SALES BROCHURE FOR:

The sale of 7.425 acres of vacant land being offered by the State of Vermont on the Easterly side of Comfort Hill Road in Vergennes, Vermont

The following information is included in this Sales Package:

- Sales advertisement
- Bid information and requirements
- June 2016 property appraisal-62 pages
- Property description-pages 18 & 19 of the 2016 Appraisal
- Zoning maps-page 23 of the 2016 Appraisal
- Survey map-page 20 of the 2016 Appraisal
- Aerial photo-page 22 of 2016 Appraisal
- Warranty deed-last page of the 2016 Appraisal

The Vermont Department of Buildings and General Services
is requesting bid proposals for the purchase of the 7.425 Acres
of vacant land in Vergennes, VT.

The land is located on the Easterly side of Comfort Hill road in Vergennes, VT, and is a portion of the property formerly known as the Week's School.

This property will be sold to the highest bidder as seen and as is, and is subject to all State and Local environmental and zoning rules and restrictions.

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The property will be open for inspection by potential bidders on **Friday, September 30, 2016 from 10:00 A.M. through 12:00 Noon.** Further, BIDDERS INTERESTED IN ATTENDING THE SITE INSPECTION MUST NOTIFY THE STATE OF SUCH INTENT BY September 26, 2016. Bidders are not required to attend the site inspection in order to submit a bid proposal but are STRONGLY encouraged to do so.

The deadline for submittal of proposals to the Vermont Department of Buildings and General Services is 4:00 P.M. on **Wednesday November 30, 2016.** Please note: **Proposals must be received by the department by the above date – not simply postmarked by this date.**

NOTE: The State of Vermont reserves the right to refuse any and all proposals.

Proposals, as well as requests for additional information and questions should be addressed to:

Allen Palmer
Division of Property Management
VT Department of Buildings and General Services
4 Governor Aiken Avenue
Montpelier, VT 05633-7001
allen.palmer@vermont.gov

A sales brochure along with a great deal of additional information can be found at:

http://bgs.vermont.gov/sites/bgs/files/Ad%20for%20Comfort%20hill.pdf after September 26, 2016.

PROCEDURE FOR SALE &
BID INFORMATION AND REQUIREMENTS

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The site inspection will provide bidders with an important opportunity to inspect the and ask any questions re: the property or the sale procedures from a representative of the Department of Buildings and General Services.

The property is subject to all State and local environmental and zoning rules and regulations.

Parties interested in submitting a bid must do so in writing stating the proposed purchase price, and must include a check made out to State of Vermont for one percent (1%) of the proposed purchase price. Upon acceptance of the winning bid, BGS will deposit the check into the appropriate state account.

Proposals must be received no later than 4:00 P.M. on **Wednesday November 30, 2016**. Any proposals which have not been: (a) delivered, and (b) time and date stamped by Property Management, Department of Buildings and General Services, Governor Aiken Avenue, Montpelier, VT 05633-7001 by 4:00 P.M. on **Wednesday November 30, 2016**will not be opened and shall be unilaterally rejected. All accepted proposals will be reviewed to determine compliance with the stated requirements. The State shall complete its review and notify the winning bidder by **Wednesday December 21, 2016**. The property shall be sold to the bidder who submits the highest bid which conforms to the requirements contained in this notice and subject to the conditions and requirements contained in 29 V.S.A. § 166.

Checks (deposits) from all opened proposals will be held pending the State's acceptance of the bid; checks for unsuccessful proposals will be returned within ten (10) working days after **December 21, 2016**.

The winning bidder shall have 60 (sixty) days from the date the bid is selected to negotiate and execute a Purchase and Sales Agreement with the State of Vermont. The State reserves the right to extend the time the winning bidder has to negotiate and execute a Purchase and Sales Agreement if an extension serves the best interests of the State. If, at the end of the 60 (sixty) days (or any approved extensions), the parties have not executed a Purchase and Sales Agreement, then the State of Vermont may return the 1 % deposit to the winning bidder thereby terminating any right, responsibility, or obligation the winning bidder may have had regarding the subject property.

A deposit in the amount of ten percent (10%) of the purchase price will be required upon signing a Purchase and Sales Agreement with the State of Vermont. All deposits paid by the winning bidder will be credited against the purchase price. The amount will be deposited into the appropriate State account upon receipt.

At closing, The State will only accept certified checks, cash and cashier's checks for the remaining balance of the purchase price.

The State reserves the right to reject any and all offers. In the event that the State and the "winning bidder" fail to execute a Purchase and Sales Agreement or if the parties fail to close on the property, the State reserves the right to award to the next complying proposal or to void the entire bid process and place the subject property out to bid again.

Proposals shall be sent or delivered to:

Mr. Allen Palmer
Property Management Specialist I
Department of Buildings & General Services
4 Governor Aiken Avenue
Montpelier, VT 05633-7001

Electronic submittals shall NOT be accepted.

APPRAISAL REPORT

Property of
State of Vermont
Comfort Hill Road Vergennes, Vermont

Martin Appraisal Services, Inc.

MARTIN APPRAISAL SERVICES, INC.
Lawrence K. Martin, MAI & Lisa M. Martin
Real Estate Appraisers - Consultants
PO Box 791, Montpelier, Vermont 05601-0791
Montpelier (802) 229-4807 Derby Area (802) 723-4694 Fax (802) 223-0036
Larry@mas-vt.com or Lisa@mas-vt.com

June 21, 2016

Mr. Allen Palmer
State of Vermont
Department of Buildings & General Service
4 Governor Aiken Avenue
Montpelier, VT 05633-7001

Appraisal Report - Property of
State of Vermont
Comfort Hill Road, Vergennes, Vermont

Dear Mr. Palmer:

In accordance with your request, I have completed an appraisal report for the purpose of estimating market value of the Fee Simple Interest in the property indicated above, referred to as the subject property. I personally inspected the property, which is a 7.425-acre parcel of vacant land.

Based upon the facts and matters contained in the attached report, including all limiting conditions as outlined, it is my professional opinion that the Market Value of the subject property in "as is" condition, as of June 8, 2016 is:

Three Hundred Twenty Thousand Dollars ($320,000)

The indicated market value assumes that there are no environmental problems or limitations. As a real estate appraiser I am not qualified to determine if there is any contamination. This analysis also relied on the extraordinary assumption that a residential subdivision with multiple lots would be a potential future use. This appears to be permissible based on the existing zoning, but there are several factors that could impact the development potential.

The appraisal has been prepared exclusively for our client, Allen Palmer, of the State of Vermont, Department of Buildings & General Service. This appraisal may neither be used nor relied upon by anyone other than the client, for any purpose whatsoever, without the express written consent of the appraiser. The following report contains the results of my study and investigations, and is subject to the Statement of Limiting Conditions that is attached and included in the addendum to this report.

Respectfully submitted,

Lucas K. Martin
Certified General Real Estate Appraiser
State of Vermont License #080-0108505
Expiration: May 31, 2018

Lawrence K. Martin, MAI
Certified General Real Estate Appraiser
State of Vermont License #080-0000019
May 31, 2018

TABLE OF CONTENTS

SUMMARY OF APPRAISAL & CONCLUSIONS

Identification of Property – Comfort Hill Road, Vergennes, Addison County, Vermont

Owner of Property – State of Vermont

Property Type – Vacant Land

Land – Approximately 7.425 acres based on the survey

Buildings – One small shed structure that is considered to have minimal value

Zoning – "High Density Residential" district

Highest & Best Use – Development with a multi-lot residential subdivision.

Purpose of Appraisal – To estimate market value of the fee simple interest of the subject property as of the date of the appraisal.

Opinion of Value in "As Is" Condition:

Indicated Value by the Cost Approach	N/A
Indicated Value by the Sales Comparison Approach	$315,000
Indicated Value by the Subdivision Development Approach	$325,000

Final Opinion of Market Value – As Is Condition $320,000

Date of Inspection and Value Opinion – June 8, 2016

PHOTOGRAPHS OF SUBJECT PROPERTY

Subject Land Looking Southerly

Subject Land Looking Southeast

Subject Land Looking Easterly

Shed Building

STREET SCENE

Comfort Hill Road Looking Northeasterly

Comfort Hill Road Looking Southwesterly

IDENTIFICATION OF PROPERTY

Location: Comfort Hill Road, Vergennes, Addison County, Vermont
Parcel ID: 210104

CLIENT & INTENDED USERS

The appraisal has been prepared for our client, Allen Palmer, of the State of Vermont, Department of Buildings & General Service. This appraisal may neither be used nor relied upon by anyone other than the client, for any purpose whatsoever, without the express written consent of the appraiser.

PURPOSE OF THE APPRAISAL

This appraisal has been completed to estimate Market Value of the Fee Simple Estate for the property being appraised, referred to as the subject property.

INTENDED USE OF THE APPRAISAL

The intended use of the appraisal can also be referred to as the function of the report. In this instance, it is the appraisers understanding that the intended use of this appraisal report is to assist in collateral valuation, loan underwriting or portfolio management.

REPORTING OPTION

This appraisal has been completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP.) There are two options in 2014-2015 USPAP for written appraisal reports, “Appraisal Report” and “Restricted Appraisal Report.” The appraisal has been reported under the requirements for an “Appraisal Report.”

PROPERTY RIGHTS APPRAISED

This appraisal has been made with the understanding that the ownership of the property is not encumbered by a lease agreement. Therefore, the Fee Simple Estate has been estimated.

Fee Simple Estate can be defined as, "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." [1]

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[1] The Dictionary of Real Estate Appraisal, Appraisal Institute, Third Edition, 1993, page 140

MARKET VALUE DEFINED

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."[2]

EXTRAORDINARY ASSUMPTION DEFINED

"An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusion."[3] The use of an extraordinary assumption could impact the assignment results.

The highest and best use in this instance is considered as the potential for a future residential subdivision with multiple single family housing lots. This analysis was conducted based on the extraordinary assumption that this would be a possible future use. Obtaining permits for a subdivision is a legal consideration, and should be considered by a lawyer and engineer familiar with land development issues in Vermont. If for any reason the site could not be subdivided, it would have an impact on my opinion of value.

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[2] Federal Register, Part VI, Department of the Treasury, December 10, 2010

[3] Uniform Standards of Professional Appraisal Practice, Appraisal Standards Board, 2012-2013, Page U-3

SCOPE OF THE WORK

Scope of the Work can be defined as "the type and extent of research and analyses in an appraisal or appraisal review assignment."[4]

The collection process starts by collecting data regarding the subject property from the client or property owner and then physically inspecting the property. The inspection by the appraiser is not an engineering inspection, environmental screening, or survey. The property is inspected to determine general physical conditions that affect value. The next step is to research the other conditions that may affect the value of the subject property. This includes obtaining the previous deed on the property, checking existing zoning, flood hazard maps, inspecting the neighborhood, and gathering data on the local market area. The most significant data that will impact value are reported in the appraisal. This information is the foundation on which the appraisal is constructed, and is needed to accurately value the property.

The next step is to research market data to support the approaches to value. Municipal sales records were researched to obtain meaningful sales data. The appraiser's files, property owners, real estate brokers, and others familiar with the market were also sources of market data. The transactions most similar to the subject were researched and the data confirmed, with a party involved in the transaction when possible. The most meaningful market data were reported in the appraisal to support the approaches to value.

The appraisal is based on the acceptable appraisal approaches to derive an estimated value for the subject property analyzing the available data. The approaches that were most meaningful for the subject property were considered and in some instances, certain approaches may not have been relied upon to estimate the value of the property.

The last step in the scope of the appraisal is to compile the report. The report includes the most meaningful information and is an attempt to communicate the analysis that led the appraiser to the estimated value of the property. We recognize many users of the appraisal report may not read the entire document. Therefore, items of importance may be restated throughout different sections of the report.

[4] Uniform Standards of Professional Appraisal Practice 2014-2015, Appraisal Standards Board, page 4

AREA DATA

The subject property is located in the City of Vergennes, Addison County, Vermont. Vergennes is a very small city in a rural region. Addison County is a rural agricultural region located between Lake Champlain to the West and the Green Mountains to the East. The topography in much of the county is fairly level for Vermont, with good soils for agricultural purposes. The following population figures were obtained from the U.S. Census Bureau and can provide an indication of the general market area.

Area	1990 Population	% Change from 1980	2000 Population	% Change from 1990	2010 Population	% Change from 2000
Vergennes	2,578	13.40%	2,741	6.00%	2,588	-5.58%
Addison County	32,953	12.10%	35,974	9.00%	36,821	2.35%
Vermont	562,738	10.00%	608,827	8.20%	625,741	2.78%

Throughout the state the population has increased over the past 30 years, and Addison County has experienced a relatively similar rate of growth during this period. However, Vergennes has seen a slight decrease in population over the past ten years. This is a fully developed area with very little new housing development. Smaller family sizes have resulted in a reduction in the total population in this community. The limited population growth over the past ten years in Addison County would suggest a limited demand for new housing.

The population in Vergennes is limited partially because of the small geographic area of the community. Vergennes is only approximately one square mile. The village is densely populated for this region, and serves as a commercial center for some of the surrounding towns.

Route 7 is the main traffic corridor for the western part of the state, stretching from Bennington in the south, to Burlington in the north. Vergennes is located just off Route 7; however, this is primarily a two lane highway. The lack of a major interstate along this side of the state has limited the growth. Lake Champlain attracts many visitors and anyone traveling to the lake from an area south of Burlington would most likely travel on Route 7. It is also a commuting route for the communities south of the Burlington market area.

Vergennes has the advantage of being a relatively short drive from Burlington. Therefore, residents can enjoy a rural type setting, yet have the convenience of being close to major commercial services and transportation. There are local shops and stores in Vergennes providing basic commercial services to the residents of this community, as well as several more rural surrounding areas. However, most of the residents in this region rely on the stores and commercial services available in Chittenden County.

Medical care is available in Burlington at the University Hospital and there is a small hospital in Middlebury. Therefore, medical care is above average for a rural region. There are local public schools, as well as the University of Vermont, St. Michaels College, and several smaller colleges in Chittenden County. Middlebury College in nearby Middlebury also provides above average educational opportunities. Vergennes is a short drive to Middlebury, but it is too far away for this college to have a significant impact on the local economy.

Residents of this area rely upon private automobiles. Vermont has only two interstate highways and I-89 can be accessed in Burlington. Air travel is available at Burlington International Airport. Transportation alternatives are typical for this region.

Addison County is located between the Green Mountains and Lake Champlain, with a considerable amount of level to gently rolling land. There is a considerable amount of prime agricultural land in this county. The lake provides recreational opportunities. Vergennes is not a major resort community, but does benefit from some tourism.

Middlebury is the largest community in Addison County and is located along Route 7. This is an older community and the home of Middlebury College. The college is a major employer for the area, and also provides above average educational opportunities and other cultural events that would be an advantage to the residents of the area. Vergennes is the third largest community in terms of population in Addison County. There is an old, small downtown area that has a number of commercial uses along Main Street. Most of the buildings in the village are over 100 years old, and are average to good quality buildings in average to good condition. The commercial center is surrounded by a residential area made up of mostly one to four family type dwellings.

The State of Vermont Department of Taxes provided the following real estate sales activity information for Vergennes.

Property Category - # of Valid Sales									
Vergennes	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Residential <6 Ac.	33	23	22	26	17	29	44	33	41
Commercial	2	3	3	2	1	2	7	1	4
Open Land	6	1	0	1	4	1	1	0	2
Median Sale Price									
Property Category	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Residential <6 Ac.	$208,250	$200,000	$188,350	$186,465	$185,000	$210,000	$179,500	$187,300	$183,000
Commercial	N/A	N/A	N/A	N/A	N/A	N/A	$240,000	N/A	$408,750

Sales activity for residential properties has begun to show signs of improvement after several slow years, and the real estate market in Vergennes appears to be consistent with this trend. The number of residential transactions has been increasing since the low point in 2011, with a significant increase in 2013. The number of valid sales went down slightly in 2014, but over the past three years the number of residential sales has been higher than the previous years during the recessionary period from 2008 to 2012. This is a sign of recovery for the residential real estate market.

