

C. THE HISTORICAL OWNERSHIP OF THE PROJECT LAND BY FBT EVERETT REALTY, LLC

The following section provides a relevant historical summary of the sale of the proposed project property in Everett, Massachusetts that is the subject of an existing option to purchase currently held by the Category 1 gaming license applicant herein, **Wynn MA, LLC**. The term “sellers” as used herein designates the parties who are involved as those persons who have held or reportedly have held ownership interests in the subject property since approximately June 2009. Prior to that date the property was owned by different owners the most substantial of which was a major chemical company Monsanto, and later by a bonding entity Mystic Landing, LLC. Immediately preceding the current seller’s (FBT Everett Realty, LLC) acquisition of the property another entity OMLC, LLC and its principal, William Thibeault, had procured a purchase and sale agreement for the same property but lost same due to a title disagreement at the time of closing. Litigation ensued, and while it was ongoing, the current sellers intervened in the litigation and as a result, successfully procured the option to acquire the property that later ripened into their full acquisition later in 2009. Legal appeals that followed were defeated in April 2012. This prior ownership and litigation is essentially irrelevant to the IEB inquiry herein, but is nonetheless noted as the sellers herein were required to provide continued funding for legal costs for then ongoing litigation during the 2009-2012 period until the litigation was decided in their favor.¹⁹

For introductory purposes, and as statutorily required, the sellers involved in the initial 2009 acquisition of the project property option were examined in this suitability evaluation. However, as detailed further herein, due to the development of certain information shared with the IEB by the Federal Bureau of Investigation, the IEB conducted a more penetrating and broader inquiry into the property seller’s history. Subsequent to the property’s identification as a potential casino site, specific scrutiny was placed upon the seller’s internal intra-interest transfers and other questionable seller specific conduct commencing with the passage of the Massachusetts Gaming Act in November 2011 to date. The IEB investigation of this transaction

¹⁹ A copy of the April 9, 2012 Appeals Court of Massachusetts decision regarding this earlier property litigation is attached hereto as Exhibit 7.

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has been extensive. Thousands of pages of documentary materials have been subpoenaed, acquired or otherwise evaluated and reviewed, dozens of persons have been interviewed in both Massachusetts and Nevada, hours of tape recordings and hundreds of pages of sworn testimony have been conducted during the course of this inquiry. As a result of this effort, what appeared at first to be a relatively direct transaction soon was revealed to be a complex web of questionable conduct by the sellers that required even deeper scrutiny as each layer of the transaction was penetrated. The results are set forth below.

Prior to the detailed examination, it is important to note at the outset, as will be further explained below, that no evidence has been developed that shows that the applicant had any knowledge about or involvement in the various manipulations of the landowners.

As more specifically discussed below, the IEB investigation focused upon concerns about the five individual persons who comprised the interest holders in the seller entity, that is, **FBT Everett Realty, LLC** (“FBT”) and more specifically, the role and involvement of two such persons with documented criminal histories. While this factor, in and of itself, does not necessarily disqualify a property from being acquired, purchased or otherwise being eligible for gaming use, the conduct of the sellers in this transaction during the IEB suitability investigation gave rise to serious concerns as to transactional transparency, good faith disclosure and document misrepresentation and falsification. For example, evidence was developed that important and material information was withheld by the sellers from both the applicant and the IEB investigators; false and deceptive information and documents may have been provided; and evidence existed that at least one of the sellers with a criminal history took affirmative steps to conceal his role and interest in the transaction so as to avoid jeopardizing the sale of the property to applicant **Wynn MA, LLC** at a substantially increased price due to its potential casino use.

In order to fully understand the complexity of the transaction, the most useful starting point is the actual property acquisition transaction by the current owners in 2009. The IEB investigation revealed the following information relating to its relevant history.

INITIAL 2009 PROPERTY ACQUISITION

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On or about June 12, 2009, **Boston Development Ventures, LLC** (“BDV”) acquired the initial option to purchase approximately 37 total acres of property located primarily within the City of Everett, Commonwealth of Massachusetts, and a separate smaller parcel within the City of Boston, also within said Commonwealth. (Both parcels will be collectively referred to as the “Everett Property” for this report.) This property is essentially “brownfields” in that it is significantly contaminated by former chemical/industrial plant use and presents substantial environmental clean-up responsibilities for both the prior, present and, until remediated, future owners. The initial cost for the property was identified as approximately \$10,000,000; however, the actual cost was later negotiated down to approximately \$8,000,000. According to MGC subpoenaed Settlement Statement, this purchase price required a non-refundable \$1,000,000 deposit with a final cost payable at closing of \$7,264,172. The specific legal description of the property is contained in Exhibit 1 attached to this report and is drawn from the specific description the parties utilized in the parties’ fully executed December 19, 2012 Option Agreement which is also discussed later in this summary. The seller of the property was the bond holding company, Mystic Landing LLC.

The principals of BDV were Paul Lohnes (“Lohnes”) and Gary DeCicco (“DeCicco”) who each owned 50% of BDV. In order to consummate the option acquisition, Lohnes personally expended the \$1,000,000 non-refundable deposit to secure the option to purchase; notably, as a harbinger of issues later identified by the IEB, DeCicco did not contribute any deposit or acquisition capital at this time. It should be noted that the IEB investigation revealed that Lohnes was a relatively wealthy individual and historically was documented as a credible investor in various Massachusetts businesses and commercial ventures.

Also in regard to Lohnes, it should be noted he has an association with the Chairman of the Commission, Stephen Crosby (“Crosby”). Crosby has known Lohnes for many years, going back to their days together in the National Guard in the 1970s. From that time until the early 1980s, Crosby had limited contact with Lohnes.

Then, sometime around 1983, when Crosby, along with another business partner, owned and operated a publishing company, he solicited Lohnes, among other friends, to invest in that company. Lohnes made an investment. Unfortunately, the publishing enterprise experienced only

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limited success and it was ultimately sold in 1990. While records have been lost, it appears that Lohnes did not recoup his investment, neither was he entitled to any recoupment according to the terms of his loan. Since 1990, Crosby and Lohnes again had limited contact with one another, probably meeting purely socially no more than ten times over the past 23 years. Since becoming Chairman, Crosby and Lohnes were together once, in May 2012 prior to the filing of any license applications, at one dinner party at the home of a mutual friend.

In November or December 2012, and again before any applicants had yet filed for any licenses or locations, Crosby received a phone call from a person who is friendly with both Crosby and Lohnes. He advised Crosby that Lohnes had an interest in property proposed as the site for the Everett casino. Crosby's reaction at this time was that, since he had not seen Lohnes in months and had no plans to be in contact with him, he did not feel it necessary at that time to file any Disclosures with the State Ethics Commission. Crosby did also indicate that plans for a social event with Lohnes and other mutual couples were tentatively planned for the late spring in 2013, but this event was never consummated.

However, during an Executive briefing of Commissioners on August 9, 2013, Crosby learned, for the first time, that there might be some investigative issues concerning the site in which Lohnes had an interest. Crosby advised those present of his relationship to Lohnes, immediately left the briefing, and recused himself from that matter. On August 21, 2013, Massachusetts State Police [REDACTED] interviewed Crosby regarding his recusal. Crosby advised [REDACTED] of the information set forth above. Then, on August 22, 2013, Crosby filed a Disclosure of Appearance of Conflict of Interest Form with his appointing authority as relating to Lohnes.

As the IEB investigation progressed, and the issues became clearer, Crosby decided that it would be more appropriate if he sought a determination from the State Ethics Commission about the scope of his permissible Commission activity in light of his Lohnes association. He filed that request on October 22, 2013. The State Ethics Commission responded on October 24, 2013, and advised Crosby that he need only update his August disclosure statement and that once the update was filed, he could perform his duties as Chairman in the matters in which Lohnes was involved. Crosby filed that update on October 25, 2013.

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DeCicco did not have the personal wealth of Lohnes and indeed relied upon Lohnes' wealth to enable the two to jointly participate in earlier business deals. Also in contrast to Lohnes, in prior years DeCicco was charged in criminal schemes including a 1995 arson of a warehouse. Although acquitted of that charge, DeCicco was convicted of related insurance fraud and forgery crimes relating to that incident. Remarkably foreshadowing revelations to come, this crime and conviction were the subject of a later media article that raised the specific issue of whether DeCicco's criminal history would be problematic for Wynn MA's future acquisition or use of the property.

BDV's acquisition involvement, as an entity, in the property was short lived. Just four months later, on or about October 9, 2009, Lohnes and DeCicco, with the help of business associate and advisor Dustin DeNunzio, formed a new entity, **FBT Everett Realty, LLC**, for the purpose of acquiring and developing the Everett property. Testimony was developed in this investigation by the IEB that confirmed that the original intent of the parties in the 2009 acquisition of the subject property was not for a casino related purpose (obviously this was well before the Gaming Act's passage), but was evaluated for alternative uses including a potential waste transfer station, a large warehouse retail store, or homeowners multi department "large box" facility. These uses, however were not consummated at the time of the Gaming Act's passage.

Nonetheless, in 2009, the property was still being sought by the investors and they proceeded to execute their deposit rights and proceed to closing. To commence this process, the aforementioned BDV option purchase was, on October 13, 2009, first assigned by Lohnes and DeCicco to the newly created FBT Everett Realty, LLC entity just four days after FBT's creation (i.e. on October 9, 2009). The closing also proceeded on the latter October 13 date. Dustin DeNunzio ("DeNunzio") accompanied by Paul Feldman ("Feldman"), the attorney hired by the member owners to prepare all legal paperwork, coordinated the closing for the FBT buyers. Feldman's role in this and the later transaction involving the applicant was also examined during the IEB investigation and discussed later in this report. At the closing Paul Lohnes was present, however, Gary DeCicco was neither present, nor to the other LLC members' aggravation, even

reachable during the closing process. However, while Lohnes was prepared to provide his capital contribution for the closing on the property, DeCicco's financial situation was more problematic.

