

KIRK & COMPANY

Mixed-Use Market Study White Cliffs

An existing historic residential building
In the former White Cliffs Mansion located at
167 Main Street in
Northborough, Worcester County, Massachusetts

Effective Date of Report: September 11, 2015
Date of Last Property Inspection: June 23, 2015

Prepared by:

David S. Kirk, MAI, CRE®
Mass. Certified General
Real Estate Appraiser No. 1520

Brett N. Pelletier
Mass. Appraisal Trainee
Real Estate Appraiser No. 103241

Prepared for:

John W. Coderre
Town Administrator
Town of Northborough
63 Main Street
Northborough, MA 01532

REAL ESTATE COUNSELORS

99 SUMMER STREET, SUITE M120 BOSTON, MA 02110
TEL: 617-261-7100 FAX: 617-261-7910
EMAIL: dsk@kirkco.com

September 11, 2015

John W. Coderre
Town Administrator
Town of Northborough
63 Main Street
Northborough, MA 01532

RE: White Cliffs – 167 Main Street; Northborough, MA

Dear Mr. Coderre:

At your request we have inspected the subject property and reviewed the local real estate markets to help determine the likely highest and best use, demand for the uses, and the competitive supply of the former White Cliffs Mansion. We have studied the subject market, spoken with market participants, and conducted research; and toured and inspected the property on June 23, 2015. The subject property is the former White Cliffs mansion at 167 Main Street in Northborough, Massachusetts. The property is the potential adaptive reuse of the approximately 19,000 square foot property, originally constructed in 1886 and formerly used as a restaurant, function facility, and meeting space. You are considering a potential mix of uses such as of retail, commercial office, arts and events space, hospitality, bed and breakfast, public and non-profit, and others.

We have surveyed and analyzed commercial office, retail, and event venue markets and participants in order to derive estimated market rents for each of the potential uses. Our comparative analysis and conclusions have examined and compared the existing inventory and planned additions with the proposed development based on preliminary schematic plans for the subject property. Our analysis includes recent and prospective trends in pricing, finishes, services and parking by use in the local market and other similar developments outside of the local market. Based on the probable pricing range for the various uses and our analysis of the local competitive market, we have established the market position for marketability for the proposed project uses and analyzed prospective absorption.

We have provided independent analysis and conclusions of the current market for the various uses being considered as well as other uses such as entertainment, health services, community, and government services. Your concept is based on likely permitted use and density for the property, the physical capacity of the property and the neighborhood, and financially feasible mix of uses based on market conditions. The concept is, accordingly, the highest and best use for the property. We have relied on assumptions provided by you and your affiliated professionals. You will refine the conceptual plan and pro forma based on your conceptual plan and input from Kirk&Company. Below is a summary of our conclusions further developed within the attached report.

1. White Cliffs includes two interconnected buildings of between one and three-and-a-half stories. The main residence was constructed in 1886 and a concrete block and masonry addition was added in 1969 to house a large function room and commercial kitchen. The main residential structure is in exceptionally good condition with much of the original architectural features and millwork preserved. **The commercial kitchen and large function room that were added in 1969 were observed to have deferred maintenance and would likely require substantial improvement to continue an intensive food-service use, or demolition of the concrete block structures would be necessary to restore the White Cliffs to original, as-built design and better facilitate any new improvements with a more appropriate design and utility.** However, areas of the building have been very well maintained and recently improved and could **function as more modern office space, meeting space, and function space; however, a rehabilitation of the property is likely required.**
2. Both nationally and in Massachusetts, economic fundamentals continue to show signs of improvement, however, at a slower pace than has been experienced since the recovery began and has yet to fully recover to below-crash levels with elevated unemployment and sluggish economic growth. Recent improvements in both the national the regional economy indicate signs of recovery and overall general improving economic conditions. The region is conveniently located to major regional transportation centers and employment centers within the market area and is located on a well-traveled thoroughfare within the region, making it a suitable location for commercial office and event space.
3. The Main Street corridor is one of the most traveled roadways in Northborough with an estimate of between 15,600 and 21,640 car trips per day. The two data points along Main Street between the subject property reflect an average of 16,000 and 18,500 car trips per day. The concentration of car trips in front of the subject property is considered significant when compared to known regional high traffic areas at the interchange of Interstates 495 and 290, as indicated below. **The subject property benefits from excellent access to transportation and exposure to vehicular and pedestrian traffic.**
4. The site is centrally located along Main Street (Route 20) in the central business district and downtown neighborhood of Northborough. The site is centrally located within the downtown neighborhood among an agglomeration of small scale commercial office, institutional, retail and municipal uses. The property has a commanding presence within the neighborhood and the town and is highly visible due to its substantial size, architecture, and elevation. **The site is ideally located for commercial office space and meeting/event space due to its centrality to major traffic centers and visibility within the neighborhood, and access to parking.**
5. The commercial office and retail market in Northborough is primarily comprised of lower quality commercial space within smaller mixed-use buildings, with broad variations within each sub-category and varying substantially between properties. The majority of available space is concentrated within buildings constructed between 1980 and 1987, with few new additions to supply. We observed various amounts of vacancy within neighboring buildings and within the surrounding market; however, the neighborhood

surrounding the subject property is generally well occupied. A substantial amount of the surveyed office inventory had observed physical and functional obsolescence and some tenant improvements had exceeded their useful life. The subject property is located within a neighborhood that is a somewhat dense downtown neighborhood. According to municipal contacts within Northborough, there are no additions to the current development pipeline for major commercial office, medical office, or conference center/meeting space uses.

6. Current asking rents and observed rents for competitive office space within downtown Northborough are in the range of \$10.50 to \$16.00 on a full service (gross) basis or \$12.00 to \$15.00 on a modified gross basis, depending on the quality of space and improvements available, as indicated by the chart below. The property should provide adequate services and design should provide appropriate separation of the various uses throughout the project such that each use is separated to the extent possible and has a clearly defined identity. If the subject property were available as high-quality commercial office space with ancillary venue, meeting, and conference rooms at this location, an average asking rental rate of approximately \$15 per square foot on a modified gross basis would be considered reasonable and achievable.
7. The first story function room is approximately 3,500 square feet and has a capacity of approximately 300+; depending on layout. The second story space is approximately 2,500 square feet and has a capacity of between 150 and 200; depending on layout. With any rehabilitation scenario of the property, the commercial kitchen and large function room that were added in 1969, it is anticipated that those spaces would likely require substantial improvement to continue an intensive food-service use, or demolition of the concrete block structures would be necessary to restore the White Cliffs to its original, as-built design and better facilitate any new improvements with a more appropriate design and utility. There are currently few event-related venues within the Northborough market that operate corporate meeting, banquet, wedding, and special event facilities. We have surveyed various facilities based on location, competitive features, and capacity. Current fees for room and hall rental range from \$350 to \$1,000 per event, depending on the venue capacity and needs. There is a concentration within the range of \$500-\$1,000 per event for high-quality facility rentals that would support a similar capacity as the White Cliffs. Our research indicates a demand for high quality event venue space for meetings and special events within the downtown neighborhood of Northborough.

John W. Coderre
White Cliffs

September 11, 2015
Page vi

The attached report serves as a summary of our findings. All of our conclusions are based on preliminary information provided by you. Changes to the development plans could require a re-evaluation of our conclusions. We are delighted to be of service to you. If you have any questions regarding the content of this report please feel free to contact us.

Sincerely,



David S. Kirk, MAI, CRE®



Brett N. Pelletier

TABLE OF CONTENTS

TABLE OF CONTENTS	1
Property Description	2
Site Description	5
Building Improvement Data and Analysis	6
Regional Economy	12
Regional Overview	13
Employment	16
Population	20
Conclusion	26
Neighborhood Description	28
Commercial Office	28
Event Venue Uses	34
Certification	36
PART III: APPENDICES	37
Qualifications	38

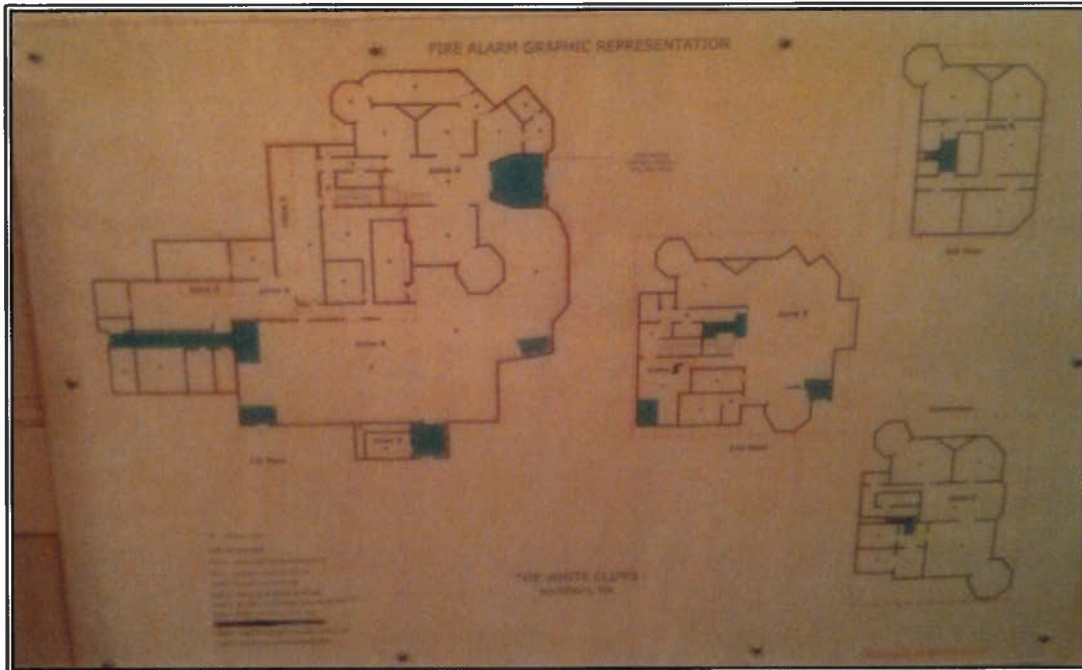


Photo Source: Northborough Historical Society

Property Description

The White Cliffs is an existing multi-story building originally constructed as a large summer residence and more recently converted to a restaurant and banquet facility. The building is currently approximately 18,865 square feet of area within a building of three stories and a lower-level basement area in the downtown central business district of Northborough, MA. The building was constructed in 1886 and is a three-and-a-half-story, wood building with a dormered roof and is stylistically a mixture of the Shingle and Queen Anne styles. The property includes three stories of living space, a small attic, and a full unfinished basement. The first floor includes a large central entrance hall with four main public rooms original to the 1886 construction and most recently used as offices, dining rooms, and meeting spaces. The rooms include original wood paneling, light fixtures, ceiling finishes and medallions, stained glass windows, fireplaces, and built-in cabinetry and millwork. The rooms are in very good condition and are generally large in size, as seen on the floorplan below. Additionally, the first floor includes original covered porches and patios which have been enclosed variously during the conversion from a residence to a function facility. However, it appears as though much, if not