The median sale price for residences was up in 2012, but, in general, has been relatively consistent for the past several years. The commercial sales data is very limited in this community due to the small population size. Therefore, the commercial sales data from the entire State was considered as a better guide to real estate market trends.

Vermont is a rural State located between the metropolitan area of Boston and New York to the south and Montreal to the north. The population is increasing, but at a very slow rate. From 2000 to 2010 the population in the State expanded only 2.8%, as compared to the growth for the country of 9.7%. In addition, Vermont has one of the oldest populations in the nation, which presents a challenge for the workforce and health care system.

The economy is diversified, with a mixture of manufacturing, private education, health care, tourism, professional services, and public sector employers. Chittenden County is the only “metropolitan statistical area” in the State and it provides nearly one third of the State’s jobs. The State was impacted by the great recession that started in 2008 and extended into 2009. Over the past few years the economy has been slowly recovering. The following table reflects a guide to the employment in Vermont.

Vermont Economic Indicators - Employment

Period	Employed	%Change	Unemployment
Dec. 2002	299,900	N/A	3.70%
Dec. 2003	302,000	0.70%	4.00%
Dec. 2004	306,600	1.52%	3.60%
Dec. 2005	310,700	1.34%	3.60%
Dec. 2006	308,400	-0.74%	3.80%
Dec. 2007	309,200	0.26%	4.00%
Dec. 2008	297,800	-3.69%	5.90%
Dec. 2009	292,200	-1.88%	6.90%
Dec. 2010	295,300	1.06%	5.80%
Dec. 2011	303,000	2.61%	5.10%
Dec. 2012	306,100	1.02%	4.90%
Dec. 2013	309,100	0.98%	4.20%
Dec. 2014	334,400	8.19%	4.10%
Dec. 2015	330,750	-1.09%	3.60%

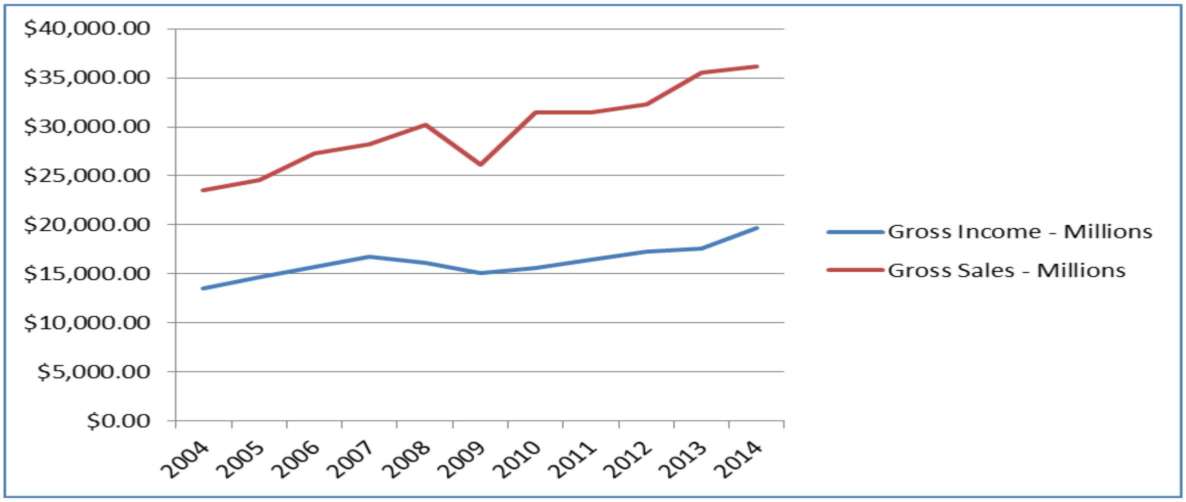
Source: Vermont Department of Labor

The employed labor force had been expanding at a slow rate, but decreased slightly as of December 2015. Unemployment is low at present, which is a positive sign for the local economy. However, the low unemployment is partially the result of a limited population base, which can be a concern for new employers considering moving into this market area.

As an additional guide to the economic trends, consideration was given to the reported gross income of residents in Vermont and the gross sales based on the reported sales and use taxes in Vermont.

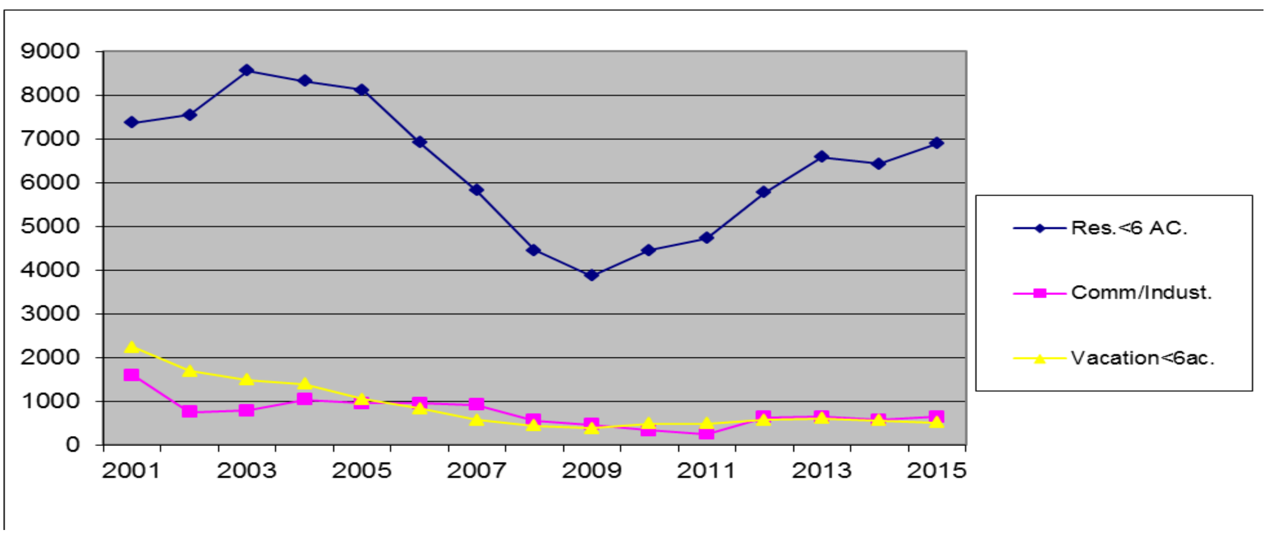
	Adjusted Gross Income		**Sales & Use Taxes**	
Year	Gross Income	% Change	Gross Sales	% Change
2003	$12,329,165,483	N/A	$21,263,695,491	N/A
2004	$13,499,935,613	9.50%	$23,490,101,762	10.47%
2005	$14,626,285,918	8.34%	$24,548,099,007	4.50%
2006	$15,700,422,021	7.34%	$27,241,028,420	10.97%
2007	$16,716,271,160	6.47%	$28,177,381,609	3.44%
2008	$16,080,851,580	-3.80%	$30,223,494,482	7.26%
2009	$15,061,527,050	-6.34%	$26,137,071,136	-13.52%
2010	$15,648,693,875	3.90%	$31,464,174,298	20.38%
2011	$16,442,857,018	5.07%	$31,415,753,879	-0.15%
2012	$17,264,962,058	5.00%	$32,305,280,211	2.83%
2013	$17,621,172,293	2.06%	$35,397,610,104	9.57%
2014	$19,654,012,005	11.54%	$36,188,358,084	2.23%

The adjusted gross income of residents in Vermont was increasing steadily until the recession in 2008. It declined for two years, and had been slowly increasing during the period of slow economic recovery. In 2014 there was a relatively high increase suggesting an improvement in the economy. The gross sales are the annual total based on the reported sales from the sales and use tax. It has been increasing over the past three years which is also a positive sign for the economy; however, the increase in 2014 was fairly small. The following chart provides a visual guide to the changes.



The real estate activity for the entire State of Vermont was considered as a general guide to market trends. The following data was obtained from reports produced by the Vermont Department of Taxes.

NUMBER OF VALID SALES IN VERMONT



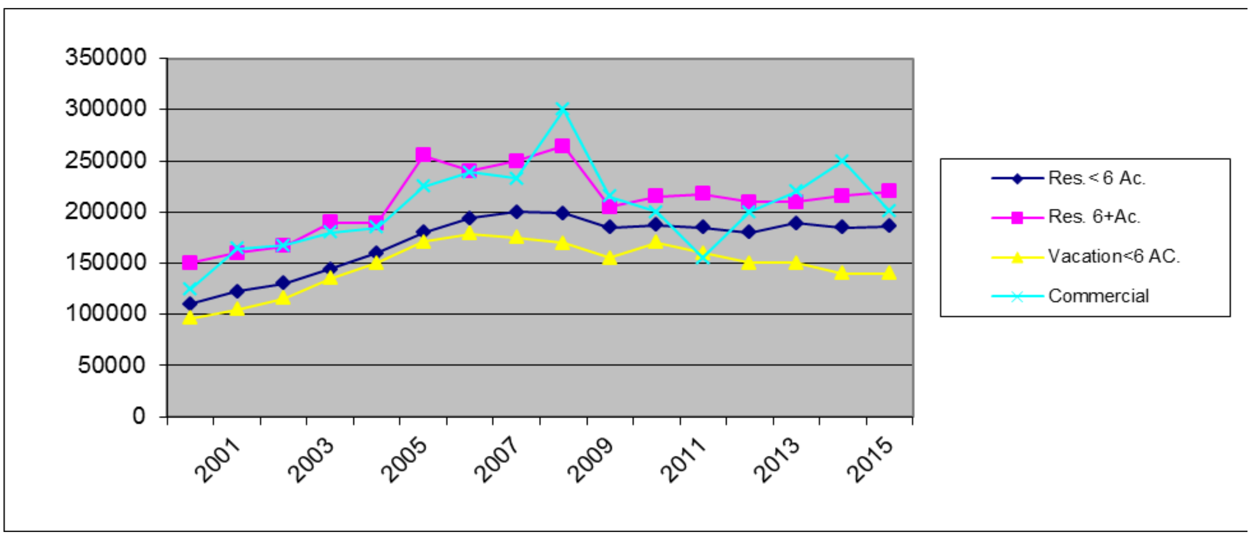
The market was quite active during the period from 1999 through 2005. However, in 2006 the residential market activity slowed considerably and this trend continued through 2009. The residential market has experienced an increase in activity from 2010 through 2015. Sales activity remains below the peak years, but the residential market has been active. The market for vacation homes had a similar pattern through 2013, but it has decreased slightly over the past two years.

The commercial real estate market experienced a significant decrease in activity between 2007 and 2011 with very few valid commercial sales in 2011. The activity improved considerably in 2012 and the commercial market has remained active through 2015. The following table provides the actual figures and the percentage change for each category.

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Res.<6 AC.	6,919	5,820	4,455	3,873	4,449	4,727	5,776	6,585	6,431	6,892
% Change	N/A	-15.88%	-23.45%	-13.06%	14.87%	6.25%	22.19%	14.01%	-2.34%	7.17%
Avg/Mo.	577	485	371	323	371	394	481	549	536	574
Comm./Industrial	951	918	565	464	340	252	632	651	570	650
% Change	N/A	-3.47%	-38.45%	-17.88%	-26.72%	-25.88%	150.79%	3.01%	-12.44%	14.04%
Avg./Mo.	79	77	47	39	28	21	53	54	48	54
Vacation<6ac.	831	579	450	385	497	487	616	578	563	510
% Change	N/A	-30.32%	-22.28%	-14.44%	29.09%	-2.01%	26.49%	-6.17%	-2.60%	-9.41%

In general, the activity since 2012 demonstrates a recovery in the residential real estate market in Vermont after several slow years. The Vermont Department of Taxes also reports median sales prices by category, and this data was also considered as a general guide to market trends.

MEDIAN SALE PRICES – STATE OF VERMONT



The residential property values were increasing steadily through 2007, but were relatively level with only minor fluctuations from 2009 to 2015. The commercial market was increasing from 2012 through 2014, but was down in 2015. The actual median sale prices are indicated on the following table for primary residences on less than six acres.

Valid Residential - Less Than 6 Acres - State of Vermont

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Median Price	$194,000	$200,000	$199,000	$185,000	$187,000	$185,000	$180,000	$189,000	$185,000	$185,819
% Change		3.09%	-0.50%	-7.04%	1.08%	-1.07%	-2.70%	5.00%	-2.12%	0.44%

The median sale price for residential properties has been relatively stable over the past few years. The median sale price for the commercial properties was not heavily relied upon because the sample size remains fairly small and the property values vary widely within this category. However, the following table reflects the reported median sale price for just commercial properties.

Valid Commercial Sales - State of Vermont										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Median	$239,000	$232,841	$300,000	$215,000	$199,900	$155,000	$200,000	$220,000	$250,000	$201,000
% Change		-2.58%	28.84%	-28.33%	-7.02%	-22.46%	29.03%	10.00%	13.64%	-19.60%
Average	$423,761	$630,067	$602,301	$555,644	$387,800	$426,461	$470,696	$556,727	$704,977	$519,552
% Change		48.68%	-4.41%	-7.75%	-30.21%	9.97%	10.37%	18.28%	26.63%	-26.30%

The median and the average price for commercial properties increased considerably between 2012 through 2014, but decreased in 2015. The changes in the median and average sale price were not relied upon as a guide to an actual change in values because of the wide variety in property values for this category.

These statistics for Vermont reflect the trend of a slow recovery of the real estate market over the past few years after the recession in 2008. This trend is likely to continue. Consideration was given to the number of new housing permits issued and the estimated value of this construction as an additional guide to the real estate market trends in Vermont.

Residential Building Permits

	Housing Units		*Value*	
Year	# Units	% Change	(Thousands)	% Change
2005	2,917	N/A	$441,336	N/A
2006	2,626	-9.98%	$421,881	-4.41%
2007	2,056	-21.71%	$350,005	-17.04%
2008	1,444	-29.77%	$240,712	-31.23%
2009	1,367	-5.33%	$213,945	-11.12%
2010	1,319	-3.51%	$227,618	6.39%
2011	1,299	-1.52%	$221,336	-2.76%
2012	1,301	0.15%	$218,961	-1.07%
2013	1,499	15.22%	$262,993	20.11%
2014	1,546	3.14%	$281,490	7.03%
2015	1,883	21.80%	$397,673	41.27%

Source: US Census

The amount of new construction started to slow in 2005 prior to the recession. However, there were a considerable number of new units developed in 2005 and 2006 and the value of the new construction actually peaked in 2005. The number of units developed and the value of the units declined considerably in 2007 and remained low through 2012. There has been an increase over the past three years which is a positive sign for the residential real estate market.

In conclusion, Vergennes is nearly fully developed, but it is likely that the surrounding communities will experience continued growth over the long term. This area is slowly changing from a rural, agricultural area to a suburban area, with many of the residents commuting to Chittenden County for employment. This trend is likely to continue, but at a slow pace with no significant changes over the next few years.

NEIGHBORHOOD DATA

The subject neighborhood can be defined as the entire City of Vergennes. This is a small area that was developed over 100 years ago around Otter Creek. The city is surrounded by rural, agricultural communities that rely on Vergennes as their commercial center. It is only one square mile, but provides an attractive community with a commercial center surrounded by residential housing.