First, in order to meet his funding needs for the acquisition, DeCicco had, in the days before the closing, added a new partner. This individual, Anthony Gattineri ("Gattineri") was invited into the deal to initially provide approximately 15% of DeCicco's originally pledged 50% (then leaving DeCicco with 35% and Lohnes still with his 50%). However, DeCicco still did not have funding to provide his share for the closing and then approached the new "partner," Gattineri, to also personally provide to him (DeCicco) another \$1,500,000 loan/promissory note. This second amount was a personal loan from Gattineri to DeCicco which was secured against another 15% of DeCicco's FBT ownership interest (now leaving DeCicco with approximately 20% at this time; Lohnes with 50% and Gattineri with 15%+15% via the "new" personal promissory note). This new note (dated the same day as the closing, October 13, 2009) also provided a pay-off/maturity date of February 1, 2011, by which it had to be repaid with 10% interest and an origination fee. Thus, in actuality, DeCicco, had not put up any of his own capital into the FBT deal purchase or closing relying instead on the Lohnes and Gattineri contributions.

Using generalized round numbers for ease of understanding this progressively confusing transaction, despite the deposit and closing contributions of Lohnes and the machinations of DeCicco to obtain his (DeCicco) closing and promissory note funding via Gattineri, the FBT purchase deal was nonetheless still short approximately \$1,200,000 at closing. Despite Gattineri's financial contributions, DeCicco's remaining shortage coupled with the further complication of his non-appearance at closing, both Lohnes and Gattineri were still faced with the prospect of losing the deal due to funding insufficiency. In order to avoid losing his nonrefundable \$1,000,000 option deposit and to save the deal for both he and Gattineri, Lohnes agreed to make up DeCicco's shortfall at closing and save the deal. DeCicco remained responsible for this shortfall and in order to repay this "shortfall" amount afterwards DeCicco had still another "move." Unknown to both Lohnes and Gattineri, DeCicco had already arranged for yet another subject to enter into the transaction by offering substantially the remainder of his FBT ownership percentage to this other new "investor" that is, one, Charles Lightbody, a figure who will come to play an important role in this matter.

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At a point subsequent to the closing date, Lightbody provided certain funding to the FBT Everett Realty account which the IEB investigation could only confirm as paid, but not as to ultimate utilization or specific use. Some indicia existed, but were not conclusive, to suggest that portions of Lightbody’s funding may have been used for repayment to Lohnes in satisfaction of the DeCicco shortfall at closing. For example, IEB’s examination of FBT bank records indicated that Lightbody had deposited two checks into the FBT account totaling approximately \$700,000 two days after the closing. Further record examination revealed approximately five weeks later Lohnes received a \$600,000 check from the FBT Everett account. While the complete allocation of the Lightbody funding remains unclear, what was represented by the property owners was that DeCicco transferred some percentage of his interests in FBT Everett Realty to Charles Lightbody. This percentage was also the subject of conflicting testimony in this investigation, but subpoenaed documents and the testimonial evidence from Lohnes and DeNunzio and taped interviews of Lightbody and Gattineri, albeit far from fully credible or consistent, appear to favor Lightbody’s acquired ownership percentage to be approximately 12.5% or whatever then composed DeCicco’s dwindling residual FBT ownership interest. Indeed, Lightbody, after acquiring DeCicco’s interest, continued to make certain contributions, or “cash calls,” which the conflicting testimonial and documentary evidence would suggest a total maximum of approximately \$1,200,000. Taken as a whole, the IEB investigation did confirm some funding contributions by Lightbody into the transaction, with the latter figure being the most accurate indicator of the extent of such contributions.

It is appropriate at this time to summarize the ownership percentages of FBT Everett Realty, LLC as a result of the closing activity of the owners as best could be developed during this investigation despite the conflicting testimonial and documentary evidence. Essentially, it is as follows:

Paul R. Lohnes:	approximately	50.00%
Anthony Gattineri	approximately	15.00%
Gary DeCicco	approximately	19.50%
Charles Lightbody	approximately	12.50%
Dustin DeNunzio	approximately	3.00%

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TOTAL

100.00%²⁰

While the individual owners were all the subject of the IEB investigation as it related to the applicant's property acquisition, for the reasons that will become obvious from the information provided below, the investigation primarily focused upon the interests of the two subjects with the prior documented criminal histories, that is, DeCicco and, particularly, Lightbody. The IEB also conducted due diligence on Anthony Gattineri, Paul R. Lohnes and Dustin DeNunzio and as a general statement, the investigation revealed that their past activities related to real estate related investment and commercial activities. None of the latter three subjects had any record of criminal activity. As noted above, before and after the October 13, 2009 FBT closing process on the Everett property, the various "partners" were assisted in this transaction by Dustin DeNunzio of the DeNunzio Group. DeNunzio is a professional property manager who has handled FBT Realty Everett's interests since its inception. According to testimony by the various partners, DeNunzio has been involved with numerous real estate deals with all the aforementioned principals, that is, Lohnes, DeCicco, Gattineri and Lightbody, both individually and, on occasion, in combination with one another (although not all participated with each other). In particular, Lightbody has been involved in other business deals with DeCicco and/or DeNunzio. DeNunzio had prior business relationships with Gattineri and Lohnes. Lohnes, however, never had any prior business deals with Lightbody before the FBT transaction. In the FBT transaction, DeNunzio's involvement commenced as the property manager then progressed to also include a small equity involvement in the project and which continued through its ultimate transaction with **Wynn MA, LLC**.

In specific regard to criminal history, and as noted already above, DeCicco has a prior criminal felony record. (See attached Exhibit 8.) Finally, and most cogent for this section of this report, Lightbody is an owner of a local Revere auto repair business, a Revere real estate investor and also a convicted felon. (See attached Exhibit 9.) The IEB investigation revealed that all of

²⁰ The percentages represented in this part of the report are represented to the best of the IEB investigator's knowledge and belief, but still must be generalized and qualified. Due to the conflicting testimony and documents provided by the sellers herein, as well as evidence and statements made indicating varying ownership interests which were being misrepresented to the IEB and the applicant, absolute certainty as to the precise apportionment of each remaining owner is beyond the IEB's predictive ability. However, it is that very conflict and imprecision that the IEB believes is the relevant factor herein.

these subjects, after the October 13, 2009 closing, that is, Lohnes, Gattineri, DeCicco, DeNunzio and Lightbody, all had a financial interest in the FBT property. It is also known that DeNunzio and Lohnes knew at the earlier days of FBT Everett Realty that Charles Lightbody had a criminal record and according to Lohnes' testimony, DeNunzio had advised him that Lightbody had served prison time. This factor becomes important in evaluating Lightbody's continued involvement in meetings and discussions of FBT matters during and after the applicant's acquisition of the property option discussed further below.

**2009 - NOVEMBER 2012 INTERIM FBT EVERETT REALTY, LLC
PROPERTY OWNERSHIP CHANGES AND QUESTIONABLE
DOCUMENTS**

After the closing which enabled FBT Everett Realty, LLC's acquisition of the project property, the IEB investigation revealed certain events that changed the ownership interests of the original investors.

First, DeCicco defaulted and failed to repay Gattineri the \$1,500,000 Promissory Note that matured and became due on February 1, 2011. Gattineri, pursuant to the security terms of the note, then foreclosed and took the 15% FBT ownership interest DeCicco had provided as security for the note and doubled his prior FBT ownership holding.

Next, according to the FBT Everett Realty, LLC Operating Agreement which curiously is undated as to its actual creation date, but reflects an effective date of January 1, 2012, states the following:

**FBT EVERETT REALTY LLC
SCHEDULE A (As of January 1, 2012)**

Name and Address

Manager:

The DeNunzio Group, LLC
305 Cambridge Street, Suite 3
Cambridge, Massachusetts 02141

Capital Contributions

Interest

Members:

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Paul R. Lohnes c/o Lavery Lohnes Properties 75 Cambridge Parkway, Suite 100 Cambridge, MA 02142-1237	\$4,572,121	50.31%
Anthony Gattineri [REDACTED]	\$3,148,047	34.64%
Charles Lightbody [REDACTED]	\$1,095,091	12.05%
The DeNunzio Group, LLC 305 Cambridge Street, Suite 3 Cambridge, MA 02141	\$ 272,637	3.00%
TOTAL	\$9,087,896	100.00%

Next the IEB investigation revealed a document which purports to be a “Memorandum Of Transfer” of all residual rights and membership interests that DeCicco has in FBT Everett Realty, LLC to Lightbody which is simply dated “April __ 2012” (sic) and signed by DeCicco. It is important to note that while this document is dated AFTER the listing of Lightbody’s 12.5% interest in the January 1, 2012 Operating Agreement it exemplifies the type of inconsistent and misleading paperwork provided by the parties herein. For example, it purportedly transfers remaining FBT interests of DeCicco, but if truly existing, no such interests were mentioned in the Operating Agreement dated only four months before (see table above). Even more confusing, Dustin DeNunzio later admits he created the 2012 Operating Agreement in January 2013.

Apart from the aforementioned purported April 2012 Memorandum of Transfer of the remaining FBT Everett Realty, LLC interest of Gary DeCicco to Charles Lightbody, several other conflicting documents were procured by IEB investigators during this investigation. While these documents are discussed in more detail below in the timeline/investigational overlay and where their chronological sequence will be more relevant, they play an important role in the conduct of the sellers during this investigation.

Essentially, the sellers provided the following documents:

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- August 15, 2012 Promissory Note: Anthony Gattineri to Charles Lightbody for \$1,700,000 @ 7% Per Annum; Maturity Date August 15, 2017
- August 15, 2012 Memorandum of Transfer of 12.5% Interest In FBT Everett Realty, LLC of Charles Lightbody to Anthony Gattineri
- December 14, 2012 Promissory Note: Anthony Gattineri to Charles Lightbody for \$1,700,000 @ 7% Per Annum; Maturity Date January 14, 2017
- December 14, 2012 Memorandum of Transfer of 12.5% Interest in FBT Everett Realty, LLC of Charles Lightbody to Anthony Gattineri

During the investigation IEB investigators interviewed the various FBT principals. During these interviews these subjects attempted to assert that Lightbody's interest in FBT Everett Realty, LLC had been completely and totally terminated **before** the sellers executed documents with the first casino company on or about August 21, 2012 and certainly well before applicant **Wynn MA, LLC** executed its MOA and Option Agreements on November 27 and December 19, 2012. The above documents were proffered to support these assertions of Lightbody's previous interest termination. As shown in this report, significant evidence has been developed to question this assertion.

