

Ex. 1

Carriage Town Park
Request for Lot Rent Increase

Within the Town of Merrimac's Rent Control Rules and Regulations, the guidelines for granting an increase are:

Under:

Section 1 Definitions

M. FAIR NET OPERATING INCOME: Fair Net Operating Income shall be that income which will yield a return, after all reasonable operating expenses, on the fair market value of the property, equal to the debt service rate for similar-type property generally available from institutional first mortgage lenders. The Board, in any given case, may, on the basis of evidence presents to it, adopt a different rate of return is such a different rate of return is deemed by the Board to be more appropriate to the circumstances of the case before it.

The way that we interpret this is as follows:

$$\begin{array}{ccccccc} \text{The Fair} & & \text{Reasonable} & & \text{[Fair Market} & & \text{Institutional]} \\ \text{Park Rent} & = & \text{Operating} & + & \text{[Value of Property]} & * & \text{Rate of Return]} \end{array}$$

Therefore, to calculate "The Fair Park Rent", we need 3 things:

1. The reasonable Operating Expenses.
2. The Fair Market Value of the property (FMV).
3. The current Institutional Rate of Return

1. Reasonable Operating Expenses: For this we are going to use the fullest year 2024 (without the mortgage principal).

On top of our actual operating expenses for 2024, we should adjust the amount to reflect that in order to complete the projects listed the park will have to borrow the funds. This will add \$ 38,687.40 (3,223.95 per month) of mortgage interest and principal to the cash requirement.

Therefore:

Reasonable Operating Expenses with Capital Adjustment = \$ 173,998.00

2. Fair Market Value (FMV) of the property : We are going to make the case that FMV of the property is \$ 2,400,000.00.

We have knowledge that another park in Orange County was sold in 2021 in the amount of \$ 55,000.00/per pad. With inflation continuing to rise we are using \$ 60,000.00/per pad as FMV.

3. Institutional Rate of Return or Debt Service Rate. After talking with professionals in the world of business, we have found the Debt Service Rate to be currently at 8%.

Therefore, plugging these values into the fair rent formula:

$$\begin{aligned}
 \text{The Fair Park Rent} &= \text{Reasonable Operating} + [\text{Fair Market Value of Property} * \text{Institutional Rate of Return}] \\
 &= \$ 173,998.00 + (\$ 2,400,000.00 * 8\%) \\
 &= \$ 173,998.00 + \$ 192,000.00 \\
 &= \$ 365,998.00
 \end{aligned}$$

On a per lot monthly basis, the park rent should be:

$$\$ 365,998.00 / 40 \text{ lots} / 12 \text{ Months} = \$ 762.50$$

Therefore, we are proposing a rate of \$ 760.00 per lot

Carriage Town Park Trust

Proposed Projects

The following are proposed projects that need to be completed soon:

1. Repair (16) water shut offs \$25,000.00
2. Trash Area:
 - New Fence \$ 16000.00
 - Concrete Pads for dumpsters \$ 15500.00
3. Paving Expense to Roadways \$75,000.00
4. Create Reserves (per year) \$ 20,000.00
5. Repairs and Purchase of Sander \$ 7500.00
- Total Proposed Projects \$ 159,000.00

Additional Items we would like to bring to the Boards Attention:

Percent Changes in the Following Expenses:

Utilities	up 12%
Trash Removal	up 69%
Wages	up 117%
Insurance	up 196%

Also, we have been notified that the snow removal contract will increase \$ 16,000.00 next Season.

That is an average increase of expenses of 27.78% over 2022 to 2024 expenses.

MINCO

CORPORATION



North Andover, Massachusetts

A REAL ESTATE APPRAISAL REPORT OF MARKET RENT

PREPARED FOR
SB PROPERTIES, LLC

BY
MINCO CORPORATION

DATE OF VALUATION: MAY 31, 2024

DATE OF INSPECTION: MAY 31, 2024

DATE OF REPORT: JUNE 13, 2024

FOR THE PROPERTY

LOCATED AT

124 WEST MAIN STREET

MERRIMAC, MASSACHUSETTS

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MINCO

CORPORATION

June 13, 2024

Stephen J. Baker
SB Properties, LLC
281A Broadway
Merrimac, Massachusetts 01841

Dear Mr. Baker:


In answer to your request and authorization, we have performed an appraisal of the market rent of the typical manufactured home pad site at the property located at 124 West Main Street, Merrimac, Massachusetts. This is an appraisal report and is intended to comply with the reporting requirements set forth under Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice (USPAP). This report presents discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses are retained in our file. The depth of discussion contained in this report is specific to the needs of the client. The appraiser is not responsible for unauthorized use of this report.

This appraisal is made subject to limiting conditions and underlying assumptions set forth in this appraisal, including those regarding the presence of asbestos, lead paint, or hazardous waste as governed by applicable state, local or federal laws. The information contained herein is considered confidential in nature and is specifically prepared for the exclusive use of the Russell E. Hertrich Revocable Trust and SB Properties, LLC for the purpose of seeking the approval of a rent increase from the Town of Merrimac Rent Control Board.

In our opinion, the market rental value of the fee simple interest of this property as of May 31, 2024 is **\$550 per pad site per month**. This appraisal assumes both marketing and exposure times of zero to 30 days for the rental of a typical pad site.

Respectfully submitted,
Minco Corporation

John F. McCarthy, Sr. Vice President
Mass. Certified General Appraiser #401
File #: C2404179.50B



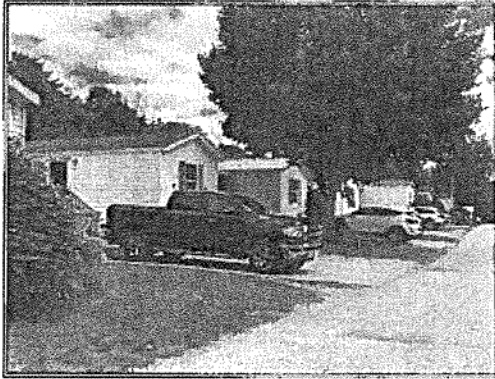
Peter F. Reilly, Appraiser
Mass. Certified General Appraiser #100

SUMMARY OF SALIENT FACTS

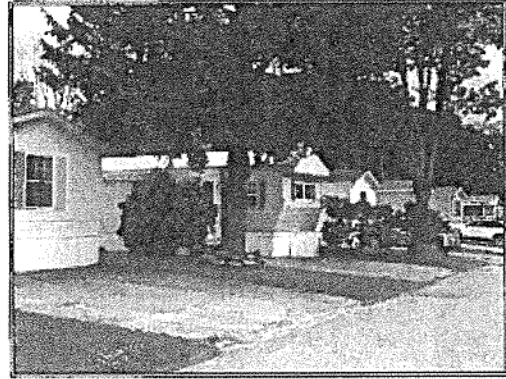
LOCATION	Carriage Town Park 124 West Main Street Merrimac, Massachusetts
OWNER OF RECORD	Russell E. Hertrich Revocable Trust & SB Properties, LLC
CURRENT DEED REFERENCE	Southern Essex County Registry of Deeds Book 39046, Page 510, recorded 10/13/2020
PROPERTY TYPE	Manufactured Home Park Typical Rental Pad Site
LAND AREA	4.10 acres
# PAD SITES	40
ASSESSED VALUE	\$856,800
REAL ESTATE TAXES	\$11,567
ZONING	RH - Rural Highway District Water Resource Protection Overlay District
HIGHEST AND BEST USE	"As Improved"
EXTRAORDINARY ASSUMPTION	none
HYPOTHETICAL CONDITION	none
ADVERSE EASEMENTS	none observed
DATE OF VALUATION	May 31, 2024
DATE OF INSPECTION	May 31, 2024
DATE OF REPORT	June 13, 2024
INTENDED USE	Determination of Market Rent
INTENDED USERS	Russell E. Hertrich Revocable Trust & SB Properties, LLC
INTEREST APPRAISED	Fee Simple
MARKET RENT	\$550 per pad per month

SUBJECT PROPERTY PHOTOGRAPHS

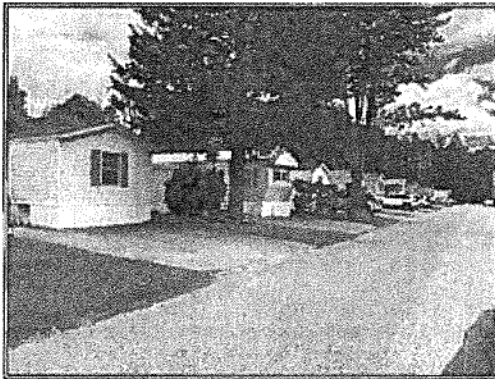
Park View



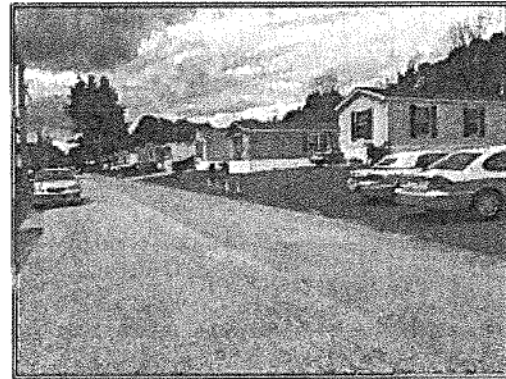
Park View



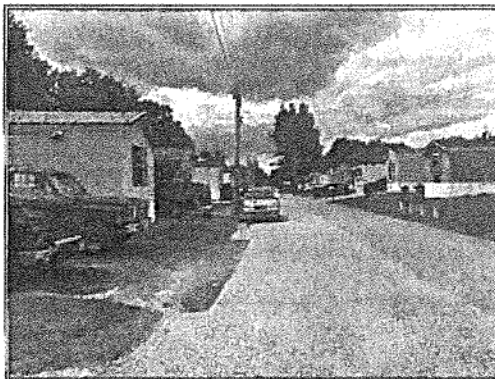
Park View



Park View



Park View



Park View

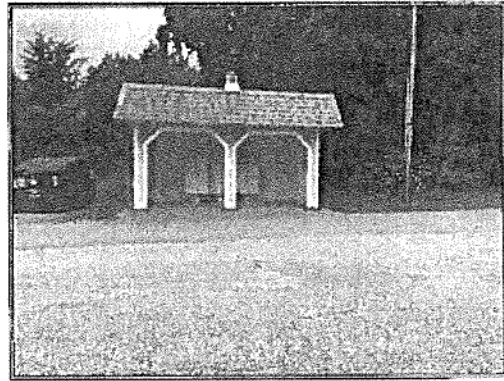


SUBJECT PROPERTY PHOTOGRAPHS

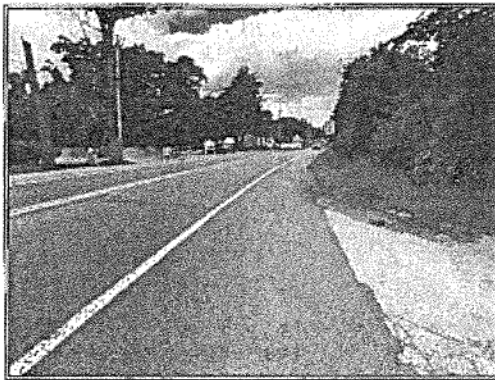
Park Sign



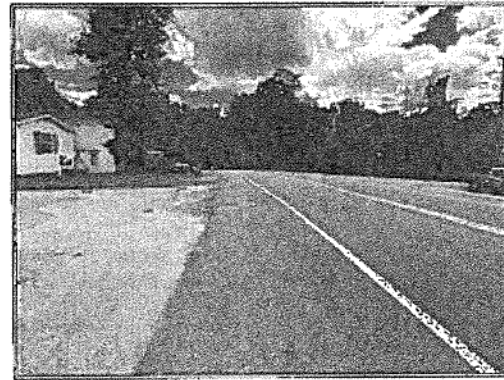
Shelter



Maintenance Building



House / Office



SCOPE OF WORK

The appraiser was engaged by the client to appraise the market rental value of the subject property. It is our understanding that this report will be used by the client to seek a pad rent increase with the Merrimac Rent Control Board. The property was inspected on May 31, 2024, which is the effective valuation date. To develop the appraisal, we inspected the property and investigated available public records to obtain information on it. These sources include but are not limited to municipal records and the registry of deeds.

