

REAL ESTATE APPRAISAL REPORT

Of

**South Section
Conomo Point
Essex, MA**

Owned by:
Town of Essex

Prepared for
Town of Essex

Prepared by
**Mark F. Tyburski, MAI, SRA
Tyburski Appraisal Corporation
89 Summer Street
Hingham, MA 02043**

Date of Valuation
April 1, 2012

April 30, 2012



Mr. Jeffrey Jones, Chairman
Essex Board of Selectmen
Town of Essex
30 Martin Street
Essex, MA 01929

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RE: South Section, Conomo Point, Essex, MA

Dear Mr. Jones:

At the request of the Essex Board of Selectmen, I have prepared an appraisal report on the properties' located in the South Section of Conomo Point in Essex MA. The purpose of the appraisal is to estimate the market value of the subject properties on both an "as if vacant" basis (land only) and on an "as is" basis (land and existing improvements). The effective date of the valuation is April 1, 2012 which is the date of my most recent inspection of the subject properties. The intended use of the report is to assist the Town of Essex, the owner of the subject properties and the client, in the potential disposition of the subject properties.

The subject property is located in Conomo Point in the Town of Essex in Essex County in the State of Massachusetts. Conomo Point is located in the northeastern section of the town abutted by Essex Bay. It is primarily a seasonal beach community. It is comprised of two sections divided between a predominately waterfront water front area known as the north section and a predominately inland area known as the south section. The north section is further divided into the Conomo Point area, the Robbins Island area and the Beach Circle area.

Conomo Point, with one exception, is owned by the Town of Essex and, until recently, consisted of one large parcel. The southern section has recently been subdivided and now exists as legally-recorded, individual properties. The property had been leased under a total of 123 leasehold agreements to private leaseholders. The leases expired on December 31, 2011 but new short term bridge leases have been executed for 118 of the 123 leaseholders. The purpose of the bridge leases is to foster a smooth transition between the now expired original leases and the future disposition of the properties.

The subject property is the South Section of Conomo Point that originally consisted of 43 properties but currently consists of 41 properties as two vacant parcels have been combined with abutting properties. None of the properties had legally recognized and recorded property lines but were identified by lot lines that had been administratively defined by the Town of Essex as a practical matter to lease the properties. Legal lot lines have recently been created



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through a definitive subdivision plan. All of the properties are improved by single family dwellings or seasonal cottages.

The appraisal report is presented as a Complete Self Contained Report, which means it is a full narrative report setting forth the results of a complete analysis. The report describes the information considered, the appraisal procedures followed and the reasoning that supports the analysis, opinions and conclusions. The valuation is predicated on Assumptions and Limiting Conditions and the Certification of the Appraiser, both of which are included in this appraisal report.

The appraisal has also been in conformance with the Uniform Standard of Professional Appraisal Practice (USPAP).

On the basis of my inspection, investigation, research, study and analysis set forth in the attached appraisal report, the appraiser is of the opinion the market values of the subject properties as of April 1, 2012 are as shown on the following summary of values.

Thank you for the opportunity to assist you in this real estate matter.

Respectfully submitted,

A handwritten signature in blue ink, reading "Mark F. Tyburski", is positioned above the printed name.

Mark F. Tyburski, MAI, SRA
MA General Certified License #324

[illegible]

ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal has been made subject to the following general assumptions:

1. The legal description contained in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. The sketches, as applicable, contained in this report were not completed by an engineer and are included only to assist the reader in visualizing the properties.
3. The appraiser did not complete a title search in connection with this appraisal report. Therefore, no responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered in this report. The title is assumed to be good and marketable.
4. Information furnished by others is assumed to be true, factually correct and reliable. A reasonable effort has been made to verify such information, but no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases, and solitudes have been disregarded unless so specified within this report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed in this report that there are no hidden or not apparent conditions of the property, subsoil, or structure which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or federal governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. It is assumed that the utilization of the land and the improvements are within the boundaries or property lines of the property described and there is no encroachment or trespassing unless noted within this report.
11. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of any existing buildings, such as the presence of urea-formaldehyde foam insulation and/or the existence of toxic waste, was not observed by the appraiser. The appraiser, however, is not qualified to detect such substances. The existence of potentially hazardous waste material may have an effect on the value of the property. No 21E study was available to the appraiser, but the possibility of contamination does exist. The appraiser, however, has assumed the site is clean for this report.
12. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

The appraisal has been made subject to the following general limiting conditions:

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

The appraisal has been made subject to the following special assumption and limiting condition:

1. The appraiser has attempted to make an interior inspection of all subject properties. In instances where the appraiser was unable to make an interior inspection, the interior condition was assumed to be similar to the observed exterior condition.
2. If the appraiser was unable to make an interior inspection of the subject properties that can be used on a year-round basis by right, it was assumed that the properties have a private on-site water system such as a well or cistern to accommodate year round use.
3. The appraisal assumes that all subject properties that passed Title 5 will fail in the future.
4. The appraisal assumes that all subject properties that failed Title 5 or are assumed to fail in the future will need to install a new septic system in the future, with a “tight tank” system assumed to be the most probable system. The cost of this system is estimated to be \$20,000 based on estimates from independent experts.
5. The appraisal assumes that the highest and best use of 12 Town Farm Road (19/40), 13 Town Farm Road (19/41) and 9 Town Farm Road (19/44) is as their existing improvements and uses without any excess land that could serve as additional buildable lots. This is because any potential additional legal lot is assumed to not be able to meet requirements for on-site septic systems.
6. Permanent deed restrictions allowing the Town the “right of first refusal” upon any sale may be added to some of the subject properties. If added, a study of the market indicates that a “right of first refusal” clause could have a negative effect on a property of up to -5% depending upon the actual terms of the “right of first refusal”. Its negative effect is related to the fact it would represent an encumbrance of the fee simple rights. It should be clearly understood, however, that no adjustment for this factor has been made to any of the subject properties and that it has simply been provided for guidance at the request of the client should it need to be applied to some properties in the future.

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ADDENDA

Addendum A – General Information
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