all, of the original architectural millwork and porch structure is intact. The remaining space on the first floor includes a concrete block and masonry addition that was added in 1969 and includes a large function room, commercial kitchen, and various service facilities. The addition, most notably the kitchen facilities and the exterior building envelope, was observed to have significant deferred maintenance and functional obsolescence. The commercial kitchen and large function room that were added in 1969 would likely require substantial improvement to continue an intensive food-service use, or demolition of the concrete block structure(s) would be necessary to restore the White Cliffs to original, as-built design and better facilitate any new improvements with a more appropriate design and better functional utility. The second floor includes the termination of the grand staircase from the main entry hall which lands on the second floor main hall. The hall includes approximately half of the second floor space and has a capacity of approximately 150-200, depending on layout. Additional restrooms and service areas are located on the second floor. Much of the original architectural millwork and ornamentation is still present on the second floor; however, it appears that certain wall patricians were removed to create the large ballroom during the conversion to a function facility. It is evident that care was taken to retain millwork and historic features during the conversion and renovation as effort was made to replicate original millwork and build around significant features. The third floor is accessible through the secondary stairway behind the main staircase. The third floor includes a large landing area and three large rooms and various smaller rooms currently used as storage. The level of finish of the third floor is more modest and deferred maintenance was observed.



The property is currently vacant. The property is centrally located within the downtown neighborhood of Northborough amongst agglomerative uses such as retail, institutional, commercial, professional, and municipal. If and when the project is redeveloped, the property should provide adequate access and uses should be separated to the extent possible and include a clearly defined identity for each use within the project to provide adequate accessibility and delineation throughout the building. The existing building currently includes various building entrances and exits along with additional service entrances and loading areas to the rear of the building in concrete block additions formerly used as commercial kitchens and service areas.



Source: Northborough GIS

Site Description

According to the town of Northborough Assessor's Office, the existing development is located on one site of 6.50 acres. The site is centrally located along Main Street in the downtown neighborhood of Northborough. The building is approximately 18,865 square feet of area within a building of three-and-a-half-stories and a lower-level basement area and small attic.

Area:	One parcel of 6.50 acres
Shape:	Irregular (see GIS site plan above)
Frontage:	Approximately 260 feet on Main Street
Topography:	Generally level surrounding the building and steep downward sloping topography to the south and southeast of the site toward Main Street
Utilities:	Water and sewer, electricity, telephone and natural gas
Soil conditions:	It is assumed that the site has the capacity to support the existing improvements on the subject.
Easements:	None noted that impact usage of the property
Parking:	Large parking areas on-site 150-200 spaces (exact capacity unknown)



Photo Source: Northborough Historical Society

Building Improvement Data and Analysis

White Cliffs includes two interconnected buildings of between one and three-and-a-half stories. The main residence was constructed in 1886 and a concrete block and masonry addition was added in 1969 to house a large function room and commercial kitchen. The main residential structure is in exceptionally good condition with much of the original architectural features and millwork preserved. The commercial kitchen and large function room that were added in 1969 were observed to have deferred maintenance and would likely require substantial improvement to continue an intensive food-service use, or demolition of the concrete block structures would be necessary to restore the White Cliffs to original, as-built design and better facilitate any new improvements with a more appropriate design and utility. However, areas of the building have been very well maintained and recently improved and could function as more modern office space, meeting space, and function space, however, a rehabilitation of the property is likely required.

Structure:	The building is constructed with various materials including wood bearing walls, areas of steel support, concrete and wood-framed floors, wood framed roofs and a basement foundation of stone and brick
Roof:	Areas of rubber membrane and original slate

- Windows:** Original wood-framed, single-pane, fixed and double-hung windows in the main residence. Some areas of original stained glass. Windows in areas of the 1969 additions are minimal and include aluminum framed windows, and vinyl and wood replacement windows.
- Elevators:** The building is not currently serviced by an elevator.
- Doors:** Exterior doors are solid wood and steel with areas of glass, and interior doors are various solid wood; most are original to the property.
- Condition:** The condition of the interior of the property varies from location to location and floor to floor. Most of the main public rooms on the first and second floors are original to the building and very well preserved and maintained. The function room in the 1969 addition is in good condition with areas of minor required maintenance. The commercial kitchen and service areas in the 1969 addition were observed to have substantial deferred maintenance. The third floor rooms were observed to have deferred maintenance and are currently used as storage.