A market rent analysis was developed to complete this appraisal. In gathering market data, the following sources were used: Costar, Warren Group Real Estate Records, New England Real Estate Network (NEREN), real estate agents, brokers, appraisers and other professionals knowledgeable of the market area. This appraisal report provides the information required for the client to make an informed business decision. Supporting documentation is retained in our file.

EXTRAORDINARY ASSUMPTION

According to USPAP, an extraordinary assumption is "...directly related to a specific assignment, which, if found to be false, could alter the appraisers opinions or conclusions." There is no extraordinary assumption in this appraisal.

HYPOTHETICAL CONDITION

According to USPAP, a hypothetical condition "...is known to be false but is presumed to be true." There is no hypothetical condition in this appraisal.

INTEREST APPRAISED

The real estate interest appraised is that of ownership in fee simple title. Fee simple, is "*absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.*"¹ In other words, fee simple assumes that the property is appraised as if free and clear of liens or other encumbrances, except for any existing or proposed easements or other restrictions as noted in this report. No trade fixtures, personal property, specialized equipment, intangible items, or business value (going concern) is included in the value indication set forth in this report. As requested, we appraised only the market rental value of the typical manufactured home rental pad.

1. The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022

DEFINITION OF VALUE

Market Rent

As used in this report, Market Rent is defined as: *The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a lease transaction, the lessee and lessor each acting prudently, and assuming that the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease of a specified date under conditions whereby: (1) lessee and lessor are typically motivated; (2) both parties are well informed or well advised, and acting in what they consider their best interests; (3) payment is made in terms of cash or in terms of financial arrangements comparable thereto; (4) the rent represents specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, renewal and purchase options, duration, rental adjustments, and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TI's).*

MARKETING & EXPOSURE TIME

According to USPAP, an appraisal must state an opinion of reasonable exposure time linked to a market value opinion. In USPAP, exposure time is defined as follows: "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market." Based on our study of the marketplace, this appraisal of market rent assumes a market exposure time for the rental of the typical pad site of zero to 30 days prior to the date of the appraisal. Exposure time differs from marketing time which, according to USPAP, is defined as: "an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal." If offered for sale, the forecast marketing time is zero to 30 days, if priced relative to our market rent opinion.

OWNERSHIP HISTORY

The subject property is under the ownership of Russell E. Hertrich Revocable Trust and SB Properties, LLC, which has owned it since October 2020, when it was transferred between related parties. The most recent deed for the property is recorded at the Southern Essex County Registry of Deeds, Salem, Massachusetts in Book 39046, Page 510, signed on October 1, 2020 and recorded on October 13, 2020. A copy of this deed is included in the Addendum. The subject is not listed for sale or under purchase and sale contract.

PROPERTY TAX INFORMATION

The following is information regarding the property that pertains to the subject of this appraisal as it appears in municipal records at the Merrimac Assessors office.

Assessor's Address	124 West Main Street
Parcel ID	46 / 1-5A
Assessment	\$856,800 (Land Only)
Tax Rate	\$13.50/\$1,000 (Single Tax Rate - Fiscal Year 2024)
Total Annual Taxes	\$11,567

Merrimac's tax rate is \$13.50 per \$1,000 of assessed value for Fiscal Year 2024, which began July 1, 2023. The town has a single tax rate for all classes of real estate.

LOCATION DESCRIPTION

Town of Merrimac

Merrimac is in northern Essex County, bounded by the State of New Hampshire to the north, Haverhill to the west, the Merrimack River and West Newbury to the south, and Amesbury to the east. The town has a population of about 6,700 persons and a land area of 8.83 square miles. Interstate Route 495 (I-495) and State Highway Route 110 pass through the town and Interstate Route 95 (I-95) is accessible in nearby Salisbury, via I-495 and State Highway Route 110.

Form of government is Board of Selectman, with some full- and part-time administrators. There are fire and police departments, with full-time chiefs and a combination of full- and part-time officers and fire fighters. The town has a kindergarten through grade 12 school system and is part of the Pentucket Middle and High School District. In addition, the town is part of the Whittier Vocational and Technical School District.

The primary employment center for Merrimac includes the geographic areas surrounding Boston, as defined by I-95 and I-495. Residents not working in the local area commute to these areas for work on a daily basis. The convenient access to the major highway routes assists commuters in traveling to work. Public transportation is available via the Merrimack Valley Regional Transit Authority (MVRTA). Route #51 passes through Merrimac, with two stops in the central business district (village). The Massachusetts Bay Transportation Authority (MBTA) has commuter rail stops in neighboring Haverhill and nearby Newburyport.

The majority of housing units in Merrimac are single-family dwellings. According to MLS-PIN there are three current offerings priced from \$589,900 to \$700,000, with an average listing price of \$663,300 or \$263 per square foot of gross living area (GLA). The average days on market (DOM) is 23. There are eight houses currently under agreement to be sold, with an average asking price of \$701,700, or \$390 per square foot of gross living area (GLA) and 20 DOM. There were 24 sales over the past six months, with an average sale price of \$636,500, \$323 per square foot and 40 DOM. None of the listings, pendings or recent sales was new construction. When available, new construction typically sells for more than \$750,000.

Demographics - Source: censusreporter.org

Merrimac has about 2,775 housing units of which about 67 percent are single-unit dwellings. Town occupancy is about 95 percent and 80 percent of units are owner-occupied. The average value of owner-occupied units is about \$462,900. There are about 2,645 households, of which 66 percent are married couples. The average household size is 2.5 and the median age is about 48 years. About 47 percent of the population is female and 53 percent is male.

About 95 percent of adults have a high school diploma and about 33 percent have a bachelor's degree or higher. The median household income is about \$100,300 and the median per capita income is about \$45,500. About 13 percent of households earn more than \$200,000 annually and about 28 percent earn less than \$50,000. About 8.6 percent of the population is below the poverty level, including 22 percent of children under the age of 18 and 4.0 percent of adults over the age of 65. The average travel time for commuters is about 28 minutes, with 78 percent driving alone.

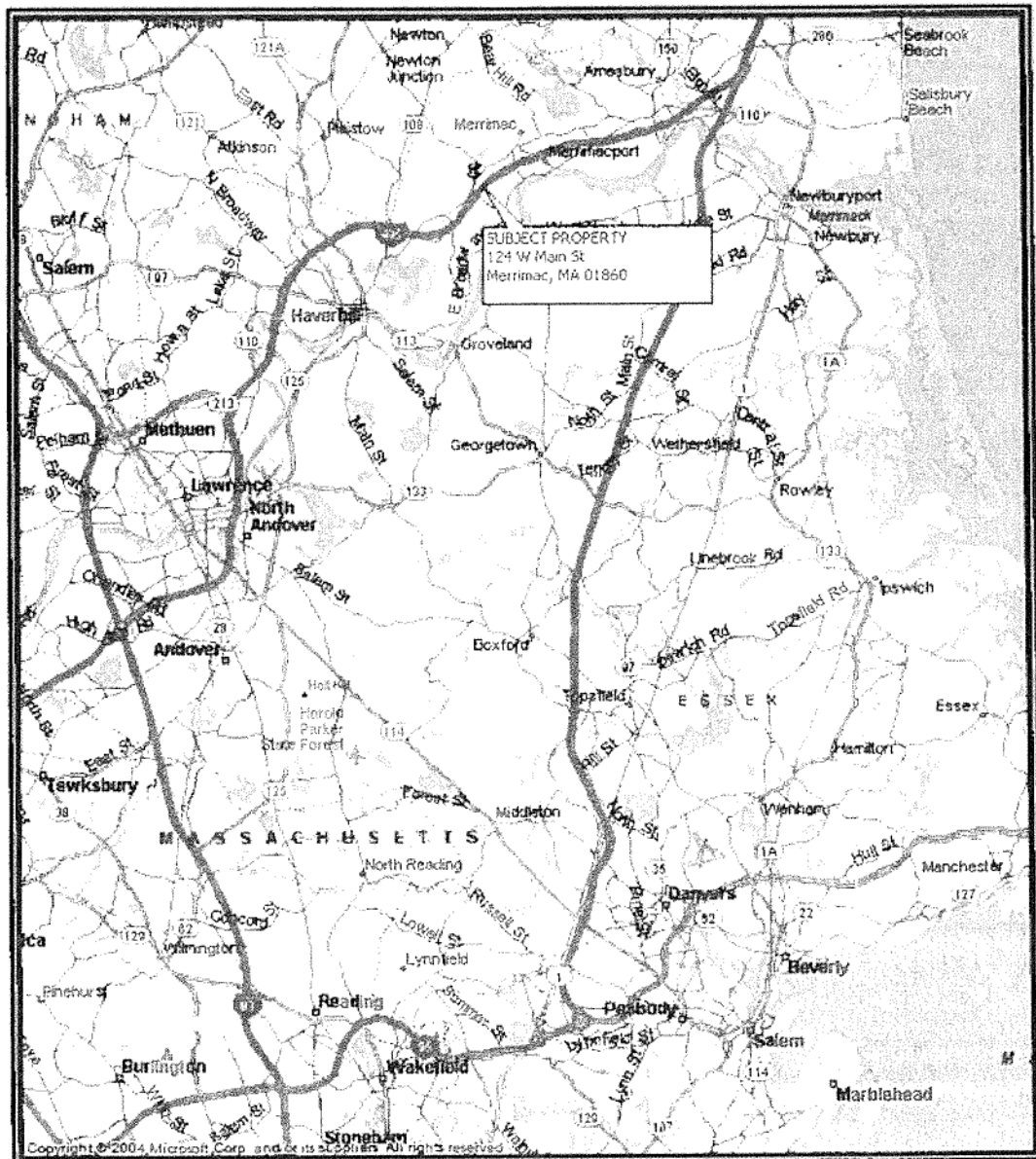
Neighborhood

The subject is located on West Main Street, Route 110, in the southwesterly geographical section of Merrimac. The locus is just to the northeast of the Haverhill border and about two miles east of the I-495 interchange at Route 110. I-495 provides access to I-95 about six miles to the east and the beach resort area of nearby Salisbury is about nine miles to the east. The overall quality of this access is better than average for the area.

The neighborhood is defined as West Main Street from the CBD at the east to the Haverhill border at the west, a total length of about 1.25 miles. Property uses in the neighborhood are mixed and include commercial, residential and vacant land. Recent development in the neighborhood includes both multi-family and mixed-use. The subject's use as a manufactured home park is in harmony with other neighborhood uses. No external detrimental conditions were observed that would adversely impact the marketability of the subject property.

