forecast to grow by 2.5%. This data is presented in the following **Exhibit**.

Population and Households			
Market Area	Town of Maynard	Primary Market Area	Boston MSA
Population (#)			
1990 Census	10,314	150,694	4,133,884
2000 Census	10,371	167,285	4,391,330
2012 Estimate	10,040	175,698	4,581,111
2017 Projection	9,973	179,178	4,663,297
Population (% Change)			
1990-2000	0.6%	11.0%	6.2%
2000-2012	-3.2%	5.0%	4.3%
2012-2017	-0.7%	2.0%	1.8%
Households (#)			
1990 Census	4,046	54,491	1,539,049
2000 Census	4,273	61,767	1,679,655
2012 Estimate	4,238	66,424	1,777,681
2017 Projection	4,238	68,115	1,819,472
Households (% Change)			
1990-2000	5.6%	13.4%	9.1%
2000-2012	-0.8%	7.5%	5.8%
2012-2017	0.0%	2.5%	2.4%
Average Household Size (#)			
1990 Census	2.55	2.77	2.69
2000 Census	2.43	2.71	2.61
2012 Estimate	2.37	2.65	2.58
2017 Projection	2.35	2.63	2.56
Growth Indicators 2012-2017			
Average Annual Growth (# of persons)			
Population	(13)	696	16,437
Households	-	338	8,358
Average Annual Growth (%)			
Population	-0.1%	0.4%	0.4%
Households	0.0%	0.5%	0.5%
Source: CBRE FastReport , Claritas Database.			

With the “aging” of the baby-boom population, the most significant population growth will be in the age 65-74 and 55-64 cohorts. In the PMA, the age 65-74 cohort is projected to grow by 24.9% between 2012 and 2017, which is slightly above the 22.3% growth rate forecast for the Town of Maynard. The age 55-64 cohort will grow by 16.4% over the next five years. The all-important age 21-34 cohort, the typical age of new household formation, is also projected to grow over the next five years by 5.0% in the PMA. However, this age cohort will decline by less than 1.0% in the Town of Maynard. The data on population trends for various age cohorts is summarized in the following Exhibit.

Exhibit		
Population and Age Cohorts		
Market Area	Town of Maynard	PMA
Age Cohort: 20 and Under		
2000 Census	2,681	48,461
2012 Estimate	2,723	50,519
2017 Projection	2,643	50,626
2000-2012 (% Change)	1.6%	4.2%
2012-2017 (% Change)	-2.9%	0.2%
Age Cohort: 21-34		
2000 Census	1,901	24,083
2012 Estimate	1,496	29,813
2017 Projection	1,484	31,297
2000-2012 (% Change)	-21.3%	23.8%
2012-2017 (% Change)	-0.8%	5.0%
Age Cohort: 35-44		
2000 Census	2,045	31,897
2012 Estimate	1,585	20,413
2017 Projection	1,297	18,583
2000-2012 (% Change)	-22.5%	-36.0%
2012-2017 (% Change)	-18.2%	-9.0%
Age Cohort: 45-54		
2000 Census	1,534	26,705
2012 Estimate	1,733	29,862
2017 Projection	1,715	26,291
2000-2012 (% Change)	13.0%	11.8%
2012-2017 (% Change)	-1.0%	-12.0%
Age Cohort: 55-64		
2000 Census	937	16,038
2012 Estimate	1,248	22,338
2017 Projection	1,415	26,011
2000-2012 (% Change)	33.2%	39.3%
2012-2017 (% Change)	13.4%	16.4%
Age Cohort: 65-74		
2000 Census	631	10,736
2012 Estimate	687	12,095
2017 Projection	840	15,111
2000-2012 (% Change)	8.9%	12.7%
2012-2017 (% Change)	22.3%	24.9%
Age Cohort: 75+		
2000 Census	642	9,366
2012 Estimate	567	10,659
2017 Projection	578	11,259
2000-2012 (% Change)	-11.7%	13.8%
2012-2017 (% Change)	1.9%	5.6%
Total Population		
2000 Census	10,371	167,286
2012 Estimate	10,039	175,699
2017 Projection	9,972	179,178
2000-2012 (% Change)	-3.2%	5.0%
2012-2017 (% Change)	-0.7%	2.0%

Source: **AgeTrend Report**, CBRE (Nielsen/Claritas)

Over the next five years, the number of renter-occupied households in the PMA is projected to increase annually by less than 1.0% (0.9%), an average annual increase of 142 new households. Owner-occupied households are projected to grow at a slightly lower average annual rate (0.7%) over the next five years, which translates into an average annual increase of 381 households/year (see the following Exhibit).

Exhibit			
Key Demographic Data: Primary Market Area			
Target Households: All Ages			
Year	2008	2013	2018
Households (#)		Current Year Estimate	Forecast
Housing Tenure			
Total Households: All Ages	64,216	67,608	70,226
% Change		5.3%	3.9%
Renter Households: All Ages (#)	15,979	16,708	17,420
Renter Households: All Ages (%)	24.9%	24.7%	24.8%
% Change		4.6%	4.3%
Renter Households: All Ages			
Average Annual Change (#): 2008 - 2013, 2013 - 2018		81	142
Average Annual Change (%): 2008 - 2013, 2013 - 2018		0.5%	0.9%
Owner Households: All Ages	48,237	50,900	52,806
Owner Households: All Ages (%)	75.1%	75.3%	75.2%
% Change		5.5%	3.7%
Owner Households: All Ages			
Average Annual Change (#): 2008 - 2013, 2013 - 2018		296	381
Average Annual Change (%): 2008 - 2013, 2013 - 2018		0.6%	0.7%
Source: "HISTA" Data, Ribbon Demographics, Claritas / Nielsen			

Household income is another important indicator of demand for rental housing. Estimated 2012 average household income (AHI) in the Town of Maynard is just over \$85,100. This is well below (by 35%) the AHI of \$131,100 recorded for the PMA as a whole. This again is due to the inclusion of very affluent communities located just to the south and east of Maynard. The Town's AHI is much more in line with the metropolitan area figure of \$88,900. Over the next five years, AHI in the Town is projected to increase at a slightly higher average annual rate (0.8%) compared to the PMA (0.5%) and the Boston metropolitan area (0.7%).

The PMA has a significantly higher percentage of upper-income households than the Town and Boston metropolitan area. Some 47.2% of the PMA's households have household income in

excess of \$100,000 compared to 33% in the Town and 30% in the metropolitan area (MSA). Conversely, a much lower percentage of households fall below \$50,000 (24.6%) in the PMA compared to the Town (33.0%) and MSA (37.5%). The following **Exhibit** titled **Household Income** summarizes the data for household income for the respective market areas.

Exhibit			
Income			
Market Area	Maynard	Primary Market Area	Boston MSA
Average HH Income (\$)			
2000 Census	\$65,784	\$112,693	\$72,148
2012 Estimate	\$85,137	\$131,080	\$88,933
2017 Projection	\$88,410	\$134,442	\$91,888
2012 Est. % Difference (Mun. to Market Area)		-35.0%	-4.3%
Average HH Income (% Change)			
2000 - 2012	29.4%	16.3%	23.3%
2012 - 2017	3.8%	2.6%	3.3%
Average HH Income (Avg. Ann. % Change)			
2000 - 2012	2.5%	1.4%	1.9%
2012 - 2017	0.8%	0.5%	0.7%
Distribution of Income, 2012 (# of HH's)			
< \$25,000	663	7,226	317,725
\$25,000-\$49,999	737	9,131	348,181
\$50,000-\$74,999	723	10,030	323,741
\$75,000-\$99,999	701	8,688	250,199
>\$100,000	1,414	31,351	537,835
Total	4,238	66,426	1,777,681
Distribution of Income, 2012 (%)			
< \$25,000	15.6%	10.9%	17.9%
\$25,000-\$50,000	17.4%	13.7%	19.6%
\$50,000-\$75,000	17.1%	15.1%	18.2%
\$75,000-\$99,999	16.5%	13.1%	14.1%
>\$100,000	33.4%	47.2%	30.3%
Total	100.0%	100.0%	100.0%

Source: **CBRE FastReport**, Claritas Database.

The Town of Maynard is part of the broader Boston-Cambridge-Quincy, MA-NH NECTA (New England City and Town Area). Employment data for the broader Boston-Cambridge-Quincy, MA-NH NECTA (New England City and Town Area) is provided in the following **Exhibit**. Between 2000 and 2011, the region's employment base declined by some 95,500 jobs, an annual decrease of 0.3% (compounded). In the early part of this decade, employment decreased each year between 2000 and 2004 (the previous economic downturn), before the last recovery began

in 2005. In subsequent years (2005 to 2008), annual employment increased each year. The highest annual rate of growth (1.4%) was in 2007. In 2009, the national recession greatly affected the regional economy, decreasing employment by 3.2%, or by some 79,500 jobs. Signs of an improving employment market were noted in 2010 as approximately 9,100 jobs were added, which represented an increase of 0.4% over 2009. Modest growth continued in 2011, as the regional employment base added 17,400 jobs, a 0.7% increase. **Employment gains have continued in 2012, as year-over-year (YoY), the economy grew by 1.9% (+46,900 jobs) in October 2012.** Worth noting is that all key employment sectors with the exception of Financial Activities and Government posted gains YoY, with the Construction and Services sectors leading the way with growth of 8.2% and 2.9%, respectively.

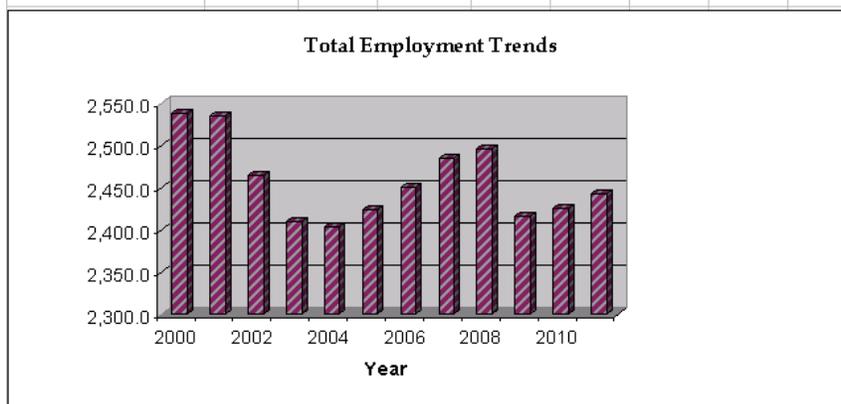
The following **Exhibits A, B, C: Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA Employment Annual Averages 2000-2011** summarizes the employment trends.

Employment													
Exhibit A													
Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA Employment: Annual Averages 2000-2011 (000's)													
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Compound Annual Change (2000-2011)
Total Employment	2,538.8	2,534.9	2,465.6	2,410.2	2,404.6	2,424.0	2,451.3	2,484.7	2,496.3	2,416.8	2,425.9	2,443.3	-0.3%
Manufacturing/Mining	297.2	286.9	256.6	238.8	231.5	227.7	224.4	222.5	217.0	198.6	195.3	195.9	-3.7%
Construction	96.7	103.1	104.1	100.4	100.6	101.3	101.9	99.7	96.3	81.2	77.7	79.2	-1.8%
Transportation/Utilities	74.4	72.5	67.7	65.9	63.5	62.0	61.3	62.3	62.4	60.2	60.7	60.9	-1.8%
Trade/Information	471.1	467.9	449.9	437.7	433.2	433.1	432.6	431.3	430.3	411.1	412.0	414.8	-1.2%
Financial Activities	191.7	195.5	191.9	186.6	183.2	186.2	188.4	189.1	186.1	178.5	173.6	172.3	-1.0%
Services	1,105.4	1,105.8	1,094.0	1,083.5	1,099.4	1,118.9	1,145.5	1,180.3	1,200.9	1,182.5	1,201.7	1,219.0	0.9%
Government	301.5	303.0	301.5	297.4	293.1	294.9	297.2	299.4	303.5	304.7	304.8	301.1	0.0%

Exhibit B												
Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA Employment: Annual % Change 2000-2011 (000's)												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	-2001	-2002	-2003	-2004	-2005	-2006	-2007	-2008	-2009	-2010	-2011	
Total Employment	-0.2%	-2.7%	-2.2%	-0.2%	0.8%	1.1%	1.4%	0.5%	-3.2%	0.4%	0.7%	
Manufacturing/Mining	-3.5%	-10.6%	-6.9%	-3.1%	-1.6%	-1.4%	-0.8%	-2.5%	-8.5%	-1.7%	0.3%	
Construction	6.6%	1.0%	-3.6%	0.2%	0.7%	0.6%	-2.2%	-3.4%	-15.7%	-4.3%	1.9%	
Transportation/Utilities	-2.6%	-6.6%	-2.7%	-3.6%	-2.4%	-1.1%	1.6%	0.2%	-3.5%	0.8%	0.3%	
Trade/Information	-0.7%	-3.8%	-2.7%	-1.0%	0.0%	-0.1%	-0.3%	-0.2%	-4.5%	0.2%	0.7%	
Financial Activities	2.0%	-1.8%	-2.8%	-1.8%	1.6%	1.2%	0.4%	-1.6%	-4.1%	-2.7%	-0.7%	
Services	0.0%	-1.1%	-1.0%	1.5%	1.8%	2.4%	3.0%	1.7%	-1.5%	1.6%	1.4%	
Government	0.5%	-0.5%	-1.4%	-1.4%	0.6%	0.8%	0.7%	1.4%	0.4%	0.0%	-1.2%	

Exhibit C												
Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA Employment: Monthly Average 2011-2012 (000's)												
	October 2011	As a % of Total Employ.	October 2012	As a % of Total Employ.	% Change							
Total Employment	2,467.8	100.0%	2,514.7	100.0%	1.9%							
Manufacturing/Mining	197.4	7.8%	200.8	8.0%	1.7%							
Construction	82.6	3.3%	89.4	3.6%	8.2%							
Transportation/Utilities	62.6	2.5%	62.3	2.5%	-0.5%							
Trade/Information	417.7	16.6%	420.5	16.7%	0.7%							
Financial Activities	171.7	6.8%	174.6	6.9%	1.7%							
Services	1,231.1	49.0%	1,266.5	50.4%	2.9%							
Government	304.7	12.1%	300.6	12.0%	-1.3%							

Source: Department of Employment Training, Commonwealth of Massachusetts



Twice a year, the New England Economic Project (NEEP) releases an economic forecast for the six New England states. The Fall 2012 forecasts were just released in December 2012 after the election. The highlights of the Massachusetts report are summarized below.

Executive Summary and Highlights: NEEP Forecast

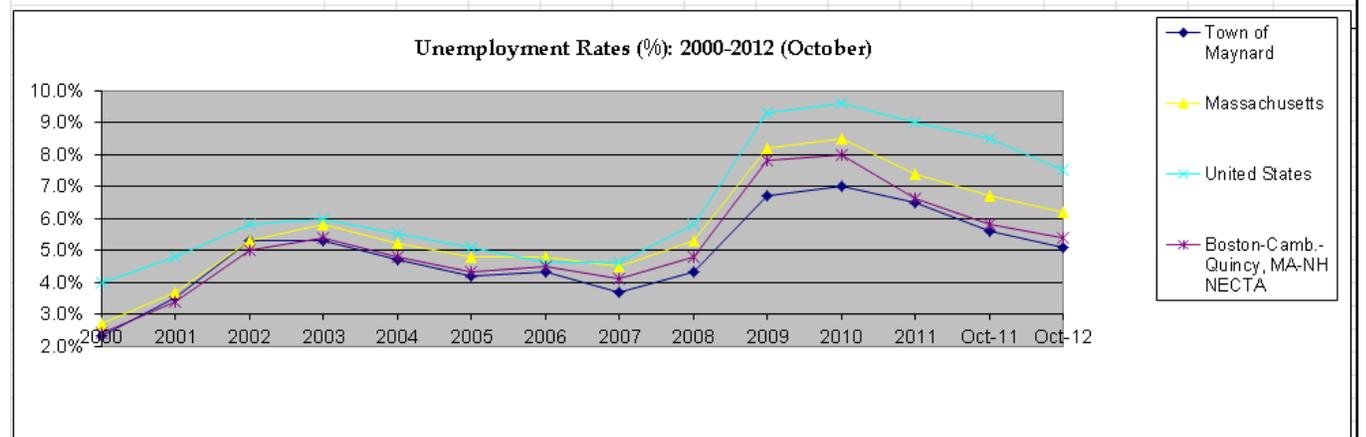
- “The Massachusetts economy is in the fourth year of the expansion that began in the summer of 2009. Real gross state product is 4.5% above its pre-recession peak, and 87% of the 143,000 jobs lost in the recession have been regained.
- The labor market has improved markedly since the recovery began. In addition to the job gains cited above, the state’s unemployment rate fell from a peak of 8.7% in December 2009 to 6.6% this October.
- In the third quarter of this year, however, the Massachusetts economy decelerated significantly.
- Growth in the Massachusetts economy is expected to slowly improve from its weak pace in the third quarter of this year to a more moderate pace in 2013, and then to expand robustly in 2014 and 2015.
- On a fourth-quarter to fourth-quarter basis, payroll employment is expected to grow 1.2% in 2012 and 0.8% in 2013. Employment growth in 2014 and 2015 will be close to 2.0% in each of those years, before declining in 2016 due to the aging of the workforce.
- Over the four and one-half year forecast period, from the third quarter of 2012 to the last quarter of 2016, overall payroll employment is projected to expand at an annual average rate of 1.4%.
- Employment in construction, professional and business services; information; leisure and hospitality; and education and health services will grow substantially faster than overall employment.
- The residential housing market finally appears to be past the bottom and on its way back. Prices have been rising moderately, sales have increased substantially, and most importantly, housing permits are running above last year.
- Houses will be as or more affordable than they were in the mid-1990s and early 1980s. Housing will still be relatively more expensive in Massachusetts than in the rest of the country, but not so expensive that it should lead to the same out-migration pressures that households experienced in the last expansion.
- Chances are that the state and the nation will be spared the recession that would result if Congress did nothing and the full impacts of “fiscal cliff” were to become reality. Moody’s Analytics puts the probability of this happening at only 15%, and the probability of a middle ground scenario, with a deal that avoids much of the short-term impacts, at 55%. This is the scenario assumed by this outlook.”