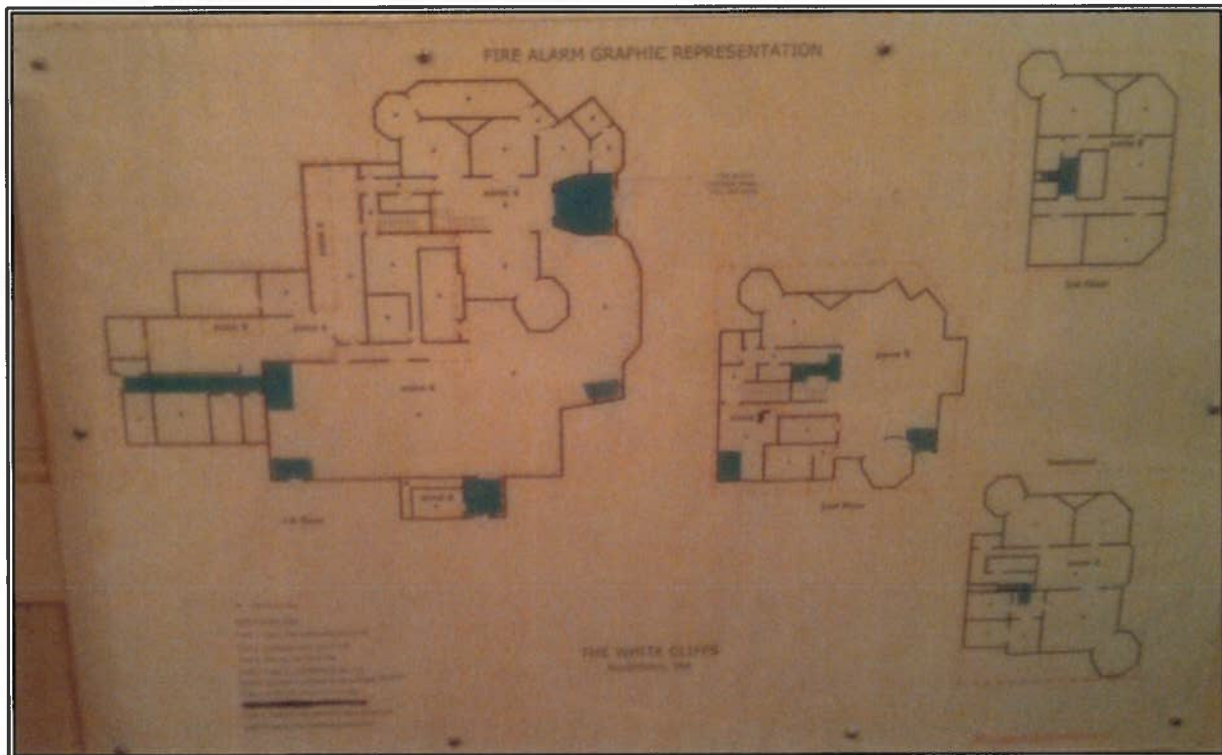




Photo Source: Northborough Historical Society

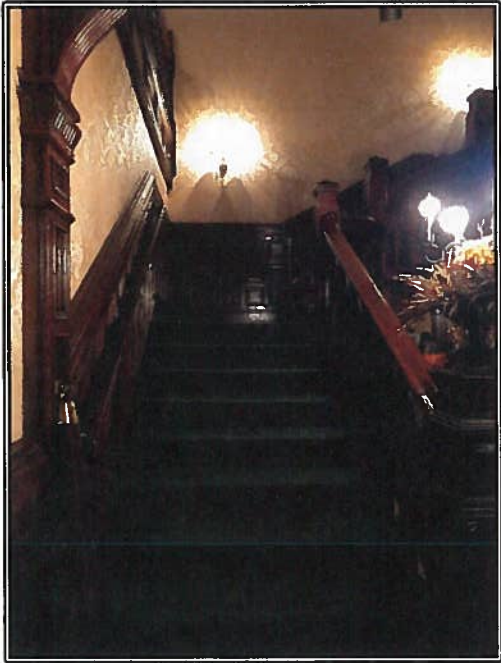


Photo Source: Northborough Historical Society



Photo Source: Northborough Historical Society

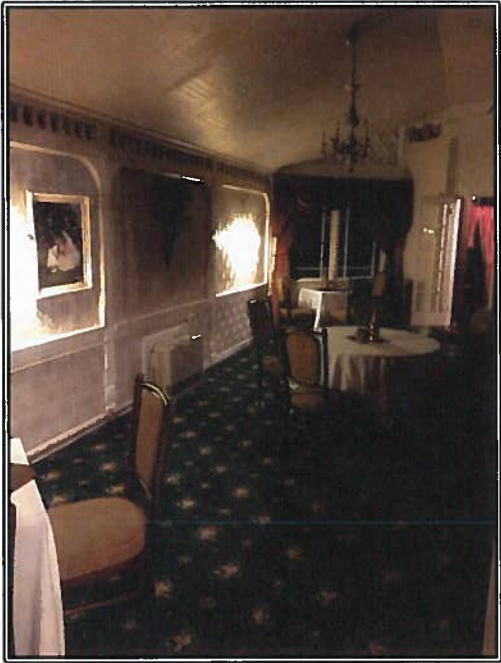


Photo Source: Northborough Historical Society

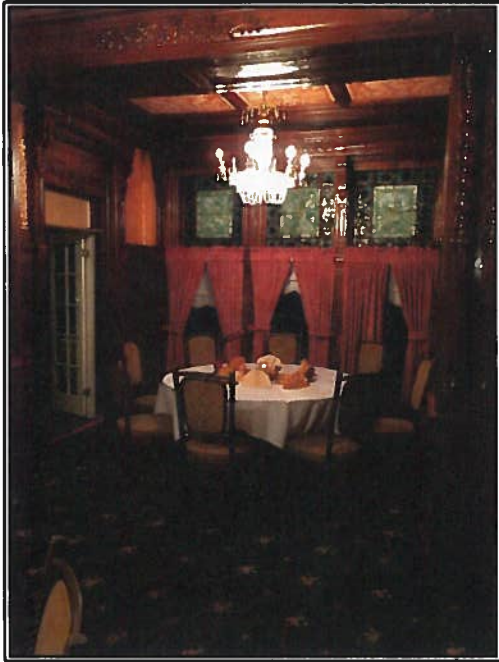


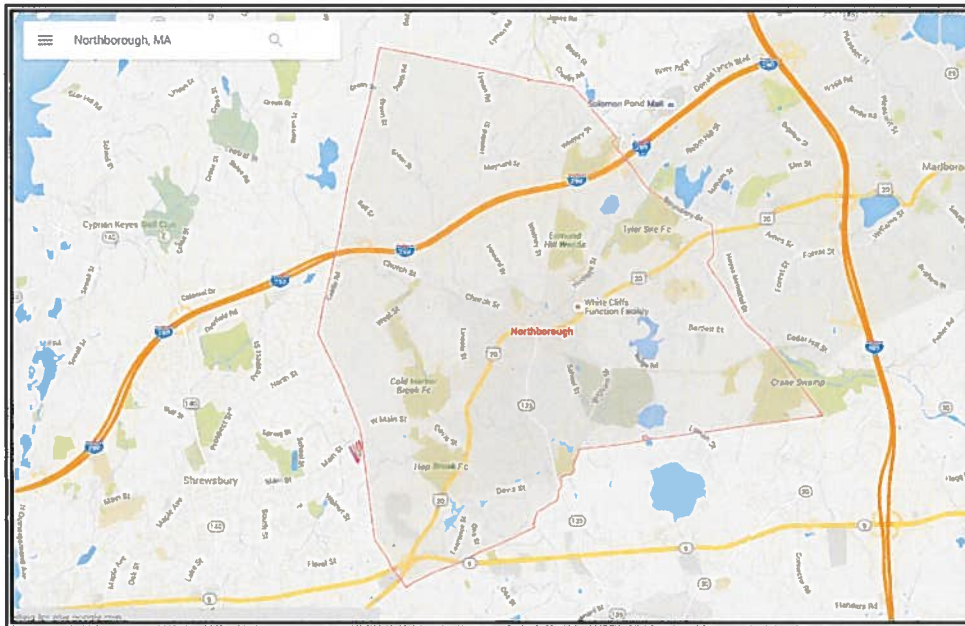
Photo Source: Northborough Historical Society



Photo Source: Northborough Historical Society



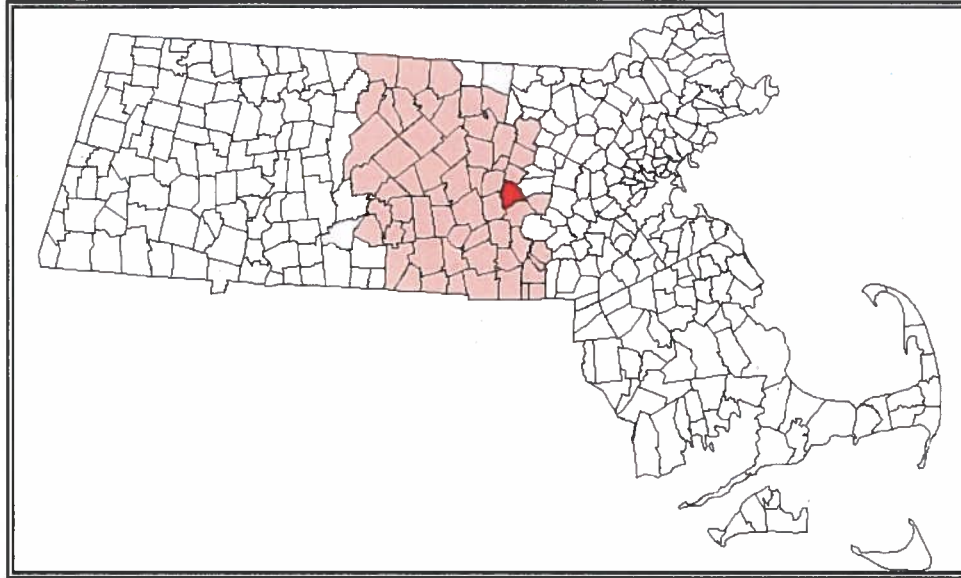
Photo Source: Northborough Historical Society



Regional Economy

The subject property is located in the downtown neighborhood of Northborough, Massachusetts, located in Worcester County. Northborough is located in central eastern Massachusetts, bordered by Berlin on the north, Westborough on the south, Marlborough on the east, Southborough on the southeast, and Boylston and Shrewsbury on the west. Northborough is 10 miles northeast of Worcester, and 30 miles west of Boston. The principal highways servicing Northborough are U.S. Route 20, Interstate 290, which connects Interstate Route 495 with Worcester, and State Routes 9 and 135. Interstate Routes 90 and 495 form an interchange in the neighboring town of Westborough. Therefore, the subject is heavily influenced by the geographic, social, political and economic conditions of the Greater Boston region, Worcester, and the New England region.

Accordingly the economic strength of Worcester, Boston and the region are indications of the neighborhood stability and strength. Boston, the capital of the Commonwealth of Massachusetts, serves as the center of finance, commerce, and culture for the New England region. The capital city is often referred to as "the Hub" because of its role as the center of New England for business, cultural activities, transportation and education. Therefore, the subject is heavily influenced by the geographic, social, political and economic conditions of the Greater Boston region and New England.



Source: Wikipedia.com

Regional Overview

Nationally and regionally economic conditions have improved over the past 12 months after the severe economic crisis. Recent improvements in both the national the regional economy indicate signs of recovery and overall general improving economic conditions. The Federal Reserve Board (Fed), in its July 15, 2015 publication of the Beige Book, for the Boston (First) District, reported that business conditions were stable or improving. The retail contacts reported sales increases that ranged from modest to large and they characterized their capital spending plans as aggressive. Revenue growth was reportedly moderate-to-strong among consulting and advertising contacts, with the exception of an economic analysis firm that posted flat sales. Manufacturers gave mostly positive reports, although the stronger dollar weighed on some. No significant upstream pricing pressures were reported among either manufacturers or retailers, although one retailer raised its own prices to cover a wage increase. Labor market tightness was reported for experienced retail salespeople as well as for high-technology workers and various professional positions. Boston's commercial real estate market was seeing accelerating rent growth and aggressive bidding for investment properties. Sales of single-family homes increased in all New England states except Massachusetts, and median sales price increased in four of six states. The outlook was reportedly mostly positive among retail contacts, stable or improving among most manufacturing contacts, and quite positive among business services contacts.

According to estimates released by the U.S. Commerce Department's Bureau of Economic Analysis (BEA), the gross domestic product (GDP) increased 3.7% in the second

quarter 2015 after increasing only 0.6% in the first quarter of 2015. The increase in real GDP in the second quarter primarily reflected positive contributions from personal consumption expenditures (PCE), exports, state and local government spending, nonresidential fixed investment, residential fixed investment, and private inventory investment. Imports, which are a subtraction in the calculation of GDP, increased.

The consumer price index (CPI), as reported by the U.S. Department of Labor, increased 0.1% in July according to the most recent report of August 19, 2015. The CPI for the nation has risen 0.2%, before seasonal adjustment, over the previous 12-months. According to the Bureau of Labor Statistics, the indexes for food, energy, and all items less food and energy all rose slightly in July. The food index rose 0.2% as all six major grocery store food group indexes increased. The energy index rose 0.1% as an increase in the gasoline index more than offset declines in other energy component indexes.

A national consumer confidence index, published monthly by the Conference Board, has rebounded in August after declining in July, as reported in their August 25, 2015 survey. The consumer confidence index currently stands at 101.5 which was up from 91.0 in July. The Conference Board reported, "Consumer confidence rebounded in August, following a sharp decline in July. Consumers' assessment of current conditions was considerably more upbeat, primarily due to a more favorable appraisal of the labor market. The uncertainty expressed last month about the short-term outlook has dissipated and consumers are once again feeling optimistic about the near future. Income expectations, however, were little improved."

Real Estate & Capital Markets

Both nationally and in Massachusetts, economic fundamentals continue to show signs of improvement, however, at a slower pace than has been experienced since the recovery began and has yet to fully recover to below-crash levels with elevated unemployment and sluggish economic growth.

Newmark Grubb Knight Frank reports in the Second Quarter 2015 Office Market Research Report that average asking rents continue to increase slowly as vacancy increases slightly. According to Newmark Grubb Knight Frank, the Greater Boston office market continued to tighten through the second quarter of 2015. Suburban submarket have higher vacancy levels than Boston and Cambridge, the vacancy rate of the suburbs declined by 20% over the quarter to 13.3%. The West 495 submarket's vacancy rate fell 80 basis points in the

quarter to 20.2%, a historically low level. The West – Route 495 submarket includes approximately 11,558,592 square feet of office space and includes Northborough. The average asking rent for commercial office space was \$21.64 per square foot for Class A space, while the Class B space asking rent was \$18.64 per square foot and the blended rate was \$20.22 per square foot within the West – Route 495 market, which includes Northborough. NAIHunneeman reported in their Second Quarter Market Statistics Report current office vacancy in the I-495 West submarket of approximately 21.6%. Northborough is located within the I-495 West submarket. Nationally, current mortgage rates are hovering around historical lows. According to HSH Associates, the average for a 30-year fixed conventional mortgage is currently 4.05% in the Boston, MA area.