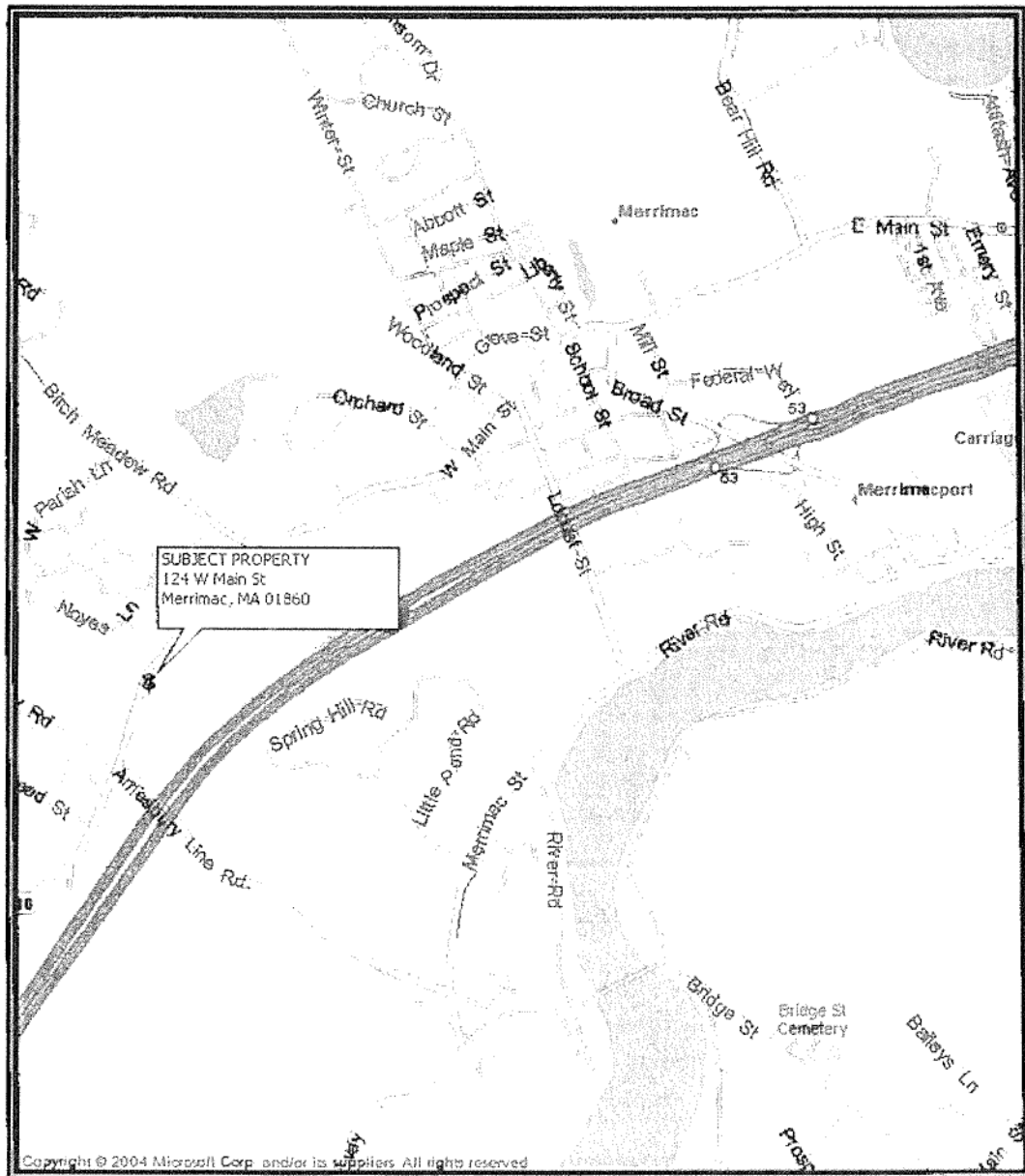
REGIONAL MAP

(not to scale)



LOCATION MAP

(not to scale)



ECONOMIC & MARKET CONDITIONS

Economic Overview

Despite almost universal expectations to the contrary, the U.S. economy did not fall into recession in 2023. A 4.9 percent annualized growth rate in Q3 of 2023 surprised most analysts. This was on the heels of about 2.25 percent annualized growth in the first half of the year. Much higher borrowing costs over the past two years have not yet slowed economic activity as expected. Many economists now see a Federal Reserve (Fed) engineered "soft landing" and perhaps avoiding a recession entirely in 2024.

Yet there is evidence of a slowdown in certain sectors of economic activity. Manufacturers report that demand for new products fell, resulting in a decline in factory activity for more than a year. The (national) housing market saw both sales transactions and prices drop in 2023 as higher mortgage rates and still-elevated prices eroded affordability. Conversely, demand for services remained strong, with travel, entertainment, and dining out keeping that sector in expansion mode.

The Fed has made some headway in its attempt to tamp inflation down. The personal consumption expenditures price index (PCE), the Fed's preferred measure of inflation, eased from its peak of 7.1 percent in June 2022 to 3.0 percent in October of 2023. Core PCE, which excludes food and energy prices, has been slower to retreat but edged lower to 3.5 percent in October 2023.

Despite tightening financial conditions and higher business costs, the labor market remained resilient. Employers had become cautious in trimming staff during the post-pandemic period, when hiring was difficult. Initial claims for unemployment remained low and job openings high, although the total number of job openings declined fairly dramatically in the second half of 2023. A high percentage of new jobs created in Q4 of 2023 were part-time positions.

Recent revisions to economic data show that households spent at a slower pace than was previously reported, and business investment weakened in response to higher borrowing costs. These trends are expected to continue, which should slow the economy in the coming months.

Bank Failures In 2023

There were three large bank failures in March 2023, including two in the U.S. (Silicon Valley Bank and Signature Bank) and one in Switzerland (Credit Suisse Group AG). As a result, there was cause for concern of major trouble looming in the banking sector. However, only two more major banks failed in the U.S. through the end of 2023, alleviating this concern, at least for the near term. Across the banking industry, the total number of branches fell for the 14th straight year in 2023. There were 77,690 active bank branches nationwide at the end of October 2023, according to S&P data, down from 79,000 branches at the end of 2022, a decline of about 1.7 percent.

Macro Economic Analysis

The Covid-19 Pandemic-induced economic shutdown in March 2020 is still impacting the economy in various ways. The U.S. Congress, the U.S. Treasury Department, and the U.S. Federal Reserve Bank (Fed) combined forces to inject about \$5 trillion of liquidity into the economy beginning in March 2020. Unlike previous bailouts, where financial institutions were the primary beneficiaries, these funds were put into the hands of businesses, institutions, and consumers. The result was that demand for all types of goods and services increased dramatically, while pandemic-related shutdowns hampered supply chains, causing worldwide shortages of key resources like petroleum products, lumber, and food.

The Fed balance sheet stood at \$7.6 trillion at the beginning of 2024, down from \$8.7 trillion a year earlier, but up from \$4.2 trillion prior to the pandemic. To put that in perspective, the Fed balance sheet had never exceeded \$1 trillion prior to March 2008. The U.S. Federal Budget deficit stood at \$1.7 trillion in early 2024, up from about \$723 billion a year earlier but down from the average of about \$3.0 trillion in 2020 and 2021. The 2022 decline in the annual deficit was due to dramatically higher tax receipts in 2022 and early 2023 due to inflation-assisted economic activity. This trend reversed in 2023 as stimulus liquidity was drained from the economy.

The pandemic disrupted supply chains significantly, resulting in dramatic inflation in 2021 and 2022, rising to about 9.0 percent by mid 2022. While price increases dropped to about 3.0 percent annualized by the end of 2023, supply chain disruption was prolonged by the Russia-Ukraine War and was further threatened in early 2024 by the Hamas blockades of the Red Sea shipping lanes. Shippers are reporting two to three times higher costs resulting from the necessary re-routing.

Crude oil futures peaked at about \$92 per barrel in September 2023, but were hovering between \$70 and \$75 in early 2024. Recent price declines are attributed to recessionary economic activity in other parts of the world, particularly Europe. OPEC cut oil production in early 2023 and announced in early 2024 that they would cut crude oil production by 2.2 million barrels per day for the foreseeable future in order to keep prices high.

The U.S. stock markets continued to flirt with new all-time highs in early 2024. The Dow Jones Average reached a new all-time high of about 38,000 in early January, as did the S&P 500 at nearly 4,800. The tech-heavy NASDAQ was about 7.5 percent below its November 2021 peak of about 16,000. Bond markets continued to struggle in the wake of much higher interest rates over the past two years. Following several strong years, most sectors of real estate struggled in 2023, again in the aftermath of increasing borrowing rates.

Cryptocurrencies (cryptos) continued to gain acceptance in 2023. Bitcoin is the best known and is considered to be different than other cryptos, due to its fixed supply and decentralized management. As a result, Bitcoin is considered a commodity by the Securities and Exchange Commission (SEC), while other cryptos are considered securities. Despite recent fluctuations in price, these attributes result in Bitcoin being considered a reliable store of value. After reaching an all-time high price of more than \$63,000 per "coin" in November 2021, the price collapsed to less than \$17,000 in late

December 2022 in the aftermath of the FTX scandal. Since then, however, the price returned more or less steadily to nearly \$46,000 by early 2024. On January 10, 2024, the SEC approved Bitcoin / crypto exchange traded funds (ETFs), which will allow investment firms to add the asset to their IRA 401K offerings. Due to the expectation of greatly increased demand, the price is expected to climb to new highs by mid year. Many long-term proponents believe as public adoption continues to increase the price fluctuations will flatten and price will continue to rise over time.

Between 2012 and 2020, real U.S. Gross Domestic Product (GDP) growth averaged about 2.2 percent annually. Between the 1970s and the 1990s, average annual GDP growth was 3.3 percent. Between 1996 and 2000 (the dot com run-up), GDP growth ranged from 3.8 to 4.7 percent and averaged 4.3 percent. In 2019, the last year of the previous recovery, real GDP grew by about 2.3 percent for the year. In 2020, GDP contracted by 3.5 percent on the heels of the pandemic. GDP grew by 5.7 percent in 2021, but a good deal of this was due to inflation. Following GDP contraction in the first half of 2022, the economy rebounded in the second half of the year to an annualized year-over-year growth rate of 2.1 percent. As stated previously, GDP growth was stronger than expected in 2023, particularly in Q3.

Prior to the pandemic, the expectation was for GDP growth of less than 2.0 percent in 2020 and the years that followed. The continuing demographic shift is a major issue in the expected GDP growth rate decline, as the U.S. birth rate is currently 1.8 per family, less than the rate of 2.1 required for "zero population growth." The U.S. rate of population growth has been bolstered in recent years by immigration, both legal and illegal. The rates of population growth in other developed nations, particularly Europe, are much less than in the U.S.

Interest Rates / Money Supply / Inflation

At an emergency meeting on March 3, 2020, the Fed announced a 50 basis point rate cut in response to financial turbulence resulting from the pandemic-related economic shutdown. Less than two weeks later, the Fed cut the rate by another 100 basis points resulting in a Federal Funds Rate range of zero to 0.25 percent. Over the next 14 months, the Fed and the U.S. Treasury added nearly \$3.0 million in stimulus to the economy. Since then, another \$2.0 trillion or so has been added, resulting in a total of \$5.0 trillion of new spending power in the economy added since the pandemic.

Consequently, demand for all types of goods and services increased dramatically. This, combined with pandemic-related supply chain issues, led to a dramatic increase in inflation, with the core inflation index topping out at about 9.0 percent in mid 2022.

At its Open Market Meeting (OMM) on June 10, 2020 (about three months into the pandemic), the Fed announced that the Federal Funds rate would remain unchanged through the end of 2022. The Federal Funds rate is the interest rate at which depository institutions (banks and credit unions) lend reserve balances to other depository institutions overnight, on an uncollateralized basis. In early 2021, the Fed announced that rising inflation at that time would be "transitory" (short-term), a statement that proved to be more than a bit embarrassing, and a retraction was issued in November 2021. As inflation continued to increase, the Fed changed course. Starting at its March 15, 2022

OMM. The Fed raised its key interest rate a total of 11 times in 2022 and 2023 from a range of zero to 0.25 percent up to a range of 5.25 to 5.50 percent (the highest in 22 years) at the July 13, 2023 OMM. The U.S. annualized inflation rate rose to 9.1 percent by mid 2022, the highest since November 1981. Since then, the rate of annualized inflation has declined steadily to 3.0 percent by the end of 2023.

Increases in asset prices were the primary backbone of the post 2008 / 2009 economic recovery, driven largely by historically low short-term interest rates keyed-in by the Fed. Inflation and the resulting currency debasement remain concerns for the near future. There is increasing interest in hard assets like precious metals, fine art, and other collectibles. In addition, there has been growing interest in crypto currencies, which are seen as potential replacements (worldwide) for fiat money.

Unemployment

By February 2020, the U.S. unemployment rate had dropped to 3.5 percent. Between October 2010 and February 2020, the U.S. economy added jobs for 113 consecutive months. Nearly 20 million jobs were added during this period. However, in April 2020, the unemployment rate rose to 14.7 percent in the wake of the Coronavirus Pandemic economic shutdown. This was the highest unemployment rate since the Great Depression. About 22 million jobs were lost in only three months, more than double those jobs that were created during the recent ten-plus year recovery.