Source: New England Economic Project (NEEP), Alan Clayton-Matthews, Northeastern University, December 2012.

A second source of economic forecasting data is available for the Boston metropolitan area. According to the **Multi-Housing Outlook, Boston Q3, 2012** prepared by CBRE Econometric Advisors, the Boston metropolitan area’s employment base is projected to grow by about 1.0%/year (compounded) over the next five years. This will be an increase of some 177,000 jobs. In comparison, annual employment declined by just 0.1%/year in the past five years.

The following **Exhibit** presents “time-series” data on unemployment rates for various geographies on a “micro” to “macro” basis. An improvement in the economy is reflected in a drop in the unemployment rate over the past two years. Historically, the Town of Maynard’s unemployment rate has run below the regional, state, and national rates. With a current (October 2012) unemployment rate of 5.1%, Maynard’s rate dropped by 50 basis points “year-over-year” (compared to October 2011). The Boston metropolitan area’s unemployment rate stood at 5.4% as of October 2012, which is below both the State (6.2%) and national (US) rate (7.5%). The following **Exhibit** titled **Unemployment Rate** summarizes the data.

Exhibit														
Unemployment Rate (%)														
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Oct-11	Oct-12
Town of Maynard	2.3%	3.5%	5.3%	5.3%	4.7%	4.2%	4.3%	3.7%	4.3%	6.7%	7.0%	6.5%	5.6%	5.1%
Boston-Camb.-Quincy, MA-NH NECTA	2.4%	3.4%	5.0%	5.4%	4.8%	4.3%	4.5%	4.1%	4.8%	7.8%	8.0%	6.6%	5.8%	5.4%
Massachusetts	2.7%	3.7%	5.3%	5.8%	5.2%	4.8%	4.8%	4.5%	5.3%	8.2%	8.5%	7.4%	6.7%	6.2%
United States	4.0%	4.8%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	9.0%	8.5%	7.5%
Basis Point Difference														
Town to NECTA	-10	10	30	-10	-10	-10	-20	-40	-50	-110	-100	-10	-20	-30
Town to State	-40	-20	0	-50	-50	-60	-50	-80	-100	-150	-150	-90	-110	-110
Town to U.S.	-170	-130	-50	-70	-80	-90	-30	-90	-150	-260	-260	-250	-290	-240
Source: Rhode Island Department of Labor and Training														



The largest employers in a number of key communities are presented in the following **Tables** (Source: Massachusetts Executive Office of Labor and Workforce Development). The economic base is reasonably well diversified with a significant concentration of employers in the government, health care, manufacturing, and educational sectors.

Town of Maynard

Company Name	Address	City	State	Number of employees	NAICS Code
Emerson Hospital Home Care	Clock Tower Pl # 300	Maynard	MA	100-249	6216
Green Meadow Elementary School	Tiger Dr	Maynard	MA	100-249	6111
Market One Intl	Clock Tower Pl # 440	Maynard	MA	100-249	5416
State Police-Crime Laboratory	Acton St	Maynard	MA	100-249	9221
Stratus Technologies Inc	Powder Mill Rd	Maynard	MA	100-249	5415
Currier & Chives	Main St	Maynard	MA	50-99	7223
Epsilon Associates	Clock Tower Pl # 250	Maynard	MA	50-99	5413
Fisheve Software Inc	Clock Tower Pl # 400	Maynard	MA	50-99	4431
Fowler Middle School	Tiger Dr	Maynard	MA	50-99	6111
SHAREHOLDER.COM INC	Clock Tower Pl # 300	Maynard	MA	50-99	5182
Blue Covote Grill	Main St	Maynard	MA	20-49	7221
Epicurean Feast Cafes & Rest	Main St	Maynard	MA	20-49	4543
Federal Emergency Mgmt Agency	Old Marlboro Rd	Maynard	MA	20-49	9221
Hartnett Constable Svc	Dix Rd	Maynard	MA	20-49	5616
LPM Holding Co Inc	Main St	Maynard	MA	20-49	4543
Maynard High School	Tiger Dr	Maynard	MA	20-49	6111
Maynard Outdoor Store	Nason St	Maynard	MA	20-49	4511
Mc Donald's	Main St	Maynard	MA	20-49	7222
Prudential Prime Properties	Main St	Maynard	MA	20-49	5312
Quad Tech	Clock Tower Pl # 210E	Maynard	MA	20-49	3322
Romanow Packaging	Powder Mill Rd	Maynard	MA	20-49	3222
Verbatim Advisorv Group	Clock Tower Pl # 535	Maynard	MA	20-49	5416
Walgreens	Main St	Maynard	MA	20-49	4461
Welleslev Co	Clock Tower Pl # 200	Maynard	MA	20-49	5311
Wendy's	Powder Mill Rd	Maynard	MA	20-49	7222

City of Marlborough

Company Name	Address	City	State	Number of employees	NAICS Code
Raytheon Civil Communications	Boston Post Rd E	Marlborough	MA	1,000-4,999	3345
Acosta Sales & Marketing	Lizotte Dr	Marlborough	MA	500-999	4251
Digital Federal Credit Union	Donald Lynch Blvd	Marlborough	MA	500-999	5221
Dow Electronic Materials	Forest St	Marlborough	MA	500-999	3259
Marlborough Hospital	Union St	Marlborough	MA	500-999	6221
Intrepid Advisors LLC	Lakeside Ave # 402	Marlborough	MA	250-499	5412
Meadows Retirement Apartments	Hemenway St	Marlborough	MA	250-499	6231
Sunovion Pharmaceuticals Inc	Waterford Dr	Marlborough	MA	250-499	5417
Workspace Inc	Felton St	Marlborough	MA	250-499	5416
Adcole Corp	Forest St	Marlborough	MA	100-249	3345
Allora Ristorante	Lakeside Ave	Marlborough	MA	100-249	7221
Assabet Valley Regl Technical	Fitchburg St	Marlborough	MA	100-249	6111
Assabet Valley Vocational Schl	Fitchburg St	Marlborough	MA	100-249	6111
Best Buy	Donald Lynch Blvd	Marlborough	MA	100-249	4431
Best Western-Royal Plaza	Boston Post Rd W	Marlborough	MA	100-249	7211
Clear Point Funding	Lizotte Dr # 210	Marlborough	MA	100-249	5222
Diebold Inc	Cedar Hill St # 1	Marlborough	MA	100-249	4236
Embassy Suites	Boston Post Rd W	Marlborough	MA	100-249	7211
Environmental Fire Protection	Cedar Hill St	Marlborough	MA	100-249	3339
Hannaford Supermarket	Boston Post Rd W	Marlborough	MA	100-249	4451
Henry Pacific Plumbing & Htg	W Main St	Marlborough	MA	100-249	2382
Hologic Inc	Campus Dr	Marlborough	MA	100-249	3391
Home Depot	Boston Post Rd E	Marlborough	MA	100-249	4441
J.C. Penney Co	Donald Lynch Blvd	Marlborough	MA	100-249	4521
Kindred Transitional Care	Bolton St	Marlborough	MA	100-249	6231

Town of Sudbury

Company Name	Address	City	State	Number of employees	NAICS Code
Sudbury Farms	Boston Post Rd # 1	Sudbury	MA	250-499	4451
APC Pest & Termite Control	Summer St	Sudbury	MA	100-249	5617
Bosse Sports	Boston Post Rd	Sudbury	MA	100-249	7139
Cavicchio Greenhouses Inc	Codjer Ln	Sudbury	MA	100-249	4249
Curtis Middle School	Pratts Mill Rd	Sudbury	MA	100-249	6111
Lincoln Sudbury Regional	Lincoln Rd	Sudbury	MA	100-249	6111
Mass State Police Crime Lab	Horse Pond Rd	Sudbury	MA	100-249	9221
Methods Inc	Union Ave	Sudbury	MA	100-249	3332
Metro Van Lines	Union Ave	Sudbury	MA	100-249	4841
Shaw's Supermarket	Boston Post Rd	Sudbury	MA	100-249	4451
SPEC Center	Boston Post Rd	Sudbury	MA	100-249	6213
Staples Industrial	Union Ave	Sudbury	MA	100-249	4241
Sudbury Pines Extended Care	Boston Post Rd	Sudbury	MA	100-249	6231
Wayside Inn	Wayside Inn Rd	Sudbury	MA	100-249	7121
Wingate At Sudbury	Boston Post Rd	Sudbury	MA	100-249	6231
Adtech Systems	Boston Post Rd # 12	Sudbury	MA	50-99	4431
Bistro 20	Boston Post Rd	Sudbury	MA	50-99	7221
Camp Bauercress	Normandy Dr	Sudbury	MA	50-99	7212
Gibson Associates Inc	Boston Post Rd # 4	Sudbury	MA	50-99	4234
Haynes Elementary School	Haynes Rd	Sudbury	MA	50-99	6111
Loring Elementary School	Woodside Rd	Sudbury	MA	50-99	6111
Next Generation Children's Ctr	Boston Post Rd	Sudbury	MA	50-99	6244
Nib Inc	Twin Pond Ln	Sudbury	MA	50-99	6221
Nixon School	Concord Rd	Sudbury	MA	50-99	6111
Noves School	Old Sudbury Rd	Sudbury	MA	50-99	6111

Town of Concord

Company Name	Address	City	State	Number of employees	NAICS Code
Corrections Dept	Elm St	Concord	MA	500-999	9221
New England Deaconess Assn	Deaconess Rd	Concord	MA	250-499	8133
New England Deaconess Assoc	Newbury Ct	Concord	MA	250-499	6239
Bama Foods	Virginia Rd	Concord	MA	100-249	4244
Bullock's Nursing Svc	Main St # 225	Concord	MA	100-249	6216
Camp Thoreau Day Camp	Forest Ridge Rd	Concord	MA	100-249	7212
CASE Collaborative	Meriam Rd	Concord	MA	100-249	6111
Colonial Inn	Monument Sq	Concord	MA	100-249	7211
Concord Academy	Main St	Concord	MA	100-249	6111
Concord Country Club	Old Road To 9 Acre Cor	Concord	MA	100-249	8134
Concord Health Care Ctr	Old Road To 9 Acre Cor	Concord	MA	100-249	6231
Concord Hillside Med Assoc	Baker Ave	Concord	MA	100-249	6214
Concord-Carlisle High School	Walden St	Concord	MA	100-249	6111
Fenn School	Monument St	Concord	MA	100-249	6111
Hamilton Brook Smith Reynolds	Virginia Rd	Concord	MA	100-249	5411
Hunt Recreation Ctr	Stow St	Concord	MA	100-249	7139
Middlesex School	Lowell Rd	Concord	MA	100-249	6111
Nashawtic Country Club	Sudbury Rd # 2	Concord	MA	100-249	7139
Newbury Court	Newbury Ct # 1	Concord	MA	100-249	6233
Thoreau Club	Forest Ridge Rd	Concord	MA	100-249	7139
Walden Rehab & Nursing Ctr	Main St	Concord	MA	100-249	6243
Welch Foods Inc	Virginia Rd	Concord	MA	100-249	3119
Alcott Elementary School	Laurel St	Concord	MA	50-99	6111
Carlisle Concord Regional Sch	Meriam Rd	Concord	MA	50-99	6111
Coldwell Banker	Main St	Concord	MA	50-99	5312

Another indicator of demand is trends in housing prices. The “housing bubble” has, in part, contributed to a “spike” in demand for rental housing. With the fall in housing prices and the tightening of credit, more households are renting instead of buying homes. The following **Exhibit** titled **Residential Housing Market Trends: Town of Maynard** presents trends in housing prices in the Town on an annual basis (2003 to 2011) and year-to-date (November 2011 to November 2012). After moderate to solid annual growth between 2003 and 2006, housing values (median “all” sales prices) in Maynard decreased in 2008 and 2009. 2008 saw the most significant decline (-14.1%). 2010 was somewhat of a “rebound” year, as prices increased by close to 8.0%, before declining in 2011 (by 5.2%). Compared to the “peak” year of 2006 (\$330,000), the 2011 Median All Sales Price of \$275,000 is 12% lower. Year-over-year (through October 2012), median All sales prices have further declined by 10.2%.

In Maynard, the volume of “all sales” peaked at 254 transactions in 2003 before dropping to 127 in 2007. Since 2007, annual sales volume has fallen within a relatively tight range of 130 to 150 transactions. Indicative of an improving housing market is a significant “uptick” in sales volume year-over-year. Through November 2012, sales volume has increased by 17.3% in Maynard (from 133 sales in 2011 to 156 sales in 2012).

Exhibit
Residential Housing Market Trends
Town of Maynard

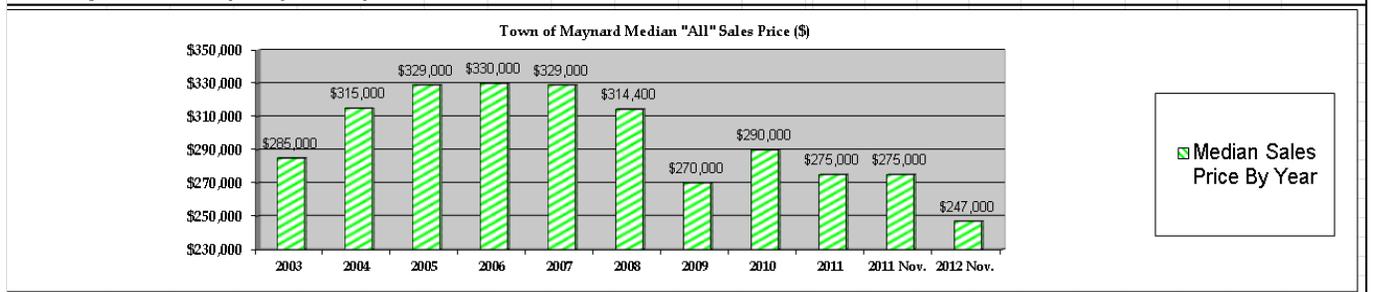
Town of Maynard Median Housing Sales Price (2003-2012 YTD)

Dwelling Type	2003-2011											2012											YTD (Nov.)	Comp. Annual Change (%)
	2003	2004	2005	2006	2007	2008	2009	2010	2011	Nov.	Nov.	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11					
Residential	\$295,000	\$330,750	\$357,450	\$354,950	\$333,000	\$318,000	\$280,000	\$302,000	\$298,500	\$296,000	\$272,250	12.1%	8.1%	-0.7%	-6.2%	-4.5%	-11.9%	7.9%	-1.2%	-8.0%	0.1%			
Condominium	\$267,500	\$290,000	\$298,500	\$295,000	\$279,450	\$272,000	\$227,000	\$239,000	\$237,250	\$240,000	\$203,900	8.4%	2.9%	-1.2%	-5.3%	-2.7%	-16.5%	5.3%	-0.7%	-15.0%	-1.5%			
All Sales	\$285,000	\$315,000	\$329,000	\$330,000	\$329,000	\$314,400	\$270,000	\$290,000	\$275,000	\$275,000	\$247,000	10.5%	4.4%	0.3%	-0.3%	-4.4%	-14.1%	7.4%	-5.2%	-10.2%	-0.4%			

Town of Maynard Sales Volume (2003-2012 YTD)

Dwelling Type	2003-2011											2012											YTD (Nov.)
	2003	2004	2005	2006	2007	2008	2009	2010	2011	Nov.	Nov.	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11				
Residential	165	138	114	106	85	83	101	93	98	88	102	-16.4%	-17.4%	-7.0%	-19.8%	-2.4%	21.7%	-7.9%	5.4%	15.9%			
Condominium	55	36	47	31	26	28	31	26	28	26	27	-34.5%	30.6%	-34.0%	-16.1%	7.7%	10.7%	-16.1%	7.7%	3.8%			
All Sales	254	207	185	159	127	133	149	137	146	133	156	-18.5%	-10.6%	-14.1%	-20.1%	4.7%	12.0%	-8.1%	6.6%	17.3%			

Source: Municipal Staff, The Warren Group. YTD figures are through October.