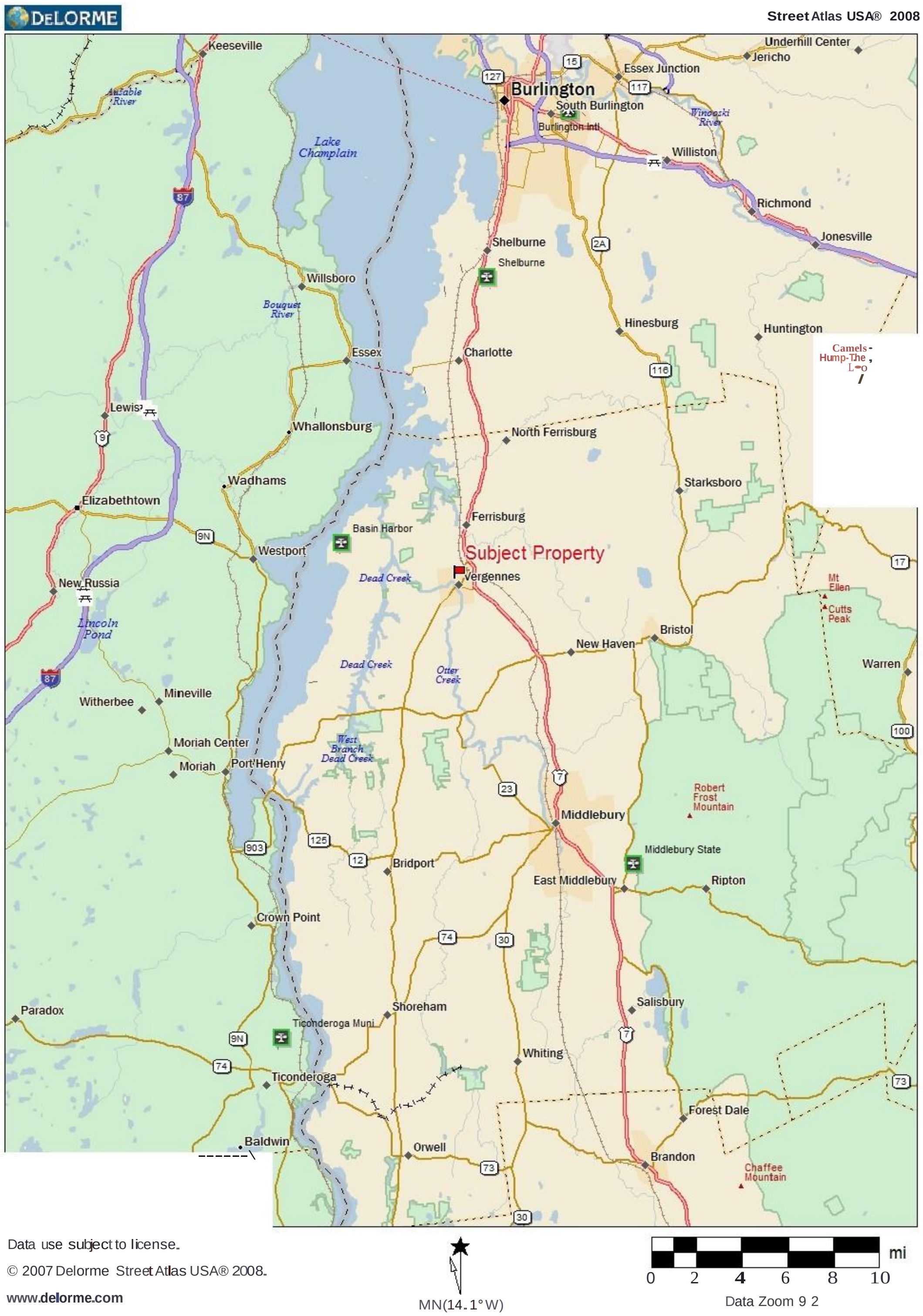
The subject is located on the northern end of the community. Comfort Hill Road is primarily developed with single family residences that are in relatively average overall condition. Comfort Hill Road turns into Botsford Road, to the north of the subject in Ferrisburgh. This is a side road that runs parallel to Route 7. It is not heavily travelled or developed, and primarily serves the local residents, with access into Vergennes.

Main Street is developed with hundred-year-old buildings, many of which are attached. The first floor units are generally retail shops or professional offices, with offices or apartments on the upper floors. The commercial area is approximately three blocks, and the surrounding area is developed primarily with older, one to four-family type residential dwellings. These are generally average quality homes in average overall condition.

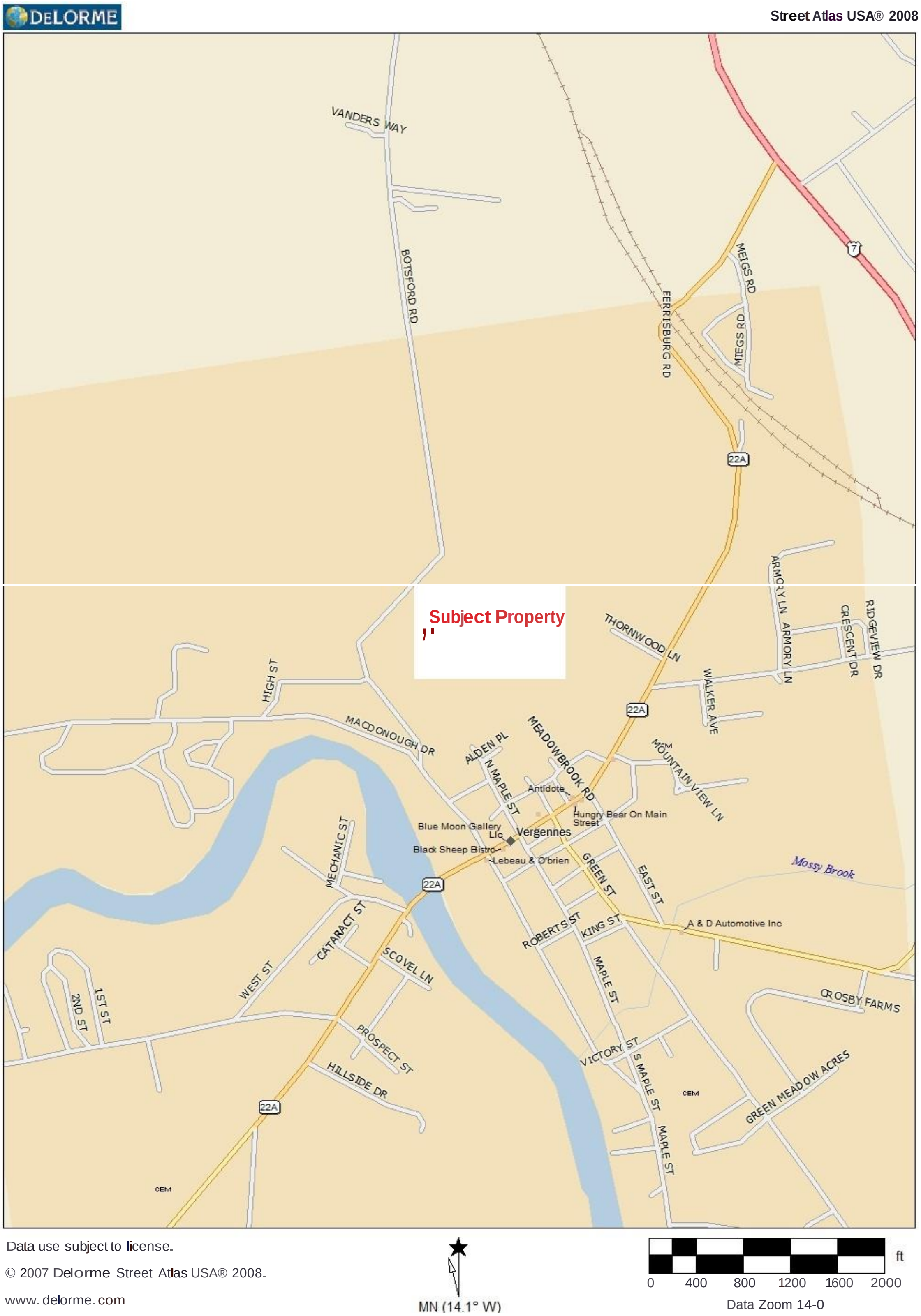
There is some demand for commercial property along Route 22A. The city recently built a new police station here. There is also a small auto dealership, a retail store, some industrial uses, and a mix of residential dwellings. Given the traffic counts along this roadway, it is a natural place for new development and redevelopment of older residences into commercial property.

In general, the real estate market in this area should not see significant changes in demand. It will remain a village neighborhood for this relatively rural region.

REGIONAL MAP



NEIGHBORHOOD MAP



DESCRIPTION OF SUBJECT PROPERTY

HISTORY OF SUBJECT PROPERTY

Owner of Record: State of Vermont
Last Date of Transfer: May, 1919
Deed Book/Page: 15/310
Sale Price: N/A
Current Status: Not on the market for sale

A copy of the legal description has been included in the addendum to this report. As a real estate appraiser, I am not qualified to make judgments of a legal nature, and it is assumed that the description is accurate and that a marketable title for the property will be provided.

SITE DESCRIPTION

Size – Approximately 7.425 acres, based on the survey

Shape – Slightly irregular

Frontage & Access – Good, some 1,240' of frontage on Comfort Hill Road

Visibility – Average – Comfort Hill is a through street, but it is not heavily traveled

View – Average to above average of surrounding hills

Topography – Slight downward grade to the southwest in sections, steeper grade in other sections

Utilities – Municipal water and sewer is located along Comfort Hill Road, but appears to end near the southwest corner of the subject property. Electrical service is available at the road

Flood Hazard – No as shown on FEMA Map 500011 0005 B dated September 18, 1986

Easements, R.O.W., etc. – None known or represented that would appear to have a measurable impact on the value of this property. There are powerlines along the road frontage on Comfort Hill Road.

Comments – The subject property is irregular in shape, but has considerable amount of frontage on Comfort Hill Road. It would appear to be an old agricultural field with some wire fencing remaining around the perimeter of the site. The lot is primarily wooded with small trees and bushes. The lot has a gradual grade down to the southwest. There were sections that appeared somewhat steep, but the majority of the lot has only a gradual grade, and appeared suitable for development.

There are powerlines that run along Comfort Hill Road, and border the frontage of the subject property. These could impact the accessibility of the subject. However; it is assumed that driveways could be placed under the powerlines, limiting the impact on value.

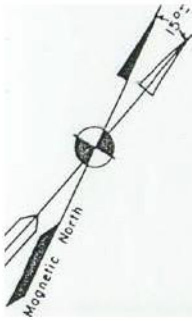
The city provides sewer service to this area of Vergennes. There is municipal service on Comfort Hill Road, and it is likely that the subject could be connected to this system. The current fee to connect a single family residence to the sewage system is $1,340, but this does not include construction costs.

There is a public water system (Vergennes Patton Water District) that provides water to this community. New connections to this system are usually available, but the City Manager indicated that they are being more conservative with water connections lately. It is assumed the subject property could connect to both the municipal water and sewer systems available in the area, but it could depend on the scope of development. A buyer should confirm that connection to the municipal systems would be available for the subject in the future.

The access to municipal water and sewer improves the development potential of the site. It could reduce the development costs, and it could also allow for a higher density of development on the land. The considerable road frontage and the shape provides the potential for a developer to subdivide numerous building lots from this land, without building any interior roads. This would reduce the development costs considerably for any type of subdivision on this site.

The indicated value assumes that there are no environmental problems or limitations. As a real estate appraiser I am not qualified to determine if there is any contamination. An ANR Environmental Interest Locater Map obtained from the State of Vermont, Agency of Natural Resources is provided as a reference, but I take no responsibility for the accuracy of this map.

STATE OF
VERMONT
PORTION OF WEEKS SCHOOL SURVEY



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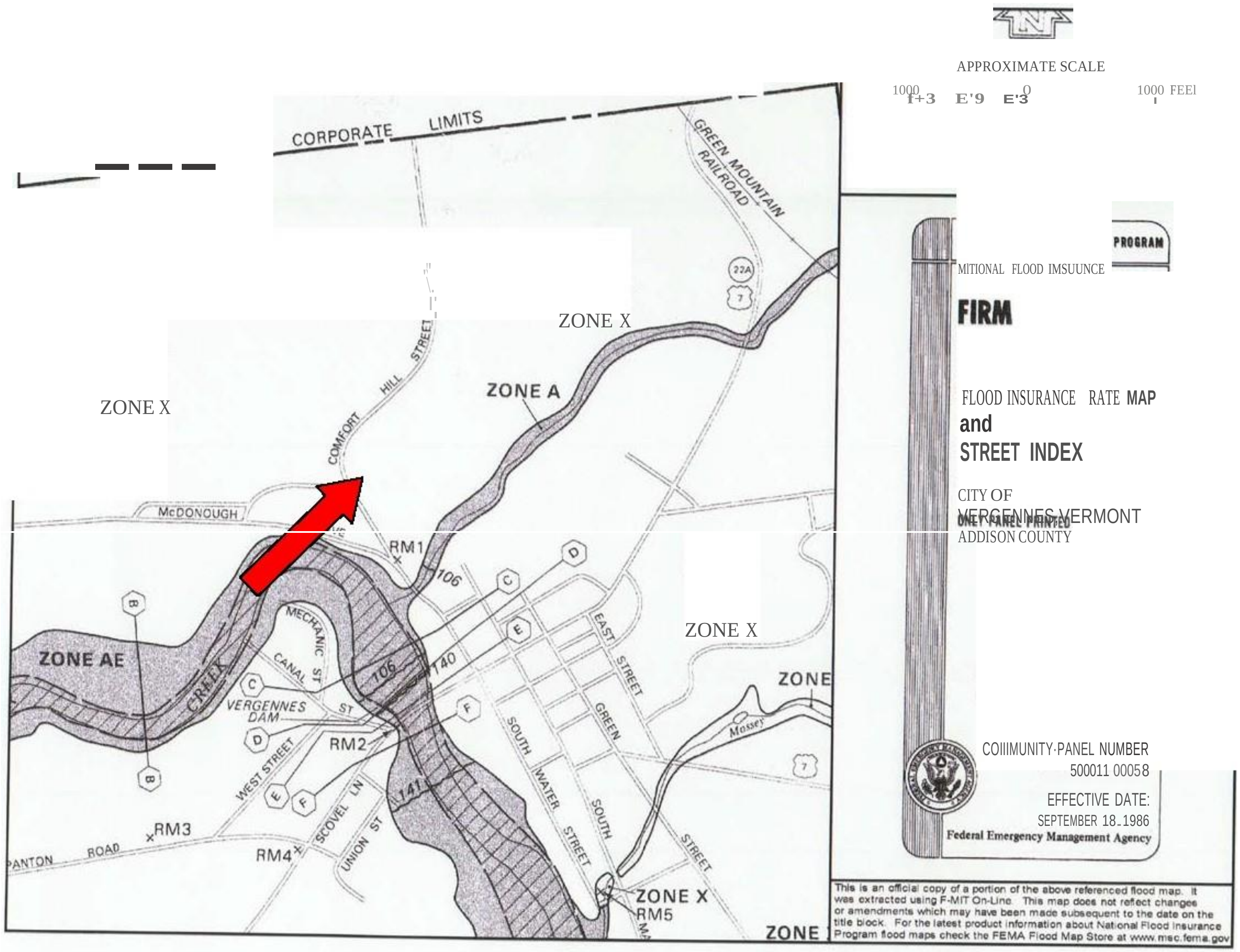
APPROXIMATE SCALE
1000 0 1000 FEET
CORPORATE LIMITS
GREEN MOUNTAIN RAILROAD
ZONE X
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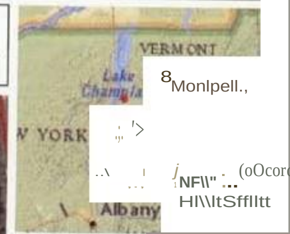
McDONOUGH
RM1
RM2
RM3
RM4
RM5
CREEK
VERGENNES DAM
MECHANIC ST
CANAL ST
WEST STREET
SCOVEL LN
UNION ST
PANTON ROAD
EAST STREET
GREEN STREET
SOUTH WATER STREET
SOUTH STREET
NATIONAL FLOOD INSURANCE PROGRAM
FIRM
FLOOD INSURANCE RATE MAP
and
STREET INDEX
CITY OF
VERGENNES, VERMONT
ADDISON COUNTY
ONLY PANEL PRINTED
COMMUNITY-PANEL NUMBER
500011 0005 B
EFFECTIVE DATE:
SEPTEMBER 18, 1986
Federal Emergency Management Agency
This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