Apart from the information summarized in the timeline/investigation overlay, it should be noted the above documents are facially inherently suspect. First, they are undated as to actual date of execution. Second, while they portend to be essentially duplicates of the same transaction, and simply seek to retroactively extend the purported Lightbody interest extinguishment from early December 2012 back to August 2012, they actually reflect differences in repayment term. More importantly, as detailed in the timeline, certain witnesses' statements suggest that the preparation and execution of these documents not only contradict their depicted date, but also their actual origin. For example, Lightbody emphatically confirms he is "100% sure" (see July 16, 2013 interview entry in timeline) that he executed his transfer of rights to Gattineri in "late July or early August" of 2012, yet Dustin DeNunzio later testifies under oath that only after being interviewed by IEB investigators in July 2013 did he (DeNunzio) actually create the August 15 documents and have them executed to attempt to retroactively document and support what he and the other sellers were telling the IEB in their interviews. Although

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DeNunzio asserts that all he did was change the dates in the Promissory Notes to reflect an earlier 2012 alleged transaction date in form documents that had previously been prepared by attorney Paul Feldman, he further asserts that Feldman had advised him that there was nothing improper in DeNunzio's also backdating the documents in this regard. The IEB, however, after receiving the appropriate waiver of attorney-client privilege also derived the following information about the creation of the backdated August dated documents from attorney Feldman:

Q: At the time you were creating the documents and creating a date for the documents did anyone associated with FBT tell you that the date of the deal was actually in August?

A: I don't have a recollection of that, no.

Q: Okay. So when you were setting up this paperwork (in December, 2012 context supplied) what was your understanding of the date of the agreement?

A: I was setting up the paperwork and I was doing it in real time.

Q: So no one had mentioned to you that the deal was actually already worked out: is that fair?

A: I think that is fair. (Transcript of Paul Feldman's testimony to IEB on October 24, 2013, p 14 lines 17-24 - p 15 line 7.)

Thus, the IEB investigation identified this as a significant concern due to its profound effect on the document authenticity, the contradictory assertions of the witnesses and, indeed, the credibility of the entire transaction.

THE EVERETT SITE IS SELECTED

During the ensuing period from October 2009 through the period of November 2011 when the Massachusetts Gaming Act was passed, these above identified parties remained essentially involved in FBT Everett Realty, LLC. As noted above, in early 2012, casino companies were scouring Massachusetts seeking suitable locations to develop large casino projects. The subject Everett project site, although significantly contaminated, was nonetheless attractive due to its proximity to Boston, large demographic population, competitive cost, riparian location and access to interstate highway systems. After the passage of the Gaming Act,

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and as noted above, the property owners expanded their development and buyer objective goals to possibly include a casino project. Indeed, in early 2012 certain casino companies did express interest in the Everett site and discussions were undertaken with the FBT principals. One such company, not the applicant, even entered into a Letter of Intent on **August 21, 2012** to purchase an option on the same property that is the object as the current applicant's project. While the identity of that applicant is irrelevant herein, the date is highly relevant as will be explained below. Equally important, during this period of time several questionable actions of the sellers occurred which, when examined in light of prior and later actions, create a highly suspicious series of events relating to the ownership documentation of the subject property. These actions will also be highlighted below.

Despite the above mentioned initial interest and even the LOI execution, the early property suitors withdrew their interest. Next up was the applicant herein, **Wynn MA, LLC**.

WYNN MA, LLC ACQUISITION OF OPTION TO PURCHASE PROPERTY, NOVEMBER-DECEMBER 2012

In the fall 2012, **Wynn MA, LLC** was still searching for a suitable casino location in Massachusetts due to a recent rejection by the local government in what was the applicant's originally targeted site in Foxboro, MA. In approximately October or early November 2012, Matt Maddox ("Maddox"), CFO of Wynn Resorts, LLC, while viewing television news reports about other potential casino sites, saw the mayor of Everett making a television plea to casino developers to come and visit his city as he had property to offer. Maddox testified to IEB investigators that he was intrigued by Everett's unique location and soon received permission to visit and explore whether any suitable sites might be found in that city. Flying to Everett with **Wynn MA, LLC** General Counsel Kimmarie Sinatra ("Sinatra"), they visited with the mayor and other city officials and eventually viewed some maps and specifically viewed the FBT owned former Monsanto Chemical site as one that was available and had enough acreage, albeit contaminated, to sustain a major casino project. After touring the site, they immediately advised Steve Wynn that they felt the site was suitable and negotiations began. On November 27, 2012 a

Memorandum of Agreement (“MOA”) was swiftly executed between the applicant and the owners of the property, FBT Realty Everett, LLC.

The general terms called for an option to purchase for \$75,000,000 with a \$100,000 per month option carry cost until closing as well as a significant set of conditions including the requirement of more definitive documents to be executed forthwith.

Importantly, at this point in time, that is, November 2012, the owners of FBT Realty Everett, LLC were specifically identified to the applicant, **Wynn MA**, as only Lohnes, Gattineri and DeNunzio.

The IEB investigation did not reveal any evidence indicating that anyone affiliated with any of the named sellers or the selling entity at this point in time (November 2012), revealed or identified to the applicant any past, present or future interest of DeCicco or Lightbody in the FBT company or property. Obviously, their names did not appear in either the MOA or the later executed Option documents discussed below.

In addition, the IEB investigation also confirmed that in November 2012, the applicant performed some initial due diligence on the sellers. They confirmed that the three identified sellers, that is, Lohnes, Gattineri and DeNunzio were, in fact, the owners as listed on the legal documents and appeared to have the legal authority to own and transfer the ownership of the property. As further detailed below, the applicant also became aware of other limited information that other persons had some initial ownership interest in the FBT groups’ initial acquisition of the property from its prior ownership. This disclosure was, however, not initially by the sellers, but unexpectedly by the media in December 2012 and the failure of the sellers to make such initial disclosure is one of the key issues that gave rise to this investigation.

On December 19, 2012, the **Wynn MA** MOA was followed up with a formal set of Option Agreements (“Options”) for the two aforementioned parcels of property in both Everett and Boston (again, both combined as the “Everett Property” for this report) setting forth many specific terms and conditions of sale including important regulatory compliance terms that allowed the applicant to vacate the deal if the sellers or the property sale interfered in the applicant’s suitability determination or licensing review by the MGC. The price, terms of sale,

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monthly carrying costs, environmental cleanup and remediation costs and many other terms were included in these documents.

APPLICANT'S FIRST AWARENESS OF SELLER BACKGROUND ISSUE

Notwithstanding the seller's failure to initially reveal the involvement of Charles Lightbody and Gary DeCicco, either historically or otherwise, to the applicant's representatives, the applicant did at a point after the execution of the MOA have some inkling of DeCicco's connection to the FBT ownership history through the media. In early December, approximately December 14, an article appeared in the *Boston Business Journal* describing the Everett/Monsanto property and the potential Wynn acquisition. Importantly, it also described the environmental problems confronting Wynn, but also indicated that one of the prior owners, Gary DeCicco, was a convicted felon and that this issue could pose a potential issue in the upcoming MGC review of the deal. This article was circulated to the applicant's Massachusetts professionals and representatives who advised the General Counsel of its contents. In addition, after receiving calls from the reporters of the story shortly before its publication, the applicant's local legal counsel, Mintz Levin, had made inquiries to the seller's legal counsel, Paul Feldman, and DeNunzio regarding whether any other persons or entities had any interest in the property and were definitively advised that DeCicco's interests had been previously bought out. However, conflicting information was presented as to whether Lightbody's name was also provided or discussed at this time, although no evidence was developed whatsoever that indicated that Lightbody's name, criminal history and certainly involvement in this transaction was ever relayed or disclosed to the applicant by its representatives at this time. According to testimony of the General Counsel provided to the IEB, the article itself was referred to the applicant's corporate security officer, James Stern, a former FBI agent who conducted due diligence on the three listed owners of the property. According to testimony from the General Counsel, due diligence inquiry was only requested on the three identified owners of the property. It was not requested on Gary DeCicco at that time. When queried as to why, it was explained that DeCicco had severed his relationship well before this transaction and had no present ownership interest in

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the property. Further, if necessary, additional due diligence would be conducted on all historical property ownership during the final acquisition process. As a result of this effort, Stern confirmed there were no background issues relating to the Gattineri, Lohnes and DeNunzio. As such, the applicant did not perceive this factor as an impediment to the purchase proceeding in the normal course of business. It should also be noted that at a later date after an IEB inquiry, Stern did conduct a background investigation on DeCicco. Stern confirmed DeCicco's prior ownership interest in FBT as well as a criminal history.

The IEB also specifically conducted further investigation through detailed sworn interviews of all of the **Wynn MA, LLC** executives who participated in the initial evaluation and negotiations regarding the project property in Everett. These interviews focused upon whether there were any discussions where Charles Lightbody or Gary DeCicco's criminal history or ownership interests were revealed and or discussed. These interviews confirmed that, while some limited knowledge of Gary DeCicco's alleged prior ownership may have been circulated, there was no awareness of Charles Lightbody's name, prior ownership or criminal record. Indeed, the IEB investigation did confirm, however, significant evidence of repeated testimonial and documentary assertions by the FBT Everett Realty, LLC representatives of the termination of all ownership interests of Gary DeCicco and Charles Lightbody before the consummation of the applicant's property transaction.

SUMMARY OF WYNN MA, LLC PROPERTY PURCHASE PROCESS WITH IEB INVESTIGATION OVERLAY AND TIMELINE

As noted above, the applicant entered into a Memorandum of Understanding on November 27, 2012 and more formal Option Agreements on December 19, 2012. Early the next year, on January 14, 2013, the applicant filed its formal application for a Massachusetts Gaming License with the MGC and in the ensuing months it fully cooperated with the IEB in providing its application materials, personnel, sworn interviews and all other responses as requested by the investigative team. It also continued its considerable efforts to further develop its site and project development work. During this period, according to testimony provided to the IEB, the applicant

was operating under the perception that it had confirmed the ownership of the sellers and was proceeding throughout the spring accordingly.