Housing trend information has been compiled for the West/Northwest Sub-market (the sub-market that includes Maynard) and the broader Boston Metropolitan market area. Historic (2005-2011) and projected (2012-2016) data are from REIS, a national market research firm specializing in real estate trends in virtually every metropolitan market area in the U.S. The following two Maps highlight the Boston Metropolitan Area and the sub-market.

Map of Boston Metro Area



Over the six-year period of 2005-2011, the total rental housing inventory in the sub-market increased by some 1,949 units, average annual growth of 325 units. This takes into account new supply and losses to the inventory due to demolition or condominium conversion. According to REIS data, the “net” rental inventory is projected to grow at a slightly lower average annual rate in the sub-market over the next five years with a projected increase of 1,415 units, average annual growth of 283 units. In the Boston Metropolitan Area over the prior six-year period, multifamily inventory increased by some 19,200 units, an average of just under 3,200 units annually. This is a 1.8% annual growth in overall inventory. The forecast over the next five years is for somewhat lower growth, as an average of just over 2,700 units/year is projected. This is an inventory growth rate of 0.3%/year.

Vacancy in the West/Northwest Sub-market progressively increased between 2005 and 2010. In 2005, the vacancy rate was at a low of 3.5% and increased to 5.9% in 2010. Improving market conditions resulted in a decrease in 2011 to 4.5%, which has continued through the 3rd Quarter of 2012, where the sub-market vacancy rate stood at 3.8%. Vacancy in the Boston Metropolitan has tracked somewhat lower, running in the 4.0% to 5.1% range over the past two years. As of the 3rd Quarter 2012, it has fallen to 3.6%.

Over the next four-years (2012 to 2016), the sub-market vacancy rate is forecast to increase to a still respectable 4.9% in 2013, before decreasing to 3.9% in 2016. In the Boston Metro Area, the vacancy rate is projected to decrease from 4.0% in 2011 to 3.2% in 2016. Like the sub-market, REIS is forecasting a gradual decline in the metropolitan area’s vacancy rate over the next four years.

In the sub-market, effective rents have increased from \$1,212 in 2005 to \$1,405 in 2011. Over this six-year period, this is an annual growth rate of 2.5% (compounded). After increasing each year between 2005 and 2008, effective rents decreased in 2009 by 3.7%, before increasing by 4.9% in 2010. Little change was evident in 2011 (+0.3%). Over the next five years (**2011 to 2016**), effective rents are predicted to grow at an annual rate of **4.6% per year** (compounded), which is significantly higher than the rate of growth for the prior six-year period. Historically, rents over the past five years followed a similar pattern in the Boston metropolitan area. The forecast over the next five years is for solid annual growth of 3.4%/year. This is a lower growth rate than the sub-market.

The following **Exhibit** titled **Housing Market Trends** summarizes the information from REIS, Inc. based upon inventory, vacancy, and effective rents for the West /Northwest Sub-Market and the Boston Metropolitan Area.

Historic data for the past five years (2006-2011) for Class A properties has also been obtained from REIS, Inc. The following **Exhibit** titled **Housing Market Trends** summarizes the information from REIS, Inc. based upon inventory, vacancy, and effective rents for the West /Northwest Sub-Market and the Boston Metropolitan Area.

Over the last five years (2006-2011), the total rental housing inventory of Class A apartment properties has increased by some 1,252 units, an average of 250 units/year. As of the 3rd Quarter 2012, there were a total of just under 8,000 units in this class. In the Boston Metropolitan Area, multifamily inventory of Class A product stood at just under 82,000 units.

Vacancy at Class A properties in the Sub-market stood at 4.4% in 2011, which is a notable decrease from the 6.3% rate recorded for 2010. In previous years, the sub-market Class A vacancy rate ran between 3.2% and 4.1%. As of the 3rd Quarter 2012, the sub-market vacancy rate fell to an impressive 3.8%. This is below the Class A vacancy rate of 4.2% for the Boston metropolitan area.

In the sub-market, asking rents at Class A properties increased from \$1,512 to \$1,676 between 2006 and 2011, an average increase (compounded) of 2.1%/year. This is higher than the annual rental growth rate of 1.0% in Boston metro.

Exhibit							
Housing Market Trends: All Units							
Market Area	West/Northwest Suburban			Boston Metropolitan			
	Sub-Market			Area			
Inventory		Net Change (#)	% Change		Net Change (#)	% Change	
2005	17,096	N/A	N/A	178,947	N/A	N/A	
2006	17,318	222	1.3%	183,798	4,851	2.7%	
2007	17,741	423	2.5%	188,417	4,619	2.6%	
2008	18,643	902	5.2%	192,510	4,093	2.2%	
2009	18,783	140	0.8%	196,483	3,973	2.1%	
2010	19,045	262	1.4%	197,579	1,096	2.6%	
2011	19,045	-	1.4%	198,115	536	0.8%	
Q3 2012	19,045			198,656			
Average Annual Change (#)		325			3,195		
2005-2011							
2012	19,113	68	0.4%	198,930	815	0.4%	
2013	20,010	897	4.7%	202,971	4,041	2.0%	
2014	20,259	249	1.2%	206,832	3,861	1.9%	
2015	20,319	60	0.3%	209,073	2,241	1.1%	
2016	20,460	201	2.2%	211,635	4,803	4.3%	
Average Annual Change (#)		283			2,704		
2011-2016							
Vacancy Rate	%			%			
2005	3.5%			4.7%			
2006	3.8%			5.5%			
2007	4.1%			5.7%			
2008	5.5%			6.0%			
2009	5.7%			6.4%			
2010	5.9%			5.1%			
2011	4.5%			4.0%			
Q3 2012	3.8%			3.6%			
2012	3.8%			3.5%			
2013	4.9%			3.4%			
2014	4.2%			3.3%			
2015	3.9%			3.3%			
2016	3.9%			3.2%			
Effective Rent		Net Change (#)	% Change		Net Change (#)	% Change	
2005	\$1,212	N/A	N/A	\$1,498	N/A	N/A	
2006	\$1,298	\$86	7.1%	\$1,565	\$67	4.5%	
2007	\$1,311	\$13	1.0%	\$1,600	\$35	2.2%	
2008	\$1,387	\$76	5.8%	\$1,652	\$52	3.3%	
2009	\$1,335	-\$52	-3.7%	\$1,600	-\$52	-3.1%	
2010	\$1,401	\$66	4.9%	\$1,649	\$49	3.1%	
2011	\$1,405	\$4	0.3%	\$1,686	\$37	2.2%	
Q3 2012	\$1,472			\$1,730			
2012	\$1,490	\$85	6.0%	\$1,748	\$62	3.7%	
2013	\$1,566	\$76	5.1%	\$1,812	\$64	3.7%	
2014	\$1,639	\$73	4.7%	\$1,878	\$66	3.6%	
2015	\$1,703	\$64	3.9%	\$1,939	\$61	3.2%	
2016	\$1,759	\$120	7.3%	\$1,994	\$116	6.2%	
Annual Change (Compounded)							
2005 - 2011	2.5%			2.0%			
2011 - 2016	4.6%			3.4%			

Source: **Market Trends Future Report**, REIS, Inc., Q3 2012

Exhibit						
Housing Market Trends						
Class A Properties						
Market Area	West/Northwest Suburban			Boston Metropolitan		
	Sub-Market			Area		
Inventory		Net Change (#)	% Change		Net Change (#)	% Change
2006	6,716	-	-	69,712		
2007	6,716	-	0.0%	73,521	3,809	5.5%
2008	7,566	850	12.7%	76,715	3,194	4.3%
2009	7,706	140	1.9%	80,261	3,546	9.2%
2010	7,968	262	3.4%	80,984	723	5.6%
2011	7,968	-	0.0%	81,520	536	0.7%
Average Annual Change (#)		250			2,362	
2006 - 2011						
2012 Q3	7,968			81,968		
Vacancy Rate	%			%		
2006	4.1%			8.3%		
2007	4.1%			7.3%		
2008	3.2%			7.3%		
2009	3.3%			7.8%		
2010	6.3%			5.9%		
2011	4.4%			4.7%		
2012 Q3	3.8%			4.2%		
Asking Rent		Net Change (#)	% Change		Net Change (#)	% Change
2006	\$1,512			\$2,074		
2007	\$1,551	\$39	2.6%	\$2,099	\$25	1.2%
2008	\$1,651	\$100	6.4%	\$2,193	\$94	4.5%
2009	\$1,591	-\$60	-3.6%	\$2,090	-\$103	-4.7%
2010	\$1,692	\$101	6.3%	\$2,152	\$62	3.0%
2011	\$1,676	-\$16	-0.9%	\$2,178	\$26	1.2%
2012 Q3	1,781			\$2,221		
Annual Change (Compounded)						
2006 - 2011	2.1%			1.0%		
Source: Market Trends Class Cut Report , REIS, Inc., Q3 2012						

To better assess market conditions on a more “micro” level, the directly competitive market was also surveyed. As shown in the following **Exhibit**, based on a market survey of six comparables totaling 1,181 units, the vacancy rate was calculated at 3.5%. This is in line with the Class A vacancy rate of 3.8% as of the 3rd Quarter 2012 (Source: REIS).

All of the above indicators would support a stabilized occupancy rate in the range of 5%.

Exhibit
Multifamily Market Rent Survey
Vacancy Rate Analysis: December 2012

Property	Municipality	# of	# of	Vacancy
		Total Units	Vacant Units(*)	Rate (%)
Subject: 129 Parker St.	Maynard	250		
Stone Gate Apartments	Marlborough	332	22	6.6%
Avalon Orchards (*)	Marlborough	156	4	2.6%
Avalon Acton (*)	Acton	380	13	3.4%
Simrah Gardens	Hudson	158	2	1.0%
Pilot Grove	Stow	60	1	1.0%
Design Pak Lofts	Marlborough	95	0	0.0%
Subtotal:		1,181	41	3.5%

(*) Avalon Bay does not disclose occupancy information. The vacancy rate figures are based on the last published figures as of 12/31/11 (Source: SEC 10K Filing).

Summary of Supply and Demand: Market-Rate Component

The first step in “qualifying” households is to determine the household income, which is based on standard underwriting of monthly rent not to exceed 30% of household income. This is summarized in the following **Exhibit**. Minimum required household income ranges from \$53,000 (1 BR units) to \$82,000 (2 BR + Den/3 BR).

Exhibit				
Estimate of Required Household Income: Market-Rate Units				
Unit Type	1 BR	1 BR + Den	2 BR	2 BR + Den/3 BR
# of Units at the Subject Property	88	12	137	13
Average Market Rent	\$1,313	\$1,475	\$1,800	\$2,046
Rent as % Of Income	30%	30%	30%	30%
Annual Income	\$52,500	\$59,000	71985.40146	\$81,846
Minimum Required Income (\$)	\$53,000	\$59,000	\$72,000	\$82,000

The following **Exhibit** summarizes the key “qualifying” criteria and number of households estimated for each key unit type (floor plan). The principal target market is existing renter-occupied households ranging from one- to two-persons (1 BR units) to 2-, and in some cases, 3- and

4-person households (2 BR + Den/ 3 BR units). To capture potential “empty-nesters” (age 55+), a small component (5% % for 2 BR and 2 BR + Den/ 3 BR units respectively) of owner-occupied households is assumed to be reasonable. This is intended to capture households trading “down” from a single-family residence.

Based on the analysis of demand, which “screens” qualified households by a number of variables including age, income, household size, and tenure, the calculated “qualified demand” in the Primary Market Area is summarized as follows:

1 BR:	5,240 households
1 BR + Den:	5,013 households
2 BR:	3,716 households
2 BR + Den/ 3 BR:	2,392 households

Exhibit					
Summary of "Qualified" Households "Cross-Tabulated" by Demographic Variables					
2013 Estimate					
Demand Characteristics					
Market-Rate Units					
Unit Type (Scenario)	Household Income (\$)	Housing Tenure	Age	Household Size (#)	# of Qualified Households
1 BR					
1 BR	>\$53,000	Renter	< 55	1 & 2	3,284
1 BR	>\$53,000	Renter	> 55	1 & 2	1,956
Subtotal					5,240
1 BR + Den					
1 BR + Den	>\$59,000	Renter	< 55	1 & 2	3,173
1 BR + Den	>\$59,000	Renter	> 55	1 & 2	1,840
Subtotal					5,013
2 BR					
2 BR	>\$72,000	Renter	< 55	2 & 3	2,501
2 BR	>\$72,000	Renter	> 55	2 & 3	768
Subtotal					3,269
2 BR	>\$72,000	Owner	> 55	2 & 3	8,938
(x) Percentage					5.0%
(=)					447
Subtotal					3,716
2 BR + Den/3 BR					
2 BR + Den/3 BR	>\$82,000	Renter	< 55	3 & 4	1,239
2 BR + Den/3 BR	>\$82,000	Renter	> 55	2 & 3	660
Subtotal					1,899
2 BR + Den/3 BR	>\$82,000	Owner	> 55	2 & 3	9,859
(x) Percentage					5.0%
(=)					493
Subtotal					2,392

Sources: "HISTA" Data, Ribbon Demographics

The next step in the analysis is to estimate the amount of existing (and proposed) supply that currently fulfills current estimated demand (as measured by the above-referenced qualified households). For market-rate units, this can be a difficult figure to estimate. The following **Exhibit** presents a number of “benchmarks” that identifies supply in the PMA. The first “cut” in determining competitive supply is all multifamily rental units found in structures ranging from 3-19 units to greater than 50+ units. Since structures containing 3-19 units may not be “competitive” with the subject property, only 50% of this segment is included. In the PMA, this totals some 9,187 units (or 13.1% of the total housing stock). A second “screen” is age of the housing stock. Units built after 1980 are assumed to be most competitive with new multifamily rental construction. Some 30.9% of the PMA’s housing stock was built after 1980. When applied to the 2,839 units.

The following Exhibit summarizes both the Capture Rate and Saturation (Supply Penetration) Rates, which are two key “metrics” that measure supply and demand conditions and the relative marketability of new construction (subject). The capture rate is the ratio of the number of proposed units at the subject to the “net” qualified demand as measured by total qualified demand less competitive supply. The lower the capture rate, the more favorable is the prospects for successful absorption of the subject’s units. Generally speaking, capture rates under 5.0% indicate very favorable prospects for marketability, while capture rates in the 5% to 10% range also indicate favorable prospects for absorption of new units. The saturation rate (also known as the supply penetration rate) is the ratio of current (and proposed) supply to total qualified demand. This is a measure of the relative degree to which supply currently satisfies demand. The lower the saturation rate, the greater the likelihood that supply is **not** currently satisfying qualified demand.

Exhibit		
Estimates of "Competitive" Supply: Primary Market Area:		Market-Rate Units
Supply Benchmarks		
Source: HISTA		
Total # of Renter-Occupied Households	16,708	
Renter-Occupied Inventory (%)	24.7%	
Housing Units in Structures		
1 Detached	47,192	67.3%
1 Attached	4,330	6.2%
2	3,503	5.0%
3 to 19 (50%)	10,125	14.4%
20 to 49	2,012	2.9%
50+	2,112	3.0%
Mobile home, trailer, other	797	1.1%
Total	70,071	100.0%
Subtotal:3-19 (50%) 20-49, and 50+	9,187	13.1%
(x) Subtotal: Built After 1980 (%)	30.9%	
(=) Competitive Rental Inventory	2,839	
Housing Units by Year Structure Built		
2000 or Later	6,521	9.3%
1990 - 1999	7,643	10.9%
1980 - 1989	7,524	10.7%
1970 - 1979	10,569	15.1%
1960 - 1969	11,847	16.9%
Built Before 1960	26,068	37.1%
Subtotal	70,172	100.0%
Subtotal: Built After 1980	21,688	30.9%

Estimated **capture rates** range from 2.0% or under for 1 BR, 1 BR + Den, and 2 BR + Den/ 3 BR units to 6.6% for 2 BR units. All are in the "acceptable" range and would suggest a favorable conclusion for the subject's 250 market-rate units. Likewise, the estimated **saturation rates** range from under 8% (1 BR + Den units) to 50% (2 BR units). For 2 BR units, this would suggest that one-half of qualified "demand" is being met by the available (and proposed) supply in the subject's Primary Market Area (PMA).