In May 2024, the U.S. unemployment rate was 4.0 percent, up from 3.9 percent in April and from 3.8 percent in March. The rate is up from 3.7 percent in May 2023 and is down from the pandemic shutdown-induced high of 14.7 percent in April 2020. The current rate is now just above the pre-pandemic low of 3.5 percent in February 2020. About 272,000 non-farm jobs were added in May, up from 175,000 in April. The Bureau of Labor Statistics (BLS) reported that the economy has recovered all of the jobs that were lost as a result of the pandemic-related economic shutdown. An average of about 232,000 jobs per month were added in the past twelve months, above the average of about 225,000 jobs added per month in 2023. Based on a report in January 2023, of the 22 million jobs regained since the pandemic, there were about 629,000 more private sector employees, while there were about 597,000 fewer government workers.

The number of long-term unemployed (27 weeks or longer) in May 2024 was 1.4 million, up from 1.3 million in April and 1.2 million in March. This measure has returned to its pre-pandemic level and accounts for about 19.6 percent of total unemployment. BLS did not publish any data for May 2024 related to persons unable to work because their employer was closed or lost business due to the pandemic, or the number of persons who teleworked due to the pandemic.

"U-6," the broadest category of the unemployment rate, was 7.4 percent in May 2024, unchanged from April and up from 6.8 percent in May 2023. It is also a good deal lower than the 18.3 percent rate in May 2020, just past the peak of the pandemic shutdowns. The U-6 rate was 8.9 percent in February 2020. The current rate is also less than the 17.2 percent rate at the peak of the 2007 / 2008 Great Recession. The U-6 rate includes everyone in the official unemployment rate plus marginally attached workers, meaning those who have stopped looking for work. The main unemployment rate

includes everyone who actively sought work in the previous four weeks. Many non-economists feel that the U-6 is the "real" unemployment rate.

The average hourly earnings for employees on private nonfarm payrolls in May 2024 was \$34.91, up by 0.4 percent from April and up by 4.1 percent year-over-year. The average hourly workweek for all employees on nonfarm payrolls was 34.3 hours, equal to the number of hours the previous month..

The May 2024 labor force participation rate was 62.5 percent, down from 62.7 percent in April and unchanged from 62.7 percent in March. It down from 62.6 percent a year earlier. The current rate remains significantly below the pre-pandemic rate of 63.4 percent in February 2020. The labor force participation rate is defined as the percentage of people over age 16 who either have a job or are actively searching for one. This rate peaked at 67.3 percent in January of 2000 and the recent high was 66.4 percent in January 2007. The employment to population ratio in May 2024 was 60.1 percent, down from 60.2 percent in April and from 60.3 percent a year earlier. This measure is up from the post-pandemic low of 51.3 percent in April 2020 but still lower than the 61.2 percent figure in February 2020, pre-pandemic.

Despite the optimistic employment reports, there are concerns, particularly in the high-paying high technology sector. Technology firms have cut more than 190,000 jobs since the beginning of 2022, according to Layoffs.fyi, a website that tracks job cuts in the industry. Analysts say the job losses are likely indicative of future layoffs across a spectrum of industries within the labor market. Alphabet Inc., Google's parent company, became the latest technology company to reduce its workforce, announcing in mid January that it plans to cut 12,000 jobs, or about six percent of its workforce. Microsoft also announced that it will cut 10,000 jobs while Amazon has begun the process of cutting 18,000 employees. Other notable tech firms that announced major layoffs recently include Twitter, Salesforce, and Facebook's parent company, Meta.

Nonetheless, there were about 8.1 million U.S. job openings in April 2024, a number that has declined significantly over the past 24 months. The pre-pandemic high was about 7.7 million job openings. These jobs are across the pay spectrum, and include relatively low paying food service jobs to much higher paying construction sector jobs. Among the reasons given include older employees that chose to retire instead of returning to work, as well as cash infusions of government stimulus that eased the pain of not working.

The Massachusetts seasonally adjusted employment rate was 2.9 percent in April 2024, unchanged from March and February. It is down from 3.2 percent year over year and down from the post-pandemic high of 15.3 percent in May 2020. The March 2020 rate was 2.7 percent, just ahead of the pandemic shutdowns. Prior to April 2020, the unemployment rate had been under 4.0 percent for 48 consecutive months. About 500 jobs were lost in April, following the revised loss of 4,100 jobs in March and 5,000 (revised) jobs added in February. Over the past year, a total of 21,800 jobs were added, and about 669,500 jobs have been added since the April 2020 employment trough. The labor force increased by an estimated 12,200 in April, as 10,100 more residents were employed and 1,900

more were unemployed. The labor force participation rate in Massachusetts was 65.1 percent in April, up from 64.9 percent the previous month and equal to its rate year over year.

Real Estate

Lending rates for residential mortgages increased dramatically in response to the Fed rate hikes, with 30 year fixed interest rates for single-family mortgages rising to the 7.5 to 8.0 percent range by the end of 2023. Commercial lending rates were impacted in a similar manner, but were between 100 and 150 basis points less than residential. Following a dramatic increase in prices for virtually all classes of real estate between mid 2020 and late 2022, prices for all property types began to fall in 2023 nationwide, as did transaction volume.

Single Family Housing - National - 2024

According to the National Association of Realtors (NAR), sales of previously occupied U.S. homes fell 4.3 percent in March 2024 from the previous month to a seasonally adjusted annual rate of 4.19 million. That was the first monthly decline in sales since December 2023, and followed a nearly 10 percent monthly sales jump in February 2024. Existing home sales also fell by 3.7 percent on a year-over-year basis.

Despite the lower sales volume, the national median home sale price was \$393,000 in March 2024, up 4.8 percent year-over-year. According to NAR data, 60 percent of homes purchased in March sold in less than 30 days marketing time. About 29 percent of homes sold above their initial list price, up from 28 percent a year earlier. This is indicative of lack of available inventory, as homeowners who would like to sell are choosing not to give up mortgages in the 3.0 to 4.0 percent range, in order to make a new purchase with current rates in the 6.5 to 7.0 percent range.

At the end of March 2024, there were 1.11 million unsold homes on the market, a 4.7 percent increase from the previous month, and 14.4 percent higher year-over year, according to NAR. That remains well short of the 1.7 million homes on the market in March 2019, a year before the pandemic. Available inventory indicates a 3.2 month supply, up slightly both month-over-month and year-over year. Historically, inventory typically ranges between a four and five month supply.

The U.S. home ownership rate was 65.7 percent at the end of 2024, down from 65.9 percent (0.003) year over year. This rate peaked (all-time) at 69.2 percent in Q2 of 2004, and more recently at 67.9 percent in Q2 of 2020.

Housing starts in the U.S. for single-family homes in February of 2024 were 108,100, up from 103,200 (4.7 percent) a year earlier. Building permits for single-family homes in February 2024 were 118,300, up from 110,900 (6.7 percent) a year earlier.

There was concern early in 2023 that demand for new construction would collapse in 2023 due to increasing interest rates and the looming threat of a recession. This did not happen, however, and demand for new construction remains high throughout most of the country.

Single-Family Housing - Regional & Local - Massachusetts

According to analytics from MLS-PIN, the average sale price for a single-family dwelling in Massachusetts was 8.7 percent higher in May 2024 on a year-over-year basis. The average sale price per square foot of gross living area (GLA) was about 8.3 percent higher year-over-year. There were 36,486 houses sold statewide in the 12 month period between June 2023 and May 2024, down 13.6 percent year-over-year. In Essex County, the average sale price was 10.7 percent higher in May 2024 on a year-over-year basis. The average sale price per square foot was 7.6 percent higher over the same period. Due to the wide size range of GLA, sale price per square foot is typically a more reliable analytical metric than average sale price.

Conclusion

The economic issues resulting from the Covid-19 Pandemic-induced economic shutdown in March 2020 continue to impact the world economy. The \$5 trillion U.S. Government stimulus put cash in the hands of most citizens, businesses, and institutions. While most businesses struggled to find workers post-pandemic, the stimulus-based liquidity resulted in inflation spiking to 9.1 percent by mid 2022, the highest since 1981. In response, the U.S. Federal Reserve (Fed) raised its key interest rate a total of 11 times in 2022 and 2023 from a range of zero to 0.25 percent up to a range of 5.25 to 5.50 percent (the highest in 22 years). As a result, the rate of annualized inflation declined steadily to 3.0 percent by the end of 2023.

Total U.S. Federal Government Debt stood at about \$34 trillion in January of 2024, up from \$21.7 trillion only four years earlier. U.S. Treasury Bonds and other forms of debt rolling over in 2024 and 2025 will put pressure on the Fed to lower interest rates in 2024, which is now expected by most analysts, economists and market participants. Other forms of outstanding debt include U.S. household debt (\$17.3 trillion), corporate debt (\$11.8 trillion, with \$5.4 trillion maturing in 2024 and 2025), U.S. student loan debt (\$1.8 trillion). Total U.S. debt now stands at nearly \$95 trillion. Including unfunded liabilities like government pensions, Social Security, Medicare and Medicaid, total government debt is estimated to be in excess of *\$250 trillion*.

The Russia - Ukraine War that began in February 2022 has continued to disrupt supply chains, for key resources, with Europe being the hardest hit. This has been exacerbated by Hamas blockades of the Red Sea shipping lanes beginning in January 2024. New economic alliances for crude oil settlements are being formed in Europe, the Middle East and China that will threaten the global reserve currency status that the U.S. has enjoyed since the end of World War II. If this takes hold, demand for dollars will decline over time.

PROPERTY DESCRIPTION

The subject property is a slightly irregular-shaped parcel of land that is situated along the southeasterly side of West Main Street. The property is identified as "Parcel B" on a Plan of Land dated May 1953 that is recorded at the Southern Essex County Registry of Deeds as Plan Book 83, Plan 82. A copy of this plan is shown on the following page. The total land area is 4.1 acres, with frontage of 108 feet along the roadway. It is noted that this land area is less than the 4.5 acres shown in town records, but is deemed to be more reliable. The southeasterly border abuts the southbound side of I-495. However, due to severe downward topography along this border, the highway is not visible from the subject. It is improved with a 40 site manufactured home park, with access from West Main Street. Topography of the developed site slopes gently upward from the front to the rear. An aerial image of the property is shown below.

AERIAL IMAGE

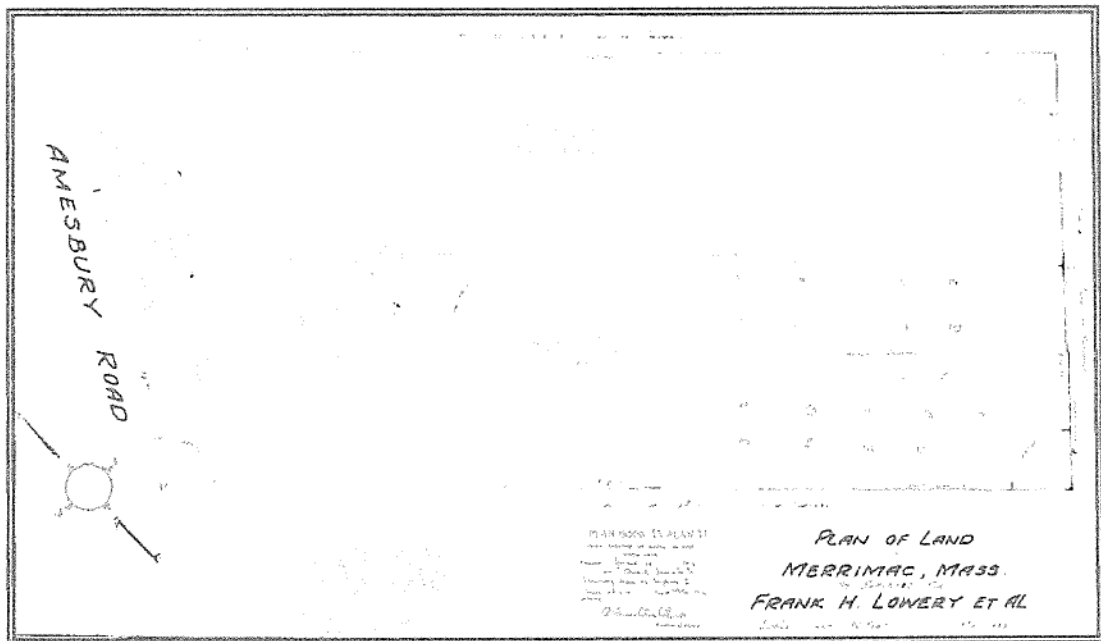


West Main Street (Route 110) is a two way, two lane, state highway that is paved with bituminous concrete. There is storm drainage and street lighting but no sidewalk in the immediate area of the subject. Utilities available to the area include electricity, telephone, natural gas, town water and sewer, cable television and internet. Utility cables are mounted on poles at the edge of the roadway.