During the course of the IEB investigation, information was developed during July 2013, which indicated the possibility that the property was being sold with a hidden or concealed ownership interest of one or more convicted felons. The IEB subpoenaed certain recorded conversations made available to IEB investigators between the above mentioned Charles Lightbody and an incarcerated Massachusetts State prisoner, Darin Bufalino (“Bufalino”), which were obtained via MGC subpoena. These conversations were recorded over prison facility monitored telephone lines between July 2012 and July 2013 and contain highly relevant and pertinent information which essentially chronicles Lightbody’s reporting of his involvement in the FBT land sale to the applicant and, most importantly, his efforts to conceal his involvement and interest. Although these conversations were conducted on telephone facilities where the parties are noticed of no expectation of privacy, they nonetheless brazenly spoke about the matters under investigation herein. While some of the conversations are overtly pertinent, some portions tend to be self-serving, guarded and occasionally cryptic in content. Indeed, some content can vacillate between both involvement and withdrawal in the suspicious activities under investigation herein in the same conversation.

However, the repetitive nature of the common theme of involvement when coupled with the conduct of the sellers during subsequent IEB sworn and documented interviews of the sellers and Lightbody himself, as well as their provision of various misleading and back dated documents, supports and corroborates the proposition that an attempt to conceal the involvement of at least one convicted felon in this transaction was exposed by this IEB investigation. The below timeline sets forth a series of dates and events of property sale related transactions, recorded conversations or investigational activities. Utilizing this format promotes the best method to understand the interplay of the party’s actions and the evidence of their conduct. Short summaries of the conversations between Lightbody and Bufalino are chronologically properly placed in reference to the property option purchase events and, more importantly, the document trail that the seller’s themselves testified about. When viewed in this format, the true nature of particularly Charles Lightbody’s conduct is revealed.

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It should also be noted that Bufalino is, himself, a convicted felon with a long history of criminal convictions, including significant activities linked to major organized criminal conduct. (See attached Exhibit 10.) While the IEB investigation could not specifically develop why Lightbody was studiously reporting the developing events in the Everett property transaction to Bufalino, it did confirm that these two subjects maintain a close trusted relationship. It also determined that Lightbody made deposits into Bufalino's prison "canteen" account for prisoner incidentals.

Interposed with the conversations depicted below are descriptions of the various identified documents that are related to the alleged FBT Everett Realty, LLC member/owner internal transactions, "buyouts," promissory notes, and memoranda of transfers. The documents present suspicious and questionable dates, and their authenticity lies at the heart of the IEB inquiry of the project property sale. These documents purportedly depict dates, however, the IEB investigation revealed that significant discrepancies existed in when these documents were prepared, became effective and were the subject of significantly conflicting testimony by the sellers about their preparation. Indeed the documents, if stripped of important revelations developed during the IEB investigation, would convey a completely different and in most cases, inaccurate factual reality or produce a different legal outcome.

Lastly, also depicted below in the overlay are short excerpts of certain witness interviews or sworn depositions. These summaries are only included in pertinent part to provide specific confirmatory information regarding particular issues under inquiry herein. The complete statements or reports are retained in the files of the IEB.

TIMELINE WITH INVESTIGATION OVERLAY

October 9, 2009

FBT Realty, LLC formed:

Owners/Members: Formed on 10/9/2009; Registered with Secretary of State on October 15th 2009.

October 13, 2009

FBT Closing. Only persons reflected on original paperwork were Paul Lohnes, Anthony Gattineri, Gary DeCicco and Dustin DeNunzio \$1,500,000 Promissory Note/personal loan from

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Anthony Gattineri to DeCicco and secured by 15% ownership in FBT Everett Realty; Charles Lightbody's involvement is not reflected in documentation from closing.

February 1, 2011

Maturity date for Gattineri's Promissory Note with DeCicco. After repeated requests for repayment, DeCicco was deemed in total default and Anthony Gattineri foreclosed on this Note. DeCicco, having failed to repay any amounts and in complete default, by the terms of the Promissory Note security term, Gattineri then assumed DeCicco's previously pledged collateral 15% ownership interest of FBT Everett Realty LLC. By virtue of this foreclosure, Gattineri doubled his ownership interest in FBT Everett Realty, LLC.

January 1, 2012

Stated effective date of FBT Operating Agreement; it is important to note that neither the signature page nor any term provisions reflect dates of actual execution or signatures of the parties. Also Schedule A of document reflects that, as of January 1, 2012, the Members of the LLC are: Paul Lohnes, (50.31%), Anthony Gattineri, (34.64%), Charles Lightbody (12.05%), and The DeNunzio Group, LLC (3%), (Dustin DeNunzio).

April __, 2012

DeCicco alleged Memorandum of Transfer of DeCicco's remaining interest in FBT Everett Realty LLC to Charles Lightbody.

June 1, 2012

Lightbody withdraws \$230,205 cashier's check from NorthEast Community Bank allegedly for capital calls relating to taxes.

July 26, 2012

Lightbody withdraws \$16,870 cashier's check from Citizen's Bank allegedly for capital calls relating to property costs.

August 15, 2012

Promissory Note by Anthony Gattineri to Charles Lightbody for \$1,700,000 and 7% interest; Note this is essentially a duplicate document (albeit with different witnesses depicted) to another MSP acquired Promissory Note dated 12/14/12; the significance of these two conflicting dates on duplicate documents pertaining to the same transaction is discussed below. Also, Dustin DeNunzio testified he prepared these documents in July 2013, not August 2012.

August 15, 2012

Lightbody gives Gattineri Memorandum of Transfer of Lightbody's 12.5% interest in FBT Everett Realty, LLC.

August 16, 2012

Telephone conversation:

Bufalino/Lightbody

DB: *Hey, how's Everett going for ya?*

CL: *Heres, they'll be a fucking, you'll own [inaud] half the fuckin city when [inaud] it's out. Listen to this you're gonna be the first one in prison to hear this story. We got a deal on the table right now it will probably hit in [inaud] weeks right now on paper, \$100,000 to put a [another applicant] casino [inaud] 250 per month up until construction n [inaud] million dollars.*

CL: *But it's gonna be a real home run if we can get the permits through,*

CL: *But nobody knows yet because we really can't talk about it.*

CL: *But we're gonna get signed up most likely tomorrow. If not the beginning of the week, we're all signed up for that deal that I just told you.*

DB: *Wow, who's finagled that, the other guy?*

CL: *No, if you could believe it, no the other guy's out.*

DB: *No, not him, the old guy.*

CL: *No, Anthony Gattineri did it.*

CL: *Anthony the hedge guys, you know.*

CL: *The company here is it's, it's called [not the applicant] and their net worth is 30 billion dollars. They're a hedge fund company and they are going to put up the money to get the deal done.*

CL: *Yeah, fucking crazy Buddy, crazy, crazy, crazy and I have the documents right in my brief case, because what happen was the first deal was 30 million dollars and we went to the broker complaining he wanted a two million dollar fee and we said no, that's way too much money and we were fighting back and forth as I said it's too much money it doesn't make any sense you know?*

[REDACTED]
CL: *But our [inaud] is up for six months, there is no guarantee. He said 50 million dollars till it gets permitted and, um, 50 million if it gets permitted and 250 until it gets built, a month.*

[REDACTED]
CL: *So then he said no 50 million is too much so my lawyers says ok here's what we'll do then give us \$100,000 a month until it gets permitted, if it gets permitted give us 250 a month and then what we'll do is pull out the fair market value and see what a casino site is worth with the permit. So the guy goes alright we'll sign the 50 million.*

DB: *[Laughter] The reason being a permitted casino is like fuckin print your own money deal.*

CL: *Yeah, it could be 200 million, you know.*

[REDACTED]

CL: *You'll probably see this on the news [inaud] in the newspaper probably all over the papers, you know.*

[REDACTED]

CL: *Ah yeah, well I put it in an LLC so my name don't show up because, um, between you and I, I think I told you my partner was like, you know, if you take your name off it and just put it in a blind LLC I said listen I have no problem with that. I don't wanna be this guy spending 100 million.*

[REDACTED]

CL: *I said I'll take my name off I have no problem and now actually it works out cause with these casinos they see my name in there they ain't gonna like it.*

[REDACTED]

CL: *So, I will never show up on it which is a good thing.*

DB: *Good, good for you.*

CL: *So, I'm kind of excited about it.*

DB: *Good for you.*

November 13, 2012

Telephone Conversation

Lightbody/Bufalino

DB: *Boy. There has been a lot of writing about fucking Everett and fuck casinos and all that other crazy shit.*

CL: *Yea, well Steve Wynn is supposed to be coming down tomorrow at 10:30 to talk to the mayor.*

DB: *Really?*

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CL: *Yeah. So I am hoping that flies, you know, that would be nice.*

DB: [REDACTED] *now it's open season because the [another applicant] never paid us the money they promised us. You know it's typical ... [inaud].*

DB: *They never paid you?*

CL: *No, they never paid us the motherfuckers.*

DB: *Are you kidding me?*

CL: *You know what it is. They get all the money so they figure can muscle you, you know. They figure they can muscle you and that's what they were trying to do.*

CL: *Yup, imagine that so they never gave us a quarter [inaud].*

DB: *I thought you were fucking alright over there.*

CL: *No, I was waiting, man, and they never give us a fucking quarter. So that means they're out. Well more or less. I mean they're still interested, they're claiming, but they are making it open season so everyone else can come in.* [REDACTED]

DB: *Yea, when that shit got out of the bag and they didn't have that fucking piece locked up now it's open for everybody.*

CL: *Exactly, exactly and that's why I was saying to myself I'm saying why won't they fuckin pull the trigger but they didn't want to pay the \$100,000 a month. So now ...*

DB: *Well you might, your earning potential might get bigger than what, what it was.*

CL: *That's what I'm hoping for you know what I mean. I am hoping to stick it right up their fucking ass.*

DB: *Yup without a doubt.*

CL: *You know how that works.*

[REDACTED]

November 26, 2012

Telephone Conversation

Lightbody/Bufalino

DB: What's up, what's going over in Everett, Brother?