Exhibit				
Capture Rate & Saturation (Supply Penetration) Rate Analyses				
Market-Rate Units	250			
Unit Type	1 BR	1 BR + Den	2 BR	2 BR + Den/ 3 BR
# of Units at Subject to be Absorbed	88	12	137	13
Stabilized Occupancy (95%):				
# of Units at Subject to be Absorbed	84	11	130	12
Calculation of "Unmet" Demand				
# of Qualified Households	5,240	5,013	3,716	2,392
% Change: 2013 - 2015	1.7%	1.7%	1.7%	1.7%
(=) Qualified Households (2014)	5,329	5,098	3,779	2,433
(less) Supply				
Total Competitive Inventory (2012): Primary Market Area	2,839	2,839	2,839	2,839
(+) New Supply (2013-2015)	940	940	940	940
(=) Competitive Inventory (2012)	3,779	3,779	3,779	3,779
(x) % of Unit Mix (# of BRs)	30.0%	10.0%	50.0%	10.0%
(=) Directly Competitive Inventory (BR)	1,134	378	1,890	378
(-) Market Vacancy (%)	5.0%	5.0%	5.0%	5.0%
(=) Directly Competitive Inventory (95%)	1,077	359	1,795	359
(=) Net "Unmet" Demand	4,252	4,739	1,984	2,074
Capture Rate Formula				
(# of Units at Subject - Stabilized Occupancy)	84	11	130	12
(divided by) Net "Unmet" Demand	4,252	4,739	1,984	2,074
Capture Rate (%)	2.0%	0.2%	6.6%	0.6%
Saturation Rate Formula				
Directly Competitive Inventory	1,134	378	1,890	378
(divided by) Qualified Households	5,329	5,098	3,779	2,433
Saturation Rate (%)	21.3%	7.4%	50.0%	15.5%

Absorption

Absorption information has been collected for multifamily developments in suburban Boston, with particular emphasis on the western and northwestern suburbs of the Boston metropolitan area.

The data is presented in the following **Exhibit**. The data set would suggest average monthly absorption rates in the range of 10 to 15 units/month. The data from comps dates as far back as 2005. The newest development in the subject's PMA is Concord Mews. Located in Concord, this development has achieved one of the highest average monthly absorption rates in the market, as it has averaged 25 units/month since opening in February 2012. It stands at 75% occupancy.

The data would suggest a target average of **15 units/month**, which would support an absorption period of **17 months**. On the more "conservative" side, based on average monthly absorption of **12 units/month**, this would imply a lease-up period of close to **21 months**.

Exhibit							
Absorption Rates. Multifamily Rental Developments							
2005 - 2012							
Project	Location	Time Frame	# of Months	# of Units Total	Units Absorbed	Occupancy (%)	Absorption Units/Month
Boott Mills	Lowell, Ma	Jul-05	6.5	154	123	80.0%	19.0
		Jan-06					
Average: 2005							19.0
Windsor Green	Andover, MA	Apr-06	10	193	141	73.1%	14.1
		Jan-07					
Summit Place	Methuen, MA	Jun-06	29	280	266	95.0%	9.2
		Nov-08					
Stonegate Apartments	Marlborough, MA	Sep-06	18	332	320	96.4%	17.8
		Feb-08					
Casco Crossing	Andover, MA	Jul-06	13	96	96	100.0%	7.4
		Aug-07					
Average: 2006							12.1
Princeton Commons	Chelmsford, MA	Jun-07	7	108	103	95.0%	14.7
		Dec-07					
Princeton at Boston Road	Billerica, MA	Nov-07	15	156	148	94.9%	9.9
		Feb-09					
Average: 2007							12.3
Edgewood	North Reading, MA	Feb-08	16	406	386	95.1%	24.1
		May-09					
Grandview Apartments	Lowell, MA	Jun-08	6	85	76	89.4%	12.7
		Dec-08					
The Village at Taylor Pond	Bedford, MA	Oct-08	16	188	171	91.0%	10.7
		Jan-10					
Average: 2008							15.8
Kensington Court (28% Section 8 & 72% @ 60% AMI)	Lakeville, MA	Jul-09	6	100	100	100.0%	16.7
		Jan-10					
Lodge at Ames Pond (30% @ 70% AMI)	Tewksbury, MA	Aug-09	22	364	346	95.1%	15.7
		May-11					
Lofts at Perkins Place	Lowell, MA	Sep-09	13	183	183	100.0%	14.1
		Sep-10					
Village Green (20% @ 50% AMI)	Tewksbury, MA	Oct-09	8	56	53	94.6%	6.6
		Jun-10					
Fairways at LaBaron Hills (55+, 25% @ 30% AMI & 75% @ 60% AMI)	Lakeville, MA	Nov-09	6	56	51	91.1%	8.5
		May-10					
Average: 2009							12.3
The Hayes at Railroad Square Affordable: 50%, 60% & 80% AMI, 7% Market-Rate	Haverhill, MA	Sep-10	5	57	57	100.0%	11.4
		Feb-11					
Average: 2010							11.4

			#	# of			Absorption
		Time	of	Units	Units	Occupancy	Units/
Project	Location	Frame	Months	Total	Absorbed	(%)	Month
Alta at Indian Woods	Stoughton	Jan-11	10	154	143	92.9%	14.3
20% Affordable		Mar-11					
Avalon Cohasset	Cohasset	Aug-11	4	200	66	33.0%	16.5
25% Affordable		Nov-11					
Average: 2011							15.4
Monarch Place	Lawrence, MA	Feb-12	6	204	142	69.6%	23.7
100% market-rate		Jul-12					
Concord Mews	Concord, MA	Feb-12	10.5	350	263	75.1%	25.0
25% @ 70% AMI		Dec-12					
The Commons at Southfield	Weymouth, MA	March-12	10	226	205	90.7%	20.5
20% affordable at 80% - 120% AMI		Nov-12					
Abbot Mill	Westford, MA	May-12	8	130	100	76.9%	12.5
15% affordable (50% - 120% AMI)		Dec-12					
Sterling Place	Lakeville, MA	Sep-12	3.5	104	34	32.7%	9.7
100% Market-Rate (In Progress)		Dec-12					
Average: 2012							18.3
Average (2005-2012)				4,182	3,573	85.4%	13.7

RENT ANALYSIS

MARKET-RATE UNITS

The estimate of market rent will be based on a set of recommended plans and specifications, and are expressed in today's dollars (no trending). In order to evaluate some of the key differences between selected comparables and the subject, the analysis employed the adjustment grid used by the US Department of Housing and Urban Development (HUD) to establish market rents. A series of **Adjustment Grids** are presented in an Appendix to the report. Also included as an Appendix is a series of abstracts for each rent comp.

For the market rent analysis, a total of six comparable multifamily rental developments were identified. This totals just over 1,400 units. All are located in communities of the Primary Market Area (PMA) including Concord, Marlborough, Acton, Hudson, and Stow. As summarized in the following **Exhibit**, most are garden-style developments (two- to four stories), with only one (comp #5) containing elevators. Most floor plans are flats (one floor of living space), while a number of comps, particularly the AvalonBay developments (#3 and #4), featuring "Loft" units in 1 BR + Loft and 2 BR + Loft floor plans.

The following **Exhibit** summarizes general information on the six comps.

Analysis of Rent Comparables									
General Information									
#	Property	Municipality	# of Units	Year Built	# of Stories	Elevator	Type(s) of Units	Entry/ Building Design	Distance From Subject (Miles)
Subj.	129 Parker Street	Maynard	250	2013 -2014	3	No	Flats	Common or direct entry	
1	Concord Mews	Concord	350	2012	2- and 3	No	Flats, TH's	Common, direct entry (TH's)	3.9
2	Stone Gate Apartments	Marlborough	332	2006 -2007	3- and 4	No	Flats	Common	18.2
3	Avalon Orchards	Marlborough	156	2001	2-, 3- & 4	No	Flats, Lofts (Some)	Common	9.0
4	Avalon Acton	Acton	380	2007 -2008	4	No	Flats, Lofts (Some)	Common	8.6
5	Simrah Gardens	Hudson	158	2005	3- to 4	Yes	Flats	Common	12.2
6	Pilot Grove	Stow	60	1993	2- and 3	No	Flats, TH's	Direct entry: all units	3.8
	Subtotal:		1,436						

The following section will summarize some of the key adjustments made to the comps according to various Elements of Comparison.

Concessions: None of the comps are offering concessions. Therefore, no adjustments are required.

Overall Condition/Curb Appeal: As new construction, the subject should be in very good condition upon completion. Most of the comps are less than five to ten years old. Comps #2, #3, #5, and #6 are among the oldest developments, and are inferior to the subject (+\$25 to +\$75 adj.). Concord Mews (#1) and Avalon Acton (#4) are relatively similar to the subject (as new construction) (no adj.).

Unit Size (SF): The adjustment for unit size is based on differences in unit square footage. The comps were presented in an earlier section of the Market Study. The recommended SF for the subject's units are presented as a "range" from "Low" SF to "High" SF and are intended to be in the middle of the range of the comps. Adjustments for differences in unit size are based on \$25/100 SF.

Number of Bedrooms: No adjustments are required as the floor plans of the comps have the same number of bedrooms as the subject.

Number of Bathrooms: All units at the subject's 2 BR and 2 BR + Den units should have two full bathrooms. In the 2 BR and 2 BR + Den/3 BR survey, comp #6 has 1.5 baths, an inferior feature (+\$10 adj.).

Balcony/Terrace/Patio: It is recommended that the subject contain balconies, a feature found at all floor plans at each of the comps (no adj.).

Parking: Along with surface parking available at no charge, The Study recommends a number of detached parking garages that will be a source of additional rental income. At Concord Mews (#1), there are six garage spaces inside each building, which is a superior design feature (-\$25 adj.). Similarly, at Simrah Gardens (#5), there are "open air" garage spaces on the ground floor of each building, which is also superior to detached garages (-\$15 adj.). Pilot Grove (#6) has no garage parking, an inferior feature (+\$10 adj.).

Appliance Package: A stainless steel appliance package is recommended, although a number of newer comps have a black series of appliances. Assuming stainless steel appliances at the subject, an upward adjustment is made to comps with black appliances (+\$10 adj. to comps #2, #4, and #6))

and white appliances (+\$15 adj. to comps #3 and #5). Concord Mews (#1) has stainless steel appliances (no adj.).

Kitchen: The subject should have a standard set of appliances including dishwasher, disposal, and microwave. Adjustments were made as follows: disposal (+\$5 adj. to comp #6) and microwave (+\$10 adj. to comp #6). The subject's cabinets should be a good quality wood and countertops should be granite. Avalon Orchards (#3) has an inferior style cabinet (white) (+\$10 adj.). Four comps (#2, #3, #4, and #6) have laminate countertops (+\$10 adj.). Recommended kitchen flooring is a laminate ("wood-like") finish, which is becoming more common in new construction. Two comps (#3 and #6) have a sheet vinyl floor, an inferior feature (+\$10 adj.). Two (#2 and #4) have ceramic tile, a relatively similar finish (no adj.). Concord Mews (#1) has hardwood floors, a superior feature (-\$10 adj.), while Simrah Gardens (#5) has granite flooring, which is also a superior feature (-\$15 adj.).

Air-Conditioning: The subject should have central air-conditioning, a feature found at five of the six comps. Pilot Grove (#6) has no air-conditioning (+\$25 adj.).

Washer/Dryer: Like almost all new comps, the Study recommends in-unit washer and dryers, a feature found in five of the six comps. Comp #6 has central laundry, an inferior feature (+\$25 adj.).

Property Amenities: The Study recommends that the subject have a swimming pool, clubhouse with community room, and fitness center. These are standard features at new construction. Five of the six comps have a swimming pool, a feature lacking at comp #6 (+\$15 adj.). Comps #4 and #5 have a basketball court (-\$5 adj.). Five of the six comps have a clubhouse and fitness center. Again, comp #6 (Pilot Grove) does not have these amenities (+\$20 adj.).

Utilities: At the subject, it is recommended that all utilities be tenant-paid. The following **Exhibit** summarizes the utility arrangement at the comps along with some additional newer developments in the I-495 North and West market areas. All of the new comps in the subject's PMA have all tenant-paid utilities. Sewer is a landlord expense at Concord Mews (comp #1), and water and sewer is a landlord expense at Simrah Gardens (#5) and Pilot Grove (#6).

Analysis of Rent Comparables Utilities Included in Rent ("X")							
#	Property	Municipality	Heat	Hot Water	Cooking	Electricity	Water and Sewer
Subject	129 Parker Street	Maynard					
1	Concord Mews	Concord					Sewer (X)
2	Stone Gate Apartments	Marlborough					
3	Avalon Orchards	Marlborough					
4	Avalon Acton	Acton					
5	Simrah Gardens	Hudson					X
6	Pilot Grove	Stow	X	X			X
7	Abbot Mill	Westford	X ("Split" system)	X			X
8	Kensington at Chelmsford	Chelmsford	X				
9	Princeton Commons	Chelmsford					

Source: Property Managers

Location, Community: Difference in community can be measured by such demographic indicators as household income and housing value. The following Exhibit presents comparative data on Average Household Income (AHI) and Median Housing Value (MHV). Comps #1 (Concord), #4 (Acton), #8 and #6 (Stow) has superior demographics (-\$75 to -\$150 adj.). Comps #2 and #3 (Marlborough) and #5 (Hudson) have similar demographics (no adj.).

Analysis of Rent Comparables Location and Demographics						
#	Property	Municipality	Average Household Income (AHI), 2012 (\$)	Median Housing Value (MHV), 2012 (\$)	% Change AHI	% Change MHV
Subj	129 Parker Street	Maynard	\$85,137	\$276,507		
1	Concord Mews	Concord	\$159,630	\$657,032	-46.7%	-57.9%
2	Stone Gate Apartments	Marlborough	\$85,557	\$273,564	-0.5%	1.1%
3	Avalon Orchards	Marlborough	\$85,557	\$273,564	-0.5%	1.1%
4	Avalon Acton	Acton	\$141,282	\$470,696	-39.7%	-41.3%
5	Simrah Gardens	Hudson	\$86,373	\$279,388	-1.4%	-1.0%
6	Pilot Grove	Stow	\$135,939	\$432,687	-37.4%	-36.1%

Source: Demographic Report, Fast Report, Claritas /Nielsen, CBRE

Location: Neighborhood: Assuming retail development (as part of the proposed master plan), the subject will be close to a number of potential retailers, while still having open/green space to the west and south. Comps #1 -#4 are concluded to be in slightly inferior neighborhood settings,

which would warrant an upward adjustment (+\$10 to +\$25). Concord Mews (#1) has relatively poor visibility as it is accessible via a secondary street off SR 62.

Location, Transportation Linkages: The following Exhibit summarizes key linkages to area highways, commuter rail stations, and the city of Boston. The subject has somewhat average access to limited access highways in the market area (SR 2, I-95/Route 128, and I-495). Access to commuter rail service is also average. Maynard is pretty much equidistant to Boston’s inner and outer beltways, and is 22 miles northwest of Boston. A number of comps (#2 and #3) have superior highway access (-\$15 adj. to -\$25 adj.). Comp #6 has inferior highway access (+10 adj.). In terms of access to employment centers (Boston and inner and outer beltways), comp #1 (in Concord) is superior to the subject (-\$25 adj.). Comp #5 (in Hudson) is inferior to the subject (+\$25 adj.). The balance of comps is relatively similar (no adj.).

Analysis of Rent Comparables						
Linkages to Area Highways and Commuter Rail						
Comp #	Property	Municipality	Proximity to Nearest Highway	Proximity to Commuter Rail Station	Travel Time to Boston (North Station)	Distance to Boston (Miles)
Subject	129 Parker Street	Maynard	4.5 miles to SR 2, 8.7 miles to I-495, 10.0 miles to I-95 (Route 128)	3.1 miles to South Acton or 4.5 miles to West Concord	42 - 56 minutes	22
1	Concord Mews	Concord	2.75 miles to SR 2, 9.0 miles to I-495, 10.5 miles to I-95 (Route 128)	2.75 miles to West Concord	50 - 56 minutes	18
2	Stone Gate Apartments	Marlborough	0.5 miles to I-495	6 miles to Southborough	1 hour 13 minutes	27
3	Avalon Orchards	Marlborough	3.0 miles to I-495	7.1 miles to Southborough	1 hour 13 minutes	27
4	Avalon Acton	Acton	3.75 miles to I-495	5.25 miles to South Acton	42 - 56 minutes	25
5	Simrah Gardens	Hudson	1.3 miles to I-495	13.3 miles to Littleton/495	1 hour 4 minutes	28
6	Pilot Grove	Stow	8.0 miles to I-495	3.1 miles to South Acton	42 - 56 minutes	25

Elevator: Only Simrah Gardens (#3) has elevators, a superior feature (-\$25 adj.).