Marcus & Millichap 2014 Annual Report indicated that investment activity is predicted to remain brisk in 2014 as local syndicates, out-of-state buyers, and institutions target assets within the metropolitan Boston markets. They also indicated that value-add listings will become more limited as owners choose to hold on to assets and capitalize on improved property operations, though opportunities will be more prevalent in the suburbs. Properties in all class types located inside Route 128 are in the highest demand. Moving outside of this boundary, property age and location also become factors and can greatly impact first year returns. Those in search of long-term holds will seek properties located in communities with established residential amenities such as retail, restaurants and medical facilities.

According to Marcus&Millichap in their second quarter 2015 OfficeResearch Market Overview report, Boston office construction is booming and as available Class A space diminishes. Demand from expanding tech and biosciences companies in the Seaport are fueling demand. The momentum in the commercial office market is expected to continue through the year. Approximately 6 million square feet of office space remains under construction. Two-thirds of this building space is located in the submarkets of Cambridge and Boston/Suffolk County, while outlying suburbs account for the remaining buildings. Developers will complete 4 million square feet throughout the Boston metro this year, adding 1.3% to office inventory in 2015. This is the highest level of office completions in nearly a decade. Last year 2.4 million square feet was delivered.

Marcus&Millichap reported that although volatility and speculation about the first rate hike since 2006 have ramped up considerably in recent weeks, the yield on the 10-year U.S.

Treasury has traded near 2.4%, mostly due to recent issues in the Eurozone involving Greece. Economic data is improving since the weak print in first quarter GDP, proving the Federal Reserve's thesis of seasonal factors and transitory conditions as the culprits behind soft GDP. Market participants are now positioning for the September meeting as the most likely starting point for an interest rate hike, while the latest comments from Federal Reserve Chairwoman Janet Yellen indicate that the exact moment is still data-dependent.

Overall, sources of capital are available within the market and interest rates and financing terms are generally favorable, however, financing sources are underwriting risk more cautiously than in past marks, putting a high premium on cash-on-cash return analysis versus pro-forma underwriting and weighing reserves for tenant improvements and vacancy and turnover. Major regional banks such as Eastern Bank, Cambridge Savings, and Brookline Savings are active within the market and issuing non-recourse debt for quality assets with well-capitalized sponsors. Additionally, national and international banks and insurance companies have been active participants in Boston and Suburban property underwriting and acquisition.

Employment

In Massachusetts, the labor force has increased over the past 12- and 24-month periods. Employment levels have increased over the same periods and most recently increased 2.1% over the past 12 months. The seasonally unadjusted unemployment rate in Massachusetts as of July 2015 was 4.9%, 6.0% as of July 2014, and 7.0% as of July 2013. The unadjusted national unemployment rate was 5.6% in July 2015. The labor force in the town of Northborough has increased by 4.1% over the past 24 months and employment has increased at 22.9%, over the same period. Improvements have been made in the past 12-months showing signs of recovery and eventual returns to pre-recession levels. The town of Northborough has employment levels, which have been historically higher than the Commonwealth of Massachusetts and the Worcester region. The outlook for improving employment conditions remains cautiously optimistic as the Massachusetts economy continues to outperform the nation, however, at an increasingly slower pace.

Employment Trends					
				24 month	12 month
<u>Massachusetts</u>	<u>July 2013</u>	<u>July 2014</u>	<u>July 2015</u>	<u>% Change</u>	<u>% Change</u>
Labor Force	3,560,900	3,609,200	3,644,400	2.3%	1.0%
Employed	3,310,400	3,391,400	3,464,200	4.6%	2.1%
Unemployed	250,500	217,800	180,200	-28.1%	-17.3%
Unemployment Rate	7.0%	6.0%	4.9%	-29.7%	-18.1%
<u>Worcester County</u>	<u>July 2013</u>	<u>July 2014</u>	<u>July 2015</u>	<u>% Change</u>	<u>% Change</u>
Labor Force	421,472	427,294	433,077	2.8%	1.4%
Employed	388,997	399,112	409,867	5.4%	2.7%
Unemployed	32,475	28,182	23,210	-28.5%	-17.6%
Unemployment Rate	7.7%	6.6%	5.4%	-30.4%	-18.7%
<u>Northborough</u>	<u>July 2013</u>	<u>July 2014</u>	<u>July 2015</u>	<u>% Change</u>	<u>% Change</u>
Labor Force	7,630	7,756	7,946	4.1%	2.4%
Employed	7,175	7,375	7,595	5.9%	3.0%
Unemployed	455	381	351	-22.9%	-7.9%
Unemployment Rate	6.0%	4.9%	4.4%	-25.9%	-10.1%

Source: Massachusetts Department of Employment and Training

Transportation

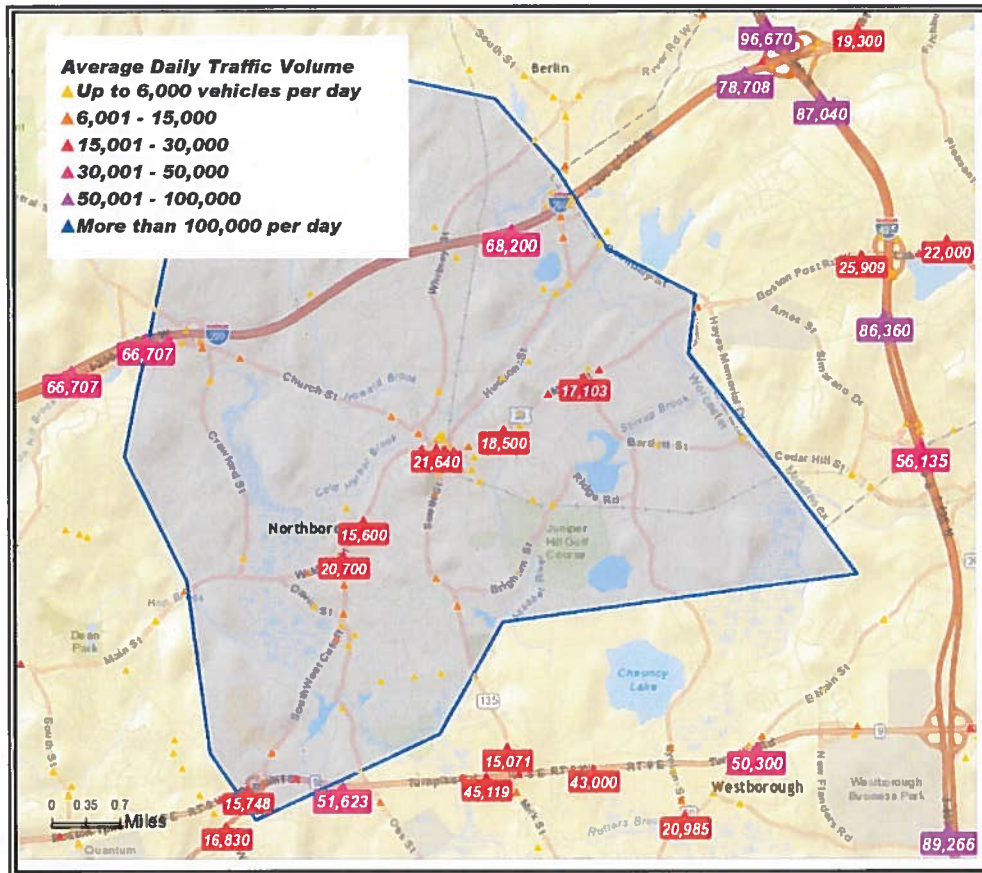
The subject property is located within the downtown neighborhood of Northborough and benefits from a broad-based and well-established transportation network. Northborough is located in the Worcester area, which has three major cross-state highways, the Worcester Turnpike (Route 9), Route 20, and the Massachusetts Turnpike. I-495 borders to the east, I-190 connects to the Fitchburg-Leominster area, I-84 and I-395 connect to Connecticut and points south. The region is well connected by rail and highway to the ports, airports, and intermodal facilities of Boston and Providence. The principal highways servicing Northborough are U.S. Route 20, Interstate 290, which connects Interstate Route 495 with Worcester, and State Routes 9 and 135. Northborough is a member of the Worcester Regional Transit Authority (WRTA) but does not receive services; however, WRTA services Leicester, Spencer, and East Brookfield along Route 9. Additionally, Cavalier Coach provides commuter service to Boston and points in-between. Additionally, Worcester is home to the Worcester Regional Airport, which provides JetBlue passenger service from Worcester to Fort Lauderdale and Orlando, Florida, with an estimated 100,000+ passenger trips per year and regional service via Netjets to various regional locations.

Massachusetts benefits from a broad-based and well-established transportation network. Logan International Airport, located in the city of Boston, is one of the country's most active

terminals serving both domestic and international travelers. A large interstate highway system connects Massachusetts with the rest of New England and the country. Interstate 95 connects with State Route 128 and forms the inner loop around Boston, while Interstate 495 forms the outer loop, both of which run in a generally north-south direction. The Massachusetts Turnpike (Interstate 90) originates in Boston and connects the city with points west and upstate New York. The John F. Fitzgerald Expressway (the Central Artery) runs north-south through Boston and connects the north and south shores. The Central Artery Project has expanded and depressed the Southeast Expressway and connects the Massachusetts Turnpike to Logan Airport through the Ted Williams Tunnel in an effort to ease traffic congestion and beautify the city of Boston.

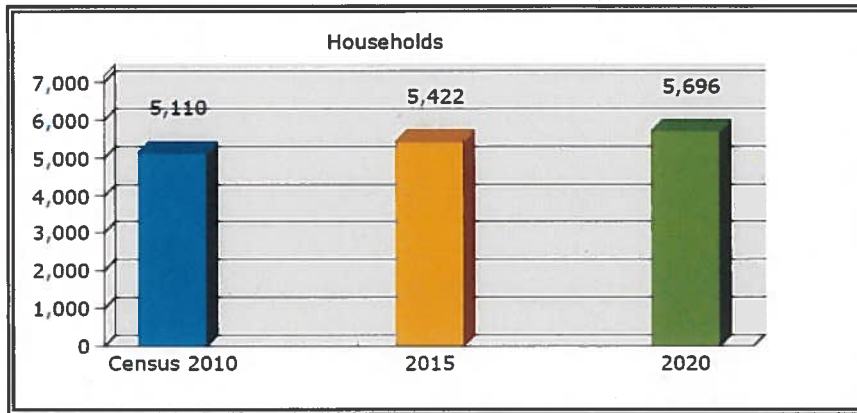
According to traffic count estimates provided by ESRI, the Main Street corridor is one of the most traveled roadways in Northborough with an estimate of between 15,600 and 21,640 car trips per day. The two data points along Main Street between the subject property reflect an average of 16,000 and 18,500 car trips per day. The Main Street traffic counter indicated an average of 16,000 car trips per day traveling in a generally east-west direction along Main Street in front of the subject property, compared to counts of between 18,500 to the southwest and 2,238 trips along East Main Street; a secondary roadway near the property. The concentration of car trips in front of the subject property is considered significant when compared to known regional high traffic areas at the interchange of Interstates 495 and 290, as indicated below. The subject property benefits from excellent access to transportation and exposure to vehicular and pedestrian traffic.