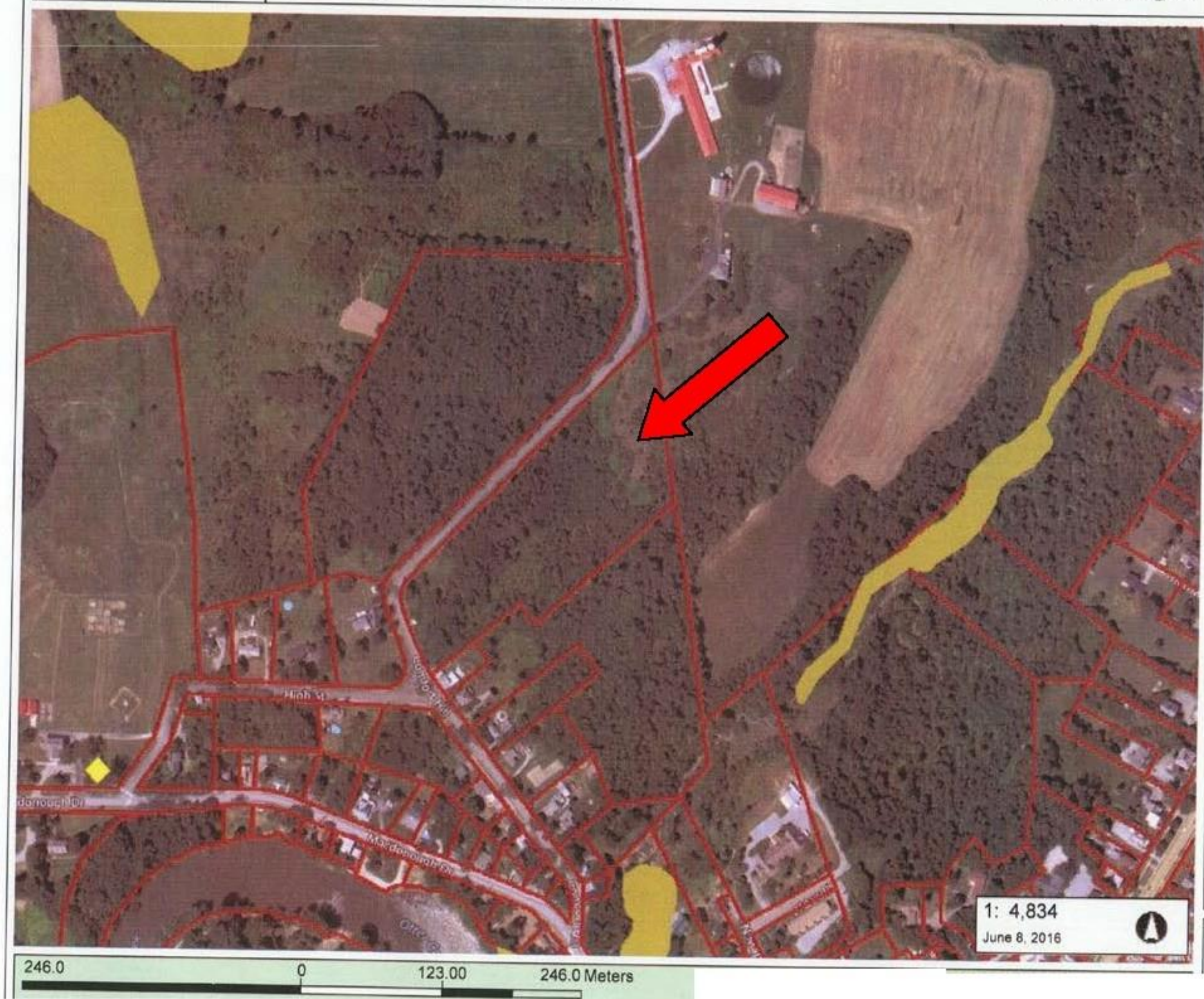
VERMONT

Natural Resources Atlas

Vermont Agency of Natural Resources

vermont.gov





LEGEND

Wetlands - VSWI

Class 1 Wetland

Class 2 Wetland

Wetlands Advisory Layer

Landfills

OPERATING

CLOSED

Land Use Restrictions

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Hazardous She

Hazardous Waste Generators

Brownfields

Salvage Yard

Underground Storage Tank (w-

Parcels (where available)

Town Boundary

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NOTES

Map created using ANR's Natural Resources A as

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Vermont Agency of Natural Resources

1" = 403 fl 1Cill = 48 Meiers

THIS MAP IS NOT TO BE USED FOR NAVIGATION

DISCLAIMER: This map is generalronly. Datall ayers lhat appear on this map may or may not be accurate, CUl'Tent, or otherwise rwliabte. ANR and lhe State of Vermont make no repreaentat,on& of any kind, inctud!no but not limfied to, the warrantiea of merchantabltlty, or fitl'leas tor a pal't!cular .rse, nor are any $uch wa r nties to be impliect w1th resoeet to the data on thla mao

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ZONING

The subject is located in the "High Density Residential" district. Permitted uses are limited to one and two-family dwellings. Conditional uses include: multi-family dwellings, boarding house, child care facility, planned unit development and recreation. The dimensional requirements are as follows:

	Single Family	2-Family	Multi-Family
Minimum Lot Size	15,000 SF	21,000 SF	6,000 SF/Dwelling over 2
Minimum Frontage	70'	70'	100'
Minimum Depth	100'	150'	150'
Setback Requirements:			
Front	20'	20'	20'
Side	20'	20'	20'
Rear	6'	6'	20'

Maximum Building Height: 35'
Density: 15,000 SF/Unit

The lot is large enough to support residential development. The density requires 15,000 SF per unit over two units. The lot acreage is 7.425, or 323,433 SF. This could support (323,433 SF/15,000 SF) 21 single family dwelling lots. However; due to the frontage and set-back requirements it is unlikely that you could get more than 12 lots with frontage on Comfort Hill Road. Beyond 12 lots a developed would need to add a road and do a planned unit development.

The density would allow for (323,433 SF/21,000 SF) 15 two-family dwellings, or 30 total units. Again the frontage would limit the developable lots to approximately 12, or 24 duplex units.

The density for a multi-family dwelling is 6,000 SF/unit over two units. This would allow for approximately 50 units to be developed in a multi-family development. Multi-family is a conditional use, and a developer would need to seek a conditional use permit to develop a multi-family property.

As a real estate appraiser, I am not qualified to provide a legal opinion, and therefore, no attempt was made to determine if all of the necessary approvals are in place or if all of the conditions of the permits have been met.

TAXES & ASSESSMENTS

The subject lot does not have an assessed value because it is owned by the State, and tax exempt. The tax rate for non-residences in Vergennes over the past several years has been as follows:

Year	Tax Rate	Common Level of Appraisal
2015	$2.2233/$100	103.35
2014	$2.1835/$100	103.97
2013	$2.0147/$100	104.09
2012	$1.9845/$100	104.21
2011	$1.9495/$100	101.38
2010	$1.9162/$100	100.85

The common level of appraisal is based on a comparison of actual sale prices of valid sales to the assessed value of that property. A common level of appraisal of 100% would suggest that the assessed values are similar to sale prices in this community. In Vergennes, the assessed values are slightly above the market values.

IMPROVEMENT DESCRIPTION

There is an old garage type structure on the property. This is a wood frame, one car garage that would appear to be over 50 years in age. It is not considered to have any contributory value. There are no other improvements, and the lot is essentially considered vacant land.

HIGHEST AND BEST USE

Highest and best use may be defined as, "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."[4]

The first step is to consider the land as if vacant. This step is necessary to support a value estimate of the land if required for the Cost Approach. In addition, a land value may be necessary for an improved property to determine if the improvements added to the overall value of the property. In some instances, the land may be more valuable for an alternative use as opposed to the present use with existing improvements and redevelopment could be the highest and best use of an improved parcel.

The second step requires determining the highest and best use of the property as improved. This step is not necessary for vacant land. The use that maximizes an investment property's value is the highest and best use of the property and may not be the existing use in all circumstances.

A process of elimination can be used to determine the highest and best use of the property as if vacant or as improved. The first consideration is to determine the uses that will be physically possible on the site. The size of the lot, topography and soil conditions can physically limit the potential uses of any property.

The second consideration is to determine which of the uses that are physically possible are also legally permissible. Zoning will often limit the types of uses for a site and consideration must be given to other items such as deed restrictions or existing long-term leases that would limit the potential uses of a property.

The third step is to determine which uses would be financially feasible. This requires consideration of the demand for each potential use and the supply of existing properties that could serve that use. The location of a property can also be an important consideration in determining if certain uses would be financially feasible for a certain property.

The last step is to decide which of the uses that are still potential uses of the property will be maximally productive or would generate the highest value for the property. This step requires considerable analysis to determine which types of uses are in the greatest demand and can generate the greatest productivity for the specific property being appraised.

The following is a summary of the considerations regarding the subject property. A table was used to reflect a summary of the process of elimination to determine the highest and best use of this property. Potential uses are considered in broad categories, and a process of elimination is used based on the four criteria to establish the highest and best use. Once a use category is eliminated, it is no longer considered as a potential highest and best use for this property. The subject property is vacant land, and therefore, it was not necessary to consider the highest and best use as improved.

[4] The Appraisal of Real Estate, Appraisal Institute, 10th Edition, page 275.

Highest & Best Use Summary - Land as if Vacant				
Potential Use	Physically Possible	Legally Permissible	Financially Feasible	Maximally Productive
Agricultural	Too Small	---	---	---
Forestry	Too Small	---	---	---
Land Holding	Yes	Yes	Yes	Yes
Recreation	Yes	Yes	No	---
Single Family	Yes	Yes	Yes	No
Multi-Family/PUD	Yes	Yes	Yes	Yes
Residential Subdivision	Yes	Yes	Yes	Yes
Retail	Yes	No	---	---
Office	Yes	No	---	---
Industrial	Yes	No	---	---

The zoning limits the potential uses to primarily residential dwellings. Considering the zoning, size of the lot, and the access to municipal water and sewer, it would appear to be physically possible and legal permissible to; develop this lot with a single family house, subdivide the property into numerous lots each suitable for development with a house, or develop a multi-family dwelling or planned unit development (PUD) on the site. In order to determine the maximally productive use, consideration was given to the value for each of the three potential uses.

The site is suitable for a single family house site, and in the sales comparison approach consideration was given to sales of land purchased to be developed with a single family dwelling. The value of the property would be higher if more units are developed on the site. Therefore, while single family development is financially feasible, it is not considered maximally productive.

The site could be purchased for development with a multi-family complex or PUD. This would maximize the number of potential housing units on the site, but the size of the community may limit the demand for a large project. Sales of land purchased for multi-family development were also considered in the sales comparison approach. This analysis resulted in a value of the land of $315,000. It was slightly lower than the value indicated by the subdivision development approach. However, the two values are so close that either use is considered maximally productive with the final use depending on the buyer.

The site has a considerable amount of road frontage and this could allow for a number of lots all fronting on the existing road, which would limit the development costs of a subdivision. The subdivision development approach was considered, and this resulted in the highest value at $325,000. However, the difference in the value indicated for a subdivision as compared to multi-family housings was so small that either use could be maximally productive.

APPRAISAL APPROACH

The appraisal process typically involves applying three generally accepted appraisal approaches to estimate the value of a property. These three approaches are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. Each of these approaches is considered for each appraisal; however, not all are applicable for every property and only the approaches that are considered to reflect market considerations are used to value the subject property.

The Cost Approach

This approach is based upon the principle of substitution, which assumes that a prudent purchaser would not pay more for an existing structure than it would cost to purchase a vacant lot and build a similar structure of equal quality, less depreciation. The Cost Approach requires the appraiser to first estimate the value of the land as if vacant. The value of the land is typically estimated based on a sales comparison approach in which recent sales of similar lots are compared to the subject property as if vacant. The cost to replace the existing improvements is then estimated. The final step is to estimate the amount of depreciation to the existing improvements from all causes including physical deterioration, functional obsolescence and economic obsolescence. The estimated accrued depreciation is deducted from the replacement cost of the improvements plus the value of the land as if vacant to arrive at a value estimate by the Cost Approach.

The subject property is vacant land and therefore, the Cost Approach is not applicable. There are no improvements in which cost factors can be considered, and therefore, this approach cannot be relied upon as a guide to vacant land.

The Sales Comparison Approach

This approach to value is also based upon the principle of substitution. In this approach, it is presumed that the market value of a property will approximate the sales price of similar properties offering similar utility. Recently sold similar type properties are compared to the subject property. These sales are analyzed and adjustments made to compare each sale to the subject property with respect to many factors such as location, condition, size, and market conditions. After adjustments, each comparable sale provides an indicated value for the subject property, and these indicated values are correlated to provide an estimate of value by the Sales Comparison Approach.

The Sales Comparison Approach is generally considered the best guide to market value for vacant land. However; due to the potential for residential subdivision, the Subdivision Development Approach was also considered as a good overall guide to value. This is similar to an income analysis.

Income Approach

A value can be derived for an income producing type property based on the anticipated benefits. This requires the appraiser to first estimate the anticipated benefits or the income that can reasonably be anticipated to be generated from the property. The potential gross income is first estimated based on existing leases and recent leases for similar type space. The expenses and potential vacancy and rent loss must be estimated based on the operating history of the property, as well as what is typical in the market. The net operating income is then used to derive a value estimate for the property.

The conversion of net income to value can be accomplished by either direct capitalization or a discounted cash flow method. Direct capitalization is a method of converting a single year's income into value in one step. This method is reliable when the income is anticipated to remain relatively stable.

In cases where income is anticipated to vary considerably, a discounted cash flow method can be used. This method considers the future benefits over the typical holding period, which includes an annual cash flow plus the reversion or sale of the property at the end of the holding period. The anticipated cash flow is discounted to present value to reflect the anticipated return required by investors in the market. This approach typically reflects the considerations of real estate investors; however, it requires speculative projections regarding future market conditions that can limit the reliability of this approach.

In this market area, vacant land is not typically leased nor purchased as an investment based on the rental income that can be generated. Therefore, the Direct Capitalization Technique was not considered. However, an income based analysis, The Subdivision Development Approach, was considered. This is essentially a discounted cash flow analysis used to value residential subdivisions. It reflects the potential cash flows associated with selling individual residential lots in a residential subdivision. This was considered as a good overall guide to value in this instance.

Final Reconciliation

The last step in the appraisal process is to consider the separate values indicated by the approaches used for the property, and determine a final value for the property. A weighted average is generally used to derive the final value estimate. The approaches with the most market support or the approach that most closely reflects the considerations of buyers for these types of properties are given the greatest weight. Other approaches may be given considerably less weight depending on the type of property and support for each of the approaches used to value the subject property.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based upon the assumption that a potential buyer will pay no more for a property than other buyers paid for similar properties. There are five basic steps in this approach to value.

1) Research the market and obtain data regarding recent transactions and current offerings of properties that are similar to the subject property.

2) Verify the information to determine if the data is accurate and the transaction reflects an arm's-length market sale.

3) Select an appropriate unit of comparison and develop a comparative analysis.

4) Compare the subject and the comparable sales according to elements of comparison and adjust the sale price of each comparable to reflect differences between the subject property and the comparable sale.

5) Reconcile the values indicated by each of the comparables to arrive at an overall value indicated by the Sales Comparison Approach.

This approach reflects the actions of buyers and sellers in the market and generally is the most reliable guide to value. It can be limited by a lack of sales of similar type properties, particularly if the subject property is unique.

In this instance, the Sales Comparison Approach was considered as a guide to the value of the subject land. The subject property is zoned residential and has the potential to be developed with numerous units, but there are no approvals for development. To support the highest and best use, consideration was given to recent residential land sales of similar sized parcels, but the primary motivation of the buyers was for single family development. This is a possible use of the subject and would be legally permitted.

Consideration was also given to sales of land purchased for multi-family dwellings. It can be difficult to obtain permits for multi-family development, but based on the zoning and access to municipal services it would appear that this is a potential use of the subject property.

The subject is somewhat unique, and all of the comparables varied from the subject. Therefore, a qualitative analysis was considered applicable in this instance. In this type of analysis, the major differences between the comparable sales and the subject are identified, but no attempt is made to quantify the impact of the differences. Rather each sale is used as a guide to the market value for the subject property. This type of analysis reflects the considerations of a typical buyer in the market.