Miscellaneous: Simrah Gardens (#4) has a media/theater room, a superior feature (-\$10 adj.).

Summary of Market Rents

The schedule of estimated market rents are summarized in the following exhibits titled **Summary of Indicated Market Rents: Adjustment Grids**. Market rents are based on a range of

potential floor plans (“Low” and High”) for each of the floor plans -- 1 BR, 1 BR + Den, 2 BR, and 2 BR + Den/ 3 BR units. In summary, the conclusion of market rents for the subject is well supported by the indicated rents based on the **Adjustment Grids**.

1 BR Units

For the “**Low**” **SF units**, after accounting for various adjustments made to the six comps in the **Rent Adjustment Grid**, average indicated market rents range from just under \$1,180 to \$1,770. This is an average of **\$1,367**. On a rent/SF basis, the Low SF units range from \$1.57/SF to \$2.36/SF, an average of **\$1.82/SF**.

For the “**High**” **SF units**, after accounting for various adjustments made to the six comps in the **Rent Adjustment Grid**, average indicated market rents range from \$1,230 to over \$1,780. This is an average of **\$1,432**. On a rent/SF basis, the High SF units range from \$1.54/SF to \$2.22/SF, an average of **\$1.79/SF**.

The estimated market rents for the subject are **\$1,275** (Low SF unit at 750 SF) to **\$1,350** (High SF unit of 800 SF). This is **\$1.70/SF** and **\$1.69/SF** respectively. The estimated market rents are in the middle of the range of indicated rents supported by the Adjustment Grid.

Concord Mews (#1) sets the upper end of the range with indicated market rents in the range of \$1,575 to \$1,600. This is the newest Class A development in the subject’s PMA. With a location in Concord, it is superior to the subject.

Stone Gate (#2) is also one of the newer garden-style developments in the market area. With a location just off I-495, it is located further from Boston, but has strong linkages to employment centers found along I-495 in Marlborough and neighboring Westborough. It brackets the subject’s estimated market rents, as its indicated rents range from just over \$1,200 to \$1,380.

Avalon Orchard (#3) also sets the upper end of the survey range with indicated rents ranging from \$1,770 to \$1,780. This is an 11-year old garden-style development located in Marlborough

on Route 20, a busy commercial street. This rent may be misleading, as posted market rents (on AvalonBay's website) is based on available units. With limited availability, the posted "asking" rent (a benchmark of market rent) may be well above other recent leases (and other comps).

Avalon Acton (#4) also brackets the subject on the lower end, with its indicated rents ranging from about \$1,220 to \$1,335. This is a five-year old garden-style development located in Acton.

Simrah Gardens (#5) falls at the lower end of the survey range, with indicated market rents of just under \$1,180 to \$1,230. This is a garden-style elevator building constructed in 2005. It is in somewhat of a more outlying area close to I-495, Boston's outer beltway.

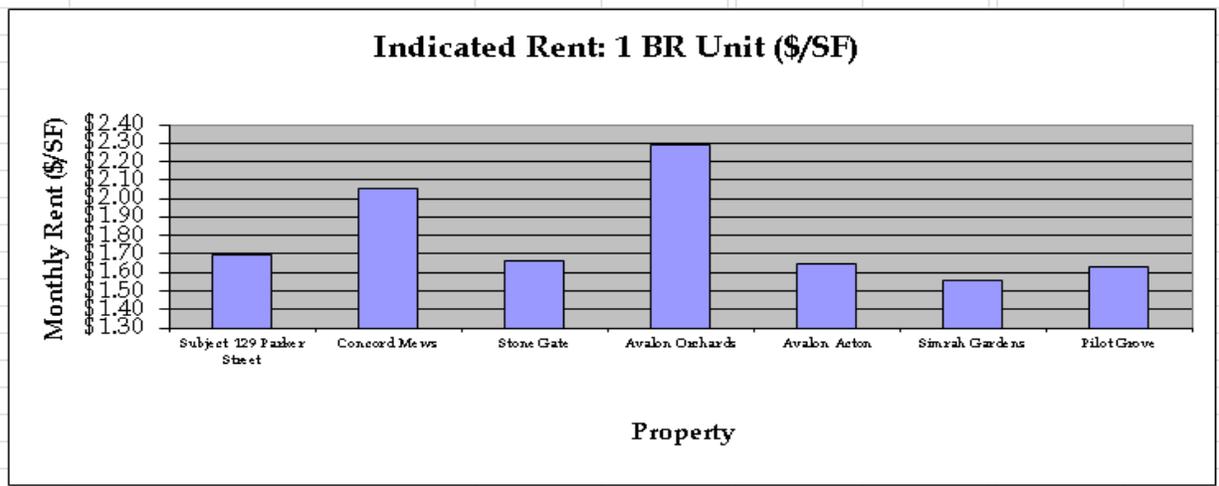
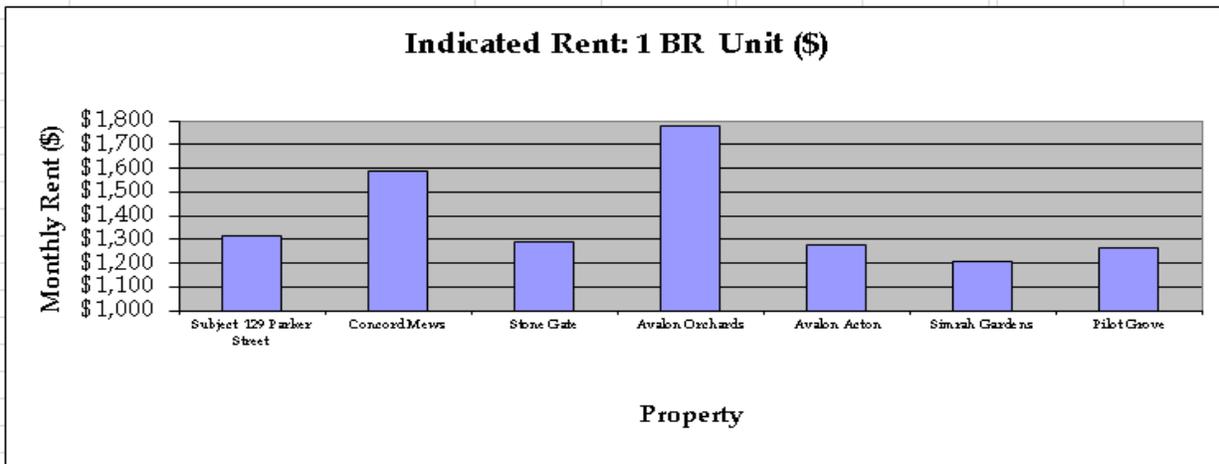
Pilot Grove (#6) also falls toward the lower end of the survey range. Its indicated rents range from \$1,256 to just under \$1,270, which falls just below the subject's "Low" end estimated market rent of \$1,275. This is an older garden-style development (1993) that is an inferior location and is also inferior to the subject in terms of physical condition.

Summary of Indicated Market Rents: Adjustment Grids

Unit Type: 1 BR

Comp #	Property	Square Feet		"Adjusted" Market Rent			
		Low	High	\$	\$/SF (*)	\$	\$/SF (*)
				Low SF	Low SF	High SF	High SF
Subj.	129 Parker Street	750	800				
Rent Comparables							
1	Concord Mews	719	780	\$1,578	\$2.10	\$1,600	\$2.00
2	Stone Gate	703	782	\$1,202	\$1.60	\$1,379	\$1.72
3	Avalon Orchards	851	851	\$1,770	\$2.36	\$1,780	\$2.22
4	Avalon Acton	723	840	\$1,217	\$1.62	\$1,335	\$1.67
5	Simrah Gardens	717	760	\$1,178	\$1.57	\$1,230	\$1.54
6	Pilot Grove	530	530	\$1,256	\$1.67	\$1,269	\$1.59
Subj.	Indicated Market Rent Range						
	Low	530	530	\$1,178	\$1.57	\$1,230	\$1.54
	High	851	851	\$1,770	\$2.36	\$1,780	\$2.22
	Average	705	745	\$1,367	\$1.82	\$1,432	\$1.79
	Conclusion of Market Rent			\$1,275	\$1.70	\$1,350	\$1.69

(*) The "Adjusted" Rent/SF for the comps is based on the **subject's square feet**, since an adjustment was made in the Rent Adjustment Grid to account for differences in unit size.



1 BR + Den Units

For the "Low" SF units, after accounting for various adjustments made to four comps (with a similar floor plan) in the Rent Adjustment Grid, average indicated market rents range from just under \$1,365 to \$2,050. This is an average of just under \$1,650. On a rent/SF basis, the Low SF units range from \$1.60/SF to \$2.41/SF, an average of \$1.94/SF.

For the "High" SF units, after accounting for various adjustments made to the four comps in the Rent Adjustment Grid, average indicated market rents range from just under \$1,420 to \$2,070. This is an average of \$1,694. On a rent/SF basis, the High SF units range from \$1.49/SF to \$2.18/SF, an average of \$1.78/SF.

The estimated market rents for the subject are \$1,450 (Low SF unit at 850 SF) to \$1,500 (High SF unit at 950 SF). This is \$1.71/SF and \$1.58/SF respectively. With only four comps having a similar floor plan, the results of the Adjustment Grid indicate a fairly broad range. The conclusion of market rent is intended to fall more in the middle of the range.

Concord Mews (#1) sets the upper end of the range with indicated market rents in the range of \$1,765 to \$1,850. This is the newest Class A development in the subject's PMA. With a location in Concord, it is superior to the subject.

Stone Gate (#2) is also one of the newer garden-style developments in the market area. With a location just off I-495, it is located further from Boston, but has strong linkages to employment centers found along I-495 in Marlborough and neighboring Westborough. It falls just below the subject's estimated market rents, as its indicated rents range from \$1,415 to \$1,440.

Avalon Orchard (#3) also sets the upper end of the survey range with indicated rents ranging from \$2,050 to \$2,070. This is an 11-year old garden-style development located in Marlborough on Route 20, a busy commercial street. This rent may be misleading, as posted market rents (on

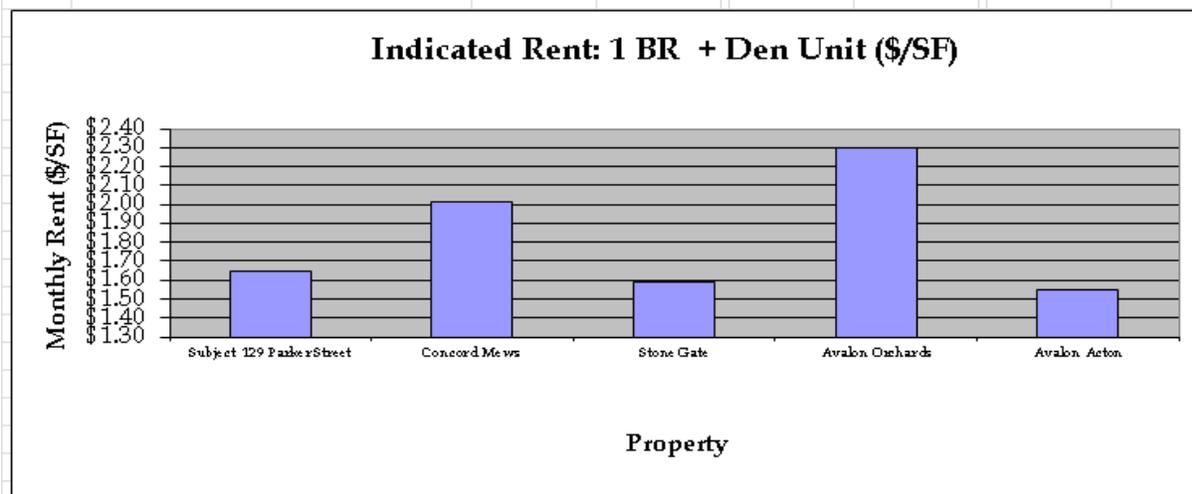
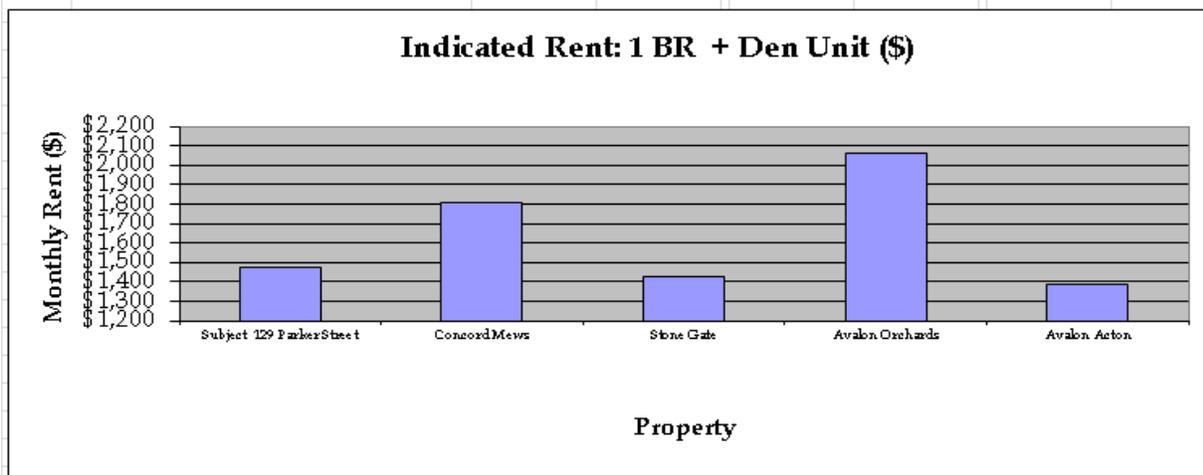
AvalonBay's website) is based on available units. With limited availability, the posted "asking" rent (a benchmark of market rent) may be well above other recent leases (and other comps).

Avalon Acton (#4) falls at the lower end, with its indicated rents ranging from about \$1,365 to \$1,420. This is a five-year old garden-style development located in Acton.

Summary of Indicated Market Rents: Adjustment Grids

Unit Type: 1 BR + Den		"Adjusted" Market Rent					
Comp #	Property	Square Feet		\$	\$/SF (*)	\$	\$/SF (*)
		Low	High	Low SF	Low SF	High SF	High SF
Subj.	129 Parker Street	850	950				
Rent Comparables							
1	Concord Mews	845	925	\$1,766	\$2.08	\$1,850	\$1.95
2	Stone Gate	957	957	\$1,415	\$1.67	\$1,440	\$1.52
3	Avalon Orchards	1,073	1,073	\$2,050	\$2.41	\$2,070	\$2.18
4	Avalon Acton	1,076	1,204	\$1,363	\$1.60	\$1,417	\$1.49
Subj.	Indicated Market Rent Range						
	Low	845	925	\$1,363	\$1.60	\$1,417	\$1.49
	High	1,076	1,204	\$2,050	\$2.41	\$2,070	\$2.18
	Average	1,075	1,139	\$1,649	\$1.94	\$1,694	\$1.78
Conclusion of Market Rent				\$1,450	\$1.71	\$1,500	\$1.58

(*) The "Adjusted" Rent/SF for the comps is based on the subject's square feet, since an adjustment was made in the Rent Adjustment Grid to account for differences in unit size.



2 BR Units

For the **“Low” SF units**, after accounting for various adjustments made to the six comps in the **Rent Adjustment Grid**, average indicated market rents range from just under \$1,300 to just under \$2,000. This is an average of just over **\$1,730**. On a rent/SF basis, the Low SF units range from \$1.23/SF to \$1.90/SF, an average of **\$1.65/SF**.

For the **“High” SF units**, after accounting for various adjustments made to the six comps in the **Rent Adjustment Grid**, average indicated market rents range from just under \$1,420 to just under \$2,150. This is an average of just under **\$1,825**. On a rent/SF basis, the High SF units range from \$1.23/SF to \$1.75/SF, an average of **\$1.58/SF**.

The estimated market rents for the subject are **\$1,750** (Low SF unit at 1,050 SF) to **\$1,850** (High SF unit of 1,150 SF). This is **\$1.67/SF** and **\$1.61/SF** respectively. The estimated market rents are in the middle of the range of indicated rents supported by the Adjustment Grid.

Concord Mews (#1) sets the upper end of the range with indicated market rents in the range of \$1,950 to close to \$2,150. This is the newest Class A development in the subject’s PMA. With a location in Concord, it is superior to the subject.