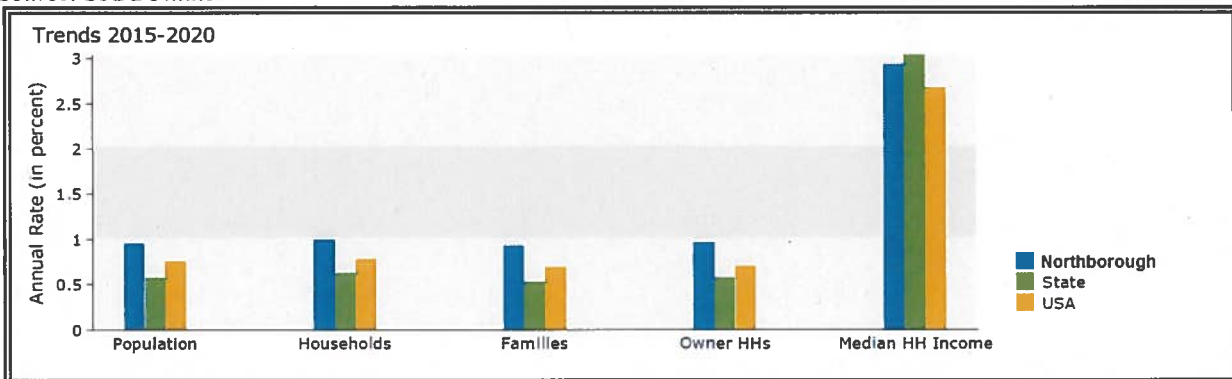


Population

Northborough is an established commercial and residential community and had a 2000 population of 14,013. According to demographic data provided by *STDBOnline*, the population of Northborough had increased marginally since 2000 for a 2010 population of 14,155, with an estimated 2015 population of 14,924; an annual increase of 0.54% over the period, and with an estimated 2020 population of 15,646; an annual increase of 0.95% over the period. Household growth is similar to the population growth of the selected geographies with Northborough households growing at a rate of 0.42% since 2000 for a 2010 count of 5,110 households, with an estimated 2015 household count of 5,422, an annual increase of 1.22% over the period, and an estimated 2020 household count of 5,696, an annual increase of 0.99% over the period.



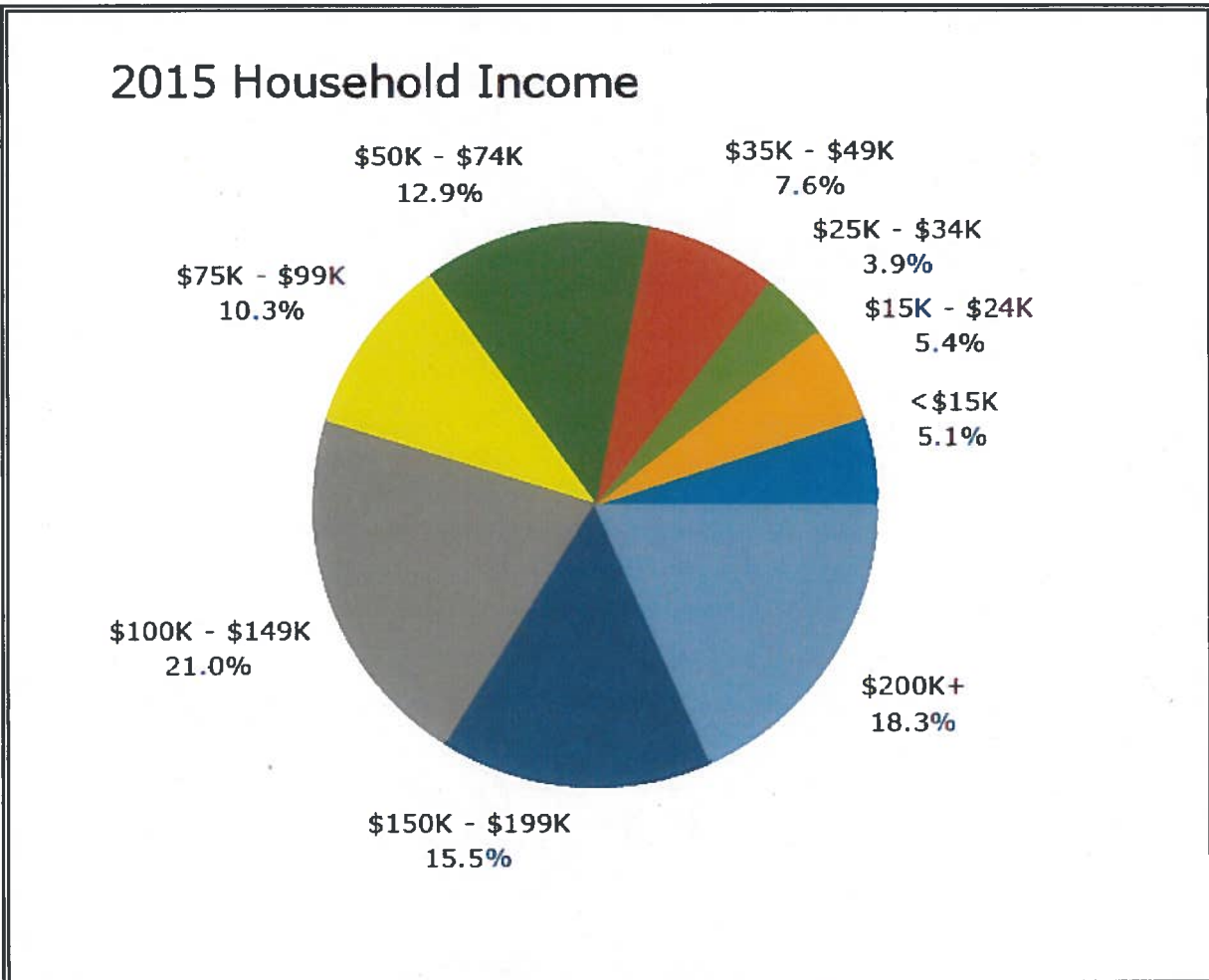
Source: STDBOnline



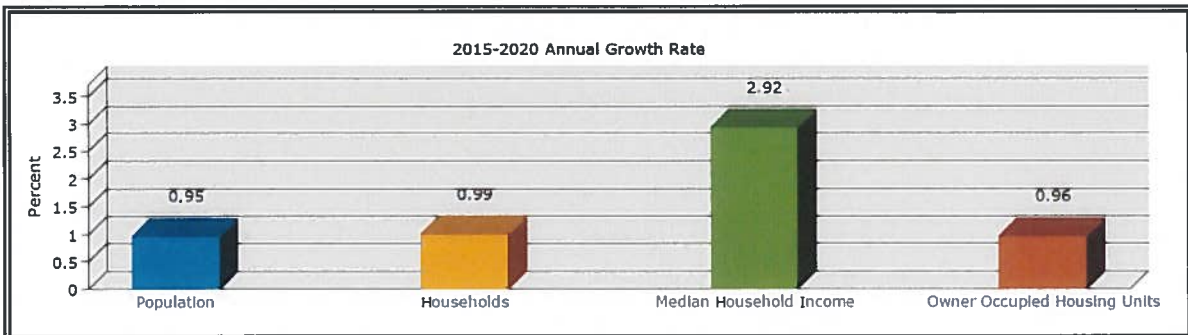
Income

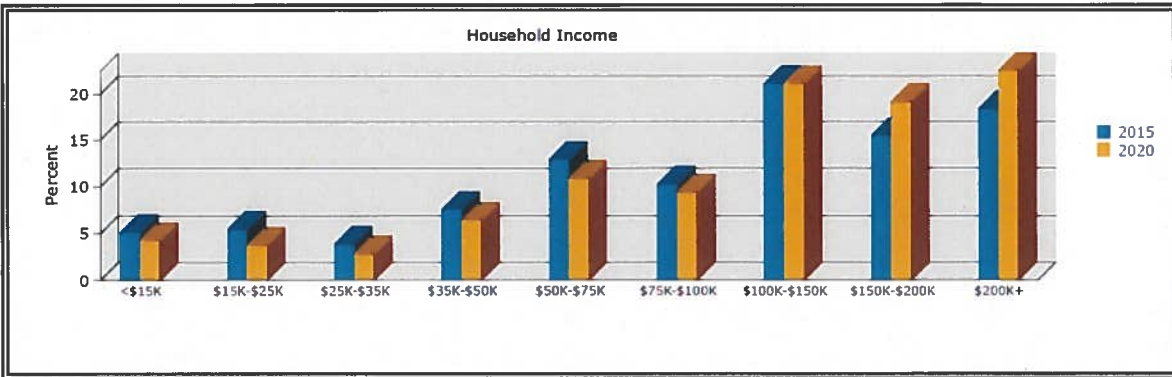
A study conducted by *STDBOnline*, estimates the current median household income (MHI) of households in Northborough at \$107,983, while estimated 2020 median income will increase to \$124,672. The estimated MHI is expected to increase at an annual rate of 2.92% over the coming five year term.

esri Demographic and Income Profile			
Northborough town Northborough town, MA (2502746820) County Subdivision			Prepared by Esri
Summary	Census 2010	2015	2020
Population	14,155	14,924	15,646
Households	5,110	5,422	5,696
Families	3,892	4,102	4,294
Average Household Size	2.73	2.72	2.71
Owner Occupied Housing Units	4,319	4,585	4,809
Renter Occupied Housing Units	791	837	887
Median Age	42.3	44.0	45.8
Trends: 2015 - 2020 Annual Rate	Area	State	National
Population	0.95%	0.57%	0.75%
Households	0.99%	0.62%	0.77%
Families	0.92%	0.52%	0.69%
Owner HHs	0.96%	0.57%	0.70%
Median Household Income	2.92%	3.03%	2.66%



Source: STDBOnline





A survey of major employers within the town of Northborough was provided by *Infogroup* to help identify local employment nodes and major employment locations. Manufacturing, retail, municipal, educational, and professional employers represent the majority of the large employers within Northborough. A list of some of the largest employers in the subject market was provided by *Infogroup* based on corporate filings, telephone surveys, and state and federal directories and is summarized below. *Kirk&Company* has verified the information provided by *Infogroup* to the extent possible through public directories, corporate listings and state filings. State filing information is proprietary and the MA Office of Labor and Workforce Development is prohibited by state statute from disclosing private corporate filing data.