CL: Ahh, good, Wednesday, they are coming into town, it will be in the news I'm sure once they see one of those characters hanging around. They will know [redacted name] and Steve Wynn [inaud] meet with the mayor [inaud]

●●● So we are heading out, heading out soon, Wednesday.

DB: Good for you.

November 27, 2012

Initial Memorandum of Agreement executed between FBT and Wynn MA, LLC to acquire proposed gaming site in Everett, Massachusetts. Document details \$75,000,000 purchase price and a \$100,000/month option.

November 28, 2012

Steve Wynn tours Everett Site

December 5, 2012

Telephone Conversation:

Lightbody/Bufalino

●●●

CL: That's what I said, we've got Steve Wynn in our corner. Let him come in and go up and these people [inaud] stocks will run down the shitter.

DB: Yeah. Yeah, will you still got the [another applicant] boys in there too, right?

CL: Well, but we basically kicked them boys to the curb because they weren't performing and we took on Wynn, now Wynn is supposed to start paying up \$100,000 a month December 14.

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DB: *Right.*

CL: *So, they are supposed to pay us \$100,000 a month and then we sign a purchase and sales with him, it's not binding yet. But it will be when they give us their first check for \$75,000,000.*

DB: *Huh.*

CL: *How do you think [redacted name] feels about that and Gary DeCicco? They don't have a [inaud].*

DB: *I thought Gary, he was, hold it, I thought Gary was your buddy.*

CL: *No, he got caught robbing everybody.*

DB: *I know that, but he was your buddy. Wait a minute, wait a minute.*

CL: *Yeah, he's my buddy alright. Besides leaving me on Nassau Street, I almost more or less forgave him because it's a lot a money to put out there, but then again after he robbed everybody and what I have been hearing, he's a fuckin bad dude, man, bad to the bone.*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

December 11, 2012

Telephone Conversation:

Lightbody/Bufalino

DB: What's the good word?

CL: Waiting for Friday, Buddy, that's it.

DB: Friday?

[REDACTED]

DB: What's Friday?

CL: Friday is the day that they sign or don't sign.

[REDACTED]

[REDACTED]

CL: [REDACTED] So the newspaper's calling them up about Gary DeCicco. So they said, you know, they're asking Chris about Gary DeCicco and he's a felon and this and that. So now, obviously you know my situation. So they're punching, hooking, Gary, Gary, Gary, Gary, Gary. So my attorney, he calls my partners and myself and we have a little conference call and says, listen do you know that this Commission when, when there's a casino ... not only them but whoever's selling the land cannot have a criminal record.

DB: Ahh, ahh.

CL: So what they're saying is any proceeds that come from a sale of a casino or a casino cannot go to a felon.

DB: Ahh.

CL: But the only good thing is, nobody knows who's involved which makes it good because now I can just move on, you know what I mean? So basically they're gonna buy me out and ...

DB: You need to move on, you need to double blind it. You need to triple blind it actually.

CL: Well, that's what we're doing.

[REDACTED]

[REDACTED]

CL: [REDACTED]. *That's my point, by them snooping around on him gave us the heads up on the law.*

DB: *Right, right.*

CL: *So now we know that nobody in that deal is a convicted felon can get any money from a casino, which is quite a shame truthfully.*

DB: *Yeah, really, real rehabilitative.*

CL: *Yeah, what about if some fuckin gangbanger hit it, but now you won't give him money because he was in trouble in his life?*

DB: *Yeah, really?*

CL: *It should be illegal, that's what it should be.*

DB: *Well, it certainly sounds like it's unconstitutional.*

CL: *Yeah, but either here nor there we're moving on with it so it was good that they thought Gary was involved and started calling his attorney about his past.*

[REDACTED]

[REDACTED]

●●●●

CL: Well, we'll see what happens. Staying clear of it, working on it now. But like I said at least we got a heads up on it. You know what I mean?

DB: Ah huh.

CL: I'm sitting like a [inaud].

DB: You should be alright though, right?

CL: Yeah [inaud]

DB: Fuck 'em.

December 12-14, 2012

Boston Business Journal article is released: (See attached Exhibit 11.) Note article topic is potential problems with Wynn Everett site: Environmental issues specified; Specific identification of Gary DeCicco being on Corporate filings of FBT with DeNunzio, Lohnes, and Gattineri; also discussed DeCicco's criminal history, conviction for insurance fraud, forgery, and he was indicted but acquitted of arson that was related to the other charges for which he was convicted.

December 14, 2012

Lightbody-Gattineri alleged Memorandum of Transfer of Lightbody's 12.5% interest in FBT Everett Realty LLC; Note also Dustin DeNunzio's later admission to changing of the dates of the alleged December transaction date from December back to August.

December 14, 2012

Promissory Note from Anthony Gattineri to Charlie Lightbody amounting to \$1,700,000 at 7% interest (Maturity date 1/14/17); Note conflict with earlier August note and later statements made by Lightbody during MSP interviews in July 2013 and discussed below. Dustin DeNunzio also indicated these documents were not prepared until January 2013.

December 19, 2012

Two Option Agreements between FBT and Wynn executed (Everett and Boston properties); Dustin DeNunzio and Wynn CFO Matthew Maddox are signatories;

December 20, 2012

Telephone Conversation

Lightbody/Bufalino

CL: We signed the deal yesterday.

DB: Ya, ya, I seen it on the news.

CL: When?

DB: You know what, that was a couple of days ago.

CL: No, that was the fucking fake one.

So now we actually signed it.

DB: Good.

CL: You ain't kiddin.

DB: That's a welcome Christmas gift, no?

CL: You ain't kiddin buddy. That's for damn sure. It's all good.

Late December 2012

Charles Lightbody submits loan application for Sons of Italy Mortgage; Lender provides "Collateral Analysis" (dated January 2013) reflecting information provided by Lightbody that he asserts a 13.5% interest in the "Monsanto Property" worth \$10,000,000 in one year due to "Wynn's purchase."

January 10, 2013

Telephone Conversation

Lightbody/Bufalino

DB: How's things in Everett?

CL Good, I mean we're waiting, we got until the 15th (that is, Tuesday January 15th application filing deadline set by MGC) for them to sign this thing. I don't know why he is waiting [inaud] so motherfucking long, I'll tell you the truth.

DB: Right, right, right.

CL: But you know they're talking [inaud] 400,000, which I can live with on the 14th which is two days, so.

●●●

CL: We got til Tuesday so maybe we'll get some news by then.

DB: Good, very good.

January 14, 2013

Wynn Resorts, LLC files for Category 1 License in Region A for Everett Site.

January 15, 2013

MGC Deadline for Applicant Filing of Applications with \$400,000 Fee;

January 16, 2013

Telephone Conversation

Lightbody/Bufalino

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CL: *You haven't seen the paper today buddy, big, big news. They say we're the favorite by a long shot right now.*

CB: *They say you're what?*

CL: *He's the favorite.*

DB: *You're the favorite?*

CL: *Steve Wynn, to win the casino license. They said he's a big favorite.*

DB: *Really?*

[REDACTED]

February 28, 2013

Telephone Conversation

Lightbody/Bufalino

• • •

[REDACTED]

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[REDACTED]

CL: *[Inaud] I would prefer it, I wish the fuck Wynn would say I'll put a slot parlor here.*
DB: *Yeah, less overhead.*
CL: *Yup, less overhead and and you know people would fuckin flock there, the place would be full every day.*
DB: *Yup, yup and you're gonna make x amount on every dollar no matter what the fuck happens.*
CL: *Exactly, yup.*
DB: *Damn alright well good, I am glad you caught that, I found it fuckin interesting as a fuck.*
CL: *Awesome, my guy was excited about getting it [inaud]. How did you find out? I said you don't want to know.*
DB: *No, you really don't want to know.*
[laughter]
DB: *But the guy, but the guy is gonna need a job in about two years.*
[laughter]
CL: *Exactly. He'll be calling you up saying, he remember [inaud] that was me!*
[laughter]
CL: *That's funny.*

[REDACTED]

June 22, 2013

Everett casino referendum overwhelmingly passes in Everett.

June 27, 2013

Telephone Conversation

Lightbody/Bufalino

CL: *Everything else is going good though buddy ... I mean everything looks good in Everett.*
DB: *Did you get that shit I sent you?*
CL: *Yes I did, yeah.* [REDACTED]
DB: *Yeah. Did you, did you send out for the [inaud] from the Wynn project?*
CL: *The what?*
DB: *The Wynn project. The casino. Did you send out for that?*
CL: *Yeah, I had Dustin do it. Dustin got all that information. We actually had a meeting [inaud].*
DB: *Did he get it yet?*
CL: *No, I didn't get it yet?*

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DB: *Cause I didn't get mine neither. I just send them another fucking letter the other night saying, hey where is this shit? You know, by law you gotta [inaud].*

CL: *I haven't gotten it yet.*

[Conversation continues.]

CL: *Speaking of that, I got some good news for you. You can read between the lines.*

DB: *Yup.*

CL: *Like, I, I, I did something over near that Everett casino. You know I, I, I bought out of the casino, you know that, but ...*

DB: *Right.*

CL: *The other thing around the corner that goes with a casino I own. It's the best thing you can have with a casino. There's only two things, woman and booze, right around the corner. Fucking locked it up. Locked up tight as a drum."*

July 9, 2013

On this date Dustin DeNunzio is interviewed by IEB investigators for the first time. During this interview, DeNunzio details the origin of FBT Everett Realty and specifically confirms and details the original ownership and considerable involvement of Gary DeCicco; DeNunzio asserts that DeCicco was removed from FBT "long before casinos came up"; DeNunzio also indicates that he, Gattineri and Lohnes have an ownership interest in a Chelsea Parking lot, which was (according to DeNunzio) acquired from DeCicco; Despite MSP investigators posing several specific questions to DeNunzio regarding whether there were any other persons with any interest or involvement in FBT Everett Realty or in financially benefitting from **Wynn MA, LLCs**. **Everett property acquisition, DeNunzio fails or refuses to identify the involvement of Charles Lightbody nor does DeNunzio even mention his name during the interview.**

July 9-10, 2013

Dustin DeNunzio speaks with attorney Paul Feldman and discusses being interviewed by IEB investigators. Mentions failure to reveal Charles Lightbody's name or previous involvement in FBT transactions. Inquires as to the legality of backdating documents to reflect August 2012 alleged transaction date of Lightbody/Gattineri's property interest buyout. These documents would contrast with documents previously prepared by Feldman in December 2012-January 2013 reflecting transaction date during that period. DeNunzio then personally changed the document to reflect earlier date of August 15, 2012.