COMPARABLE SALE #1

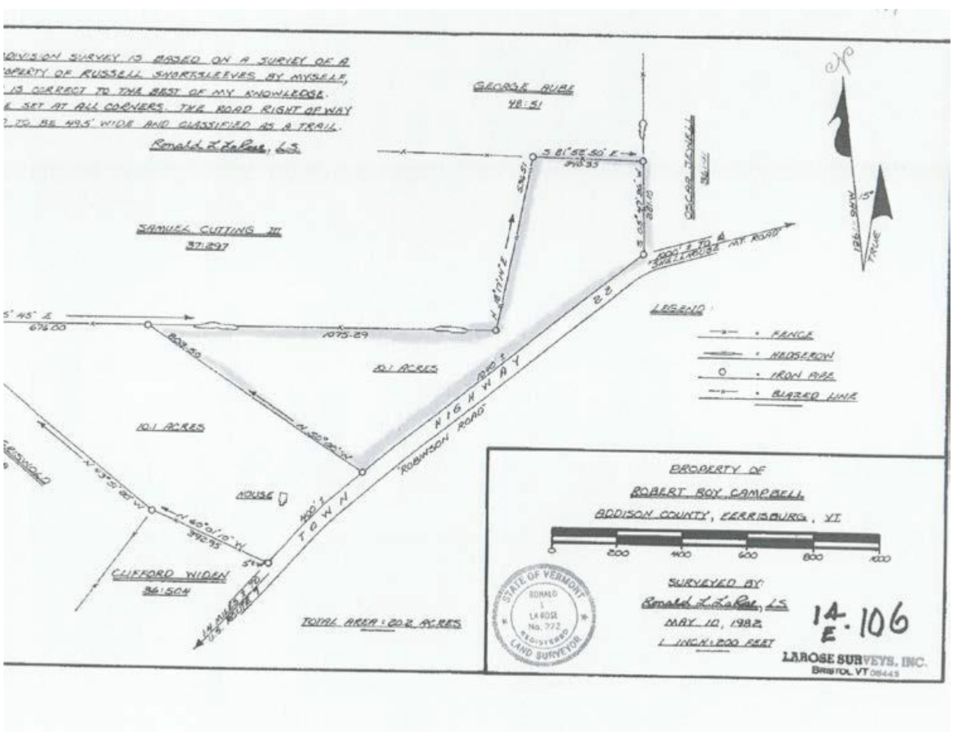
Location: Robinson Road, Ferrisburgh, Vermont
Grantor: Sanual Cutting, Trustee | Grantee: Kym Boyman and Beth Robinson
Date of Sale: February 15, 2016
Sale Price: $180,000 | Sale Price/Acre: $17,822

<u>Site Description:</u> Size: 10.10 Acres
Visibility: Average | Access & Frontage: Average, private road access
Utilities: Onsite water and sewer | Zoning: Residential – 5 Acre
Flood Zone: None | Topography: Mostly level
Comments: Single family development lot on a privately maintained road. It is somewhat irregular in shape.

<u>Improvements:</u> None, vacant land

<u>Transaction Data:</u> Terms of Sale: Cash to seller
Comments: On the market for 13 days with an initial asking price of $185,000.

Source: Hp, Municipal records, Broker



COMPARABLE SALE #2

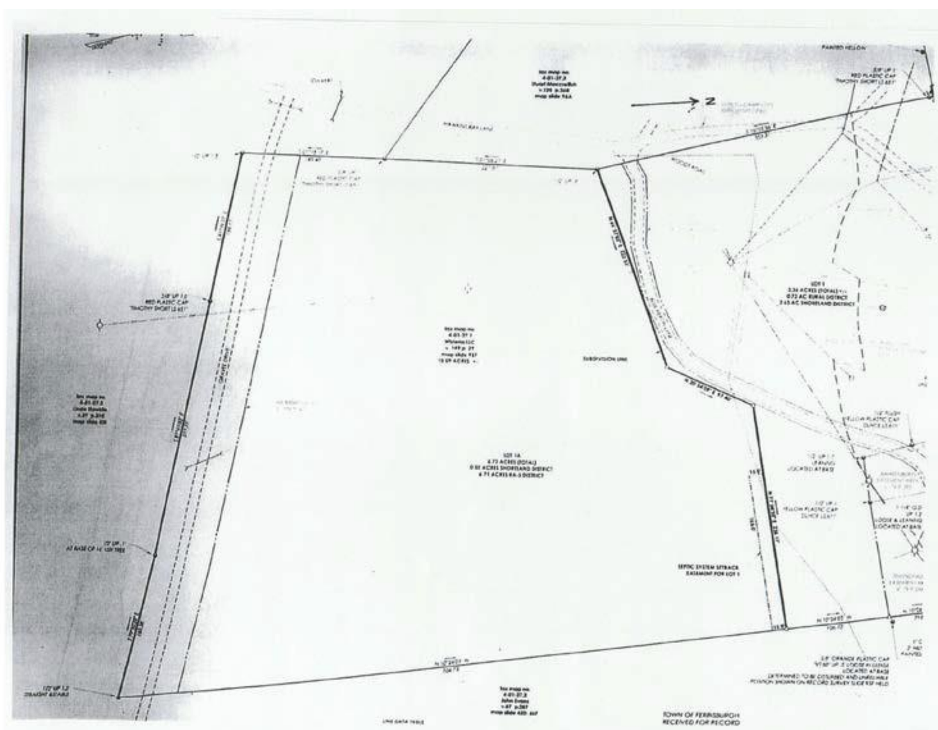
Location: Blue Heron Lane, Ferrisburgh, Vermont
Grantor: Wisteria, LLC | Grantee: Not Yet Available
Date of Sale: May 25, 2016
Sale Price: $115,000 | Sale Price/Acre: $17,088

<u>Site Description:</u> Size: 6.73 Acres
Visibility: Limited, side street | Access & Frontage: Average
Utilities: Onsite water and sewer needed | Zoning: Residential – 5 Acre
Flood Zone: None | Topography: Sloped
Comments: The lot is close to Lake Champlain, but it does not appear to have any direct water frontage, nor any significant views of the lake.

<u>Improvements:</u> None, vacant land

<u>Transaction Data:</u> Terms of Sale: Cash to seller
Comments: On the market for 13 months with an initial asking price of $125,000.

Source: Hp, Municipal records, Broker



COMPARABLE SALE #3

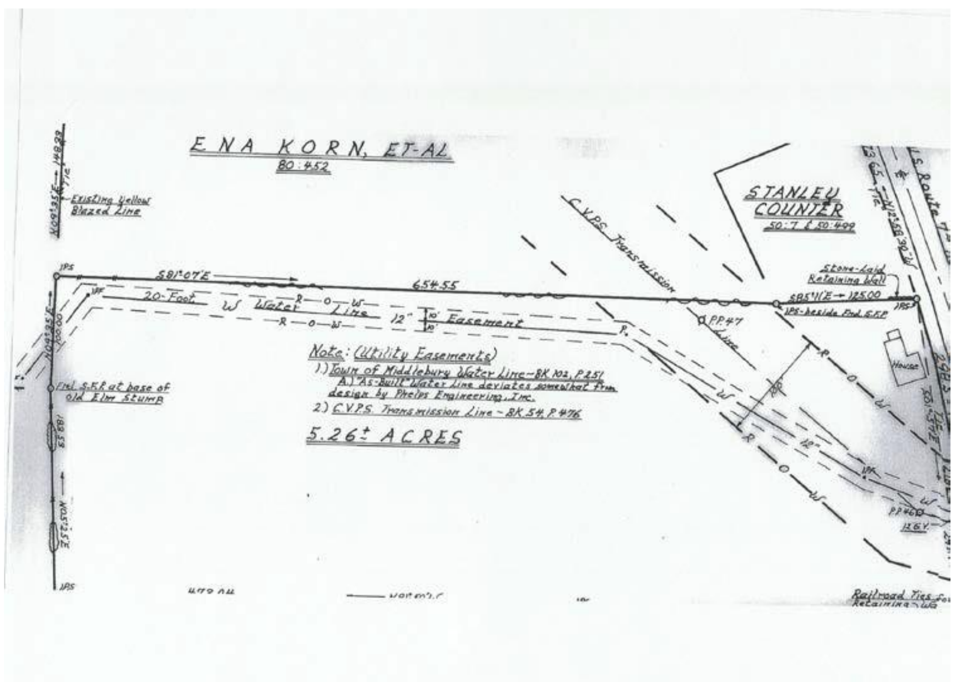
Location: 98 N. Pleasant Street (Route 7) Middlebury, Vermont
Grantor: Agnes Lacey Trustee Grantee: Pier LaFarge, Ryan Nevius, Barry Neveus
Date of Sale: March 3, 2015
Sale Price: $95,500 Sale Price/Acre: $18,156

<u>Site Description:</u> Size: 5.26 Acres
Visibility: High traffic counts on Route 7 Access & Frontage: Limited by easement
Utilities: Municipal water, onsite sewer Zoning: Residential
Flood Zone: None Topography: Sloped
Comments: The lot fronts on Route 7, but there are powerlines along the roadway which could impact the accessibility of the lot. It is also in a residential zoning district.

<u>Improvements:</u> None, vacant land

<u>Transaction Data:</u> Terms of Sale: Cash to seller
Comments: On the market for six months with an initial asking price of $160,000.

Source: Hp, Municipal records, Broker



COMPARABLE SALE #4

Location: 2855 Weybridge Rd. (Route 23), Weybridge, Vermont
Grantor: Joseph & Alice Bowdish   Grantee: Mary Cullinane
Date of Sale: March 11, 2016
Sale Price: $100,000   Sale Price/Acre: $9,363

Site Description: Size: 10.68 Acres
Visibility: Limited, from Route 23, developable area sits back from road
Access & Frontage: Average fronts on Route 23, shared driveway for access
Utilities: Onsite water and sewer needed   Zoning: High Density Residential
Flood Zone: None   Topography: Sloped
Comments: Despite the zoning, this lot was sold as a single family dwelling lot. It has some mountain views.

Improvements: None, vacant land

Transaction Data: Terms of Sale: Cash to seller
Comments: On the market for 22 months with an initial asking price of $125,000.

Source: Hp, Municipal records, Broker

Residential Sales Analysis:

Comparable sales #1-#4 were considered as a guide to the highest and best use, but were not necessarily considered direct comparables to the subject. These are sales of similar sized residential lots; however, due to the locations and zoning of these properties, the development potential was restricted to single family housing. The subject could be subdivided into multiple development lots and has municipal water and sewer. This limited the reliability of sales #1-#4.

Comparable sales #1-#4 reflect a range in the total prices paid for single family lots in this market area from $96,000 to $180,000. If the subject were marketed as a single family dwelling lot, the market value would be within this range. Comparable sales #3 and #4 reflect sales at approximately $100,000, or the lower end of the range. However; comparable #3 has a significant easement for a powerline which could impact the value. Comparable #4 is in a more rural community. Therefore, the value of the subject would be higher. A more reasonable range would be reflected by comparable sales #1 and #2 from $115,000 to $180,000, total. The value of the subject for a residential subdivision or multi-family development would be higher than this range, and therefore, a single family building lot is not considered the highest and best use of the subject.

COMPARABLE SALE #5

Location: Off Route 7, South Village Lot MU5, Middlebury, Vermont
Grantor: Middlebury South Village — Grantee: Village Walk MSV LLC
Date of Sale: December 18, 2014
Sale Price: $315,000 — Sale Price/Unit: $19,687

Site Description: Size: Approx. 1.19 Acres, part of PUD
Visibility: Local, Avg. — Density: 13.45 units/acre
Access & Frontage: Average — Utilities: Municipal Water & Sewer
Zoning: Village Res/Commercial — Topography: Level
Flood Zone: No

Approvals: The original master plan was amended and this site was approved by the town of 16 townhouse units.

Improvements: None – Vacant Land

Transaction Data: Terms of Sale: Cash to seller

Comments: It was purchased by a developer who intended to construct 16 new townhouses on this site. At the time of purchase the lot was part of a larger planned unit development and was sited and approved for office development. The buyer amended the master plan and secured permits for the residential PUD after purchase at his own cost.

Source: Hp, Municipal records, Grantee

COMPARABLE SALE #6

Location: Bombardier Road, Milton, Vermont
Grantor: Houston Commons Development, Milton New Life Christian, & Church of Christ
Grantee: Cathedral Square Corp.
Date of Sale: February 18, 2016
Sale Price: $205,000 + $25,000 + $35,000 = $265,000
Sale Price/Unit: $8,833

Site Description: Size: 0.97 + 0.3 + 0.46 = 1.73 Acres
Visibility: Average
Access & Frontage: Gd. – 148’ on Bombardier + 22’ on Centre Drive & 29’ on Middle Road
Utilities: Municipal Water & Sewer, Natural Gas
Zoning: “Downtown Business”
Flood Zone: No
Topography: Level
Permits: Buyers obtained permits to build a 30-unit elderly housing project

Improvements: None – Vacant Land

Transaction Data: Terms of Sale: Cash to sellers
Comments: This is a mixed use area in a suburban type community.

Source: Hp, Municipal records, Grantee

COMPARABLE SALE #7

Location: Lot 15 Vilma Court (Jenna Lane), Milton, Vermont
Grantor: Marketplace Development, LLC
Grantee: Gabriel Handy, Trustee of DDH GSH
Date of Sale: April 7, 2014
Deed Book/Page: 445/95
Sale Price: $400,000
Sale Price/Acre: $322,581
Price per Unit: $10,526

Site Description: Size: 1.24 Acres
Density Units/Acre: 30.6/Acre
Visibility: Limited, Side Road
Access & Frontage: Limited, no direct frontage on a municipal road, with only access being an easement
Utilities: Municipal water & sewer, natural gas
Zoning: Downtown Business
Flood Zone: None
Topography: Mostly level
Comments: There was no direct frontage at the time the property was purchased. The buyers are developing a roadway, Jenna Lane, off of Centre Drive, which will serve as the main access to the property.

Improvements: None, vacant land

Transaction Data: Terms of Sale: Cash to seller
Comments: The property is being developed with 38 – one, two, and three-bedroom apartment units. The buyers purchased the property with initial approvals in place for the development. There are no rent restrictions on the units being developed.

Source: Hp, Municipal records, Grantee

COMPARABLE SALE #8

Location: Location: 464 Canal Street, Brattleboro, Vermont
Grantor: 230 Canal Street, LLC Grantee: Red Clover Commons Limited Partnership
Date of Sale: March 31, 2015
Sale Price: $700,000 + $515,200 = $1,215,200
Sale Price/Acre: $434,000 Sale Price/Unit: $22,095

Site Description: Size: 2.8 Acres
Visibility: AADT 9,800 Access & Frontage: Average
Utilities: Municipal water/sewer Zoning: Commercial
Flood Zone: No Topography: Gradually Sloping
Shape: Irregular
Comments: The lot had preliminary approvals for development of a 55-unit senior housing complex.

Improvements: Description: Old, industrial building (10,409 SF) that has been vacant for several years, and was not considered to add significant value to the value of the land.

Transaction Data: Terms of Sale: Cash to seller

Comments: The buyers are a non-profit planning to use LIHTC to redevelop the site for a 55-unit senior housing complex. There was estimated environmental remediation work necessary at the time of sale of $515,200. This was added to the price paid to determine a total land acquisition cost.

Source: Hp, Municipal records, Grantee

COMPARABLE SALE #9

Location: Hopkins Road, Vergennes, Vermont
Grantor: Bourgeois — Grantee: Rivers Edge Assoc., LLC
Date of Sale: Jan. 5, 2011 — Deed Book/Page: N/A
Sale Price: $450,000 — Sale Price/Acre: $15,357
Sale Price/Unit: $8,333 (Based on original plan of 54 lots)

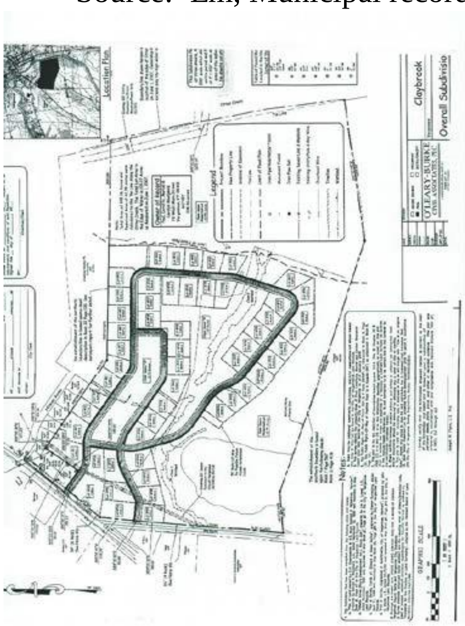
Site Description: Size: Approx. 108 Acres — Proposed Density: 2 Ac./Unit
Visibility: Good – AADT on Route 22A is 5,800.
Access & Frontage: Good frontage along Hopkins Rd.
Utilities: Municipal Water & Sewer — Zoning: Ag. & Rural Residential District
View: Some Mountain and river views

Improvements: There is an old barn on the property that has no contributory value.