Stone Gate (#2) is also one of the newer garden-style developments in the market area. With a location just off I-495, it is located further from Boston, but has strong linkages to employment centers found along I-495 in Marlborough and neighboring Westborough. It provides very good support for the subject’s estimated market rents, as its indicated rents range from \$1,750 to just over \$1,820.

Avalon Orchard (#3) also sets the upper end of the survey range with indicated rents ranging from just under \$2,000 to \$2,015. This is an 11-year old garden-style development located in Marlborough on Route 20, a busy commercial street. This rent may be misleading, as posted market rents (on AvalonBay’s website) is based on available units. With limited availability, the

posted “asking” rent (a benchmark of market rent) may be well above other recent leases (and other comps).

Avalon Acton (#4) also provides good support for the subject’s market rents, with its indicated rents ranging from just over \$1,800 to \$1,900. This is a five-year old garden-style development located in Acton.

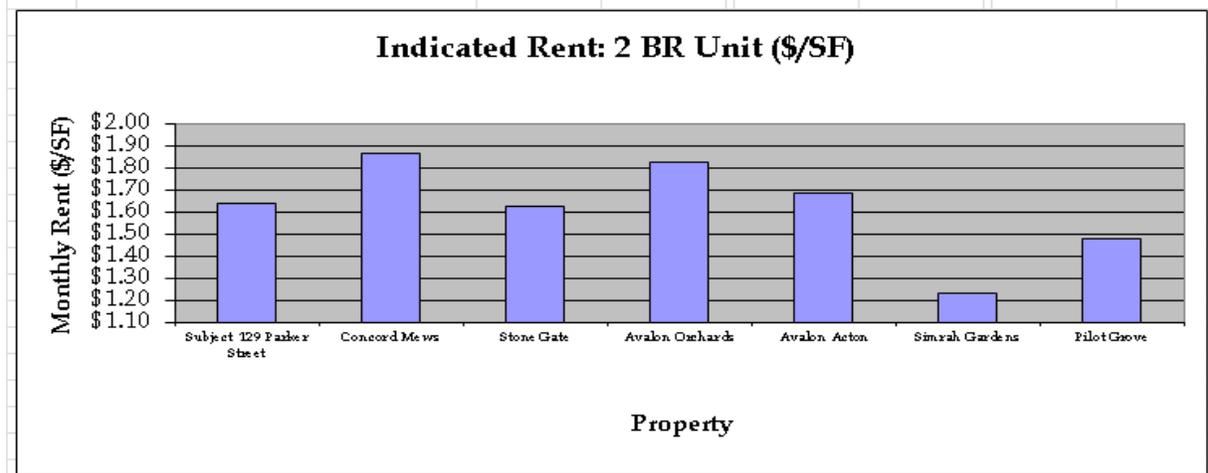
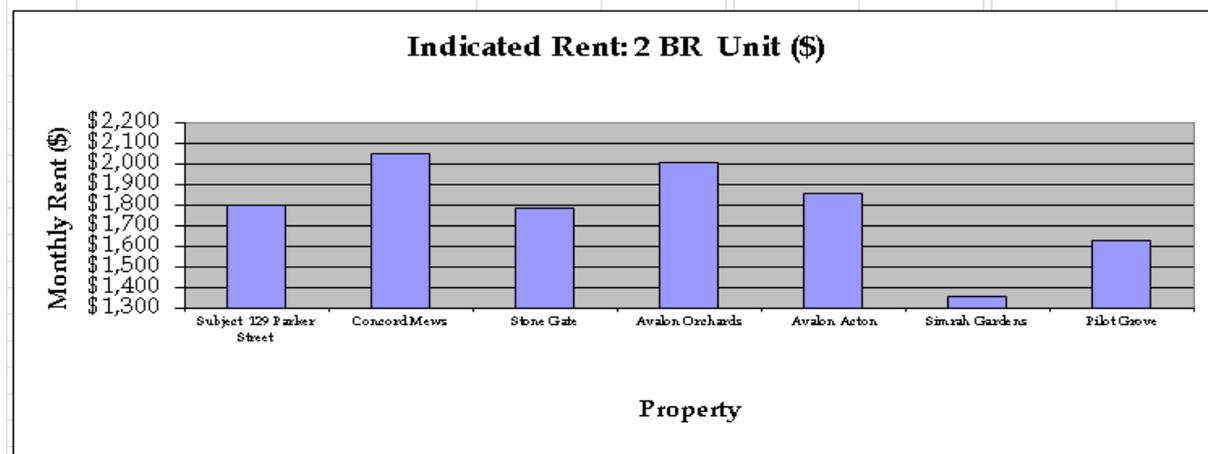
Simrah Gardens (#5) falls at the lower end of the survey range, with indicated market rents of just under \$1,300 to \$1,417. This is a garden-style elevator building constructed in 2005. It is in somewhat of a more outlying area close to I-495, Boston’s outer beltway.

Pilot Grove (#6) also falls toward the lower end of the survey range. The indicated rents range from just over \$1,600 to \$1,635, which falls below the subject’s “Low” end estimated market rent of \$1,750. This is an older garden-style development (1993) that is an inferior location and is also inferior to the subject in terms of physical condition.

Summary of Indicated Market Rents: Adjustment Grids

Unit Type: 2 BR		"Adjusted" Market Rent					
Comp #	Property	Square Feet		\$	\$/SF (*)	\$	\$/SF(*)
		Low	High	Low SF	Low SF	High SF	High SF
Subj.	129 Parker Street	1,050	1,150				
Rent Comparables							
1	Concord Mews	975	1,107	\$1,949	\$1.86	\$2,146	\$1.87
2	Stone Gate	1,073	1,171	\$1,750	\$1.67	\$1,821	\$1.58
3	Avalon Orchards	1,131	1,131	\$1,994	\$1.90	\$2,014	\$1.75
4	Avalon Acton	1,059	1,132	\$1,803	\$1.72	\$1,901	\$1.65
5	Simrah Gardens	912	922	\$1,295	\$1.23	\$1,417	\$1.23
6	Pilot Grove	964	964	\$1,610	\$1.53	\$1,635	\$1.42
Subj.	Indicated Market Rent Range						
	Low	912	922	\$1,295	\$1.23	\$1,417	\$1.23
	High	1,131	1,171	\$1,994	\$1.90	\$2,146	\$1.75
	Average	1,017	1,037	\$1,733	\$1.65	\$1,822	\$1.58
	Conclusion of Market Rent			\$1,750	\$1.67	\$1,850	\$1.61

(*) The "Adjusted" Rent/SF for the comps is based on the subject's square feet, since an adjustment was made in the Rent Adjustment Grid to account for differences in unit size.



2 BR + Den/ 3 BR Units

For the **“Low” SF units**, after accounting for various adjustments made to the six comps in the **Rent Adjustment Grid**, average indicated market rents range from just under \$1,500 to just over \$2,225. This is an average of **\$1,928**. On a rent/SF basis, the Low SF units range from \$1.20/SF to \$1.78/SF, an average of **\$1.54/SF**.

For the **“High” SF units**, after accounting for various adjustments made to the six comps in the **Rent Adjustment Grid**, average indicated market rents range from just under \$1,725 to just over \$2,350. This is an average of **\$2,025**. On a rent/SF basis, the High SF units range from \$1.28/SF to \$1.67/SF, an average of **\$1.50/SF**.

The estimated market rents for the subject are **\$2,000** (Low SF unit at 1,250 SF) to **\$2,100** (High SF unit at 1,350 SF). This is **\$1.60/SF** and **\$1.56/SF** respectively. The estimated market rents are in the middle part of the range of indicated rents supported by the Adjustment Grid.

Concord Mews (#1) sets the upper end of the range with indicated market rents in the range of \$2,100 to just over \$2,350. This is the newest Class A development in the subject’s PMA. With a location in Concord, it is superior to the subject.

Stone Gate (#2) is also one of the newer garden-style developments in the market area. With a location just off I-495, it is located further from Boston, but has strong linkages to employment centers found along I-495 in Marlborough and neighboring Westborough. It falls a little below the subject’s estimated market rents, as its indicated rents range from just under \$1,950 to \$1,975.

Avalon Orchard (#3) provides very good support for the subject, with indicated rents ranging from \$2,030 to \$2,050.

Avalon Acton (#4) sets the upper end of the survey for this floor plan with its indicated rents ranging from just over \$2,225 to \$2,250. This is a five-year old garden-style development located in Acton.

Simrah Gardens (#5) falls at the lower end of the survey range, with indicated market rents of just under \$1,500 to \$1,725. This is a garden-style elevator building constructed in 2005. It is in somewhat of a more outlying area close to I-495, Boston's outer beltway.

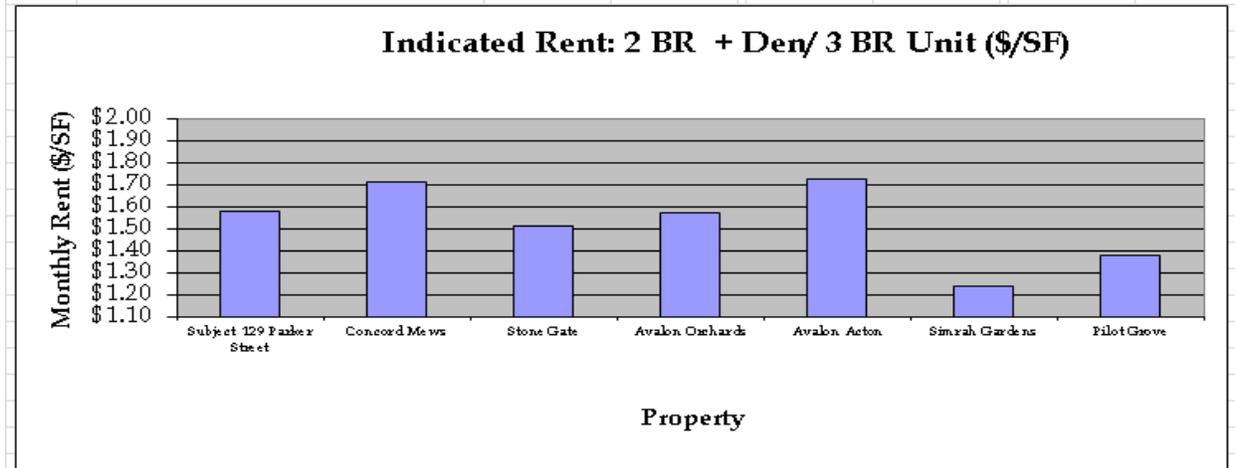
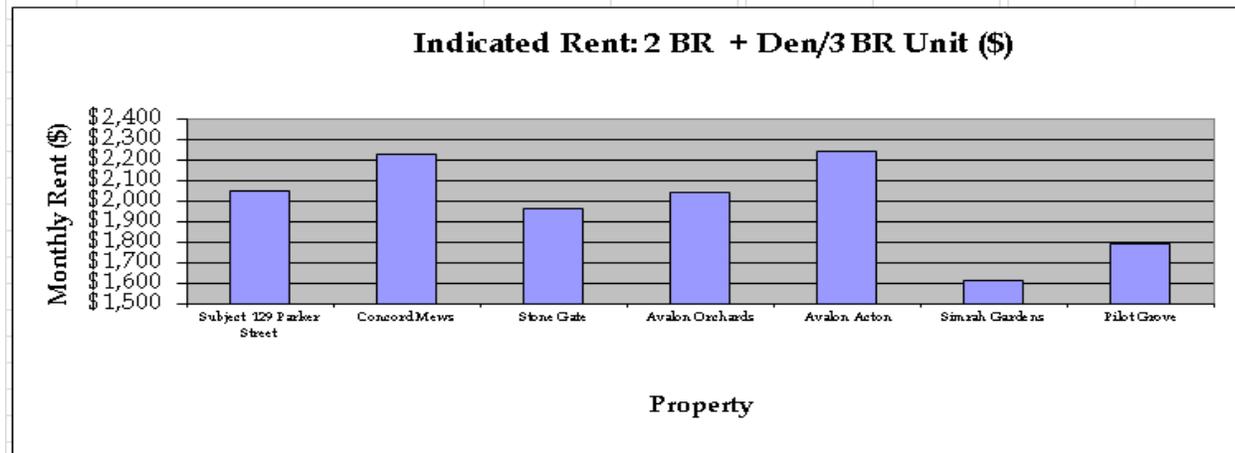
Pilot Grove (#6) also falls at the lower end of the survey range. The indicated rents range from just \$1,775 to \$1,800. This is an older garden-style development (1993) that is an inferior location and is also inferior to the subject in terms of physical condition.

Summary of Indicated Market Rents: Adjustment Grids

Unit Type: 2 BR + Den/ 3 BR

Comp #	Property	Square Feet		"Adjusted" Market Rent			
		Low	High	\$	\$/SF (*)	\$	\$/SF(*)
Subj.	129 Parker Street	1,250	1,350				
Rent Comparables							
1	Concord Mews: 2 + Loft	1,101	1,237	\$2,092	\$1.67	\$2,353	\$1.74
2	Stone Gate: 3 BR	1,340	1,340	\$1,946	\$1.56	\$1,971	\$1.46
3	Avalon Orchards: 2 + Loft	1,142	1,142	\$2,032	\$1.63	\$2,052	\$1.52
4	Avalon Acton: 2 + Loft	1,601	1,601	\$2,227	\$1.78	\$2,252	\$1.67
5	Simrah Gardens: 3 BR	1,060	1,060	\$1,498	\$1.20	\$1,723	\$1.28
6	Pilot Grove: 3 BR	1,215	1,215	\$1,775	\$1.42	\$1,800	\$1.33
Subj.	Indicated Market Rent Range						
	Low	1,060	1,060	\$1,498	\$1.20	\$1,723	\$1.28
	High	1,601	1,601	\$2,227	\$1.78	\$2,353	\$1.67
	Average	1,255	1,255	\$1,928	\$1.54	\$2,025	\$1.50
	Conclusion of Market Rent			\$2,000	\$1.60	\$2,100	\$1.56

(*) The "Adjusted" Rent/SF for the comps is based on the subject's square feet, since an adjustment was made in the Rent Adjustment Grid to account for differences in unit size.



The following Exhibit summarizes the estimated market rents for the various unit types. Average market rent is \$1,625 (\$1.65/SF).

129 Parker Street, Maynard, MA							
Rent Roll: Summary of Market Rents							
December 2012							
Unit Type	# of Units	% of Units	Square Feet (SF)	Market Rent		Totals	
				Rent (\$)	Rent (\$/SF)	Rentable SF	Market Rent
1 BR Units	44	17.6%	750	\$1,275	\$1.70	33,000	\$56,100
	44	17.6%	800	\$1,350	\$1.69	35,200	\$59,400
Subtotal:	88	35.2%	775	\$1,313	\$1.69	68,200	\$115,500
1 BR + Den Units	6	2.4%	850	\$1,450	\$1.71	5,100	\$8,700
	6	2.4%	950	\$1,500	\$1.58	5,700	\$9,000
Subtotal:	12	4.8%	900	\$1,475	\$1.64	10,800	\$17,700
2 BR Units	69	27.6%	1,050	\$1,750	\$1.67	72,450	\$120,750
	68	27.2%	1,150	\$1,850	\$1.61	78,200	\$125,800
Subtotal:	137	54.8%	1,100	\$1,800	\$1.64	150,650	\$246,550
2 BR + Den/ 3 BR Units	7	2.8%	1,250	\$2,000	\$1.60	8,750	\$14,000
	6	2.4%	1,350	\$2,100	\$1.56	8,100	\$12,600
Subtotal:	13	5.2%	1,296	\$2,046	\$1.58	16,850	\$26,600
Subtotal: All Market-Rate	250	100.0%	986	\$1,625	\$1.65	246,500	\$406,350

APPENDIX

CERTIFICATION OF MARKET ANALYST

CERTIFICATION

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

- (A) The statements of fact contained in this report are true and correct.
- (B) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions.
- (C) I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- (D) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (E) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (F) My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (G) My analyses, opinions, and conclusions were developed, and this report analysis has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- (H) Steven Kaye, MAI, CRE has made a personal inspection of the property that is the subject of this report.
- (I) No one provided significant professional assistance to the persons signing this report in the form of market research and the preparation of specific sections of the report.
- (J) The real property that is the subject of this Market Study/Analysis (Appraisal/Consulting assignment) was evaluated as of December 14, 2012
- (K) My value conclusions as well as other opinions expressed herein are not based on a requested minimum value, a specific value, or approval of a loan.
- (L) I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- (L) I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- (N) As of the date of this report, Steven Kaye has completed the requirements of the continuing education program of the Appraisal Institute.
- (O) Steven Kaye has not provided appraisal-consulting related services on this property in the three years prior to accepting this assignment.