Company Name	Address	City	State	Estimated # of Employees	NAICS Code
Metso Automation USA Inc.	Bearfoot Road #3	Northborough	MA	250-499	3345
St-Gobain Ceramics & Plastics	Goddard Rd	Northborough	MA	250-499	3274
Algonquin Regional High School	Bartlett St	Northborough	MA	100-249	6111
Aspen Aerogels Inc	Forbes Rd # B	Northborough	MA	100-249	4233
Bigelow Nurseries Inc	W Main St	Northborough	MA	100-249	4442
Boston Group	SW Cutoff # 100	Northborough	MA	100-249	5415
Home Instead Senior Care	W Main St # 14	Northborough	MA	100-249	6216
Hope Air Systems	Bearfoot Rd	Northborough	MA	100-249	3339
Hope Group	Bearfoot Rd	Northborough	MA	100-249	4237
Kohl's	Shops Way	Northborough	MA	100-249	4521
Mh Northborough Inc	Belmont St	Northborough	MA	100-249	4411
National Grid	Bearfoot Rd	Northborough	MA	100-249	2211
Northborough Selectmen	Main St	Northborough	MA	100-249	9211
Oracle	W Main St	Northborough	MA	100-249	5112
Spencer Technologies	Otis St	Northborough	MA	100-249	5416
Walmart	Otis St # 2158	Northborough	MA	100-249	4521
Bertucci's Corp	Otis St # 2	Northborough	MA	50-99	7223
Bj's Wholesale Club	Shops Way	Northborough	MA	50-99	4529
Coldwell Banker	Main St # 165	Northborough	MA	50-99	5312
Coleman House	W Main St	Northborough	MA	50-99	6233
Decision One	Forbes Rd	Northborough	MA	50-99	5415
Dick's Sporting Goods	Shops Way	Northborough	MA	50-99	4511
Fedex	Beeman Rd	Northborough	MA	50-99	4841
First Choice Real Estate	Otis St # 2	Northborough	MA	50-99	5312
Isomedix Massachusetts Inc	Whitney St	Northborough	MA	50-99	5619
Juniper Hill Golf Course	Brigham St	Northborough	MA	50-99	7139
Lexus of Northborough Svc	Belmont St	Northborough	MA	50-99	4411
Lincoln Street School	Lincoln St	Northborough	MA	50-99	6111
Marlborough Savings Bank	W Main St	Northborough	MA	50-99	5221
Mckesson Corp	Lyman St	Northborough	MA	50-99	4234
Melican Middle School	Lincoln St	Northborough	MA	50-99	6111
Pepper's Fine Foods Catering	Hudson St	Northborough	MA	50-99	7223
Premier Home Health Care Svc	W Main St	Northborough	MA	50-99	6216
Proctor Elementary School	Jefferson Rd	Northborough	MA	50-99	6111
Solmete X Inc	Bearfoot Rd # 2	Northborough	MA	50-99	5614
Spa At Nicholas Michaels	W Main St	Northborough	MA	50-99	7139
Viewpoint Sign & Awning	Lyman St # 1	Northborough	MA	50-99	3399

Employer information is provided by Infogroup®, Omaha, NE, 800/555-5211.

Copyright © 2015 All Rights Reserved.

**Data verified and interpolated by Kirk&Company*

According to the Business Summary report provided by ESRI, there are an estimated 8,850 employees within the government agencies and private sector companies within Northborough. According to the Massachusetts Department of Labor and Training, the Northborough labor force as of July 2015 included 7,946 persons.

	Business Summary	
	Northborough town	
	North Brookfield town, MA (2502746820)	
Geography: County Subdivision		
Data for all businesses in area		Northborough
Total Businesses:		842
Total Employees:		8,580
Total Residential Population:		14,924
Employee/Residential Population Ratio:		0.57:1

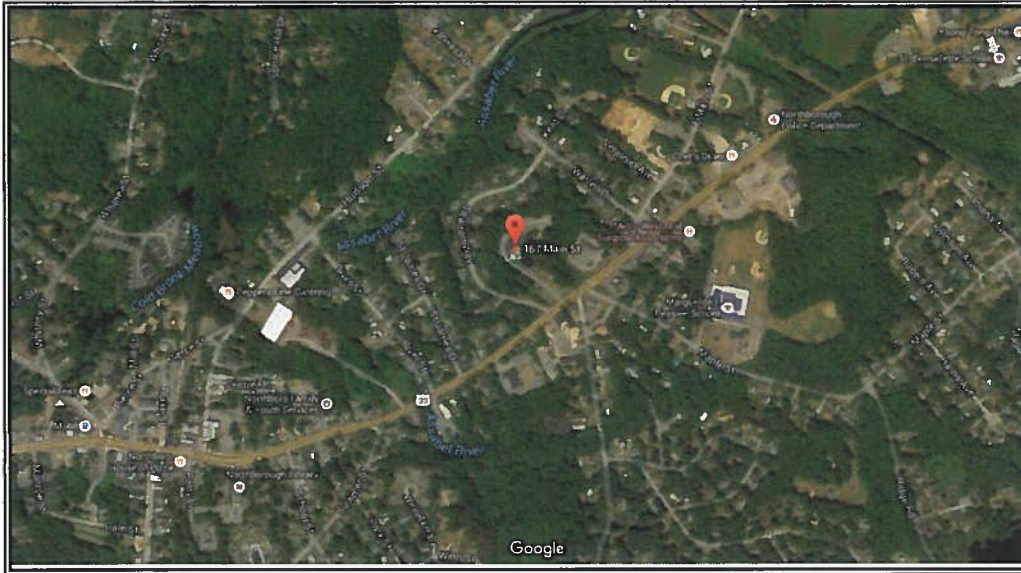
A listing of estimated 2015 employed population by industry and by occupation is provided by demographic service ESRI and is included in the below chart. According to estimates by ESRI, employed residents of Northborough are concentrated within service industries with 50.2% of the population employed within that industry and manufacturing and retail trade industries following behind with 17.7% and 12.5% respectively.

		Market Profile	
		Northborough town	
		North Brookfield town, MA	
		County Subdivision	
2015 Employed Population 16+ by Industry - Northborough			
<i>Total</i>		100%	7,930
Agriculture/Mining		0.2%	16
Construction		3.4%	270
Manufacturing		17.7%	1,404
Wholesale Trade		2.5%	198
Retail Trade		12.5%	991
Transportation/Utilities		2.6%	206
Information		2.5%	198
Finance/Insurance/Real Estate		6.2%	492
Services		50.2%	3,981
Public Administration		2.2%	174
2015 Employed Population 16+ by Occupation - Northborough			
<i>Total</i>		7,930	7,930
White Collar		79.5%	6,304
Management/Business/Financial		26.8%	2,125
Professional		31.4%	2,490
Sales		10.7%	849
Administrative Support		10.6%	841
Services		11.8%	936
Blue Collar		8.6%	682
Farming/Forestry/Fishing		0.1%	8
Construction/Extraction		3.6%	285
Installation/Maintenance/Repair		1.2%	95
Production		2.4%	190
Transportation/Material Moving		1.3%	103
<i>Source: ESRI</i>			

Conclusion

Economic activity in the U.S. continues to improve; however, the economic growth of the nation can be characterized as modest as the economy of the nation continues to recover. Employment, GDP, investment spending, consumer confidence, and availability of capital for investment are slowly showing signs of improvement. On July 29, 2015, the Federal Reserve Bank decided to maintain the target range for the federal funds rate at 0.0% to 0.25% and will assess progress toward maximizing employment and a 2.0% inflation goal. The Committee continues to see the risks to the outlook for economic activity and the labor market as nearly balanced.

Nationally, growth in household spending has picked up recently but remains constrained by pockets of high unemployment, modest income growth, lower housing wealth, and tight credit. Business spending on equipment and software has risen significantly; however, investment in nonresidential structures is declining and employers remain reluctant to add to payrolls, however, certain markets such as Boston have planned additions to supply. Housing starts have edged up but remain at a depressed level. Although the pace of economic recovery is likely to be moderate for a time, the Committee anticipates a gradual return to higher levels of resource utilization in a context of price stability. Real estate recoveries are driven mainly by employment growth and when GDP, and the labor markets begin to add jobs again, the real estate markets can begin to recover. The region is conveniently located to major regional transportation centers and employment centers within the market area and is located on a well-traveled thoroughfare within the region, making it a suitable location for commercial office and event space.



Neighborhood Description

The site is centrally located along Main Street (Route 20) in the central business district and downtown neighborhood of Northborough. The site is centrally located within the downtown neighborhood among an agglomeration of small scale commercial office, institutional, retail and municipal uses.

Commercial Office

The property has a commanding presence within the neighborhood and the town and is highly visible due to its substantial size, architecture, and elevation. The site is ideally located for commercial office space and meeting/event space due to its centrality to major traffic centers and visibility within the neighborhood, and access to parking. The hypothetical development is the adaptive reuse of the property, originally constructed in 1886 and most recently used as a function facility. You are considering mixed uses of commercial office, meeting rooms, and events space. The analysis within this report assumes the property undergoes a renovation program including upgrades to HVAC systems, electrical systems, technology-related infrastructure and wiring, and competitive fit and finishes throughout. The property should provide adequate access; and uses should be separated to the extent possible and include a clearly defined identity for each use within the project.