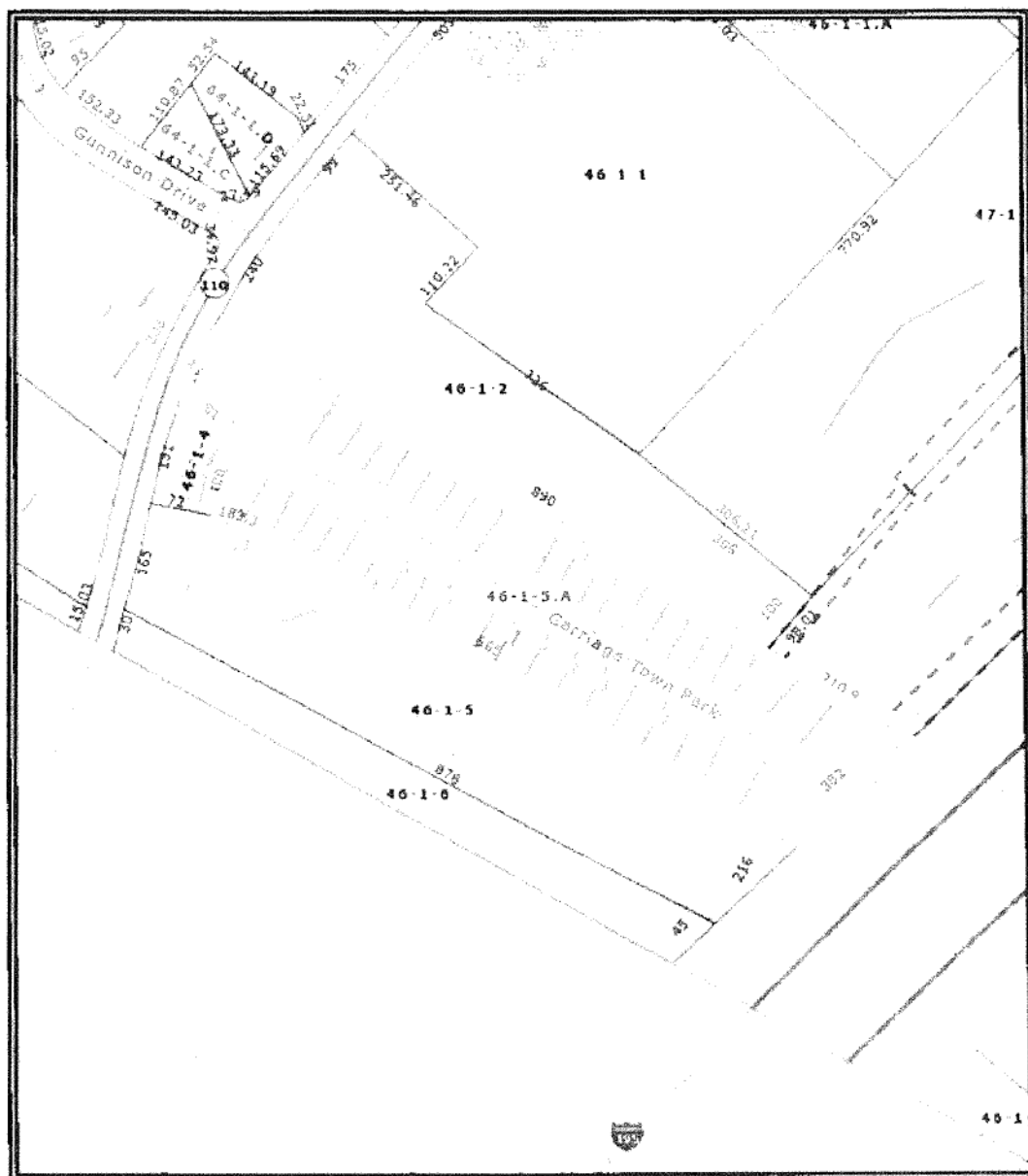
The park is served by dead-end roadway that extends off of West Main Street. Each site has private utility connections that include all available utilities except natural gas. Most have propane for heating and cooking. The client said that the park was developed many years ago, but was completely renovated in 2000, including the replacement of underground utilities.

SITE PLAN

Taken from Registry, Plan Book 83, Plan 82
(not to scale)



Subject Property Is Highlighted
(not to scale)



All of the homes in the park were installed since 2020 and the park appears to be well-maintained overall. There is mature landscaping and vegetation throughout which provides buffering between the homes and enhances its appeal.

The subject parcel subject lies in Merrimac's RH - Rural Highway District zoning district, which was created to encourage commercial development along West Main Street that meet the needs of residents. Mixed commercial and residential uses are allowed as well. Manufactured home parks are not allowed in the RH. The minimum dimensional requirements in this zoning district include 80,000 square feet of land area and 200 feet of frontage. The subject's manufactured home park has existed for many years and is assumed to be a legally nonconforming use.

Furthermore, the entire subject lies in the Water Resource Protection Overlay District, which was enacted to protect local water supply. Allowed uses and dimensional requirements remain largely the same as the underlying RH district, but all projects require a higher level of scrutiny than would be the case otherwise.

According to Flood Insurance Rate Map Number 25009C0084F dated July 3, 2012, the entire subject property appears to be in Flood Hazard Zone X "Area of Minimal Flood Hazard." A copy of the appropriate section of the referenced flood map is in the Addendum.

There appear to be no adverse easements encumbering the subject property. If any such easements are found, I can render an opinion regarding the impact of any such easement or encroachment on the value of the subject property at that point in time, if desired.

According to the Massachusetts Department of Environmental Protection (DEP) searchable sites web page, the subject site does not appear to be included on a list of sites with "Activity and Use Limitations" (AUL). This appraisal assumes no adverse impact resulting from soil contamination.

HIGHEST AND BEST USE

Highest and Best Use is "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."²

Highest and Best Use As If Vacant

Highest and best use assumes that a parcel of land is vacant or that it can be made vacant through the demolition of any improvements. In this analysis, the question asked is, if the land were vacant, what use should be made of it? To answer this question, the following tests are made.

² Dictionary of Real Estate Appraisal, 7th Edition

Legally Permissible: Legal permissibility generally speaks to the development potential of a property and must address all issues with respect to capability for a proposed development to comply with requirements set forth by all laws, bylaws, ordinances, rules, regulations and standards. The subject lies in Merrimac's RH - Rural Highway District zoning district, where commercial uses are predominant. Furthermore, the subject is in the town's Water Resource Protection Overlay District, which imposes additional scrutiny on potential development.

Physically Possible: This appraisal assumes that development is physically possible on the subject site at a reasonable cost. However, no engineering or other site studies have been performed as part of this assignment to determine the suitability of the site for development. The values in this appraisal are based, in part, upon subsoil conditions which would allow for site preparation without incurring costs beyond what is considered normal. Since the subject is already developed, it is reasonable to assume that any of the legally permissible alternatives are physically possible.

Financially Feasible: In appraisal terminology, financially feasible is any use in which there "is a positive net income or rate of return."³ In other words, there must be an anticipated profit after cost to construct new and land value are extracted from anticipated market value. It is the function of the Highest and Best Use analysis to investigate the zoning, assumed physical capacity of the land and the market value of the legally permissible and physically possible alternatives. Based on our knowledge of the marketplace, it is reasonable to conclude that any of the legally permissible and physically possible uses for the subject property would be financially feasible.

Maximally Productive: Among financially feasible uses, "the use that provides the highest rate of return, or value (given a constant rate of return), is the highest and best use."⁴ Given the combination of local zoning and the recently-developed uses, it is reasonable to conclude that commercial or mixed use is the subject's highest and best use as if vacant.

Highest and Best Use as Improved

Highest and best use as if improved pertains to the use that should be made of the property as it exists. The use that maximizes and provides the highest rate of return or value on a long term basis is its highest and best use. The subject is currently improved with a 40 site manufactured home park. These parks are highly desirable as they are good source of affordable housing. We know of no other use that would bring a higher return to the site to justify razing the existing improvements. Therefore, the current uses and improvements are the highest and best use of the subject property "as currently improved." This conclusion of highest and best use meets the four criterion for highest and best use including Legally Permissible, Physically Possible, Financially Feasible and Maximally Productive.

3 *Ibid*

4 *Ibid*

MARKET RENT ANALYSIS

The subject's 40 manufactured park home sites are reportedly rented for \$385 monthly. Included in the rent is real estate taxes (for the land), town water and sewer, snow plowing for the common roadways, landscaping, trash removal and recycling. The client said that there have been no rent increases for a number of years and believes that the current rent is well below the current market.

The owner is seeking a pad rent increase with the Merrimack Rent Control Board to market-based rent. The purpose of this appraisal is to develop an opinion of market-based rent for the subject. To this end, we have analyzed rentals of other investor-owned manufactured home parks that are located in the subject's market area. These are summarized on the grid below. Data sheets for each comparable complex are shown beginning on the following page and a comparable rental location map is shown on Page 33.

COMPARABLE MANUFACTURED HOME PARK RENTALS

Rental #	Park Name	Address	City/Town	# Pads	Rent/Mo.
SUBJECT	Carriage Town Park	124 W.Main Street	Merrimac	40	\$385
1	Kendell Lane M.H. Park	114 Lafayette Road	Salisbury	34	\$523
2	Danvers M.H. Park	96-98 Newbury Street	Danvers	71	\$410
3	Shady Oaks M.H. Park	103 Newbury Street	Danvers	28	\$450
4	Glen Mobile Home Park	200 North Street	Danvers	80	\$665
5	DeCotis M.H. Park	846 Broadway	Saugus	71	\$466
6	Chelmsford Commons	270 Littleton Road	Chelmsford	255	\$995
7	Green Acres M.H. Park	38 River Road	Pepperell	20	\$523

The seven rentals above include one in nearby Salisbury, three in nearby Danvers and one each in nearby Saugus, Chelmsford and Pepperell. The only other park in town is also owned by the principal owners of the subject and this property is the subject of another appraisal of this type as well. The data include a reliable sample of investor-owned manufactured home parks in fairly close proximity to the subject property. For this analysis, the data was limited to Massachusetts properties. While there some parks fairly close by in New Hampshire, the criteria for setting park rental rates differs somewhat than Massachusetts.

There are a number of nearby parks that are resident-owned typically as cooperatives. There are a number of these in Peabody for example. These were not included in the analysis as the park fees are not rents, but are common area maintenance fees with no return to equity like investor-owned parks. The seven rentals indicate a range of monthly rent per pad of \$410 to \$995. The rentals include the same owner-paid expenses as the subject, which include real estate taxes, town water and sewer, snow plowing for the common roadways, landscaping, trash removal and recycling.