Transaction Data: Terms of Sale: Cash to seller.

Comments: The buyers were in the process of obtaining permits for a planned unit development for 54 units, but stopped the process because of the slow market. Prior to buying the site, they obtain local permits for seven building sites, plus a common area on 14 acres of this property. The remaining 94 acres would be the ninth lot that would be suitable for future development.

Source: Lm, Municipal records, Grantee (Peter Kahn)



Conclusion to Sales Comparison Approach

Approved Land Sales Analysis:

The remaining sales are parcels that were purchased for multi-unit residential development. This would be a potential use of the subject property. Based on the zoning at the subject, a buyer could maximize the number of units on the lot by planning to develop a multi-family housing project. The total number of units that would be allowable by the zoning would be 50 units. However, given the design of the lot and the demand for housing in this market it is unlikely a buyer would develop 50 housing units. The total number of duplex dwellings that could be developed was estimated at 12, or 24 units. While it is unlikely that a buyer would plan to develop 12 two-unit dwellings, this was considered as a guide to the lower end of the range of the potential number of multi-family units that could be developed. A buyer would also need to obtain a conditional use permit for any multi-family housing development in this market, and the zoning board could limit the total number of units, to reduce the impact of development of this lot on the community.

The total number of potential units for multi-family development is approximately 50, but it is unlikely a buyer would develop this many units on this lot. If a developer did townhouse style units, they could get in the range of 24 to 30 depending on the planned unit development allowance. Since there is a possibility of as many as 50 units, the actual range for potential approved units is relatively high. A total number of potential units between 24 and 50 would be reasonable for this analysis. Therefore, a total number of potential units has been concluded at 35 in this instance. This is a conservative estimate, but reflects that there are no approvals in place. Also, since multi-family use is conditional, a developer would need to get a conditional use permit, which would not be a guarantee.

Comparable sales #5-#9 are sales of vacant land parcels that were purchased for multi-unit development. Many of these comparable properties had approvals in place prior to the sale. The subject does not have approvals or permits for multi-unit development. However; multi-unit development would be a potential use. The value of the subject would be lower than many of the comparable units due to the lack of approvals at present.

The multi-family sales were considered based on a unit of comparison "price/approved unit." This is a common unit of comparison for residential land with approvals for development.

No adjustments would be necessary for market conditions. This is a unique property type and the demand for land with approvals for development has been limited in this market area for many years.

Comparable #5 is a relatively recent sale of land with approvals in Middlebury. The buyers were planning to develop primarily townhouse style units. This is close in proximity to the subject, but the demand for housing is higher in Middlebury, and this is considered a superior location. In addition, the benefit of approvals at this property would require a significant downward adjustment. Therefore, the value of the subject should be less than the $19,700/unit indicated by this sale, after rounding.

Comparable #6 and #7 are located in Milton. Historically demand for residential property in Milton has been limited, but there have been some recent construction projects, indicating an increase in demand. Comparable #6 is a recent sale, but the buyers obtained the approvals. In addition, the sale consisted of portions of several surrounding parcels, which may have impacted the sale price. Comparable #6 was considered a good guide to value because the buyers obtained the approvals. The value of the subject would be similar to the $8,800/unit indicated.

Comparable #7 had approvals in place prior to sale. However; the lot is relatively small for the number of units. The buyers had to develop the building to include a parking garage. In addition, they had to build a four-story structure, which increased the costs of development. These factors would partially offset the cost of obtaining approvals at the subject. Therefore, the subject would be similar to the $10,500/unit indicated by this sale.

Comparable #8 is another recent sale of land with approvals. It is located a considerable distance from the subject, in Brattleboro. The effective sale price was increased significantly because the buyers had to remediate the site of contaminates. The lot was approved at the time of purchase, and therefore, the value of the subject should be less than the $22,100/unit indicated.

Comparable #9 is located in Vergennes. It is an older sale. The sale price per unit is $8,300/unit, after rounding. The $8,300/unit is based on a possible 54 units. However, the buyers only had approvals for seven residential lots. Therefore, the majority of the units did not have approvals at the time of sale. The value of the subject would be similar to the $8,300/unit indicated by this sale.

Based on the comparable data, a reasonable range for the subject for multi-family development would be from $8,000 to $11,000 per unit. Comparable #6 was considered the best guide to value in this instance. Therefore, a value has been concluded at $9,000/unit assuming a total number of potential units at 35 units. If a buyer planned to develop more than 35 units, there would be increased risk and this would lower the price per unit figure.

35 Units @ $9,000/Unit = $315,000

Indicated Land Value by the Sales Comparison Approach, $315,000

SUBDIVISION DEVELOPMENT APPROACH

This is an approach that is used when the highest and best use of a parcel of land is a subdivision into individual lots. It is a method of estimating value that considers the potential for the property to generate income through the sale of individual lots, less expenses to sell the lots and hold the property. This approach relies upon the Sales Comparison Approach to estimate the value of the individual lots and the principals of the Income Approach to discount the net proceeds from the sale of the lots to a present value.

The following steps are followed to derive a market value by this approach:

1. Determine the number of lots that can be created from the subject property and the sizes of the proposed lots.

2. Estimate the sale price of the individual lots. The Sales Comparison Approach is generally used when recent sales of similar building lots are compared to the proposed lots to be developed at the subject property. The sum of the estimated sale prices of each of the proposed lots is the gross retail value and <u>not</u> the market value of the entire property.

3. The absorption rate or time period necessary to sell all of the proposed lots is estimated from the available market data.

4. Estimate the amount of all direct and indirect costs associated with developing and marketing the proposed lots. These costs would include the development costs for roads and utility lines, expenses incurred in obtaining the necessary permits, surveys and engineering costs, brokerage commissions, legal expenses, entrepreneurial profit and holding costs. The holding costs would include primarily real estate taxes during the marketing period and development period.

5. The estimated costs are deducted per period from the projected gross sales for each period to derive the net sales proceeds or cash flow per period. The cash flows are discounted to present value at a selected rate to reflect the present market value of the property.

This approach has been relied on as a guide to the “as is” value for the subject property. While the development approach requires consideration for future benefits, the value reflects what a buyer would be willing to pay today for the right to collect the future potential benefits from the property.

This analysis assumes the lot would be subdivided and sold as individual residential lots. The subject has not been subdivided at present, and this limits the data available to support this approach to value. Therefore, this analysis has been summarized in this instance.

STEP I - Number and Size of the Proposed Lots

It is difficult to estimate the number of potential sites for a property that has no approvals in this area. The zoning was used as one general guide to the potential number of lots, but it has been my experience that the final number of approved sites can be quite different than the minimum allowed by the zoning. Often the government will further restrict the number of sites and the permitted sites could be lower.

It is assumed that this site will be subdivided into 12 building lots. The frontage would limit the number of sites. A developer may be able to obtain approvals for more than 12 lots without the need to build any roadways. However, considering the curve in the roadway, and the overall shape, it is likely that the final site plan will restrict the number of sites. This is a conservative estimate, and the final development may include more sites. However, without any permits, and considering the difficulty in obtaining permits, a more conservative figure is considered prudent for this analysis at this time.

The size of the lots will vary, but an average lot size was determined. The subject property consists of 7.425 acres. 7.425 acres divided by the estimated 12 lots reflects an average of 0.62 acres per lot, after rounding. It may be necessary to include some common space for set-backs and right of ways. Therefore, a slightly lower average lot size would be reasonable at approximately 0.60 acres per lot. These will most likely be fairly narrow lots, but will be longer than typical in depth. Therefore, the excess land will not add considerably to the overall value of the lots.

An average price per site was estimated for these lots because all are relatively similar and will sell within a close range of values. The individual sites may vary slightly in value depending on size, frontage, and location within the subdivision. For purposes of this analysis, an average site value is considered adequate with some of the sites having a slightly greater value and others having a slightly lessor value.

STEP II - ESTIMATED RETAIL VALUE OF THE INDIVIDUAL SITES

Without a formal site plan, it is difficult to estimate the value of the individual lots. These will generally be modest size lots in a residential neighborhood of moderate houses. Therefore, the value of these lots will not be excessive. In the Sales Comparison Approach, larger lots from the region (5 to 10 acres) were considered, and these types of lots are generally selling in the range of $100,000 to $180,000. The value of the subject lots would have to be less due to the smaller size.

Sales of smaller, single family lots were considered as a guide to the retail value for the subject lots. The following is a summary of the sales data considered:

Comparable Single Family Lot Sales - Retail Value						
Comp. #	Location	Size-Acres	Sale Date	Sale Price	Water/Sewer	Comments
1	Victory St., Vergennes	0.50	5/5/2015	$77,000	Municipal	Avg. Qual.
2	S. Maple St., Vergennes	0.43	8/14/2012	$50,000	Municipal	House - No Value
3	W. Main St., Vergennes	0.34	4/4/2011	$75,000	Municipal	Avg. Qual.
4	Mountain St., Bristol	0.22	2/7/2014	$85,000	Municipal	Comm. Zone
5	S. Ridge Dr., Middlebury	0.53	10/2/2015	$55,000	Municipal	Subdivision
6	S. Ridge Dr., Middlebury	1.03	6/3/2016	$95,000	Municipal	Subdivision
7	S. Ridge Dr., Middlebury	0.63	9/8/2014	$82,500	Municipal	Subdivision

The comparable data reflect a range from $50,000 to $95,000 for smaller, single family building lots in this market area. The number of recent sales in Vergennes is very limited, and therefore, several sales from surrounding communities were also considered.

Comparable #1 is considered the best guide to value, but was a level lot, and closer to town. The retail value of the subject should be less. Comparable #2 had an old house on the site, but the house was not considered to add to the value, and the buyers had the additional cost of demolishing this older structure. Comparable #3 is an older sale, but was considered as additional support. Comparable #4 is in a commercial zoning district, but is in a residential neighborhood near the village, and sold as a single family residential lot. Comparable sales #5-#7 are all in the same subdivision in Middlebury. This is a relatively large subdivision, but the sales were considered as reasonable additional guides to retail values for vacant land.

Comparable #6 reflects the upper end of the range, but is a much larger parcel than the average lot size of the subject lots. Therefore, a more reasonable range for the subject would be from $50,000 to $85,000. The topography and the power lines along Comfort Hill Road could have an impact on the development costs to the buyers of the lot, which in turn could reduce the retail values. In addition, given the speculative nature of this analysis, a conservative retail value was considered reasonable. Therefore, a retail value of $60,000/lot has been relied on for this analysis.

Residential property values have been increasing in this market area for the last few years. Therefore, a 5% annual increase has been estimated for the retail value over the next two years of the analysis. It is difficult to predict future market conditions beyond a short period. Therefore, a conservative value appreciation estimates of 3% was considered for the remaining years in this analysis. The retail market value may increase at a higher rate throughout the holding period, but this reflects a conservative estimate.

STEP III - ABSORPTION RATE

Absorption rate can be defined as, "The rate at which properties for sale or lease have been or are expected to be successfully marketed in a given area." [1]

[1] The Dictionary of Real Estate Appraisal, Third Edition, 1993, page 2.

The absorption rate for the subject property has been estimated based on recent market data in this area. Consideration was given to the overall market conditions in this area, and sales activity at other similar type developments. This is a speculative estimate, and will depend on the marketing, type of lots created, asking prices, and the future market conditions.

It has been estimated that it could take up to one year to obtain permits and complete the necessary initial work. Often it requires one to three years to obtain all of the necessary permits for a major subdivision. This is a relatively small subdivision, and with the municipal services available, it should not be a lengthy process. However, if there are appeals, the process could be extended for a longer period of time. In addition, this subdivision should not require a considerable amount of engineering or site work. Therefore, it is assumed it will take one year before any lots are ready to be sold or developed.

There is a large subdivision neighborhood still being developed in Middlebury, Vermont. The neighborhood is called South Ridge. In February, 2014 the neighborhood had 23 remaining lots, out of a total of 39 lots in the original development. Since February, 2014 the owners have sold nine lots, based on available transaction data. This reflects nine sales over 28 months, or 3.86 lots per year on average.

Another subdivision development considered is South Village in South Burlington, Vermont. At the beginning of 2013 the owners had 24 lots available for sale in phase 1 of this development. They managed to sell 19 by the beginning of 2016, or 6.33 lots per year over three years. However; they only sold one lot in 2015 because they began construction on phase 2 of the development, and were not actively marketing the remaining lots in phase 1. Therefore, the actual absorption rate for this subdivision would likely be higher. This location is superior to the subject, and the absorption rate for the subject should be less than six lots per year.

Based on the data available a reasonable absorption rate would be from three to six lots per year. An absorption rate of four lots per year has been relied on for this analysis.

For purposes of this cash flow, semi-annual periods were considered. Therefore, a total of eight periods or four years have been projected on the cash flow chart. It is assumed no units will be sold in the first two periods (one year), which will be the planning and approval process. In the following six periods (three years) it has been assumed that, on average, two lots will be sold per period, or an average of four lots per year.

STEP IV – A - DIRECT EXPENSES

Direct expenses in this instance would include the engineering work necessary to approve this subdivision, the legal fees necessary to obtain all approvals as well as some construction costs associated with developing the lots. The construction costs would be limited because of the existing roadway and shape of the lots. It would appear that the lots could front on the existing roadway. However, at times some road improvements are required, and it may require extending the water and sewer lines to the individual sites.

The costs for permitting and approvals were estimated based on two sales of approved parcels where the data was available. The sales were not considered as direct guides to value in the sales comparison approach, because the properties vary significantly from the subject. However; both were considered as an adequate guide to the costs for permitting and approvals. The following is a summary of the two sales considered:

Approvals Comparable Grid

	Comparable #1	**Comparable #2**
Location:	Lake Shore Dr.	Fox Run Rd.
	Colchester, VT	Colchester, VT
Grantor	Horton & Boldin	Villemaire & Whitten
Grantee	Sheppard Holding Group	Sheppard Holding Group
Sale Date	5/30/2013	3/9/2012
Sale Price	$600,000	$310,000
Acres	17.23	8.9
Approved Units	22	19
Price/Unit	$27,273	$16,316
Engineering Cost	$75,000	$60,000
Permitting Cost	$40,000	$18,000
Total Approval Cost	$115,000	$78,000
Approval Cost/Unit	$5,227	$4,105

Direct Expenses Conclusion:

The comparable sales are both located in Colchester, and had the same buyer. Because he had two projects in the same community, his approval and permitting costs may have been lower than typical.

The sales reflect a range for approval and engineering costs from $4,100 to $5,200 per unit, after rounding. This appears relatively low based on other projects, but there is limited data available. A slightly higher rate of $7,500/unit is considered reasonable for the subject. This reflects a more conservative estimate, which would be reasonable for this analysis. At a rate of $7,500/unit, the total cost for the 12 units would be $90,000.

Additional costs would include extending municipal water and sewer to the lots, and some grading, site work and curb cut work necessary to access the lots. The costs for this work could vary significantly. For this analysis $10,000/unit, or $120,000, was considered for these costs. This would reflect a total direct expense of ($90,000 + $120,000) $210,000. The cost was split evenly between the first two periods, or $105,000 per period in periods #1 and #2. In actuality, it is likely that the engineering and approval fees would primarily be in the first period, and the site work would primarily be in the second period, but this is considered adequate for this analysis.

STEP IV – B - INDIRECT EXPENSES

Real estate taxes and property maintenance will be a holding expense that the developer would have to consider. At present, the town does not have the property assessed and therefore, it was necessary to estimate the taxes to a private developer.