Steven Kaye, MAI, CRE

ASSUMPTIONS AND LIMITING CONDITIONS

Assumptions and Limiting Conditions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to total that would adversely affect marketability or value. CBRE, Inc. is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, Inc., however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE, Inc. professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE, Inc. has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE, Inc. by ownership or management; CBRE, Inc. inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE, Inc. was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CBRE, Inc. reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. CBRE, Inc. has no knowledge of the existence of such materials on or in the property. CBRE, Inc., however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or

engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE, Inc. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CBRE, Inc. has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE, Inc. reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE, Inc. of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, CBRE, Inc. will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. CBRE, Inc. assumes no private deed restrictions, limiting the use of the subject property in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.

9. CBRE, Inc. is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE, Inc. does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE, Inc.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE, Inc. to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of CBRE, Inc. nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE, Inc. reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE, Inc. which consent CBRE, Inc. reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE, Inc. shall have no accountability or responsibility to any such third party.

15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters that may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE, Inc. unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE, Inc. assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE, Inc. assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. CBRE, Inc. assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
21. 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.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE, Inc. has not made a specific compliance survey and analysis of

this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE, Inc. has no specific information relating to this issue, nor is CBRE, Inc. qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.

24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.

QUALIFICATIONS OF MARKET ANALYST

Steven Kaye, MAI, CRE
Real Estate Appraiser and Consultant

Experience Highlights

- **Senior Vice President/Partner** of the **Valuation and Advisory Group** of **CBRE/New England**., the largest full-service real estate firm in New England.
- **Appraisal and consulting experience** in all property types over the past **30 years** as summarized below.

<u>Property Type</u>	<u># of Assignments</u>	<u>Square Feet /Units/Acres</u>
Office	150	21,500,000
R&D/Industrial	100	20,000,000
Retail	77	7,000,000
Multifamily	1,200	180,000 Units
<u>Land</u>	<u>135</u>	<u>14,000 Acres</u>
Subtotal	1,512	48,500,000 Square Feet
		14,000 Acres

- Specialization in **multifamily housing** of all types including **affordable housing, market-rate apartments** and **condominiums**, and **seniors housing** including **assisted living facilities (ALF's)**. Experience on a national and local level performing **appraisals and market and feasibility studies** on **affordable and market-rate multifamily housing** with **Boston Financial Group**, a Boston based national housing investment management firm.
- Experience in **urban planning** and **community development projects** for a number of public and private non-profit organizations in the Boston metropolitan area.

Professional Qualifications

- **Member Appraisal Institute (MAI) (since 1987)**
- **Counselor of Real Estate (CRE), November 2000**
- **Certified General Appraiser**
 - Massachusetts (License # 139)
 - New Hampshire (License # 304)
 - Rhode Island (License # A00568G)
 - Maine (License #1732)
- **Practitioner Member**, National Council of Affordable Housing Market Analysts (NCAHMA), National Housing and Rehabilitation Association
- M.A. Degree, Boston College. Concentration in Urban Planning and Community Development.
- B.A. Degree, Indiana University

Sample of Client Base

<u>Banking/ Financial Institutions/</u>	<u>Banking/ Financial Institutions/</u>	<u>Legal/ Institutional</u>	<u>Developers/ Real Estate Companies</u>	<u>Public/ Quasi-Public</u>
KeyBank	Rockport Mortgage	Choate Hall	Fairfield Residential	US Dep't. of HUD
Citigroup Private Bank	CW Capital	Emerson College	JPI.	MassHousing
Eastern Bank	Collateral Mortgage	Endicott College	Abbot Investments	Mass Housing Partnership
Wells Fargo	Eastern Realty Advisors	Saul Feldman & Associates	Leggat McCall Properties	R.I. Housing & Mortgage Fin. Agency
Corus Bank	Charter Mac	Rubin & Rudman	Dolben Companies	
Wachovia Bank	MMA Financial		GID	Chestnut Hill Realty
Deutsche Bank	Prudential Mortgage	ARCS Com. Mortgage	Winn Development	Carpionato Properties
Bank One	American Property Finance	Cathartes Investments	Streuver Bros. Eccles & Rouse	Trinity Financial
Guardian Life	Column Financial	Corcoran Jennison	Princeton Properties	Ferland Corp.
Boston Private Bank	Bank of America	Reilly Mortgage	E.A. Fish & Assoc..	FDIC/RTC

Litigation Support

- Qualified as an **expert witness** before the following courts:
 - US Bankruptcy Court, Boston
 - US Bankruptcy Court, Worcester
 - Massachusetts Superior Court, Suffolk County
 - Massachusetts Superior Court, Middlesex County
 - New Hampshire Superior Court, Hillsborough County, New Hampshire

Community Affiliations/Civic Activities

- **Instructor in Market Analysis.** Boston University, Metropolitan College, Real Estate Finance Association (REFA) Certificate Program.

- **Chairman, MAI Candidate Guidance Committee.** Greater Boston Chapter, Appraisal Institute.
- **Chairman, Admissions Committee.** Greater Boston Chapter, Appraisal Institute
- **Board of Directors/Program Planning Committee.** B'nai Brith Realty Unit, Boston, MA.
- **Finance Committee, Board of Directors.** Covenant House, a nursing home sponsored and owned by B'nai Brith.
- **Building Committee, B'nai B'rith Seniors Housing Corporation.**
- Member of **Real Estate Finance Association**
- Member of **Massachusetts Assisted Living (ALF) Association.**
- Contributing Writer. **Banker and Tradesman Monthly Commercial Supplement.**
- Educational speaker before various public and private organizations including the Massachusetts Assessor's organization, the City of Boston, the Greater Boston Chapter of the Appraisal Institute, and real estate departments of a number of law firms.



MULTIFAMILY VALUATION & ADVISORY SERVICES

CB Richard Ellis provides a variety of appraisal and consulting services to the multifamily housing industry through our Valuation & Advisory Services Group. This group is the demonstrated market leader in providing accurate, reliable and timely valuations and advice critical to the success of real estate transactions and financing.

Property Types

- Multifamily rental housing including market-rate, affordable and mixed-income properties
- Condominiums
- Senior's housing including assisted living and independent living facilities, CCRC's, and age-restricted housing
- Land intended for multifamily housing uses

Client Base

- Lenders including commercial banks, government-sponsored entities (FNMA & FHLMC), State Housing Finance Agencies, HUD & conduits
- Housing developers including private & non-profits
- Housing development and finance consultants
- State agencies, municipalities, attorneys & accountants

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Qualifications

Steven Kaye, MAI, CRE, is a Senior Vice President/Partner in the CBRE Valuation & Advisory Services Group, one of the largest groups in New England. Mr. Kaye is a specialist in the multifamily housing industry with over 26 years of experience in real estate appraisal and consultation. He has been involved in over 900 assignments totaling some 130,000 multifamily housing units.



Resources

- Access to extensive database on multifamily housing market trends including capitalization rates, market rents, building sales and land sales
- Partnership with CBRE Capital Markets & Investment Sales groups which specialize in the financing and sale of multifamily housing
- Capable of executing a variety of assignments throughout New England with specific market knowledge of the Boston metropolitan area, southern New Hampshire and Rhode Island
- Community and civic involvement through participation in numerous non-profit housing development initiatives

For more information about our Multifamily Valuation & Advisory Services, please call:

Mr. Steven Kaye, MAI, CRE
Senior Vice President/Partner

Valuation & Advisory Services
617.912.6950, Mobile 617.413.2496, Fax 617.912.6901
steven.kaye@cbre-ne.com



Multifamily Services

- Appraisals
- Market studies & market feasibility studies, new construction or rehabilitation
- HUD Multifamily Accelerated Processing (MAP) Pre-Application market studies and appraisals, and Firm Commitment appraisals
- Rent comparability & market rent studies
- Highest and best use studies
- Consultation in support of acquisitions and dispositions
- Litigation support, expert witness services
- Tax abatement/ad-valorem tax analysis



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RENT COMPS: ADJUSTMENT GRIDS

Rent Adjustment Grid				
1. Unit Type	Subject - 129 Parker Street	6. Pilot Grove		
Two Bedrooms	Maynard, MA	Stow, MA		
Characteristics	Data	Data	Adjustments	
			-	+
3. Effective Date of Rental	12/14/12	12/14/12		
4. Type of Project/Stories	Garden-style/3	Garden-style/2-3		
5. Type of Unit	Flats	Townhouse		
6. Project Occupancy %	N/A	99.0%		
7. Concessions: Low		None		
7. Concessions: High		None		
8. Year Built/Renovations	Assume 2013-2014	1993		
8a. Overall Condition/ Curb Appeal	Very Good	Average		\$75
9a. SF Area: Low	1,050	964		\$22
9b. SF Area: High	1,150	964		\$47
10. Number of Bedrooms	2	2		
11. Number of Bath	2	1.5		\$10
12. Number of Rooms	4	4		
13. Balc/Terrace/Patio	Assume Yes	Patio		
14. Garage/Surface	Principally surface, some detached	Surface: Free, No Garage		\$10
15. Equipment				
a) A/C	Central	None		\$25
Interior Finishes				
b) Appliance Package	Stainless Steel	Black & White		\$10
c) Cabinets/Countertops	Hardwood (Maple) /Granite	Hardwood/Laminate		\$10
d) Flooring	Laminate ("Wood"-plank)	Sheet vinyl		\$10
e) Disposal	Yes	No		\$5
f) Microwave	Yes	No		\$10
g) Dishwasher	Yes	Yes		
h) Washer/Dryer	In-Unit	Central laundry		\$25
i) Flooring: Living / Dining Room / B	Carpet	Carpet		
Amenities				
j) Swimming Pool/ Courts	Yes/No	No/No		\$15
k) Clubhouse/ Fitness Center	Yes/Yes	No/ No		\$20
16. Services				
Utilities				
a) Heat/Type	Tenant/Gas	Landlord/Gas		-\$39
b) Cook/Type	Tenant/ Gas or Electric	Tenant/ Electric		
c) Electricity	Tenant	Tenant		
d) Hot Water/Type	Tenant/Gas	Landlord/Gas		-\$23
e) Water & Sewer	Tenant	Landlord/Gas		-\$30
17. Storage	Assume No	Yes (Available)		-\$5
18. Project Location / Community	Maynard, MA	Superior Demographics		-\$75
18a. Project Location / Neighborhood	Set-back off SR 27 (Parker St.), Adj. to open space	Residential : Similar		
18b. Project Location / Trans. Links	Highway: Average, Commuter Rail: Average	Inferior to highway		\$10
18c. Project Location / Employment Link	Average	Similar		
19. Other: a) On-Site Management	Yes	Yes		
Other: b) Elevator Service	No	No		
Other: c) Miscellaneous				
20a. Unit Rent per Month	\$1,751	\$1,525		
	\$1,829	\$1,525		
20b. Unit Rent per Month (\$/SF)	\$1.72	\$1.58		
	\$1.70	\$1.58		
21a. Total Adjustment: Low				\$85
21b. Total Adjustment: High				\$110
22a. Indicated Rent: Low				
	\$1,733	\$1,610		
22b. Indicated Rent: High				
	\$1,822	\$1,635		
23. Correlated Subject Rent	\$1,750 - \$1,850			
20a. Unit Rent per Month (\$/SF)	\$1.65	\$1.53		
	\$1.58	\$1.42		
23. Correlated Subject Rent	\$1.67 - \$1.61			

Rent Adjustment Grid					
1. Unit Type	Subject - 129 Parker Street	6. Pilot Grove			
Two Bedrooms + Den/3 BR	Maynard, MA	Stow, MA			
Characteristics	Data	Data	Adjustments		
			-	+	
3. Effective Date of Rental	12/14/12	12/14/12			
4. Type of Project/Stories	Garden-style/3	Garden-style/2-3			
5. Type of Unit	Flats	Townhouse			
6. Project Occupancy %	N/A	99.0%			
7. Concessions: Low		None			
7. Concessions: High		None			
8. Year Built/Renovations	Assume 2013-2014	1993			
8a. Overall Condition/ Curb Appeal	Very Good	Average		\$75	
9a. SF Area: Low	1,250	1,215		\$9	
9b. SF Area: High	1,350	1,215		\$34	
10. Number of Bedrooms	2 + Den	3			
11. Number of Bath	2	1.5		\$10	
12. Number of Rooms	5	5			
13. Balc/Terrace/Patio	Assume Yes	Patio			
14. Garage/Surface	Principally surface, some detached	Surface: Free, No Garage		\$10	
15. Equipment					
a) A/C	Central	None		\$25	
Interior Finishes					
b) Appliance Package	Stainless Steel	Black & White		\$10	
c) Cabinets/Countertops	Hardwood (Maple) /Granite	Hardwood/Laminate		\$10	
d) Flooring	Laminate ("Wood"-plank)	Sheet vinyl		\$10	
e) Disposal	Yes	No		\$5	
f) Microwave	Yes	No		\$10	
g) Dishwasher	Yes	Yes			
h) Washer/Dryer	In-Unit	Central laundry		\$25	
i) Flooring: Living / Dining Room / B	Carpet	Carpet			
Amenities					
j) Swimming Pool/ Courts	Yes/No	No/No		\$15	
k) Clubhouse/ Fitness Center	Yes/Yes	No/ No		\$20	
16. Services					
Utilities					
a) Heat/Type	Tenant/Gas	Landlord/Gas		-\$49	
b) Cook/Type	Tenant/ Gas or Electric	Tenant/ Electric			
c) Electricity	Tenant	Tenant			
d) Hot Water/Type	Tenant/Gas	Landlord/Gas		-\$30	
e) Water & Sewer	Tenant	Landlord/Gas		-\$35	
17. Storage	Assume No	Yes (Available)		-\$5	
18. Project Location / Community	Maynard, MA	Superior Demographics		-\$75	
18a. Project Location / Neighborhood	Set-back off SR 27 (Parker St.), Adj. to open space	Residential : Similar			
18b. Project Location / Trans. Links	Highway: Average, Commuter Rail: Average	Inferior to highway		\$10	
18c. Project Location / Employment Link	Average	Similar			
19. Other: a) On-Site Management	Yes	Yes			
Other: b) Elevator Service	No	No			
Other: c) Miscellaneous					
20a. Unit Rent per Month	\$1,959	\$1,725			
	\$2,037	\$1,725			
20b. Unit Rent per Month (\$/SF)	\$1.59	\$1.42			
	\$1.62	\$1.42			
21a. Total Adjustment: Low	-\$31			\$50	
21b. Total Adjustment: High	-\$12			\$75	
22a. Indicated Rent: Low	\$1,928	\$1,775			
22b. Indicated Rent: High	\$2,025	\$1,800			
23. Correlated Subject Rent	\$2,000 - \$2,100				
20a. Unit Rent per Month (\$/SF)	\$1.54	\$1.42			
	\$1.50	\$1.33			
23. Correlated Subject Rent	\$1.60 - \$1.56				

RENT COMPARABLE ABSTRACTS

Apartment Rent Comparable #1

Property: Concord Mews, 1 Nathan Pratt Drive, Concord, MA 01742

Contact: Millcreek Dev., Riverstone Residential Group 866-542-8827. X. 1920

Building Type: 11 3-story garden-style walk-up buildings, and eight two-story townhouse buildings. Vinyl siding. Chapter 40B (25% affordable). Completed in phases between February and November 2012.

Number of Units: 350

Unit Distribution:

Concord Mews			
Unit Type	SF	Monthly Rent (\$)	Monthly Rent (\$/SF)
1 Bedroom			
Bedford	701	\$1,790	\$2.55
Boston	719	\$1,770	\$2.46
Belmont	780	\$1,795	\$2.30
Burlington	799	\$1,949	\$2.44
1 Bedroom With Loft			
Boston Loft	845	\$1,970	\$2.33
Belmont Loft	917	\$1,990	\$2.17
Burlington Loft	925	\$2,049	\$2.22
2 Bedrooms 2 Baths			
Carlisle	975	\$2,140	\$2.19
Concord	1,107	\$2,345	\$2.12
Arlington	1,227	\$2,365	\$1.93
Lexington	1,291	\$2,600	\$2.01
2 Bedrooms With Loft			
Carlisle Loft	1,101	\$2,270	\$2.06
Concord Loft	1,237	\$2,540	\$2.05
Arlington Loft	1,364	\$2,795	\$2.05
3 Bedrooms 2 Bath Townhouse			
Lincoln	1,491	\$3,300	\$2.21

Utilities Included in Rent:

Heat: No (Gas)

Hot Water: No (Gas)

Cooking:	No (Electric)	Electricity:	No
Water	No	Sewer:	Yes

Parking: Garden-style buildings served by free surface parking. Each of the 11 buildings contains six garage spaces on the 1st floor for a total of 66 spaces. The monthly charge is \$200 to \$250. The townhouses feature one to two-car attached garages included in the monthly rent..