The commercial office and retail market in Northborough is primarily comprised of lower quality commercial space within smaller mixed-use buildings, with broad variations within each sub-category and varying substantially between properties. The majority of available space is

concentrated within buildings constructed between 1980 and 1987, with few new additions to supply. We observed various amounts of vacancy within neighboring buildings and within the surrounding market; however, the neighborhood surrounding the subject property is generally well occupied. During site and market visits, we observed some vacancy within adjacent buildings and within the surrounding market, however, through analysis and discussions with market participants in Northborough, it was observed that some vacancy includes inventory with substantial obsolescence, necessary tenant improvements, and properties awaiting adaptive reuse, and are therefore considered non-competitive product. A substantial amount of the surveyed office inventory had observed physical and functional obsolescence and some tenant improvements had exceeded their useful life. The subject property is located within a neighborhood that is a somewhat dense downtown neighborhood. According to municipal contacts within Northborough, there are no additions to the current development pipeline for major commercial office, medical office, or conference center/meeting space uses.

Current asking rents and observed rents for competitive office space within downtown Northborough are in the range of \$10.50 to \$16.00 on a full service (gross) basis or \$12.00 to \$15.00 on a modified gross basis, depending on the quality of space and improvements available, as indicated by the chart below. Current offerings of high quality, modern office space in substantial blocks are very limited. According to our survey of existing, actively marketed commercial office, medical office, and storefront office space, approximately 59,087 square feet is currently available within Northborough with a maximum single location availability of 17,605 square feet.

Commercial Office Rent Comparables							
No.	Property & Address	Year Built/ Renovated	Building Size SF	Available Space (Est)	Rent/ Month	Rent SF/Year	Lease Terms
1	155 Otis Street	1997	38,000	4,000	\$5,333	\$16.00	Full Service
	155 Otis Street			5,105	\$6,807	\$16.00	Full Service
	Northborough, MA			8,500	\$11,333	\$16.00	Full Service
2	56 Hudson Street	1985	35,000	5,000	\$4,375	\$10.50	Full Service
	56 Hudson Street Northborough, MA			1,500	\$1,313	\$10.50	Full Service
3	100 Otis Street Building 100 Northborough, MA	1987	33,000	6,480	\$3,510	\$6.50	NNN
4	Pendleton Square 386 West Main Street Northborough, MA	1987	20,000	1,702	\$2,128	\$15.00	Modified Gross
5	107 Otis	1986	21,570	1,760	\$1,760	\$12.00	Mod. Gross
	107 Otis Street			4,054	\$4,054	\$12.00	Mod. Gross
	Northborough, MA			5,500	\$5,500	\$12.00	Mod. Gross
6	Post Road Marketplace	2007	33,000	1,600	\$1,933	\$14.50	NNN
	318 Mian Street			4,675	\$5,649	\$14.50	NNN
	Northborough, MA			6,145	\$7,425	\$14.50	NNN
7	Medical Office Building	1980	18,754				
	112 Main Street			100	\$238	\$28.50	Full Service
	Northborough, MA			1,938	\$4,603	\$28.50	Full Service
				1,028	\$2,442	\$28.50	Full Service
							First Floor Storefront/Office Medical Office

Due to the age and condition of the physical improvements at the subject property, it is assumed that a rehabilitation and fit-up program would be implemented and improvements would be made to HVAC systems, electrical systems, technology-related infrastructure and wiring, and competitive fit and finishes throughout to accommodate office and conference/meeting uses. The White Cliffs mansion contains elaborate carvings, stained glass windows, original chandeliers and light fixtures, 17 fireplaces and many rooms with original partitions or temporary, non-structural partitions that are assumed to be easily removable. The first floor public rooms are suitably sized for professional office space, municipal office space, non-profit use, and community use. The commercial kitchen and large function room that were added in 1969 were observed to have deferred maintenance and would likely require substantial improvement to continue an intensive food-service use, or demolition of the concrete block structures would be necessary to restore the White Cliffs to original, as-built design and better facilitate any new improvements with a more appropriate design and utility.

The property should provide adequate services and design should provide appropriate separation of the various uses throughout the project such that each use is separated to the extent possible and has a clearly defined identity. If the subject property were available as high-quality commercial office space with ancillary venue, meeting, and conference rooms at this location, an average asking rental rate of approximately \$15 per square foot on a modified gross basis would be considered reasonable and achievable.

Market Demand

As an exercise in analyzing potential retail and market demand, we have reviewed data provided by ESRI Business Systems in a report titled *Retail MarketPlace Profile*. The report is included below and classifies existing retail establishments into 27 industry groups in the retail trade sector, as well as four industry groups within the food services and drinking establishments subsector. The report estimates sales to consumers by existing establishments and demand in the form of retail potential estimates the expected amount spent by consumers at existing retail establishments. The Leakage/Surplus Factor represents a snapshot of potential retail opportunity and is a measure of the relationship between supply and demand. A positive value represents leakage of retail opportunity outside the trade area and a negative value represents a surplus of retail sales; a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales, as indicated by the chart below, and serves to illustrate the unsatisfied local demand.

 Retail MarketPlace Profile						
Northborough town Northborough town, MA (2502746820) Geography: County Subdivision						Prepared by Esri
Summary Demographics						
2015 Population						14,924
2015 Households						5,422
2015 Median Disposable Income						\$80,793
2015 Per Capita Income						\$48,945
Industry Summary						
	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$281,782,906	\$366,545,323	-\$84,762,417	-13.1	153
Total Retail Trade	44-45	\$252,157,576	\$348,951,490	-\$96,793,914	-16.1	130
Total Food & Drink	722	\$29,625,330	\$17,593,833	\$12,031,497	25.5	23
Industry Group						
	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$51,375,281	\$34,523,040	\$16,852,241	19.6	11
Automobile Dealers	4411	\$45,195,252	\$32,174,102	\$13,021,150	16.8	6
Other Motor Vehicle Dealers	4412	\$2,869,223	\$1,091,389	\$1,777,834	44.9	2
Auto Parts, Accessories & Tire Stores	4413	\$3,310,806	\$1,257,549	\$2,053,257	44.9	3
Furniture & Home Furnishings Stores	442	\$6,702,386	\$2,179,396	\$4,522,990	50.9	6
Furniture Stores	4421	\$3,249,999	\$523,913	\$2,726,086	72.2	2
Home Furnishings Stores	4422	\$3,452,387	\$1,655,483	\$1,796,904	35.2	4
Electronics & Appliance Stores	443	\$8,902,032	\$2,101,180	\$6,800,852	61.8	6
Bldg Materials, Garden Equip. & Supply Stores	444	\$8,766,337	\$2,141,548	\$6,624,789	60.7	10
Bldg Material & Supplies Dealers	4441	\$7,510,336	\$1,980,838	\$5,529,498	58.3	9
Lawn & Garden Equip & Supply Stores	4442	\$1,256,001	\$160,710	\$1,095,291	77.3	1
Food & Beverage Stores	445	\$50,410,658	\$66,815,779	-\$16,405,121	-14.0	22
Grocery Stores	4451	\$42,854,619	\$60,402,341	-\$17,547,722	-17.0	8
Specialty Food Stores	4452	\$2,052,188	\$1,693,748	\$358,440	9.6	10
Beer, Wine & Liquor Stores	4453	\$5,503,851	\$4,719,690	\$784,161	7.7	4
Health & Personal Care Stores	446,4461	\$24,972,918	\$8,146,316	\$16,826,602	50.8	7
Gasoline Stations	447,4471	\$21,747,501	\$7,080,504	\$14,666,997	50.9	4
Clothing & Clothing Accessories Stores	448	\$19,239,510	\$54,718,897	-\$35,479,387	-48.0	15
Clothing Stores	4481	\$14,186,110	\$54,232,128	-\$40,046,018	-58.5	12
Shoe Stores	4482	\$2,404,902	\$156,799	\$2,248,103	87.8	1
Jewelry, Luggage & Leather Goods Stores	4483	\$2,648,498	\$329,970	\$2,318,528	77.8	2
Sporting Goods, Hobby, Book & Music Stores	451	\$7,154,563	\$29,963,759	-\$22,809,196	-61.4	11
Sporting Goods/Hobby/Musical Instr Stores	4511	\$5,829,876	\$29,229,658	-\$23,399,782	-66.7	8
Book, Periodical & Music Stores	4512	\$1,324,687	\$734,101	\$590,586	28.7	3
General Merchandise Stores	452	\$27,145,430	\$133,410,809	-\$106,265,379	-66.2	5
Department Stores Excluding Leased Depts.	4521	\$14,832,577	\$84,605,909	-\$69,773,332	-70.2	3
Other General Merchandise Stores	4529	\$12,312,853	\$48,804,900	-\$36,492,047	-59.7	2
Miscellaneous Store Retailers	453	\$6,551,085	\$6,123,496	\$427,589	3.4	30
Florists	4531	\$441,681	\$107,963	\$333,718	60.7	2
Office Supplies, Stationery & Gift Stores	4532	\$2,429,370	\$224,589	\$2,204,781	83.1	7
Used Merchandise Stores	4533	\$1,171,465	\$1,468,279	-\$296,814	-11.2	7
Other Miscellaneous Store Retailers	4539	\$2,508,569	\$4,322,665	-\$1,814,096	-26.6	14
Nonstore Retailers	454	\$19,189,875	\$1,746,766	\$17,443,109	83.3	3
Electronic Shopping & Mail-Order Houses	4541	\$14,442,308	\$1,183,364	\$13,258,944	84.9	2
Vending Machine Operators	4542	\$374,623	\$0	\$374,623	100.0	0
Direct Selling Establishments	4543	\$4,372,944	\$563,402	\$3,809,542	77.2	1
Food Services & Drinking Places	722	\$29,625,330	\$17,593,833	\$12,031,497	25.5	23
Full-Service Restaurants	7221	\$15,299,485	\$10,924,230	\$4,375,255	16.7	11
Limited-Service Eating Places	7222	\$11,892,757	\$5,125,131	\$6,767,626	39.8	7
Special Food Services	7223	\$1,539,396	\$1,236,169	\$303,227	10.9	4
Drinking Places - Alcoholic Beverages	7224	\$893,692	\$308,303	\$585,389	48.7	1

Additionally we have reviewed and analyzed estimate of consumer spending for 2015 within Northborough, Worcester County, and the Commonwealth of MA as an indication of the economic strength of the local market and potential for additional consumer spending within the market.