The value indicated in the sales comparison approach at $315,000 was relied on as a potential guide to the assessment value. At present the CLA in Vergennes is 103.35. Therefore, a current assessed value of ($315,000 * 1.0335) $325,553 was considered. This would reflect a tax expense based on the current non-residential tax rate of $2.2233/$100 at $7,238 annually, or $3,619 per period. There will be 12 lots at the beginning of the cash flow analysis, resulting in a tax expense of ($3,619/12 units) $301/lot, per period. The final figure was rounded to $300/lot to reflect some degree of uncertainty. The tax expense was applied as a unit of comparison "cost/lot" to reflect that as lots are sold off in the cash flow model, the tax expense will be reduced.

After the first year (second period), the owners will presumably have approvals for the subdivision, which should increase the market value of the property. A prudent investor would anticipate an increase in the tax assessment as a result. However, it is common for developers to receive discounts during the development phase. Therefore, only a 20% increase in the tax expense was estimated. $300/lot plus a 20% increase would reflect a tax expense beginning in period 3 at $360/lot. The tax expense will likely continue to increase at a similar rate to the retail value increases. Therefore, the tax expense was increased by 5%/year in period 4, and by 3%/year for the remaining periods.

An additional indirect cost was estimated for maintenance. This would be the maintenance of the land during development. This may also include any insurance costs. However; insurance and maintenance costs should be very limited because there are no improvements, and limited site work necessary. Therefore, only $100/lot was considered for this expense.

Sales expenses would include advertising, brokers' commissions, and legal fees. This expense could be reduced if the developer sold the lots directly. However, consideration would be necessary for the time needed to perform this function. Brokerage commissions are negotiable, and considering that this would be a listing of several parcels, it has been assumed that 6% of the gross sales figure would be adequate for all sales expenses.

Entrepreneurial profits would be the incentive necessary to attract an investor to this project and it would offset the risks involved in purchasing this as an investment. The discount rate provides the return on the equity and debt service expenses; however, there would generally be a profit incentive necessary for any type of speculative development project. The amount of profit required will vary among investors and vary with the amount of risk associated with the project. For purposes of this analysis, an 8% rate was considered reasonable.

STEP V - DISCOUNTING

A discount rate can be considered a yield rate that is used to convert future cash flows to present value. One of the limitations to the discounted cash flow method is the lack of market support to justify the discount rate used. It cannot be easily abstracted from the market because it requires knowing the future income and expenses. The discount rate should reflect the anticipated yield required by investors in the present market. It is not an attempt to project future market conditions.

In this instance, the discount rate was built-up based on alternative investments in the market and then adjusted for differences in risk and liquidity. The following yield rates were used to establish a current yield rate on a relatively safe investment:

Prime Rate	3.50%
Certificates of Deposit	
5 Year	1.24%
Treasury Notes	
10 Year	1.61%
US Corp. Indexes – Barclay Corp.	
US Corp.	2.980%
Intermediate	2.390%
Long Term	4.290%
Double A (AA)	2.170%
Triple B (Baa)	3.460%

Based on the yield rates indicated above, it would appear that an acceptable yield rate in the current market, for a relatively safe investment, would be from 3% to 4%. It is assumed that the absorption period would be four years for this project, and this would limit the necessary rate. A relatively low base rate was considered at 3%.

Real estate is generally considered a non-liquid investment, because of the time necessary to sell the property if the investor needs the equity. A higher return is required because of the lack of liquidity. Therefore, 2% was added for the lack of liquidity, increasing the discount rate to 5%.

Risk changes the yield rate; the greater the risk involved in the investment, the higher the rate. Real estate has been considered a risky investment historically. However, the projected lot prices and absorption rate have been estimated to limit the risk.

The use as a residential subdivision could increase the risk. The likely buyer would be a developer, and there are a limited number of potential developers in this market area. However, demand for real estate has been improving in this market area. Therefore, a 3% increase was made to the discount rate for the risk associated with this investment. This reflects a total discount rate of 8%. This is relatively low, but reflects that interest rates are relatively low at present.

The following is a summary of the discounted cash flow analysis used to determine a value indication for the subject property:

DISCOUNTED CASH FLOW CHART								
		Per Period						
DISCOUNT RATE Annual	8.00%	Semi-Annual						
		4.00%						
	PERIOD	**PERIOD**	**PERIOD**	**PERIOD**	**PERIOD**	**PERIOD**	**PERIOD**	**PERIOD**
Semi-Annual	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Total No. Lots Available	12	12	12	10	8	6	4	2
Avg. Lots Sold/Period	0	0	2	2	2	2	2	2
Avg. Sale Price Per Lot	$60,000	$61,500	$63,038	$64,613	$65,583	$66,566	$67,565	$68,578
Real Estate Taxes/Lot	$300	$300	$360	$369	$375	$380	$386	$392
Maintenance Costs/Lot	$100	$100	$100	$100	$100	$100	$100	$100
GROSS SALES	$0	$0	$126,075	$129,227	$131,165	$133,133	$135,130	$137,157
LESS ESTIMATED EXPENSES								
Development Costs	$105,000	$105,000	$0	$0	$0	$0	$0	$0
Real Estate Tax - Lots	$3,600	$3,600	$4,320	$3,690	$2,996	$2,281	$1,543	$783
Sales Expenses	$0	$0	$7,565	$7,754	$7,870	$7,988	$8,108	$8,229
Maintenance & Misc.	$1,200	$1,200	$1,200	$1,000	$800	$600	$400	$200
Entrepreneurial Profits	$0	$0	$10,086	$10,338	$10,493	$10,651	$10,810	$10,973
ESTIMATED COSTS	$109,800	$109,800	$23,171	$22,782	$22,159	$21,520	$20,862	$20,185
GROSS RETAIL SALES	$0	$0	$126,075	$129,227	$131,165	$133,133	$135,130	$137,157
LESS ESTIMATED COSTS	$109,800	$109,800	$23,171	$22,782	$22,159	$21,520	$20,862	$20,185
NET CASH FLOW	-$109,800	-$109,800	$102,905	$106,445	$109,006	$111,613	$114,268	$116,971
PRESENT VALUE FACTOR	0.96154	0.92456	0.88900	0.85480	0.82193	0.79031	0.75992	0.73069
PRESENT VALUE	-$105,577	-$101,516	$91,482	$90,990	$89,595	$88,210	$86,834	$85,470
SUM OF PV CASH FLOWS								$325,487
Market Value, Rounded to								$325,000

This analysis has relied on conservative figures to reflect that this is a relatively speculative analysis because there are no approvals in place for a subdivision or lot development at this time. The retail values relied on may be somewhat low, given the market trends in this area over the past few years. However, the development costs could be significantly higher, depending on the site work needed, and therefore, it is considered reasonable to rely on conservative income figures. The value indicated is considered as a reasonable guide to the "as is" value for the subject land.

RECONCILIATION OF VALUE ESTIMATES

In this instance, the Sales Comparison Approach and the Subdivision Development Approach were considered, with the following values indicated for the subject property.

SALES COMPARISON APPROACH	$315,000
SUBDIVISION DEVELOPMENT APPROACH	$325,000

The Cost Approach was not relied on as a guide to value in this instance. The subject is vacant land at present, and the cost approach would not be applicable.

The Sales Comparison Approach was considered as a reasonable guide to the land value; however, there is limited sales data of similar type residential parcels within village neighborhoods. Due to the lack of available sales, sales of parcels that sold with approvals in place for residential development were also considered. These sales supported a reasonable value range.

The Subdivision Development Approach was considered based on the potential cash flows that could be generated if the property were treated as a residential subdivision. This is similar to an income approach analysis. This approach was also somewhat limited because there are no approvals in place, and it was up to the appraiser to speculate on the number and size of the potential residential lots. However; this was considered as a reasonable guide to value.

The two approaches supported a reasonable value range in this instance. Therefore, based upon the information provided in this report and additional data on file, it is my opinion that the market value of the subject property, as of June 8, 2016 is:

Three Hundred Twenty Thousand Dollars ($320,000)

The indicated value is based on the extraordinary assumption that the highest and best use would be a residential subdivision. Based on my initial inquiries, it would appear that this site has considerable development potential based on the zoning, street frontage, and access to public water and sewer systems. However, obtaining permits for a subdivision is a legal issue, and should be considered by a lawyer and engineer familiar with land development issues in Vermont. If for any reason the site could not be subdivided, it would have an impact on my opinion of value.

If engineering and legal work is completed for future residential development it could add to the value of the property. The property would be considerably more marketable if all approvals were in place for residential development. This would decrease the development costs to a potential buyer, but perhaps more importantly it would also decrease the risks to the buyer.

The indicated market value assumes that there are no environmental problems or limitations. As a real estate appraiser I am not qualified to determine if there is any contamination. It is also assumed that all permits are in place for the existing improvements and current use of the property.

EXPOSURE TIME & MARKETING TIME

Exposure time is addressed to conform to the Uniform Standards of Professional Appraisal Practice. Exposure time is defined as, "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure Time is a retrospective opinion based on an analysis of past events assuming competitive and open market.[1]

Marketing Time is addressed to assist the client in understanding the appraiser's projection of the time necessary to sell the property. It is a very subjective estimate and can vary from property to property. Marketing time is considered to be the period of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal. The difference between exposure time and marketing time is that exposure time assumes that the marketing has taken place, and marketing time is a projection into the future.

The estimated marketing time is a function of the asking price and the marketing efforts of the seller. The estimated marketing time for the subject is based on the assumption that it will be actively marketed at or near the value indicated in this report. A significantly higher or lower asking price would considerably alter the anticipated marketing period.

The economy has been slowly improving over the past few years in this region. The commercial real estate market in Vermont has been relatively active; however, the small size of the region limits the number of potential buyers and increases the necessary marketing times in this region. The demand can vary depending on the potential uses of the property and the location within the state.

The subject is located in a small market area with no major cities, and often long marketing periods are required because there are a limited number of potential buyers. Vergennes is a small community, but serves as a village center for the area. The easy access to Route 7 and the proximity to the Burlington Market Area improve the appeal of this community for residential property. As the Burlington Market Area continues to expand, it is likely that the demand for residential property in this region will continue to improve.

Given that the highest and best use of the subject is for a subdivision development, the demand could be somewhat limited. There are a limited number of potential buyers willing to take on the associated risk of such a property. There is a significant amount of available land in the towns neighboring Vergennes. However; this lot benefits from access to municipal services, and is a zoning district that would conceivably allow for a residential subdivision. These factors could increase the appeal of the subject lot to a developer.

[1] Uniform Standards of Professional Appraisal Practice, 2012-2013, Page 3.

It can be difficult to obtain actual marketing times on commercial properties in this area. Often the properties are marketed informally prior to actually being listed for sale with a broker. Other properties are listed with one broker for a period of time, then re-listed with another broker but the reported marketing time is only based on the last listing agreement. There are very few sales of similar type vacant land parcels with approvals. However; some consideration was given to marketing times for vacant commercial land parcels as well as the residential vacant land considered in the sales comparison approach.

Location	**Town/City**	**Sale Date**	**Sale Price**	**Use**	**Time on Market**
Robinson Road	Ferrisburgh	02/15/16	$180,000	Res. Vac. Land	13 Days
Blue Heron Ln.	Ferrisburgh	5/25/2016	$115,000	Res. Vac. Land	13 Months
N. Pleasant St.	Middlebury	03/03/15	$95,500	Res. Vac. Land	6 Months
2855 Weybridge Rd.	Weybridge	3/11/2016	$100,000	Res. Vac. Land	22 Months
2987 Route 22A	Shoreham	07/09/12	$150,000	Comm. Vac. Land	2 Months
Route 2	Danville	12/10/2015	$80,000	Comm. Vac. Land	4 Months
108 Northside Drive	Bennington	12/19/2014	$610,500	Comm. Vac. Land	3 Years
392 Swanton Rd.	St. Albans	2/28/2013	$655,000	Comm. Vac. Land	24 Months
496 Old Center Road	St. Johnsbury	8/22/2013	$159,000	Comm. Vac. Land	29 Months
5256 Williston Road	Williston	11/15/2013	$500,000	Comm. Vac. Land	1.5 Months

These are not considered direct comparables, but were relied on as a guide to the typical marketing times for vacant land. The sales reflect a range from less than one month to over two years to market vacant land in this market area. The marketing time for the subject would be similar based on the value indicated in this analysis. If a higher asking price were projected the marketing time could be considerably higher. However; based on the value indicated in this report, the property could be marketed and sold within 12 months.

CERTIFICATION

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

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

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

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

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

6. 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.

7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

8. Lucas K. Martin made a personal inspection of the property that is the subject of this report, completed the majority of the research and was the primary author of the report.

9. Lawrence K. Martin did not inspect the property, but assisted in gathering market data, analyzing the market data and preparing the appraisal report. It should be noted Lawrence Martin did inspect the property in 2006, for a previous appraisal assignment.

10. No one provided significant professional assistance to the persons signing this report.

11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

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

13. As of the date of this report, Lawrence K. Martin, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.

14. I am competent and appropriately licensed to appraise the subject property in the State in which it is located.

15. I have not provided a previous service as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Lawrence Martin did appraise this property in September, 2006 for the same client.

Lucas K. Martin
Certified General Real Estate Appraiser
State of Vermont License #080-0108505
Expiration: May 31, 2018

Lawrence K. Martin, MAI
Certified General Real Estate Appraiser
State of Vermont License #080-0000019
May 31, 2018

ADDENDUM

1 - Statement of Assumptions and Limiting Conditions

2 - Qualifications of the Appraiser

3 - Letter of Engagement and instructions from the Client

4 - Legal Description of the Property

5 - Other Relevant Information

Statement of Assumptions and Limiting Conditions

1. Legal Information

The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

It is assumed that the property is in compliance with all federal, state, and local environmental regulations and laws unless stated in the report. It is also assumed that all zoning and use regulations or restrictions have been complied with, unless stated in the report.

It is assumed that any and all leases affecting the property are legally binding contracts between the lessee and the lessor. It is also assumed that all the data provided to the appraiser regarding any leases is accurate.

It is assumed that all required licenses or other legislative or administrative authority from any governmental body or private entity or organization have been or can be obtained or renewed for any use on which the value estimated in this report is based.

The real estate is appraised as if free and clear and it is assumed that there are no outstanding liens, leases and encumbrances, except as specified in the report.

2. Maps or Surveys

Any sketches or drawings, or descriptions may show approximate dimensions and are included to assist the reader in visualizing the property. The Appraiser has made no survey of the property. It is assumed that all improvements are within the boundaries of the property as described and there are no encroachments unless noted in the report.

It is also assumed that any surveys or site sketches provided to the appraiser are accurate, however; no responsibility is taken for these documents, and if included these maps or surveys are only to assist the reader in visualizing the property.

3. Physical Inspection

An appraisal is not considered a report on the physical items that are a part of the subject property. The appraisal contains information about the physical components, however; it should be understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report on the property. As a real estate appraiser, I am not qualified to give opinions as to the structural or mechanical adequacies of the property. It is recommended that all properties be inspected by a qualified engineer to determine the physical condition of all components.

The Appraiser assumes that there are no hidden or unknown conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed by the Appraiser for such conditions or for engineering which might be required to discover such factors. The physical inspection by the appraiser includes only a casual view of the exposed building components. No attempt was made to view items that were not exposed to view and the structures were not checked for building code violations.

On all reports that are subject to satisfactory completion, repairs or alterations, the report and conclusion are contingent upon completion of the improvements in a workmanlike manner.

This appraisal is based on the assumption that no toxic, hazardous waste, hazardous materials, or gases as may be defined in any state statute or similar equivalent federal stature, is present on the appraised property and that there is full compliance with any and all hazardous waste statutes. Unless otherwise stated in the report, the existence of hazardous substances, including without limitation asbestos, petroleum leakage, or agricultural chemicals, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property, unless otherwise stated, and the value indicated by this report assumes that no such conditions exist. As a real estate appraiser we are not qualified to test such substances and, take no responsibility for any hazardous materials that could affect the value of the property.