July 10, 2013

The following day after failing to mention Charles Lightbody's involvement, interest, or even name, Dustin DeNunzio now contacts [REDACTED] and volunteers that he failed to mention Charles Lightbody during interview day before. This sudden disclosure is later expanded upon in a follow up recorded interview on July 11, 2013 with IEB investigators and detailed below. **Most importantly, after talking to attorney Feldman and discussing need to reveal Lightbody's involvement, DeNunzio failed to advise IEB investigator of new documents or his backdating of previously executed documents relating to this transaction.**

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July 10, 2013

IEB investigators conducted a recorded interview of Anthony Gattineri. Gattineri detailed his early involvement in a business relationship with Gary DeCicco and Paul Lohnes in regard to real estate investments and essentially confirmed the origin of the FBT land transaction as outlined herein. Gattineri also specifically indicated that he had executed his acquisition of the Lightbody interest in July or August 2012, thus compounding the suspicion relating to the authenticity of the alleged August 15 documents. Gattineri also suggests that if he fails to satisfy the terms of the suspicious promissory note and transfer memorandum, Lightbody has foreclosure recourse against him (which notably, is the methodology that Gattineri himself used to acquire 15% of DeCicco's FBT interest when the latter defaulted on his original "closing day" Promissory Note) and thus a possibility of some reversionary interest in the FBT property. Gattineri later attempts to contradict this statement by asserting that he has other properties that Lightbody could attach if he defaults, however, it is notable that unlike his original 2009 Promissory Note with DeCicco, Gattineri fails to specify the exact security he exposes for this particular Note with Lightbody.

IEB: Alright, so go on with Charlie Lightbody.

AG: I mean that was it really. I bought the uhm. You know I didn't ahh I didn't officially pay him. I actually have a note with him. I actually owe him this money.

IEB: You owe Charlie?

AG: Yeah.

IEB: How much do you owe him?

AG: Like ahh a million. That was that ten percent that goes way back.

IEB: You owe him a million?

AG: Yeah.

IEB: That hasn't been paid yet.

AG: Yeah.

IEB: So he still has ten percent of the company?

AG: Well, if I don't pay him, he can take it away from me.

IEB: So there's a document that exists laying out the money arrangements between you and Charlie Lightbody and at some point you're saying what in August of this year you think?

AG: I don't know if it was last July or August, September, I don't know. It was last summer though.

IEB: But I mean so far as when you're, that's all paid off. You pay him off and he's out.

AG: I don't remember the date. I don't even know the date. It's in there though. It's in there.

IEB: But it's still, as of this, as of today you still owe?

AG: Oh yeah, I go to him, I have to owe, I mean I owe him. I gotta pay it.

July 11, 2013

Tape recorded interview of Dustin DeNunzio at Everett trailer where he now details a significant knowledge of Charles Lightbody, the "buyout" of DeCicco by Lightbody and provides specific details of how Lightbody supplied money to enable DeCicco's portion at the Everett property

closing; Importantly, this interview now confirms Lightbody's capital in the original deal to acquire the Everett property, and Lightbody's participation in certain capital calls by the FBT partners; DeNunzio claims he did not mention Lightbody's participation as he was purportedly out of the deal before Wynn's involvement; DeNunzio's full detailed knowledge of Lightbody's deep involvement in this deal clearly calls into question his reluctance to mention the involvement of Lightbody in his original IEB interview. This reluctance is more consistent with the attempted minimization of this subject's involvement in this transaction.

Again, and most importantly, not until October 15, 2013 when DeNunzio provided sworn testimony to the IEB, was it conclusively revealed that he backdated the August 2012 Lightbody/Gattineri Promissory Note/Memorandum of Transfer documents in 2013 after being interviewed about same by IEB investigators. Again, this conflicts with information from Charles Lightbody that he executed these documents in 2012. A pertinent excerpt of that testimony is set forth below.

- Q. Now, let me show you what is marked Exhibit 3. This is a promissory note from Anthony Gattineri as the borrower and Charlie Lightbody as the lender. Let me ask you if you are familiar with that?
- A. *I am.*
- Q. What's the date of that?
- A. August 15, 2012.
- Q. Did you have a role in preparing that?
- A. I did.
- Q. What did you do?
- A. *I -- The document was originally prepared by the attorney, and I modified the document to August 15th, 2012.*
- Q. When did you do that?
- A. *I did it in July of 2013.*
- Q. Why did you do that?
- A. *Well, the August 15th date accurately reflected when Charlie Lightbody agreed to sell his interest to Anthony Gattineri.*
- Q. How did you know that?
- A. *Because that's -- we talked about that at the time as a partnership because Charlie needed to get out. I mean, there were other reasons he needed to get out, but this was a reason that the partnership said, hey, we can't even entertain this deal if you're in it. And he said I don't want to hurt the partnership, and I'll get out.*
- Q. When, again, did you prepare this? This was July of 2013?
- A. *Yes.*
- Q. A couple of months ago?
- A. *Yes.*
- Q. And was there anything that specifically triggered your need to prepare it then as opposed to any time before that?

A. Well, I had a meeting with [REDACTED] and [REDACTED] on the 9th of – [July].

July 12, 2013

MSP investigators conducted a tape recorded interview with Charles Lightbody during which Lightbody readily admitted his role and involvement in the initial FBT formation to buy the Everett property; Lightbody indicated he invested a total of \$1,200,000 with approximately \$650,000 coupled with several capital calls to reach that total. He described his interest as approximately 10-12.5% interest in FBT/Everett property. Lightbody acquired this interest (which was conveyed without actual documentation supporting this acquisition) from Gary DeCicco. He further advised when DeCicco “blew up” and failed to contribute his share for the acquisition, Lightbody invested to buy out DeCicco. Having already provided funding to the deal via DeCicco, the “buyout” was actually the execution of a promissory note by FBT principal Anthony Gattineri to Lightbody for what is now \$1,700,000. While Lightbody denied he would benefit from the Wynn purchase, Lightbody also indicated that the buyout is a return of his original capital investment (\$1,200,000) plus an additional \$500,000 incentive for that total. Lightbody is also to receive 7% annual interest on the \$1,700,000 for five years to complete his transaction. As noted in other portions of this sections of this report, Lightbody maintained the conflicting assertion that he bought out DeCicco via the Gattineri promissory note, “about a year ago in late July or early August.” The latter assertion is contradictory to testimony of Dustin DeNunzio who indicated that he had only created the documents in July 2013 especially when coupled with Lightbody’s denial that he had executed any other documents regarding FBT and the Everett property. (See also entry below for July 16, 2013 interview of Lightbody.) In this statement Lightbody also admits he “*was in the bushes the whole time*” during the early courtship of casino companies of the Everett site. Lastly, the clearly admitted extensive involvement of Lightbody and his investment funding via DeCicco in the original FBT formation and acquisition of the Everett of property sharply contrasts to DeNunzio’s failure to even mention Lightbody’s involvement in the initial MSP interview on July 9, 2013. This assertion is also contradicted by the 2013 mortgage application that Lightbody filed in which he claimed an interest in the property.

July 15, 2013

FBT member Paul Lohnes was interviewed in a recorded statement by [REDACTED]. During the interview, Lohnes outlined the origin of FBT Realty and indicated he put up the initial nonrefundable \$1,000,000 deposit for the Everett transaction. Lohnes further corroborates the involvement in FBT of the DeCicco and Lightbody and further discusses the convoluted exchanges of promissory notes, inter-party money transfers and ownership interest changes. Lohnes described an eventual distrust of Gary DeCicco, despite having significant business relationships with him, also detailed that his original FBT interest was 50% and the remaining 50% belonging to DeCicco and other DeCicco affiliates including Charlie Lightbody. Lohnes indicated that Lightbody and Gattineri were brought into the deal by DeCicco. Lohnes also confirmed having met with Wynn representatives and named Kim Sinatra, Matt Maddox and other Wynn consultants at the Everett property trailer. Lohnes denied any discussion during that

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meeting where either Lightbody or DeCicco's interest or name was mentioned. Importantly, however, Lohnes did indicate that "way back at the beginning" he (Lohnes) knew from Dustin DeNunzio that Lightbody had been in jail. This latter statement confirms at least two of the principals of FBT had early knowledge of Lightbody's criminal history.

July 16, 2013

On this date Charles Lightbody was interviewed by MSP investigators and in a short recorded statement confirmed his provision of funding into the FBT transaction and emphatically stated that he had not executed any documents regarding his promissory note from Anthony Gattineri since approximately late July or August of 2012 when the Gattineri promissory note was purportedly executed. Importantly, his confirmation of documents reflecting this transaction is in stark contrast to later sworn testimony of Dustin DeNunzio that only prepared these retroactive 2012 documents the following year in July of 2013 after being interviewed by the MSP about this transaction.