RENTAL COMPARABLE 1

PROJECT NAME: KENDELL LANE MOBILE HOME PARK

LOCATION: 114 Lafayette Road, Salisbury

OWNER: Salisbury Estate Realty Trust (Kutcher)

MONTHLY PAD RENT: \$523

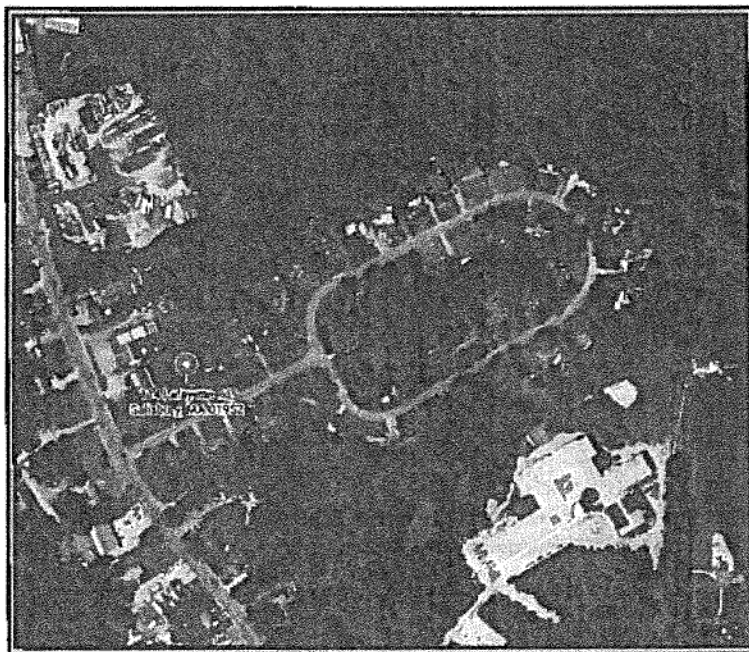
LAND AREA: 7.88 acres

PAD SITES: 34

PADS / ACRE: 4.3

AMENITIES: large sites

COMMENTS: This is a 34 pad park located on Route 1 in Salisbury. It is a modern park with large lots. It has the appearance of a residential cul-de-sac but the land is investor-owned and tenants own their homes.



RENTAL COMPARABLE 2

PROJECT NAME: DANVERS MOBILE HOME PARK

LOCATION: 96-98 Newbury Street, Danvers

OWNER: Tamar Properties, LLC

MONTHLY PAD RENT: \$410

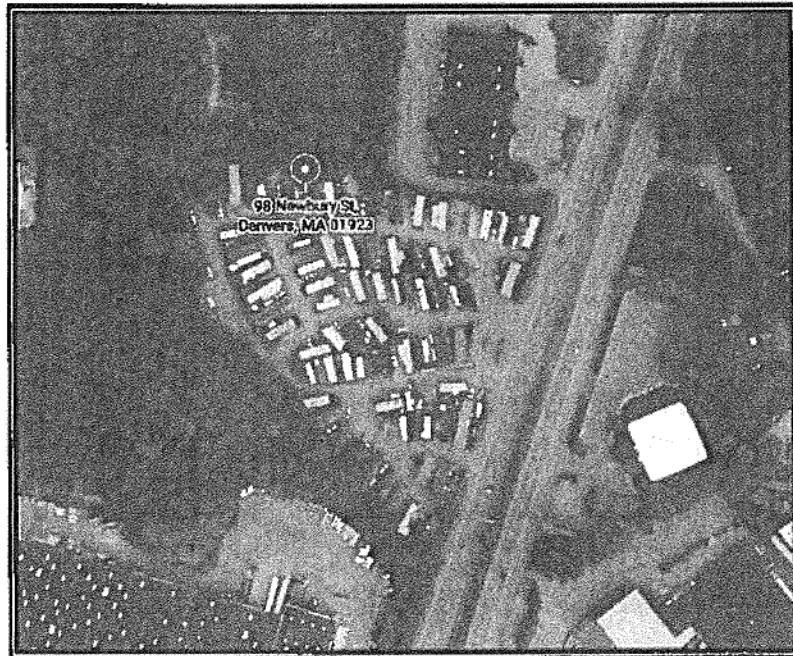
LAND AREA: 7.09 acres

PAD SITES: 71

PADS / ACRE: 10.0

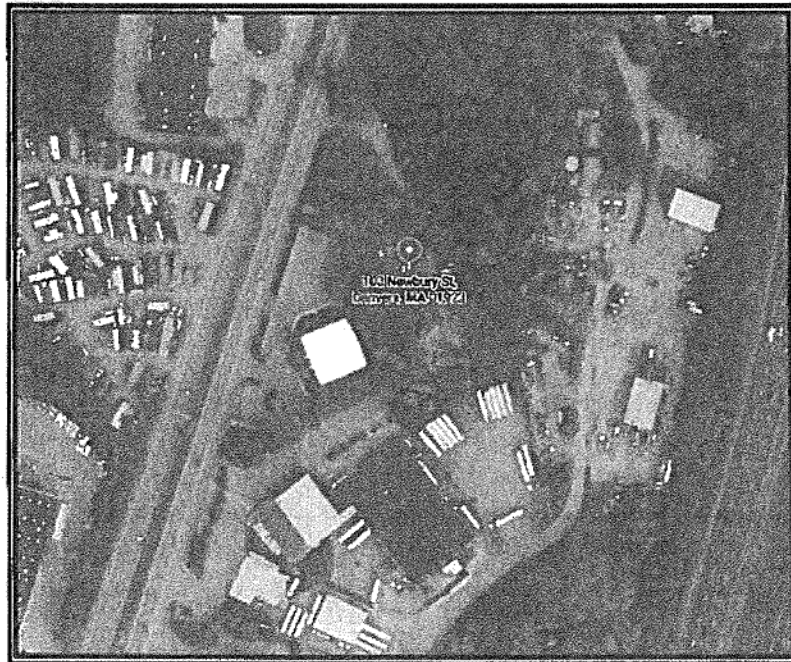
AMENITIES: none

COMMENTS: This is a 71 pad park located on Route 1 in Danvers. It is an older park with a mixture of older and newer homes.



RENTAL COMPARABLE 3

PROJECT NAME: SHADY OAKS MOBILE HOME PARK
LOCATION: 103 Newbury Street, Danvers
OWNER: Lily Starlight Realty Trust (Castellano)
MONTHLY PAD RENT: \$450
LAND AREA: 3.16 acres
PAD SITES: 28
PADS / ACRE: 8.9
AMENITIES: none
COMMENTS: This is a 28 pad park located on Route 1 in Danvers. It is an older park with mostly older homes.



RENTAL COMPARABLE 4

PROJECT NAME: GLEN MOBILE HOME PARK

LOCATION: 200 North Street, Danvers

OWNER: North Street Association, Inc.

MONTHLY PAD RENT: \$665

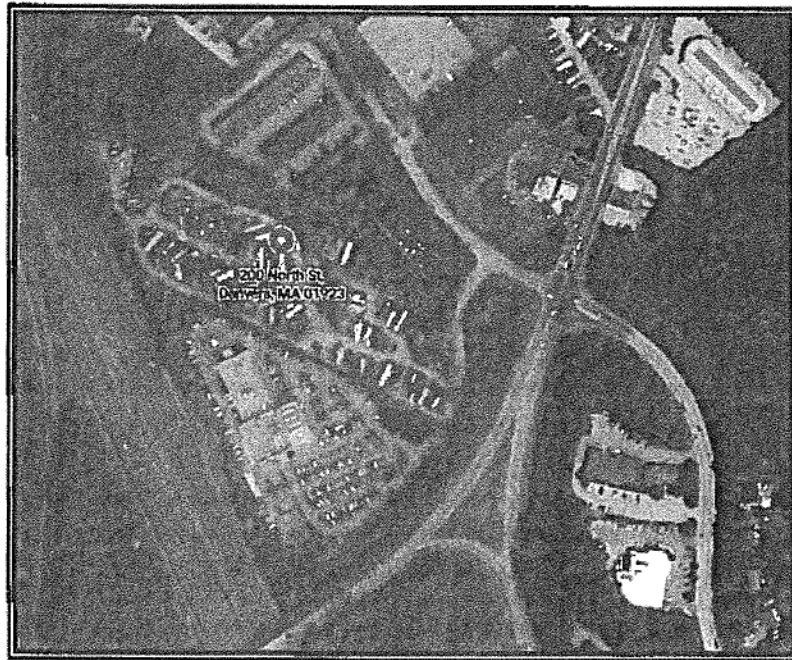
LAND AREA: 6.02 acres

PAD SITES: 80

PADS / ACRE: 13.3

AMENITIES: none

COMMENTS: This is an 80 pad park located on North Street in Danvers, just north of the Route 1 / I-95 traffic circle and just south of the Topsfield border. It is an older park with mostly older homes.



RENTAL COMPARABLE 5

PROJECT NAME: DECOTIS MOBILE HOME PARK

LOCATION: 846 Broadway, Saugus

OWNER: James DeCotis

MONTHLY PAD RENT: \$466

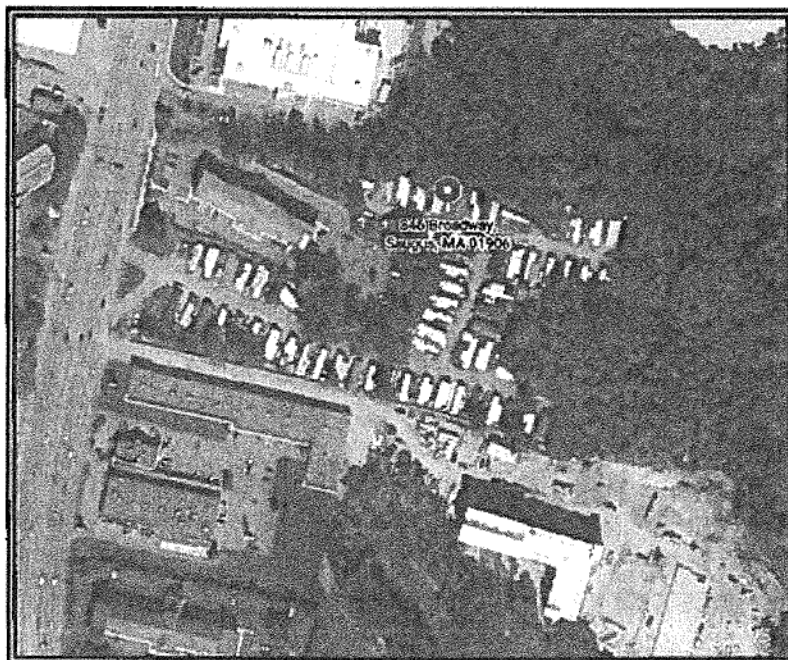
LAND AREA: 7.0 acres

PAD SITES: 71

PADS / ACRE: 10.1

AMENITIES: none

COMMENTS: This is a 71 pad park located on Route 1 in Saugus. It has a mixture of older and newer homes.



RENTAL COMPARABLE 6

PROJECT NAME: CHELMSFORD COMMONS
LOCATION: 270 Littleton Road, Chelmsford
OWNER: Chelmsford Group LLC
MONTHLY PAD RENT: \$995
LAND AREA: 37.75 acres
PAD SITES: 255
PADS / ACRE: 6.75
AMENITIES: none
COMMENTS: This is a 255 pad park located on Route 110 in Chelmsford, near the Westford border. It is an older but well-maintained park, with flat topography and mature vegetation.