The Americans with Disabilities Act (ADA) became effective in 1992; however, this act is unclear as to the requirements for existing buildings. If the building does not conform to all of the requirements of this bill, a new owner would have to consider the costs to renovate the building to meet the ADA requirements. Specific study of both the owners' financial ability and the cost to cure any deficiencies would be needed to determine compliance. Therefore, determination as to the properties compliance with ADA is beyond the scope of this appraisal assignment. Comments may be included regarding deficiencies, however; no attempt was made to complete an inspection to determine full compliance.

Unless specifically noted in the report, the estimated value is for the real property only with no consideration given for any personal property located on the property, or the cost to remove any personal property if not removed by the owner.

4. Use of Report

Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department , agency, or instrumentality of the United States or any state, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.

The Appraisal Institute reserves the right to review the report for conformance with their professional and ethical standards without prior approval of either client or legal counsel.

The function of this report is not for use in conjunction with a syndication of real property. This report cannot be used for this purpose and, use of this report relating to syndication activities is prohibited.

Any distribution of the valuation in the report between land and improvements applies under the exiting program of use. The separate valuations for land and building must not be used in conjunction with any other appraisal.

The Appraiser is not required to give any type of testimony or appear in court because of having made the appraisal, unless arrangements have been previously made therefore.

The Cost Approach has only been developed by the appraiser as an analysis to support their opinion of the properties market value. Use of this data, in whole or part, for other purposes is not intended by the appraiser. Nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for and does not guarantee that any insurance value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained. Further, the Cost Approach may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal due to changing building codes and governmental regulations and requirements.

5. Reliability of Data

Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished by the Appraiser can be assumed by the Appraiser.

The market data used in this report is assumed to be from a reliable source and attempts were made to verify all of the data considered. However, in many cases the amount of information available for comparable market activity is limited and the appraiser has relied on information provided by public records, brokers, property owners or other sources familiar with the property or transaction.

QUALIFICATIONS

Lucas K. Martin Real
Estate Appraiser PO
Box 791
Montpelier, Vermont 05601

REAL ESTATE EXPERIENCE

1. January 2015 to present: Real Estate Appraiser - Martin Appraisal Services Inc. Montpelier, Vermont. Specializing in commercial, industrial and complex investment property appraisals in Vermont.

2. June 2012 to December 2014: Trainee Real Estate Appraiser - Martin Appraisal Services Inc. Montpelier, Vermont. Specializing in commercial and Industrial Real Estate Appraising in Vermont.

3. September 2011 to May 2012: Appraisal Assistant - Martin Appraisal Services Inc. Montpelier, Vermont, Assisted with Real Estate Appraisals and Office Work.

4. May 2011 to August 2011: Appraisal Assistant – Vermont Agency of Transportation, Montpelier, Vermont, Assisted with Real Estate Appraisals and Office Work.

EDUCATION

University of Vermont, Burlington, Vermont, 2008-2012, B.S. degree in Business Administration (concentration in Finance)

Appraisal Institute:

OL Basic Appraisal Principals	January, 2012
OL Basic Appraisal Procedures	January, 2012
OL National USPAP	March, 2012
OL General Appraiser Sales Comparison Approach	October, 2012
OL General Appraiser Site Valuation and Cost Approach	December, 2012
OL General Appraiser Income Approach Part I	April, 2013
Real Estate Finance Statistics and Valuation Modeling	May, 2013
OL General Appraiser Income Approach Part II	June, 2013
OL Business Practices and Ethics	September, 2013
National USPAP 7-Hour Update Course	January, 2014
OL General Appraiser Report Writing and Case Studies	October, 2014
Advanced Income Capitalization	November, 2014
7-Hour National USPAP Update Course	December, 2015
Advanced Market Analysis and Highest & Best Use	March, 2016

McKissock Higher Education:

General Appraiser Market Analysis & Highest & Best Use	January, 2014

License – Vermont - Certified General Real Estate Appraiser, #080.0108505
Expires: 5/31/2018

QUALIFICATIONS

Lawrence K. Martin, MAI
Real Estate Appraiser and Consultant
PO Box 791
Montpelier, Vermont 05601

REAL ESTATE EXPERIENCE

1. April 1994 to Present: Self-employed real estate appraiser, Montpelier, Vermont. Specializing in commercial and complex investment property appraisals in Vermont.

2. November 1988 - April 1994: Staff Appraiser - Bredice Appraisal Associates, Inc. Montpelier, Vermont - Commercial and industrial real estate appraising as an independent contractor and after 1990 as an employee, specializing in the appraisal of complex investment type properties throughout Vermont and New Hampshire.

3. March 1985 - September 1988: Staff Appraiser - James W. Mason Associates, Hasbrouck Heights, New Jersey - Residential, commercial, and industrial real estate appraising in Northern New Jersey. A large variety of appraisal assignments were completed varying from form reports on single family dwellings to narrative reports on complex commercial properties.

4. April 1984 - March 1985: Staff Appraiser - Hallmark Appraisal Company, North Bergen, New Jersey - Residential and commercial real estate appraising specializing in single family and multi-family dwellings in an urban area.

5. September 1982 - April 1984: Sales Associate - Hearthstone Realtors, Inc., Montvale, New Jersey. Real estate sales and listings primarily of single family dwellings in a suburban area.

EDUCATION

West Virginia University, Morgantown, West Virginia, 1978-1982, B.S. degree in Business Administration (concentration in Finance)

Graduate Realtor Institute, National Association of Realtors, Courses 1, 2 and 3 completing the requirements for the GRI designation.

National Association of Independent Fee Appraisers:

Principles of Residential Real Estate Appraising	1983
Introduction to Income Property Appraising	1984
Market Abstraction Seminar	1985
Techniques of Income Property Appraising	1991
Marshall and Swift Residential Cost Approach	1985
Report Writing Seminar	1987
Limited Scope Appraisals & USPAP	June 1994
Litigation Valuation	July 1994
USPAP Update Seminar	Oct. 1996
Introduction to Historic Appraising Part I	Jan. 1998

Appraisal Institute:

Real Estate Appraisal Principles 1A-1	1985
Basic Valuation Procedures 1A-2	1986
Capitalization Theory and Techniques Part A	1986
Capitalization Theory and Techniques Part B	1987
Case Studies in Real Estate Valuation	1987
Standards of Professional Practice #410	1993
Report Writing and Valuation Analysis	1990
Appraising Conservation and Preservation Easements	1991
Appraising Troubled Properties	Sept. 1992
Americans with Disabilities Act Seminar	Sept. 1992
Rates, Ratios, and Reasonableness Part I	Oct. 1993
Rates, Ratios, and Reasonableness Part II	Dec. 1993
Discounted Cash Flow Analysis	Oct. 1993
Appraisal Review - Income Properties	Dec. 1993
Standards of Professional Practice #420	May 1994
Reviewing Residential Appraisal Reports	April 1995
The High Tech Appraisal Office	July 1996
The Internet & Appraising	July 1996
Difficult Appraisal Issues	Jan. 1997
Litigation Skills for the Appraiser	March 1997
Small Hotel/Motel Valuation	Sept. 1997
Computer Technology for R.E. Appraisers	Jan. 1998
Subdivision Appraisals	March 1998
Loss Prevention Seminar	May 1998
Land Use Planning	Nov. 1998
Standards of Professional Practice - Part C	Oct. 1998
Internet Search Strategies for R.E. Appraisers	Feb. 1999
Residential Design & Functional Utility	March 1999
Overview of the Income Approach	Jan. 2000
Attacking & Defending an Appraisal in Litigation	May 2000
Highest & Best Use	Sept. 2001
Appraising in a Changing Economy	Jan. 2002
Valuation of Conservation Easements	March 2002
Loss Prevention	Sept. 2002
Environmental Contamination Considerations	Nov. 2002
Appraising in a Changing Economy	Jan. 2003
USPAP Update 2003	March 2003
Analyzing Operating Expenses	May 2003
GIS and the Appraiser	March 2004
USPAP Update 2004	May 2004
Scope of Work	Oct. 2004
Small Hotel/Motel Valuation	Oct. 2004
Appraisal of Nursing Homes	Nov. 2004
Eminent Domain and Condemnation	Nov. 2004
Online – Using Your HP 12C Financial Calculator	Oct. 2005
Business Practices & Ethics	Feb. 2006
Subdivision Valuation	March 2006
Effective Appraisal Writing	June 2006
Real Estate Finance Statistics & Valuation Modeling	Sept. 2007
Recent Legislation on Ancient Road (VT Chapter)	Oct. 2007
Analyzing Distressed Real Estate	Dec. 2007
National USPAP Course Update	Jan 2008
Real Property Appraisal Issues	Aug. 2008

Appraisal Institute (Cont.)

National USPAP Course Update	Jan 2008
Appraisal Curriculum Overview	Nov. 2009
Online - Introduction to Valuing Green Buildings	Nov. 2009
National USPAP Course Update	Jan 2010
Business Practices & Ethics	Aug. 2011
What Commercial Clients Would Like Appraisers to Know	Nov. 2011
National USPAP Course Update	Jan 2012
Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets	April 2012
Residential & Commercial Valuation of Solar	Nov. 2013
National USPAP Course Update	Jan 2014
Case Studies in Appraising Green Commercial Buildings	Nov. 2014
Introduction to Green Buildings	May 2015
National USPAP Course Update	Dec. 2015

Massachusetts Board of Real Estate Appraisers

Expo 2007-Commercial Program	Nov 2007

PROFESSIONAL AFFILIATIONS

Member - Appraisal Institute (designated MAI)
President - Vermont Chapter (1998)
As of this date, Lawrence K. Martin, MAI has completed the requirements under the continuing educational program of the Appraisal Institute.

Former Board Member - Vermont Board of Real Estate Appraisers (Term: 1/1/1998-12/31/2008)

Licenses - Vermont - Certified General Real Estate Appraiser, #80-0000019, expires May 31, 2018

Member - National Association of Realtors

Member - Vermont Association of Realtors, Inc.

MARTIN APPRAISAL SERVICES, INC.
Lawrence K. Martin, MAI
Real Estate Appraiser - Consultant
P.O. Box791
Montpelier, Vermont 05601-0791
Montpelier (802) 229-4807 Derby Area (802) 723-4694 Fax (802) 223-0036
Larry@rnas-vt.com

AGREEMENT FOR REAL ESTATE APPRAISAL SERVICES

Date of Agreement: May 16, 2016

Client: Mr. Allen Palmer
State of Vermont, Department of Buildings & General. Service
4 Governor Aiken Ave.
Montpelier, VT 05633-7001

Appraisal Firm: Martin Appraisal Services, Inc.

This document is a letter of engagement for appraisal services from Martin Appraisal Services, Inc. and the client indicated above. The following is a summary of the assignment and the terms.

Location of Property: Comfort Hill Road, Vergennes, Vermont

General Description: 7.5 Acres of vacant land

Interest Valued: Fee Simple Estate

Intended Users: Allen Palmer representing the State of Vermont, Department of Buildings & General Services

(The assignment shall be prepared for the client and the intended users only.)

Intended Use: The intended use of this appraisal report is to assist in to assist in asset valuation.

Type of Value: Market value as defined in the Federal Register, Part VI, Department of the Treasury, December 10, 2010

Date of Value: The property will be valued as of the date the appraiser visits the site.

Hypothetical Conditions or Extraordinary Assumptions: None

Applicable Requirements: The appraisal assignment will be completed in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP.)

Martin Appraisal Services, Inc

Scope of Work: the scope of this assignment will include the appraiser observing the interior and exterior of the building, site, and neighborhood. The valuation approach will include consideration of the three generally acceptable approaches (Cost Approach, Sales Comparison Approach, and Income Approach,) however, only the approaches most applicable to the property type will be fully developed. Attached to this letter is a copy of our Statement of Limiting Conditions and Appraiser's Certification, which are attached to all appraisals prepared by this office. Please review this information. Acceptance of this agreement would indicate acceptance of these documents.

Appraisal Report: The appraisal will be reported in a narrative report that is a considered as a "Summary Appraisal Report." The appraiser will provide the client with 1 hard copy and one electronic copy of the appraisal report.

Confidentiality; Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than Client unless Client authorizes, except as stipulated in the Confidentiality section of the Ethics Rule of the USPAP.

Appraisal Fee: The fee for this service will be $1.600. The fee is due regardless of the results of the appraisal and is not contingent upon any predetermined result or occurrence of a subsequent event.

Completion Date: The estimated completion date of the assignment is 5 weeks from the date that the signed engagement letter is returned to the appraiser.

Cancellation: Client may cancel this Agreement at any time prior to the Appraisers' delivery of the Appraisal Report upon written notification the Appraiser. Client shall pay Appraiser for work completed on the assignment prior to the Appraiser's receipt of cancellation notice. A minimum fee of$200 is charged for any cancellation to cover administrative expenses and scheduling issues.

Changes to Agreement: Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new agreement.

Appraiser and Use of Employees: Lawrence K. Martin and Lisa Martin are qualified to complete this assignment and both are licensed in Vermont as Certified General Real Estate Appraisers. This assignment will be completed by either Lawrence K. Martin or Lisa Martin, and they may be assisted by an employee or trainee.

Testimony at Court or Other Proceedings: Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for whether voluntarily or pursuant to subpoena, If any court testimony or other hearings are required regarding this appraisal assignment, the client will be billed an additional fee of $125 per hour for court testimony and preparation, plus travel expenses if required. A minimum of two hours will be billed for each appearance even if testimony is not necessary at any given date. If in the future an update of the appraisal report is requested, an additional fee for this service will be negotiated.

Governing Law & Jurisdiction: The interpretation and enforcement of this agreement shall be governed by the laws and of the state in which the Appraiser's principal place of business is located, exclusive and choice of law rules.

Client: (Signature) Date – 5/17/2016

Allen Palmer
(Print Name)

Appraiser: Date – 5/16/16

Lawrence K. Martin, MAI

Warranty Deed Wilfred Jodoin: Ot ux to State of *Vermont*.

Know all man by these present that we, Wilfred Jodoin and Laura Jodoin, wife of said Wilfred of Vergennes, in the county of Addison and State of Vermont grantors, in the consideration of sixty-five hundred dollars paid to our full satisfaction by the State of Vermont, grantee by these presents do freely give, grant, sell convey and confirm unto the said Grantee and its successors and assigns forever, a certain piece of land in Vergennes in the County of Addison and the State of Vermont, described as follows, viz: All that tract of land and premises known as the Seymor Farm, comprising two pieces of land as follows: One piece bounded on the north by land belonging to Cyrus Botsford, east and south by the highway and west by land belonging to the State of Vermont; one other piece bounded on the east by land of said Botsford, southerly by land formerly of Grandey, now Kingman, westerly by land formerly constituting Harriet Kingman's house lot, now Ron Robare, and northerly by the highway. Said two pieces contain about ninety acres of land.

Meaning hereby to convey all and the same premises mentioned and des-Cribbed in a deed from Belden Seymour's administrator to the said Wilfred Jodoin, dated February 4, 1884, recorded in Book 11, page 355 of Vergennes Land Records, to which reference is to be had for further description. Subject to easements heretofore granted to Vergennes Power Company, of record in the city clerk's office.

To have and to hold said granted premises with all the privileges and Appurtenances thereof, to the said Grantee, its successors and assigns, to Their own use and behoove forever. And we the said Grantors, for ourselves and our heirs, executors, and administrators do covenant with the said Grantee its successors and assigns, that until the ensiling of these presents we are the ole owners of the premises and have good right and title to convey the same in manner aforesaid, that they are free from every encumbrance except as aforesaid and we hereby engage to warrant and defend the same against all lawful claims and demands whatever, except as aforesaid.

In witness whereof we hereunto set our hands and seals this 2nd day Of May, A.D. 1919

In presence of

G.F.O. Kimball	Wilfred Jodoin L. S.
Charles W. Wilson	Mrs. Laura C. Jodoin L.S.

State of Vermont, Addison County, sa:

At Vergennes this 2d day of May, A.D. 1919 Wilfred Jodoin and Laura Jodoin personally appeared and severally acknowledged this instrument, by Them sealed and subscribed, to be their free act and deed.

Before me,

G.F. O. Kimball, Justice of the Peace

Received for record. May 29, 1919 a 11:30 A.M.