KC: *Yeah, the date is Tuesday, July 16, 2013. This is [REDACTED] along with [REDACTED] and Charles Lightbody. Charlie, do I have your permission to tape record this:*

CL: *Yes.*

KC: *Okay, and Charlie, this is just regarding you had called me earlier today. Correct?*

CL: *Yup.*

KC: *You had located some cashier's checks?*

CL: *Yup.*

KC: *Related to the FBT situation. Correct?*

CL: *Right, yup.*

KC: *So now you are going to allow me to take these?*

CL: *Yup, two checks.*

KC: *Okay, I'm gonna say two checks; one number 511690153-8 for \$16,870, a recent from Citizens Bank as well as a official check from Northeast Community Bank 210000573, um, for \$230,205 and I have your consent to take these?*

CL: *Yes, you do.*

KC: *And you say you have copies for whatever you need for these?*

CL: *Yup.*

KC: *Okay. Do you have any other checks for this?*

CL: *No, no. I usually keep them together ... I kept. These are for something else. Like I said I'm going to pull the whole year for Citizens Bank for you.*

KC: *Awesome. How long do you think that would take?*

CL: *Well, the manager wasn't in today but it doesn't take long ... usually few days. I think I can go back to '09, but they just punch it in the computer and get it done.*

KC: *Not a problem ... appreciate it.*

IEB: *When we were on the phone earlier, I had mentioned I had asked if you had signed anything recently with Dustin. Have you?*

IEB: *No.*

IEB: Have you re-signed any notes for Anthony Gattineri?
CL: Nothing.
IEB: Nothing? Have you signed anything regarding, relating to FBT within the last year?
CL: No.
IEB: Nothing?
CL: No.
IEB: And when I spoke to you the first time, I believe you said that first note was dated July.
CL: The end of July.
IEB: You think the end of July of 12 ... 2012?
CL: Yes.
IEB: And since that time have you signed any additional notes?
CL: Nothing.
IEB: Are you sure about that?
CL: 100%.

August 12, 2013

In response to an August 1, 2013 letter from Kevin Tourek, Compliance Officer of **Wynn Resorts, Limited**, addressed to Dustin DeNunzio on behalf of FBT Everett Realty, LLC, wherein the applicant requested confirmation of “representations made in correspondence from January 17, 2013 through Kim Sinatra that the sole equity owners of FBT were yourself, Paul Lohnes and Anthony Gattineri” ... “... please confirm any other direct or indirect equity participants since FBT took title to the property indicating the period of ownership of each person.” DeNunzio replied as follows:

I write in response to your letter dated August 1, 2013. On October 9, 2009, FBT Everett Realty, LLC (“FBT”) was organized by the filing of a Certificate of Organization with the Massachusetts Secretary of State. On October 15, 2009, FBT recorded the deed to the Everett property.

The direct or indirect ownership of FBT since FBT took title is as follows:

The owners of FBT in 2009 and 2010 were Paul Lohnes, Anthony Gattineri, Gary DeCicco and Charles Lightbody.

In 2011, The DeNunzio Group, LLC became an additional owner of FBT. Dustin DeNunzio is the 100% owner of The DeNunzio Group, LLC.

Gary DeCicco agreed to relinquish the extent of his ownership interest in FBT in early 2012. Prior to the execution of the option agreement with Wynn on December 19, 2012, Charles Lightbody also agreed to transfer all of his ownership interest in FBT to Anthony Gattineri.

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Since before December 19, 2012, and through the present, the sole equity owners (direct or indirect) of FBT have been Paul Lohnes, Anthony Gattineri and The DeNunzio Group, LLC.

The above information should be contrasted to the recorded information of Charles Lightbody especially in light of his denial of signing any documents since July or August 2012 and DeNunzio's later testimony of his creation of the Gattineri/Lightbody Promissory Note dated August 2012 in July 2013. Thus, the representations to the applicant are highly suspect as are the representations that have been made to the IEB during this investigation. Please note also the apparent intentionally vague wording of the Lightbody paragraph – no dates are given.

August 15, 2013

Lightbody-Gattineri alleged Memorandum of Transfer of Lightbody's 12.5% interest in FBT Everett Realty LLC; Note also Dustin DeNunzio's later admission to changing of the dates of the alleged December transaction date from December back to August.

September 13, 2013

Gary Decicco was subpoenaed to testify under oath before the Investigations and Enforcement Bureau. He appeared but did not testify, asserting his 5th Amendment rights under the United States Constitution. Decicco signed an Affidavit dated September 13, 2013 stating that he appeared at the Massachusetts Gaming Commission and was asserting his 5th Amendment rights.

October 18, 2013

Anthony Gattineri appeared pursuant to a subpoena to testify under oath before the IEB but did not testify, asserting his 5th Amendment rights under the United States Constitution.

October 23, 2013

On this date, City of Everett Mayor Carlo DeMaria was interviewed by IEB investigators. During that recorded interview certain relevant information was provided. It should be noted Mayor DeMaria had actively represented Everett in discussions with both the property owners and the applicant since the filing of the Phase 1 application. Mayor DeMaria has, since the passage of the Gaming Act, been an active spokesman soliciting gaming applicants for his City. Information developed by the IEB indicated that Mayor DeMaria had long term a personal friendship with Charles Lightbody and was aware of his interests in the FBT property. DeMaria also indicated that "...my only contact for FBT would've been Charlie." More importantly, during the interview with the IEB, Mayor DeMaria indicated in response to IEB questions that Lightbody expressed that he was excited about the recent overwhelming approval of the **Wynn Ma, LLC** public proposal by the Everett voters (on June 22, 2013) and confirmed that in his (DeMaria's) opinion it appeared he (Lightbody) was still involved and would financially benefit from the FBT transaction. This statement clearly contradicts the earlier representations that Lightbody had extinguished his beneficial ownership interests in the subject property before the applicant's option acquisition. The following is a pertinent excerpt of that conversation.

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Q: When the City of Everett uhm voted, you know, the referendum and gave the thumbs up for casinos, did you talk to Charlie regarding that incident, regarding that, was he still excited about it?

CD: Yes.

Q: Okay. In your opinion, did it appear that he was still involved and was gonna make some money off FBT?

CD: Yes.

Q: Okay. And when was that referendum in the city?

CD: June.

Q: June, 2013 obviously?

CD: Yes.

Q: Uhm...sometime after that June let's say within a month or so, whatever you said, you spoke to him and he said I'm out.

CD: Right.

Q: And didn't get into the details at all?

CD: No.

Q: Okay.

Q: And after that, did you say that or would you say that that's when you stopped speaking with him as often or...

CD: Yeah I never knew...ah...the background I guess.

October 24, 2013

Charles Lightbody refused to appear before the IEB to testify under oath, despite being subpoenaed to do so.

As noted in the materials detailed above, the IEB conducted a comprehensive investigation of the circumstances surrounding the applicant's acquisition of the FBT Everett Realty, LLC property in Everett, Massachusetts. This inquiry revealed a complex series of suspicious actions by the sellers which prevent the absolute final determination as to whether Charles Lightbody, and perhaps Gary DeCicco, possessed an ownership interest in the project property at and/or after the time of its option agreement sale to the applicant. Further, the investigation also raised significant issues regarding the conduct of the remaining sellers, that is, Paul Lohnes, Dustin DeNunzio and Anthony Gattineri, during the period when the applicant became involved in the acquisition process. The inquiry was also hampered by the refusal of Anthony Gattineri and Gary DeCicco to provide sworn testimony to the IEB via their assertions of their Fifth Amendment privileges against self-incrimination. Additionally, despite being subpoenaed to testify before the IEB, Charles Lightbody, too, refused to appear and provide

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testimony under oath to the IEB. The details of this subject's conduct are already set forth in this report and may be summed up as being questionable, at best, or intentionally deceitful at worst. It is clear that, however, such improper actions were neither known to nor participated in by the applicant.

As such, it is not the actions of the applicant which must be remedied herein, but the perceived misconduct of a related beneficiary of the transaction that the Commission, through its authority over the applicant/potential licensee, must address to assure that the statutory objectives and prohibitions are fully respected. To achieve this objective, the IEB findings can be focused on certain specific types of conduct that are capable of being characterized and grouped. These activities have already been chronicled in this report, so to avoid unnecessary repetition, selected examples of such seller misconduct are summarized in a series of general headings as follows:

1) Evidence exists to suspect that Charles Lightbody, a convicted felon, may have retained an interest in the Everett property well after the applicant had been advised that he had been removed;

2) Similarly, Charles Lightbody may have a legal reversionary interest in the event Anthony Gattineri does not repay his promissory note obligations;

3) Documents were provided to IEB investigators that were said to evidence in written form the specified transactions, that is, Promissory Notes dated August 15 and December 14, 2012, and Memoranda of Transfer dated August 15 and December 14, 2012, and which purport to have been executed on those dates, but in fact, may very well not have been prepared or executed on the depicted dates;

4) Sworn or recorded testimony of sellers provided directly conflicting information about when such documents were prepared or executed, including, for example, when certain Promissory Notes and Memoranda of Transfer for Charles Lightbody and Anthony Gattineri were executed;

5) One document provided that a purported transfer of Gary DeCicco's alleged FBT Everett Realty, LLC ownership interest to Charles Lightbody occurred in April 2012 despite no

previous mention of DeCicco's ownership of such rights or interest just four months before in the entity's Operating Agreement;

6) Dustin DeNunzio provided sworn testimony that he personally altered the dates on the August 2012 Promissory Note and Memorandum of Transfer forms provided by his attorney to reflect the earlier date so as to provide documentary support after he and other sellers had been interviewed by the IEB investigators over one year later in July 2013;

7) Charles Lightbody in graphic taped evidence that confirmed that he knew of the restrictions against felons involvement in the gaming industry and further that he and his "partners" were working to "double or triple blind" his interest in the deal;

8) The IEB investigation also raised the question that, if Charles Lightbody was truly removed as an FBT interest holder in August 2012, his present and continued involvement in meetings and discussions where decisions were made with other interest holders/partners well into December 2012, and by his own recorded statements into 2013, present persuasive factual evidence indicating the contrary; and

9) Charles Lightbody filed for a 2013 mortgage and provided an application **after** the Wynn Option Agreement was executed wherein he cited his interest in the FBT Everett Realty, LLC as a \$10,000,000 asset to support his Collateral Analysis for mortgage eligibility despite he and other sellers asserting he was already out of the deal at least four months earlier in August 2012.

Based upon the information developed in its lengthy investigation and summarized in this report, the IEB believes that a substantial basis exists to believe that material information was being withheld by the sellers from both the applicant and the IEB investigators; false and deceptive information and documents were being provided; and evidence existed that at least one of the sellers, that is, Charles Lightbody, possessed a significant criminal history and took affirmative steps to conceal his role and interest in the transaction so as to avoid jeopardizing the sale of the property to applicant **Wynn MA, LLC** and thus preserve the opportunity to share in enhanced financial rewards due to the site's potential casino use.

Because of the evidence, misrepresentations and withheld information on the part of the FBT principals, the entire picture of FBT's manipulations could not be drawn with precision.