RENTAL COMPARABLE 7

PROJECT NAME: GREEN ACRES MOBILE HOME PARK

LOCATION: 38 River Road, Pepperell

OWNER: Le-Mac Realty Trust

MONTHLY PAD RENT: \$523

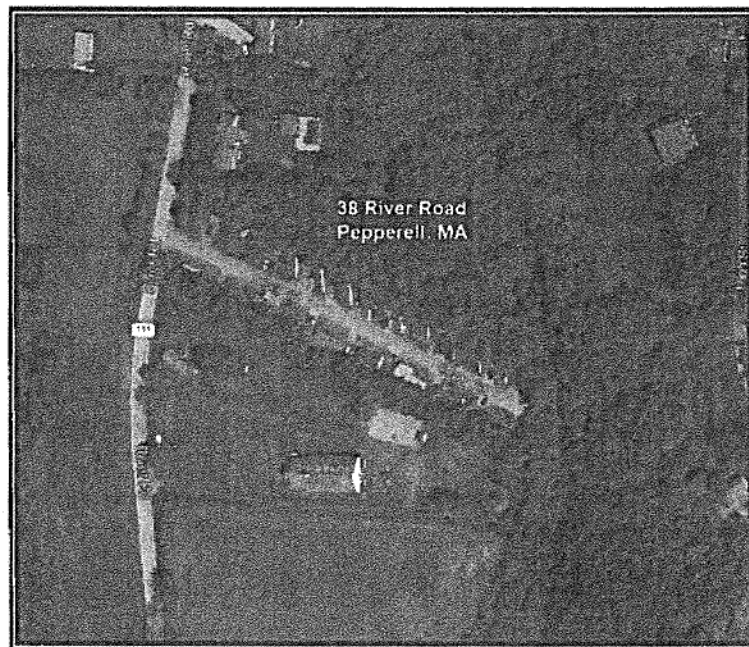
LAND AREA: 2.60 acres

PAD SITES: 20

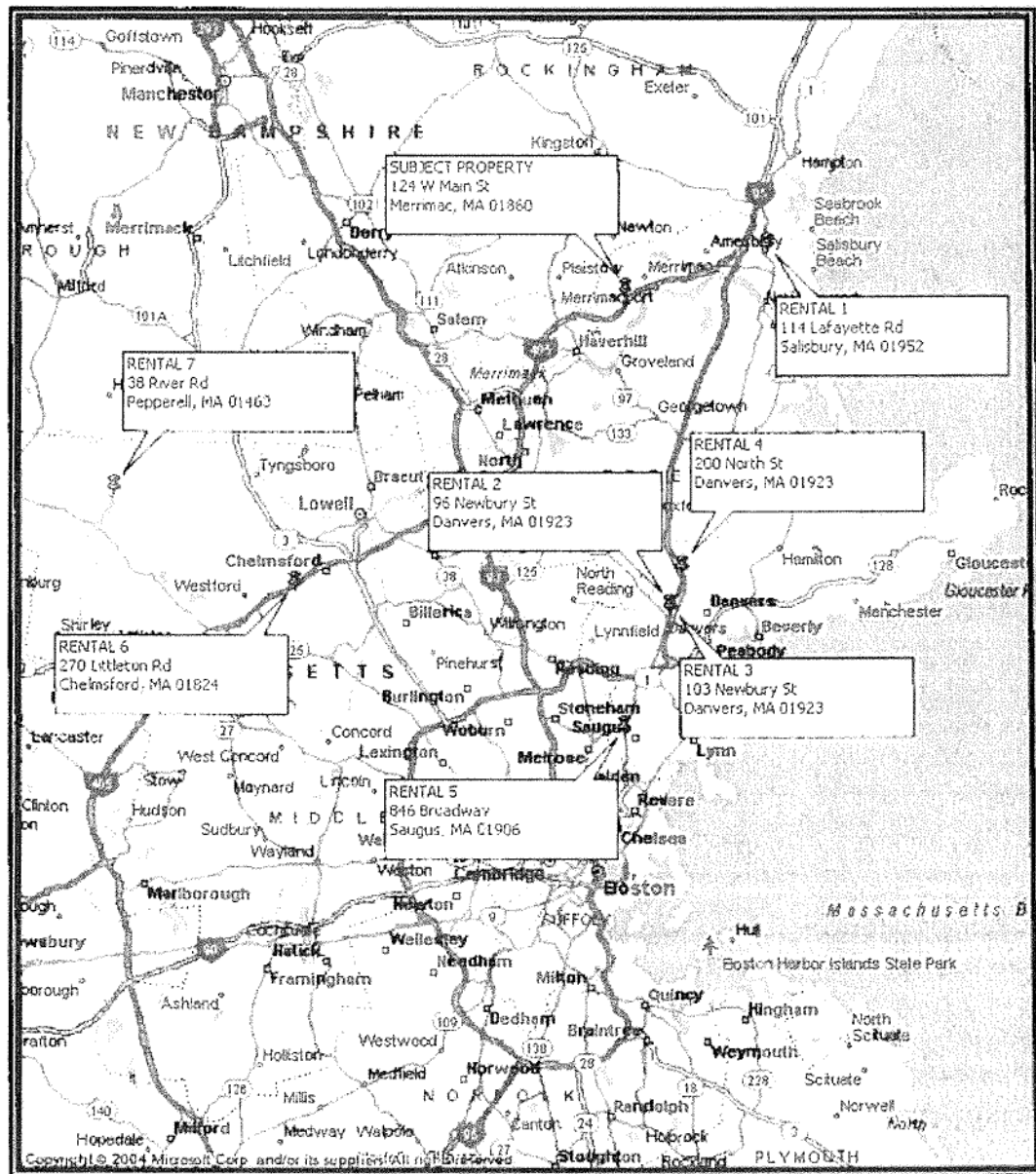
PADS / ACRE: 7.69

AMENITIES: none

COMMENTS: This is a 20 pad park located on Route 111 in Pepperell, about nine miles from the nearest Route 3 interchange in Tyngsborough. It is an older park with a mixture of older and newer homes.



(not to scale)



ADJUSTMENT GRID
124 W. Main St
Merrimac, MA

Date of Value
May 31, 2024

	SUBJECT	RENTAL 1	RENTAL 2	RENTAL 3	RENTAL 4	RENTAL 5	RENTAL 6	RENTAL 7
Address	124 W. Main	114 Lafete	96 Newby	103 Newby	200 North	846 B'dwy	270 Lit'tin	38 River
	Mommac	Salisbury	Danvers	Danvers	Danvers	Saugus	Chelmsford	Pepperell
	Car Twn. Pk.	Kendall Ln	D'nvs MHP	Shady O'ks	Glen MHP	DeCotis	Chl C'mns	Green Ac
# Pad Sites	40	34	71	28	80	71	255	20
Monthly Rent	\$385	\$523	\$410	\$450	\$565	\$466	\$995	\$523
Location	average	average	average	average	average	+average	average	average
		0%	0%	0%	0%	0%	0%	0%
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Age / Condition	+average	+average	+average	+average	+average	+average	+average	+average
		0%	0%	0%	0%	0%	0%	0%
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ambiance +	+average	++average	-average	average	+average	average	++average	average
Amenities		-10%	20%	20%	0%	10%	-10%	10%
		(\$52)	\$82	\$90	\$0	\$47	(\$100)	\$52
Park Size Acres	4.10	7.88	7.09	3.16	6.02	7.00	37.75	2.60
Pads/Acre	9.76	4.31	10.01	8.86	13.29	10.14	6.75	7.69
		5%	0%	1%	-2%	0%	2%	2%
		\$26	\$0	\$5	(\$13)	\$0	\$20	\$10
Net Adjustment		-5%	20%	21%	-2%	10%	-8%	12%
		(\$26)	\$82	\$95	(\$13)	\$47	(\$80)	\$63
Adjusted Rent		\$497	\$492	\$545	\$652	\$513	\$915	\$586

Due to the differences between the subject and the rentals, adjustments were made to make the rentals appear more like the subject. Ideally, adjustments made to the rentals are derived directly from market data. However, insufficient data is available to quantify each adjustment. As a result, the majority of the adjustments are determined by our knowledge of the marketplace and represent reasonable and informed opinions as to how these differing elements of comparison would most likely impact market value. These adjustments are shown on the grid the previous page.

No adjustments were made for location, as there is no clear trend in that community demographics of proximity to metropolitan Boston has a direct impact on how pad rental rates are set. No adjustments were made for age / condition either, as all appeared to be generally similar to the subject in that regard. This is reasonable, as overall condition tends to be more of a factor in the valuation of the park than the rental value of the pad sites. All but Rental 4 were adjusted for ambiance / amenities, with Rentals 1 and 6 being superior and the others inferior. The subject's reasonably good topography as well as mature vegetation throughout makes it more desirable overall than the most of the parks in this regard. All seven were adjusted for difference in pad per acre ratio.

Reconciliation

The adjusted rental data indicate a range of \$492 to \$915 per month, which is broad, but is narrower than the unadjusted range. However, five of the seven indicate a much narrower adjusted range of \$492 to \$586, with Rentals 4 and 6 being outliers at the high end. The average of the overall adjusted range is \$600, while the average of the predominant range is \$527. Therefore, a market rental value for the typical subject pad site of \$550 per month is reasonable. This appraisal assumes marketing and exposure times of zero to 30 days for the rental of a typical pad site.

Monthly Market Rent

\$550

In the immediate aftermath of the Covid-19 Pandemic economic shutdown in early 2020, U.S. policymakers responded with record cash stimulus, totaling about 5.0 trillion by mid-2022. This spiked demand for all types of products, including real estate. Inflation became a major issue starting in 2021, spiking to 9.1 percent by mid 2022. U.S. Federal Reserve (Fed) responded by increasing the Federal Funds Rate 11 times in 2022 and 2023 up to a range of 5.25 to 5.50 percent, the highest in 22 years. As a result, the inflation rate declined steadily to about 3.0 percent by the end of 2023.

Much higher borrowing rates for commercial and residential mortgages have put pressure on both pricing and sales volume. Higher interest rates will have an impact on the re-pricing of all types of debt in 2024 and 2025 and Fed rate cuts are expected in 2024. Rapidly increasing U.S. Government debt raises concerns about additional inflation or eventual default. In early 2024, policy makers expressed greater concern about liquidity than inflation. Many believe that continuing fiscal stimulus has postponed the long-anticipated economic recession. Political instability in Europe and the Middle East continue to be an area of concern for supply chains.

CERTIFICATION OF APPRAISER

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

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

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

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

I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.

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

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

My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).

I have made an inspection of the property that is the subject of this report and performed most of the tasks involved in completing the assignment.

No one provided significant professional assistance to the persons signing this report, except as cited within the body of this report.

I have not performed any professional services (appraisal or otherwise) on the subject property in the three years prior to the acceptance of this appraisal assignment.

Peter F. Reilly, Appraiser
Mass. Certified General Appraiser 1100
June 13, 2024

CERTIFICATION OF APPRAISER

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

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

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

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

I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.

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

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

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

I have made an exterior inspection of the property that is the subject of this report and performed a supervisory role in completing the assignment.

No one provided significant professional assistance to the persons signing this report, except as cited within the body of this report.

I have *not* performed any professional services (appraisal or otherwise) on the subject property in the three years prior to the acceptance of this appraisal assignment.

As of the date of this report, I, John F. McCarthy, have completed the Standards and Ethics Education Requirements of the Appraisal Institute for Associate Members.

Minco Corporation

John F. McCarthy
Mass. Cert. General Appraiser #401
June 13, 2024

GENERAL LIMITING CONDITIONS

An appraisal is an unbiased opinion of value of a property reached through an analysis of that property and from data from the marketplace. An appraisal is not a certification of the soundness of the building, a survey, or a legal document, though assumptions regarding these and other matters are made. The major assumptions and limiting conditions are as follows:

1. The appraiser is not required to give testimony or appear in court because of having made the appraisal, with reference to the property in question, unless arrangements have been previously made.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. Neither all or any part of the contents of this report, or a copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

GENERAL UNDERLYING ASSUMPTIONS

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion title rendered. The title is assumed to be good and marketable.
4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.

5. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors. No certification is made regarding the absence of any substances, regarding potential, unapparent structural defects or the proper placement of smoke detectors and potential flood hazards. Unless otherwise stated in this report, it is assumed that no adverse conditions affect the subject.
7. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of Urea-formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, was not observed by me; nor do I have any knowledge of the existence of such materials on or in the property. The appraiser is not qualified to detect such substances. The existence of Radon Gas, Urea-formaldehyde foam insulation or other potentially hazardous materials may have an effect on the property value. The client is urged to retain experts in these fields, if desired.
8. It is assumed that there is full compliance with all federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the appraisal report.
11. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity organization have been or can be obtained or renewed for any use on which the value opinion contained herein is based.