2014 Consumer Spending - ESRI

	Northborough	Worcester County	Commonwealth of MA
Apparel & Services: Total \$	\$21,962,882	\$556,773,326	\$5,106,847,060
Average Spent	\$4,050.70	\$1,802.17	\$1,964.73
Spending Potential Index	175.00	80.00	87.00
Computers & Accessories: Total \$	\$2,541,504	\$93,306,020	\$849,055,249
Average Spent	\$469	\$302	\$327
Spending Potential Index	184.00	119.00	128.00
Education: Total \$	\$17,251,714	\$593,311,193	\$5,550,024,458
Average Spent	\$3,182	\$1,920	\$2,135
Spending Potential Index	209.00	129.00	144.00
Entertainment/Recreation: Total \$	\$32,408,163	\$1,191,427,293	\$10,695,575,354
Average Spent	\$5,977	\$3,856	\$4,115
Spending Potential Index	181.00	119.00	128.00
Food at Home: Total \$	\$47,328,229	\$1,818,562,332	\$16,439,455,498
Average Spent	\$8,729	\$5,886	\$6,325
Spending Potential Index	167.00	116.00	124.00
Food Away from Home: Total \$	\$31,362,257	\$1,162,150,476	\$10,565,027,209
Average Spent	\$5,784	\$3,762	\$4,065
Spending Potential Index	176.00	117.00	127.00
Health Care: Total \$	\$45,084,149	\$1,648,092,364	\$14,554,325,753
Average Spent	\$8,315	\$5,335	\$5,599
Spending Potential Index	175.00	115.00	121.00
HH Furnishings & Equipment: Total \$	\$17,726,340	\$577,599,638	\$5,176,066,223
Average Spent	\$3,269	\$1,870	\$1,991
Spending Potential Index	178.00	104.00	111.00
Investments: Total \$	\$2,587,698	\$911,403,939	\$9,094,559,472
Average Spent	\$4,773	\$2,950	\$3,499
Spending Potential Index	173.00	110.00	130.00
Retail Goods: Total \$	\$238,791,789	\$8,481,529,126	\$75,746,343,494
Average Spent	\$44,041	\$27,453	\$29,141
Spending Potential Index	173.00	110.00	117.00
Shelter: Total \$	\$161,120,931	\$6,051,752,277	\$55,642,443,152
Average Spent	\$29,716	\$19,588	\$21,407
Spending Potential Index	181.00	122.00	134.00
TV/Video/Audio: Total \$	\$11,823,931	\$454,228,139	\$4,075,528,017
Average Spent	\$2,181	\$1,470	\$1,568
Spending Potential Index	\$167	\$115	\$123
Travel: Total \$	\$20,994,164	\$714,977,041	\$6,479,826,491
Average Spent	\$3,872	\$2,314	\$2,493
Spending Potential Index	\$198	\$122	\$131
Vehicle Maintenance & Repairs: Total \$	\$10,628,719	\$393,059,831	\$3,517,671,613
Average Spent	\$1,960	\$1,272	\$1,353
Spending Potential Index	176.00	117.00	124.00

Source: Consumer Spending data are derived from the 2011 and 2012 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2014 and 2019. Esri converted Census 2000 data into 2010 geography.

Event Venue Uses

The White Cliffs currently houses a large function room with a small platform stage and a smaller second-story meeting room that was once used to host weddings, corporate events, and meetings. The first story function room is approximately 3,500 square feet and has a capacity of approximately 300+; depending on layout. The second story space is approximately 2,500 square feet and has a capacity of between 150 and 200; depending on layout. With any rehabilitation scenario of the property, the commercial kitchen and large function room that were added in 1969, it is anticipated that those spaces would likely require substantial improvement to continue an intensive food-service use, or demolition of the concrete block structures would be necessary to restore the White Cliffs to its original, as-built design and better facilitate any new improvements with a more appropriate design and utility. There are currently few event-related venues within the Northborough market that operate corporate meeting, banquet, wedding, and special event facilities. We have surveyed various facilities based on location, competitive features, and capacity. Current fees for room and hall rental range from \$350 to \$1,000 per event, depending on the venue capacity and needs. There is a concentration within the range of \$500-\$1,000 per event for high-quality facility rentals that would support a similar capacity as the White Cliffs, however, pricing is often dependent on food service minimums, hotel blocking, or additional services. **Our research indicates a demand for high quality event venue space for meetings and special events within the downtown neighborhood of Northborough.**

Event Venue Comparables				
No.	Property & Address	Room Capacity	Event Rate	Events
1	Leicester Country Club	30	\$500	Weddings
	1430 Main Street	300	\$1,000	Banquets
	Leicester, MA			
2	Salem Cross Inn	40	\$500	Weddings
	260 W Main Street	225	\$1,000	Banquets
	West Brookfield, MA			
3	Knights of Columbus Hall	168	\$350	Weddings
	17 Willow Street		per 4 hours	Banquets
	Westborough, MA			Parties Etc.
4	Knights of Columbus Hall	80	\$200	Weddings
	4528 Mannville Street	250	\$300	Banquets
	Leicester, MA			Parties Etc.
5	Zukas Hilltop Barn	250	\$1,000	Weddings
	89 Smithville Road			Banquets
	Spencer, MA			Parties Etc.


Certification

We hereby certify that:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions of the initial appraisal, and are our personal, unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. Our 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.
5. 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 Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice, promulgated by the Appraisal Foundation.
6. David S. Kirk and Brett N. Pelletier have made inspections of the property that is the subject of this report.
7. Both David S. Kirk and Brett N. Pelletier are competent to appraise the subject property. Mr. Kirk is a state certified general real estate appraiser in Massachusetts and he has had substantial experience appraising all types of residential and commercial properties. No one provided significant professional assistance to the person(s) signing this report.
8. Kirk & Company has not previously performed consulting services relating to this property, within the past three (3) years.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic education certification. David S. Kirk is currently certified under this program through December 31, 2016.



David S. Kirk, MAI, CRE®



Brett N. Pelletier

Part III: Appendices

1. Qualifications

Appendix 1
Qualifications

David S. Kirk, MAI, CRE

Mr. Kirk is the Principal and Founder of Kirk & Company, a real estate appraisal, consulting and investment counseling company located in Boston, Massachusetts. Kirk & Company offers real estate consulting services to institutions, corporations, investors and developers. Services include advice, analysis and assistance on real estate investment, disposition, and development, including property valuation, marketability and feasibility studies.

Prior to founding Kirk & Company in 1993, he was a Senior Vice-President and Principal of The Boston Financial Group, and the Director of the Boston Financial Consulting Group, a division within the company that offers real estate consulting services. Lend Lease acquired Boston Financial in September of 1999. Prior to 1971, Mr. Kirk was an account executive with Landauer Associates (New York City), real estate consultants, where he was an appraiser of commercial, industrial and residential properties for purposes of financing, joint venture, disposition and corporate merger/acquisition.

Mr. Kirk is a member of the Appraisal Institute (MAI) and the Counselors of Real Estate (CRE). He was the 2001 President of the Counselors of Real Estate and 2001 President of the Greater Boston Chapter of The Appraisal Institute. He is a member of the Greater Boston Real Estate Board, the National Association of Realtors, and the Urban Land Institute. Mr. Kirk is a Certified General Real Estate Appraiser in the state of Massachusetts and Connecticut and a licensed real estate broker in the states of Massachusetts and New York.

Mr. Kirk is a graduate of the University of Pennsylvania where he majored in Architecture and the Wharton Graduate School of Business where he majored in Finance. He has been a speaker and a panelist at conferences of, among others, the Urban Land Institute, the National Trust for Historic Preservation, the Mortgage Bankers Association of America, the Society of Real Estate Appraisers, and the Massachusetts Bar Association. He was chairman of an advisory working group on Troubled Properties for the United States Department of Housing and Urban Development.

Mr. Kirk was a member of the Board of Editors of *Banker & Tradesman* and a contributing writer to the *New England Real Estate Journal*, and a co-author of *Real Estate: A Hidden Corporate Asset* (American Society of Real Estate Counselors, 1986). He has written articles which have appeared in national real estate periodicals including *The Appraisal Journal* and *Real Estate Review*. His article, "Using the Reversion/Shelter Approach to Appraise Subsidized Housing," co-authored with David A. Smith, was honored as the best *Appraisal Journal* article written in 1983, recipient of the Robert H. Armstrong Award.

Brett N. Pelletier

Mr. Pelletier joined Kirk & Company in 2005 to assist in the appraisal and consulting process, which includes narrative appraisal reports, feasibility studies, acquisition analysis and customized market research. Kirk & Company offers real estate consulting services to institutions, corporations, investors and developers. Services include advice, analysis and assistance on real estate investment, disposition, and development, including property valuation, marketability and feasibility studies. Mr. Pelletier specializes in the appraisal and analysis of market-rate, mixed-income, and affordable housing properties; including senior housing, SRO housing, assisted and independent living facilities with supportive services, and other types of rental and for-sale housing.

Prior to joining Kirk & Company, Mr. Pelletier served as campaign intern with John Kerry for President and was a legislative intern in the Boston office of the late Senator Edward M. Kennedy. Mr. Pelletier received his Bachelor's Degree in Finance with minors in English and Government from Bentley University where he focused on Corporate Finance and Real Estate with coursework in Real Estate Law, Real Estate Financing and Urban Planning & Development. Mr. Pelletier has successfully completed extensive primary and continuing education courses with the Appraisal Institute, Massachusetts Board of Real Estate Appraisers, and other national and regional professional and educational organizations.

Mr. Pelletier is a Licensed Real Estate Appraiser Trainee in the Commonwealth of Massachusetts, a Practicing Affiliate Member of the National and Massachusetts Chapter of the Appraisal Institute, an Emerging Leader Member of the Real Estate Finance Association (REFA) and a member of the National Council of Housing Market Analysts (NCHMA, an affiliated council of National Housing and Rehabilitation Association).

Since 2010, Mr. Pelletier has served as an elected member of the Tiverton, RI Town Council. In that capacity, Mr. Pelletier serves as liaison to the Economic Development Commission, Planning Board, Harbor & Coastal Waters Management Commission, Historic Preservation Advisory Committee, Library Construction Coordination Committee, Library Board, and the Real Estate Property Tax Exemption Review Committee.

Mr. Pelletier is also a member of the Preservation Society of Newport County and Fall River Historical Society, non-profit organizations that preserve and protect the architectural heritage of Newport County, Rhode Island and Fall River, Massachusetts. Additionally, Mr. Pelletier serves as the president of the board of directors of the Striving Artists Theatre Company of Beverly, Massachusetts; a non-profit performing arts organization dedicated to enriching the community with innovative theatre arts.