Project Amenities: Well appointed clubhouse that includes a clubroom with Wi-Fi, billiards, shuffleboard, teaching kitchen, internet stations, intimate seating and numerous HDTV's, a gaming room with Wii, X-Box and Playstation, an executive business center, a state of the art fitness center with cardio theater and weight training equipment, an outdoor resort style pool and a children's play area.

Unit Amenities: Kitchens feature hardwood floors, granite counters, raised wood (maple) cabinets, and stainless steel appliances. In-unit washers and dryers. Gas fireplaces.

Occupancy Rate: 75.2% (In lease-up). Absorption is 263 units in 10.5 months, average monthly absorption of 25.0 units/month.

Concessions: None

Date Surveyed: 12/13/12

Comments: High-end new rental development located in West Concord on the Maynard and Action town lines. The site is setback on the north side of Sudbury Road, which runs south off Main Street (SR 62). SR 62 is a main thoroughfare that provides access from the subject site to the village center of West Concord located about 2.75 miles to the northwest. Access to area highways is good as SR 2, a four-lane limited access road is located 3.25 miles from the subject via SR 62. Boston's inner beltway (I-95) is located 10.5 miles to the east (via SR 2), while I-495, the region's outer beltway, is located some nine miles to the west (via SR 2).

It also has good access to the area's commuter rail network. Two station stops on the Fitchburg line are located 2.1 miles (South Acton station in Acton) to 2.75 miles (West Concord station in Concord) from the subject. Travel time to Boston's North Station runs 50 to 56 minutes, with "express" trains averaging 43 to 48 minutes.

Shopping, schools, and community services are conveniently located. A Super Stop & Shop supermarket anchors Powdermill Plaza, a community-size shopping center located within one-half mile.

Concord Mews
Concord, MA





Apartment Rent Comparable #2

Property: Stone Gate Apartments, 65 Silver Leaf Way, Marlborough, MA 01752

Contact: Behringer Harvard 866-3345-3351 x, 8060

Building Type: Twelve 3-4-story garden-style walk-up buildings completed in 2006 and 2007

Number of Units: 332 (40B, 25% affordability)

Unit Distribution:

Stone Gate Apartments			
Unit Type	SF	Monthly Rent (\$)	Monthly Rent (\$/SF)
1 Bedroom			
A1z	703	\$1,160	\$1.65
A1	703	\$1,324	\$1.88
A2	782	\$1,344	\$1.72
A3: With Computer Nook	850	\$1,490	\$1.75
1 Bedroom With Loft			
A4	957	\$1,412	\$1.48
2 Bedrooms 2 Baths			
B2	1,073	\$1,726	\$1.61
B4	1,234	\$1,776	\$1.44
B3	1,171	\$1,796	\$1.53
2 Bedrooms With Loft			
B5	1,366	\$1,716	\$1.26
3 Bedrooms 2 Bath			
C1	1,340	\$1,938	\$1.45

Utilities Included in Rent:

Heat:	No (Gas)	Hot Water:	No (Gas)
Cooking:	No (Electric)	Electricity:	No
Water & Sewer:	No		

Parking: Free surface parking. Attached garage parking at \$150

Project Amenities: Clubhouse, swimming pool, fitness center, business center, community grills, and walking trail

Unit Amenities: Balconies, central A/C, 9-foot ceilings with crown molding, ceiling fans, and ceramic tile flooring in entry, and baths. In-unit washer & dryer.

Kitchens feature ceramic tile flooring, hardwood cabinets, laminate counters, and black appliances.

Occupancy Rate: 93.4% (22 available)

Concessions: None

Date Surveyed: 12/13/12

Comments: Located in a mixed-use area on the southern end of Marlborough within one-half mile from I-495 (Exit 23C, Simarano Drive). The nearest commuter rail station, Southborough station (Worcester line), is about six miles to the. Travel time to Boston's South Station is 1 hour 13 minutes.

Stone Gate Apartments
Marlborough, MA



Apartment Rent Comparable #3

Property: Avalon Orchards
Three Avalon Drive (100 Boston Post Road), Marlborough, MA

Contact: (508) 480-9444, AvalonBay Communities

Building Type: Twelve two- to three and three- to four-story garden-style buildings with wood siding completed in December 2001. Top floor in all buildings is loft unit.

Number of Units: 156

Unit Distribution:

Unit Type	#	SF	Rent/Month	Rent/SF
1 BR 1 Bath	69	851	\$1,730	\$2.03
1 BR 1 Bath + Loft		1,073	\$2,035	\$1.90
2 BR 2 Baths	87	1,131	\$1,950	\$1.72
2 BR 2 Baths + Loft		1,142	\$1,950	\$1.71

Utilities Included in Rent

Heat (Type): No (Gas)	Hot Water: No (Gas)
Cooking: No (Electric)	Electricity: No
Water & Sewer: No	Trash: No

Parking: Surface parking (307 spaces) while individual detached garages available at \$250 per month (22 available). Some loft units come with an attached garage.

Project Amenities: Clubhouse, swimming pool, business center (fax and copier machine, no computers) fitness center, recycling center, nature trail nearby.

Unit Amenities: Central A/C, white appliances, dishwasher, disposal, microwave, Formica cabinetry, laminate countertops, linoleum flooring, patio/balcony, washer/dryer in unit, gas fireplaces (\$50 premium) security systems, storage and/or walk-in closets, and cathedral ceilings (some units).

Occupancy Rate: 12/31/11: 97.4%, 2011 Average: 96.7%

Concessions: None

Date Surveyed: 12/13/12

Comments:

Property is located off US Route 20, a busy commercial street that runs through Marlborough. It is located on the eastern end of the community some 3 miles from I-495, and is across from Marlborough Country Club. The property has well maintained grounds and excellent curb appeal. Nearest community rail station is Southborough station (Worcester line) that is located 7.1 miles to the south. Travel time to Boston's South Station is 1 hour 13 minutes.

Based on full absorption of the 156 units over an approximately 13-month period (December 2001 - January 2003), average monthly absorption was 12 units/month.

Avalon Orchards
One Avalon Drive, Marlborough, MA



Apartment Rent Comp #4

Property: Avalon Acton, One Avalon Drive, 84 Nagog Park, Acton, MA

Contact: Avalon Bay Communities, Inc. (978) 263 - 3400, Connie

Building Type: Eleven four-story garden-style buildings (walk-up) with vinyl exterior. Initial construction completion was July 2007, and 100% construction completion was September 2008. Affordable component is 20%.

Number of Units: 380

Unit Distribution:

Avalon Acton			
Unit Type	SF	Monthly Rent (\$)	Monthly Rent (\$/SF)
1 Bedroom			
	723	\$1,270	\$1.76
	840	\$1,405	\$1.67
	985	\$1,557	\$1.58
1 Bedroom With Loft			
	1,204	\$1,540	\$1.28
	1,076	\$1,479	\$1.37
2 Bedrooms 2 Baths			
	1,059	\$1,865	\$1.76
	1,132	\$1,956	\$1.73
2 Bedrooms With Loft			
	1,601	\$2,375	\$1.48

Utilities Included in Rent:

Heat:	No (Gas)	Hot Water:	No (Gas)
Cooking:	No (Electric)	Electricity:	No
Water & Sewer:	No	Trash:	Yes

Parking: Free surface parking. Detached garage parking available at additional fee of \$200/ month.

Project Amenities: Concierge, fitness center, indoor basketball court, landscaped courtyards, outdoor pool, hot tub, and patio, spa, barbeque area, clubhouse and

residents' lounge, WiFi access available, pet-friendly (dog and cats - at fee) community, playground, and a jogging path.

Unit Amenities: White and black appliances, microwave, garbage disposal, refrigerator with ice maker, hardwood and formica cabinetry, laminate countertops, ceramic tile and vinyl tile flooring, walk-in closets, in-unit washer and dyers (all units), central A/C, wall-to-wall carpeting, cable and internet ready, and private porch/deck (all floor plans except "The Boardman").

Occupancy Rate: 12/31/11: 96.6%
2011 Average: 96.3%

Concessions: None

Date Surveyed: 12/13/12

Absorption: Construction Comp. (Initial): July 2007
Stabilized Occupancy at 95%: Dec.2008 (Estimate)
Absorption Period: 18 months
Monthly Absorption: 361 units (95% occ.) leased over 18 months
= **20 units/month**

Comments: Avalon Acton is located along Westford Lane and Nagog Park Drive approximately 4.5-miles from Rt-2 and approximately 3.75-miles from I-495. The closest commuter rail or public transit is the South Acton MBTA Commuter Rail Station approximately 5.25 miles.

Avalon Acton feature 380 apartment units and 64 (age-restricted - age 55+) condominiums. Part of the development straddles the Acton-Westford border in North Acton. Twenty percent of the apartments and ten percent of the condos will be priced as affordable. (Source: Mass Development)

Avalon Acton is pet friendly - \$25/month for cats, \$50/month for dogs, limit of two. Only one building has elevator service.

Avalon Acton
One Avalon Drive, 84 Nagog Park, Acton, MA



Apartment Rent Comparable #5

Property: Simrah Gardens, 307 Central Street, Hudson, MA

Contact: Zain Realty and Management, (978) 567 - 0701, Marge

Building Type: Three 3- to 4-story elevator buildings with EFIS masonry finish exterior. Construction completed in December 2005.

Number of Units: 158 (40B)

Unit Distribution:

Unit Type	#	SF	Rent/Month	Rent/SF
Model A, 1BR/1BA	13	717	\$1,200 - \$1,250	\$1.67 - \$1.74
Model B, 1BR/1BA	14	760	\$1,200 - \$1,250	\$1.58 - \$1.64
Model C (HC), 1BR/1BA	2	717	\$1,200	\$1.67
Model D, 2BR/2BA	94	922	\$1,300 - \$1,400	\$1.41 - \$1.52
Model E, 2BR/1BA	16	912	\$1,300 - \$1,400	\$1.43 - \$1.54
Model F (HC), 2BR/2BA	5	922	\$1,300 - \$1,400	\$1.41 - \$1.52
Model G, 3BR/2BA	13	1,060	\$1,495 - \$1,695	\$1.41 - \$1.60
Model H (HC), 3BR/2BA	1	1,060	\$1,670	\$1.58

Note: (HC) Handicap Units

Note: Price Range reflects \$25 premium for top floor units.

Utilities Included in Rent

Heat (Type):	No (Gas)	Hot Water (Type):	No (Gas)
Cooking (Type):	No (Electric)	Electricity:	No
Water & Sewer:	Yes	Trash:	Yes

Parking: Free surface parking (223 spaces) with underground garage parking (76 spaces) available for \$50 per month. Garage parking is open air.

Project Amenities: Media room with small kitchen and projector TV, basketball court, tot lot and recreational area, exercise room, outdoor swimming pool, and additional storage available

Unit Amenities: Intercom buzzer access system with camera in main lobby, granite tile kitchen and bathroom flooring, granite counter tops, maple cabinets, white appliances, refrigerator with ice-maker, microwave, dishwasher, disposal, fiberglass surround tub/shower, wall-to-wall carpeting throughout, 9ft ceilings, cathedral ceilings in top floor units, in-unit washer and dryers, private balcony/patio, and walk-in closets

Occupancy Rate: 99%

Concessions: None

Date Surveyed: 12/13/12

Comments: Located in a residential area about 1.3 miles from I-495 (Exit 26, SR 62). The nearest commuter rail station is in Southborough (Worcester line) which is 12.2 miles to the south. Travel time to Boston's South Station is 1 hour 13 minutes. The Littleton/495 station stop (Fitchburg line) is 13.3 miles to the north, with travel time to Boston's North Station 1 hour four minutes.

Simrah Gardens
307 Central Street, Hudson, MA



Apartment Rent Comparable #6

Property: Pilot Grove, 11 Warren Road, Stowe, MA 01775

Contact: The Community Builders (TCB), 978-897-0313

Building Type: Series of one- to two-story flats (1 BR's) and townhouses (2 BR and 3 BR) built in 1993. Mixed-income development.

Number of Units: 60. Market-Rate: 31 Units (52%). Tax-Credit (at 60% AMI): 29 units (48%)

Unit Distribution:

Unit Type	#	SF	Rent/Month	Rent/SF
1 BR 1 Bath Flat		530	\$1,125	\$2.12
2 BR 1.5 Baths Townhouse		964	\$1,525	\$1.58
3BR 1.5 Baths Townhouse		1,215	\$1,725	\$1.42

Utilities Included in Rent:

Heat:	Yes (Gas)	Hot Water:	Yes (Gas)
Cooking:	No (Electric)	Electricity:	No
Water & Sewer:	Yes		

Parking: Surface parking.

Project Amenities: Laundry facility, extra storage, and children's play area

Unit Amenities: Patios, dishwasher (no A/C).

Occupancy Rate: 99.0%

Concessions: None

Date Surveyed: 12/14/12

Comments: Pilot Grove is located to the commercial district of Stowe. It is within close proximity to three golf courses, apple orchards and a town beach. Also nearby on SR 117/SR 62. Nearest interstate highway is I-495 (SR 62) which is eight miles to the southwest. The nearest commuter rail station is South Acton station stop (Fitchburg line) which is 3.1 miles to the north, with travel time to Boston's North Station at 56 minutes.

Pilot Grove
Stowe, MA 01775



Rent Comp Map



ENGAGEMENT LETTER

October 18, 2012

Mr. William Depietri, CEO
Capital Group Properties
259 Turnpike Road, Suite 100
Southborough, MA 01772

Re: 129 Parker Street, Maynard, MA

Dear Mr. Depietri:

I am pleased to present this proposal to provide **real estate consulting services** in the form of a **Market Study**. I understand that the purpose and function of the assignment is to assist with internal financial and strategic planning associated with potential project development, permitting, and financing. The proposed multifamily rental development is currently planned for 280 units.

This proposal will summarize a scope of services, fee and timing.

Scope of Services

- **Property Identification and Characteristics**
 - Identify parameters for plans and property specifications of the proposed multifamily development according to the following criteria :
 - # of units and unit mix
 - Building type
 - # of Bedrooms and unit size (square feet)
 - Amenities - project and unit
 - Mix of affordable and market-rate
 - "Green" features
- **Neighborhood Analysis**
 - Analysis of neighborhood land use trends
- **Analysis of Supply: Multifamily Rental**
 - Definition of Primary Market Area (PMA) based on geographic, demographic, economic, and social considerations. A Secondary Market Area (SMA) analysis based on key employment destinations relative to Maynard may also be considered.

- Survey of multifamily rental projects under construction and multifamily permits issued.
- Survey of proposed multifamily rental projects in the pipeline or permitting stage.
- Survey of existing competitive rental housing stock, (including condominiums if units are being rented). The market rent survey will focus on comps in the Primary Market Area.

- **Analysis of Demand**
 - Analysis of basic demographics in the Primary Market Area and, if appropriate, Secondary Market Area according to the following criteria :
 - population by age cohort
 - household formation
 - income
 - household size
 - housing tenure
 - employment and commuting patterns

 - Analysis of regional employment trends including identification of historic and projected changes in employment in the PMA.

 - Trends in absorption at new multifamily rental developments.

 - Consideration of historic trends in supply, demand, and average rents.

 - Analysis of “development trends” including specific existing and proposed public and private sector initiatives in Maynard and other communities of the PMA.

- **Preparation of Specific Work Elements in the Market Study**
 - Summary of recommended “plans and specifications” including the most likely mix of market-rate and, if applicable, affordable (income-restricted) units.

 - Preparation of a market rent survey presenting conclusions of market rents based on an analysis of market comparables. A detailed “**Adjustment Grid**” will present a comparative analysis of the subject in relation to comparables based on various elements of comparison.

 - Summary of primary and, if appropriate, secondary market area demographic analysis including conclusions on housing supply and demand based on trends in household formation and regional employment trends. A “Capture” and “Supply Penetration” (Saturation) rate will be concluded for each key unit type (# of BR’s).

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Mr. William Depietri
October 18, 2012

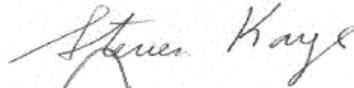
- Summary of estimate of absorption.

Fee and Timing

The fee for the assignment is **\$7,500**. Should you wish for us to commence work on the Market Study, please sign the line below and return one copy to me with a Retainer for \$3,750 (50% of the fee). This will indicate your authorization to proceed. Pending your authorization to proceed, we would expect to complete our work and issue a report in a six- to seven-week time frame from your authorization to proceed. The balance of the fee (\$3,750) will be due and payable upon receipt and acceptance of the Market Study report.

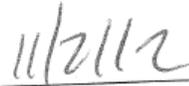
Should you have any questions about this proposal, please feel free to give me a call. Thank you, in advance, for your consideration.

Respectfully submitted,
CBRE/New England



Steven Kaye, MAI, CRE
Senior Vice President/Partner

Mr. William Depietri



Date