APPRAISER'S QUALIFICATIONS

JOHN F. MCCARTHY

CERTIFICATION: Massachusetts Certified General Real Estate Appraiser
License #401, Expiration 5/24/2025

New Hampshire Certified General Real Estate Appraiser
License # NHCG 230, Expiration 5/31/2025

**CONTINUING
EDUCATION:** Appraisal Institute, Chicago, IL

Course 530: Advanced Sales Comparison & Cost Approaches (1994)
Course 520: Highest & Best Use and Market Analysis (1993)
Course 2-2: Report Writing and Valuation Analysis (1992)
Course 102: Applied Residential Property Valuation (1991)
Course SPP: Standards of Professional Appraisal Practice & Ethics,
Part A&B (1995)
Course 101: Introduction to Appraising Real Property (1991)
Course 201: Principals of Income Property Appraising (1990)
Course 202: Applied Income Property Valuation (1991)

Massachusetts Board of Real Estate Appraisers (MBREA)
National USPAP Update 2024-2025 (2024)

University of New Hampshire, Durham, NH
Course DCE 101: Real Estate Principals (1976)
Course DCE 102: Real Estate Appraising (1977)
Course DCE 103: Real Estate Law & Finance (1978)

EDUCATION: University of New Hampshire (1974-1976)

Major: Business Administration, Whittemore School of Business and
Economic
Study Area: Business Management, Marketing

New England Aeronautical Institute (1972-1974)

Major: Business Management
Study Area: Accounting, Federal Income Taxation

John F. McCarthy (Continued)

**PROFESSIONAL
EXPERIENCE:**

1983-Present MINCO Corporation, North Andover, MA

Senior Vice President/CEO. Director of Commercial Appraisal Division. Performing Narrative Appraisals and Appraisal Review of Residential, Commercial, Industrial, and Special Use Properties; Providing consulting services in Residential, Commercial and Industrial Real Estate.

1976-1979 Patriot Real Estate, Inc., Derry, NH & Andover, MA

Sales Manager, NH Office. Duties included Personnel management, advertising and marketing, real estate sales and property evaluation.

**OTHER
ORGANIZATIONS:**

Rebuilding Together * Greater Haverhill, Inc. (formerly Christmas in April)

Founding Member (1991), Former President, Treasurer, Member Board of Directors, past Chairman of the Board. Nationally chartered 501(c)(3) non-profit charity providing free home repair and renovations for low income home owners, especially the elderly and disabled, in the greater Haverhill, MA area.

**PROFESSIONAL
AFFILIATIONS:**


Practicing Affiliate - The Appraisal Institute: MAI Candidate
Licensed Real Estate Broker:
Commonwealth of Massachusetts:
Board of Registration of Real Estate Brokers & Salesmen
License #103094, Expiration 5/24/2026
State of New Hampshire:
New Hampshire Real Estate Commission
Licensed #64615, Expiration 11/28/2025
Approved Appraiser: U.S. Dept. of Housing and Urban Development (HUD)
Expert Witness: Strafford County (NH) Superior Court
 Rockingham County (NH) Superior Court
 United States Bankruptcy Court, Worcester, MA
 Lynn District Court, Lynn, MA
Member: Pentucket Kiwanis Club, Haverhill, MA

John F. McCarthy (Continued)

Current Appraisal
Licenses:

COMMONWEALTH OF MASSACHUSETTS		
DIVISION OF OCCUPATIONAL LICENSURE		
BOARD OF		
REAL ESTATE APPRAISERS		
ISSUES THE FOLLOWING LICENSE CERT		
GEN. REAL ESTATE APPRAISER		
JOHN F MCCARTHY		
PO BOX 5333		
HAVERHILL, MA 01835-0333		
401	05/24/2025	449932
LICENSE NUMBER	EXPIRATION DATE	SERIAL NUMBER

[Signature]
LICENSEE SIGNATURE

State of New Hampshire	
	
Real Estate Appraisers Board	
<u>Authorized as</u>	
Certified General Appraiser	
<u>Issued To</u>	
JOHN F MCCARTHY	
License Number: NHCG 100	Issue Date:
Active	Expiration Date: . . .

PETER F. REILLY
MASSACHUSETTS CERTIFIED GENERAL APPRAISER #100
NEW HAMPSHIRE CERTIFIED GENERAL APPRAISER #NHCG397
136 Andover Street, Andover, MA 01810

EXPERIENCE

1985 - Present Peter F. Reilly, Self-Employed Real Estate Appraisal Contractor
1979 - 1982 M.M.C., Inc., Staff Appraiser - Ad Valorem Revaluation

CERTIFICATIONS

Present *Certified General Real Estate Appraiser*
Commonwealth of Massachusetts #100, expires 3/23/2026
State of New Hampshire NHCG#397, expires 3/31/2026

RECENT APPRAISAL EDUCATION


2022 *Massachusetts Board of Real Estate Appraisers*
"USPAP Update Course - 2022-2023 Version" (also 2018 & 2020 Versions)
2023 "Appraiser's EXPO" - All Programs (also 2020, 2021 & 2022)
2020 "An Appraiser As Expert Witness"
2019 "Mastering MLS-PIN"
2015 "Supervising the Trainee Appraiser"
 Appraisal Institute
2016 "Contract or Effective Rent: Finding the Real Rent"
2008 "Analyzing Distressed Real Estate"
2008 "Appraising from Blueprints and Specifications"
 McKissock, Inc.
2020 "Appraisal of Owner-Occupied Commercial Properties"
2020 "Commercial Land Valuation"
2018 "Appraisal of Fast Food Facilities"
2016 "Managing Appraiser Liability"
2015 "Appraisal of Self-Storage Facilities"
 JMB Real Estate Academy
2014 "USPAP Update Course - 2014-2015 Version"

GENERAL EDUCATION


1979 *University of Rhode Island, Kingston, Rhode Island*
Bachelor of Science, Business Administration
1975 *Andover High School, Andover, Massachusetts*

OTHER ACTIVITIES

1995 - Present DEP Approved Septic System Inspector, Comm. of Mass.
2019 - 2023 Free Christian Church, Andover, MA, Treasurer
1989 - 2008 Town of Andover, Zoning Board of Appeals
2005 - 2012 Andover Little League Baseball, Bd. of Directors (President 2010-2012)
1987 - Present F.A.A. Licensed Private Instrument Pilot

 COMMONWEALTH OF MASSACHUSETTS DIVISION OF OCCUPATIONAL LICENSURE		
BOARD OF REAL ESTATE APPRAISERS ISSUES THE FOLLOWING LICENSE CERT GEN. REAL ESTATE APPRAISER		
PETER F REILLY 136 ANDOVER ST ANDOVER, MA 01810-5648		
100	03/23/2026	559793
LICENSE NUMBER	EXPIRATION DATE	SERIAL NUMBER

LICENSEE SIGNATURE

	NEW HAMPSHIRE OPLC <small>Office of Professional Licensure and Certification</small>
State of New Hampshire OFFICE OF PROFESSIONAL LICENSURE AND CERTIFICATION	
Real Estate Appraisers Board	
Pursuant to RSA 310-B, I, this is to certify that	
PETER F REILLY	
Is licensed to practice as a/n	
Certified General Appraiser	
<div>LICENSE NO. NHCG-397 EXPIRATION DATE: 03/31/2026</div>	

SUBJECT DEED



SO ESSEX #374 BK 39046 Pg 510
10/13/2020 11:13 AM DEED Pg 1/3
eRecorded

QUITCLAIM DEED

Stephen J. Baker, Trustee of Carriage Town Park Trust, w/d/t dated April 15, 1998, of 281A Broadway, Lawrence, Essex County, Massachusetts 01841, for consideration paid and in full consideration of One (\$1.00) Dollar grant to Russell E. Hertrich, Trustee of Russell E. Hertrich **Revocable** Trust under Indenture of Trust dated June 8, 2018, of 80 Pond Street, Salem, Rockingham County, New Hampshire 03079 and SB Properties, LLC, a Massachusetts Limited Liability Company having a place of business at 281A Broadway, Lawrence, Essex County, Massachusetts 01841, each owning a 50% interest, as Tenants in Common,

With Quitclaim Covenants,

Two parcels of land with the buildings thereon situated on West Main Street in Merrimac, Essex County, Massachusetts, bounded and described as follows:

Parcel One:

Beginning at a point on West Main Street, sometimes called Amesbury Road, by land now or formerly of Stevens, thence running Southeasterly by land now or formerly of said Stevens nine hundred fifty-seven and twenty hundredths (957.20) feet to land now or formerly of Davis; then running Southwesterly by land now or formerly of said Davis two hundred five (205) feet to Parcel "A" as shown on the Plan hereinafter mentioned; thence running Northwesterly by said Parcel "A" in two courses, six hundred sixty-five (665) feet and one hundred eighty-three and thirty hundredths (183.30) feet to land now or formerly of Magwood; thence running Northeasterly one hundred and twenty-five hundredths (100.25) feet by land now or formerly of said Magwood; thence running Northwesterly ninety-one and fifty hundredths (91.50) feet by land now or formerly of Magwood to said West Main Street; and thence running northeasterly by said West Main Street one hundred eight (108) feet to land now or formerly of said Stevens and the point of beginning; together with the buildings thereon.

Property address: 124 West Main Street Merrimac Mass

Being the Lot shown as Parcel "B" on Plan of Land in Merrimac, Massachusetts, as surveyed for Frank H. Lowery et al, May 1953, Wendell Smith Winfield, Civil Engineer" which Plan has been recorded with the Essex South District Registry of Deeds at Book 83, Plan 82.

Parcel Two:

Beginning at the most northerly corner thereof at land now or formerly of Snow and land now or formerly of Crosby; thence SOUTHEASTERLY by said Crosby land and the following the line of a stone wall 100 feet to other land now or formerly of Snow, thence SOUTHWESTERLY by said other land now or formerly of Snow 382 feet more or less to land now or formerly of Mikonis, thence NORTHWESTERLY by said Mikonis land and following the line of a stone wall 100 feet to land now or formerly of McDonald; and thence NORTHEASTERLY by said land now or formerly of McDonald and land now or formerly of Snow 382 feet more or less to a stone wall and point begun at.


Subject to all easements, rights, encumbrances, grants, conveyances, takings and liens of record to the extent the same are in force and applicable.

This is not Homestead Property of the Grantor and Grantor knows on no other individuals entitled to Homestead rights in the Property.

For title reference see Deed dated April 15, 1998 and recorded with the Essex South District Registry of Deeds at Book 14742, Page 383

This is not Homestead property of the grantor.

Witness my hand and seal this 1 day of October, 2020.


Witness Russell S. Chinn

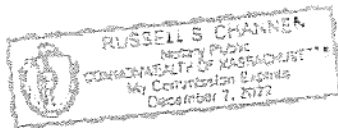
Carriage Town Park Trust

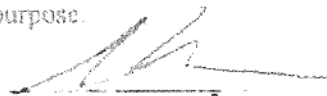

Stephen J. Baker, Trustee

COMMONWEALTH OF MASSACHUSETTS:

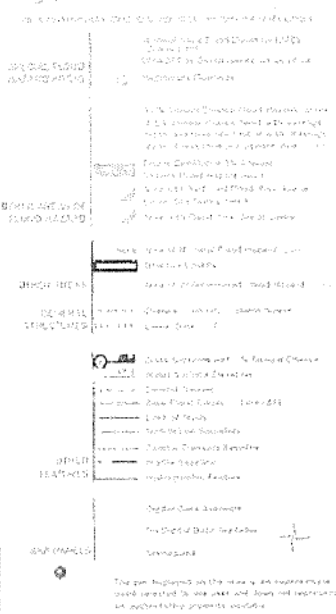
Essex, ss

On this 1 day of July 2020, before me, the undersigned notary public, personally appeared Stephen J Baker, Trustee, proven to me through satisfactory evidence of identification, which was a driver's license, to be the person whose name is signed on the preceding document in my presence and acknowledged to me that he signed it voluntarily for its stated purpose.




Notary Public: *Russell S. Channen*
My Commission Expires: *12-7-2022*

ACKNOWLEDGMENTS

[illegible]

The third segment of the bill is a technical correction to the definition of "child" which was amended to read: "any person under the age of 18 years and who is not married, and who is not a member of the armed forces of the United States or a member of the naval, military or air force of any other country."

2009-2010-ခုနှစ်ကုလသမဂ္ဂအထွေထွေညီလာခံတွင် အထွေထွေအားဖြင့် အောက်ဖော်ပြပါအတိုင်း ဆောင်ရွက်ခဲ့သည်။

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