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Upon further review there may indeed be other circumstances that have not yet come to IEB's attention.

However, one important aspect of the IEB investigation was to conclusively determine if the applicant had any complicity or knowledge in the misconduct described above. As noted, no evidence whatsoever was developed that suggested any involvement or knowledge of the applicant or any of its qualifiers, principals, or key representatives in the cited misconduct. Indeed, after the IEB had determined the scope and participants in the suspected misconduct, over the ensuing weeks, the applicant was provided certain information outlining the seller misconduct. The applicant was also specifically advised that these circumstances posed a potential hurdle to its suitability.

After consultation with representatives of the IEB and applicant, the applicant advised that it would immediately commence negotiations with the sellers to discuss placing them in default due to a provision in the Option Agreements that allowed withdrawal if any action of the seller jeopardized the applicant's licensure suitability.

Since notification of the issues, the applicant was involved in intense negotiations with FBT representatives. The applicant has reported to the IEB a final resolution to such negotiations. An agreement has been reached between the parties pursuant to which FBT will receive a substantially reduced payment for its property. The payment will be based on an assessment founded on the basis if the property were not to be used as a casino. A copy of the agreement has been provided to the IEB and must be approved by the MGC.



JACQUI KRUM
senior vice president and general counsel

BY EMAIL AND U.S. MAIL

December 5, 2013

Catherine Blue
General Counsel
Massachusetts Gaming Commission
84 State Street, 10th Floor ☒
Boston, MA 02109

Re: Petition Regarding Everett Land Transaction

Dear Ms. Blue:

The purpose of this letter is to request a response from the Commission regarding a proposed resolution to concerns raised by the Division of Investigation/Enforcement of the Massachusetts Gaming Commission (the "IEB") as more specifically described below.

1. On December 19, 2012, Wynn MA, LLC, a Nevada limited liability company ("Wynn") entered into that certain Option Agreement (the "Option Agreement") respecting certain land off Horizon Way in Everett, Middlesex County, Massachusetts (the "Property"). The owner of the Property is FBT Everett Realty, LLC, a Massachusetts limited liability company ("FBT").
2. In response to Wynn's request, FBT identified three persons as the equity owners of the FBT: Dustin DeNunzio, Paul Lohnes and Anthony Gattineri. Wynn completed its standard compliance procedures with respect to FBT and each of the equity owners and no issues were identified.
3. During the course of the Massachusetts Gaming Commission's investigation related to the probity of Wynn, this transaction was reviewed and based on information that was not available to Wynn, IEB informed Wynn that the equity owners of FBT had failed to cooperate and/or provided unsatisfactory testimony to the IEB. In addition, the IEB raised concerns about undisclosed interests in FBT.

4. The IEB investigation indicated that Wynn did not have knowledge of any undisclosed interests.
5. Wynn commissioned an appraisal of the fair market value of the Property with the following assumptions: (i) that the Property would not be used for gaming purposes and (ii) that the environmental condition of the Property would be suitable for general commercial use. Based on the foregoing assumptions, the appraisal valued the Property at Thirty Five Million Dollars (\$35,000,000.00).
6. Wynn and FBT amended the Option Agreement to reduce the Purchase Price to Thirty Five Million Dollars (\$35,000,000.00), the appraised value of the Property based upon the relevant assumptions.
7. With respect to the required environmental remediation, Wynn and FBT agree that environmental remediation necessary to bring the Property into regulatory compliance and make the Property suitable for general commercial purposes is approximately Ten Million Dollars (\$10,000,000.00). Therefore, pursuant to the terms of the revised Option Agreement, if Wynn exercises the option, Wynn will deposit Ten Million Dollars (\$10,000,000.00) of the Purchase Price into an escrow account to be used for Phase III environmental remediation. To the extent that the actual amount of the Phase III remediation is less than Ten Million Dollars (\$10,000,000.00), any remaining amounts will be paid to FBT.

Based on the foregoing, Wynn hereby petitions the Commission for a determination regarding the proposed resolution to the concerns raised by the IEB.

Very truly yours,



Jacqui Krum



Robert P. LaPorte, Jr., CRE, MAI

MANAGING DIRECTOR
Valuation & Advisory Services



bob.laporte@colliers.com

EDUCATION AND QUALIFICATIONS

Saint Anselm College,
Bachelor of Arts, Urban
Studies

STATE CERTIFICATION

Maine
Massachusetts
New Hampshire

CONTACT DETAILS

Colliers International
160 Federal Street
Boston, MA 02110

www.colliers.com

COMPANY EXPERIENCE

Robert LaPorte joined Colliers International in 1982 and is presently a Managing Director of the firm's Valuation & Advisory Services group. Over the course of his forty years in real estate, Mr. LaPorte has appraised or consulted on assignments throughout the New England states, New York, South Carolina, Pennsylvania and California. In addition to appraisals, Mr. LaPorte has also completed land use and marketability studies for properties located in industrial parks and central business districts; feasibility and market studies for residential and commercial uses; review appraisals; lease arbitration, valuation disputes, and provided expert witness testimony.

His valuation work has included a diverse property type that encompasses office, retail, industrial and institutional properties. Property interests include fee simple, leased fee, leasehold, sandwich leasehold, air rights and fractional property interests.

PROFESSIONAL ACCOMPLISHMENTS

Mr. LaPorte is qualified as an expert witness in the Superior Courts of the Commonwealth of Massachusetts in Suffolk, Worcester, Middlesex, Essex, Norfolk, Dukes and Plymouth Counties, Commonwealth of Massachusetts Appellate Tax Board and The Federal Bankruptcy Court of Massachusetts. In New Hampshire, he has testified before The Superior Court of Hillsboro County and the Board of Tax and Land Appeal.

PRIOR EXPERIENCE

Prior to joining Colliers International, in 1982 Mr. LaPorte was a partner at Foster Appraisal and Consulting.

PROFESSIONAL MEMBERSHIPS AND ACCREDITATIONS

Appraisal Institute, MAI and SRA
Designations

Appraisal Institute, Past President, New
England Chapter

The Counselors of Real Estate (CRE),
Member

Greater Boston Real Estate Board—
Commercial Brokers Association

Massachusetts Certified Real Estate
Appraiser, #735

Maine Certified Real Estate Appraiser #CG
687

New Hampshire Certified Real Estate
Appraiser #377

Licensed Massachusetts Real Estate Broker
#120582



Robert P. LaPorte, Jr., CRE, MAI

MANAGING DIRECTOR
Valuation & Advisory Services



bob.laporte@colliers.com

CONTACT DETAILS

160 Federal Street
Boston, MA 02110

Colliers International
160 Federal Street
Boston, MA 02110

www.colliers.com

REPRESENTATIVE CLIENTS

- Bank of America
- Boston Private Bank
- Boston University
- Choate Hall & Stewart
- Commonwealth of Massachusetts
- Holland and Knight
- Kenney Development Company
- Liberty Mutual
- LNR
- Massachusetts Bay Transportation Authority
- Massachusetts Institute of Technology
- Massport
- Mintz Levin
- Museum of Fine Arts
- NSTAR
- National Grid
- The Nature Conservancy
- NStar
- PanAm Railways, Inc.
- Ropes & Gray
- Steward Health Care
- United States Department of Justice
- Walsh Brothers
- Wells Fargo Bank

Accelerating success.





SUMMARY APPRAISAL

FORMER MONSANTO COMPANY LAND

***Route 99
Everett and Charlestown, Massachusetts***

October 29, 2013

Colliers File #: J130250



Prepared For:

Ms. Jacqui Krum
Senior Vice President
Wynn MA, LLC
3131 Las Vegas Boulevard South
Las Vegas, NV 89109

**PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES



180 Federal Street, 11th Floor
Boston, MA 02110-1701
MAN +1 617.330.8100
FAX +1 617.330.8129
www.colliers.com/valuationadvisory

November 12, 2013

Ms. Jacqui Krum
Senior Vice President
Wynn MA, LLC
3131 Las Vegas Boulevard South
Las Vegas, NV 89109

RE FBT Everett Realty, LLC,
Route 99
Everett and Boston, Massachusetts

Dear Ms. Krum:

Pursuant with our engagement, the above-captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report is intended to satisfy the scope of work and requirements agreed upon by Wynn MA, LLC and Colliers International Valuation & Advisory Services. The subject property is a 35.29-acre parcel of vacant land currently owned by FBT Everett Realty, LLC, and commonly known as the former Monsanto Chemical Company site. It is located off Route 99 in Everett with access via Chemical Lane—a/k/a One Horizon Way. Of the total land area of 35.29 acres, 30 acres are located in Everett and the remaining 5+/-acres are located in the Charlestown section of Boston.

The purpose of this appraisal is to develop an opinion of the market value of the fee simple interest of the property's 35.29 acres subject to easements of record and based on a highest and best use other than the proposed casino use. The date of our market value estimate is October 29, 2013. The following table conveys the final opinion of market value of the subject property that has been developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	fee simple interest	October 29, 2013	\$35,000,000

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon my interpretation of the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. The Extraordinary Assumptions and/or Hypothetical Conditions made during the appraisal process

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to arrive at our opinion of value are identified below and are discussed in greater detail later within this report. We advise the client to carefully consider the use of any extraordinary assumptions or hypothetical conditions in this report as use of such could possibly affect the assignment results.

Extraordinary Assumptions

USPAP defines an Extraordinary Assumption as, "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 conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for the extraordinary assumptions).

This appraisal has been completed using the following Extraordinary Assumptions:

1. Appraisal is based on the property's allowed "as of right" uses under zoning but excluding the casino use which will be an allowed use under the proposed casino overlay district.
2. That City of Everett approval of a retail use on the land as allowed under zoning would occur within a reasonable amount of time and would not be subject to extraordinary development conditions—especially as to off-site mitigation that could be required as part of the site's development approval.
3. That Chemical Lane, which is located in both the Cities of Everett and Boston, would be adequate for access to the development.
4. That easements held by others and located on the property can be relocated, if necessary, at the expense of the developer and the cost for any relocation would be reasonable.
5. Part of the valuation approach was based on earlier offers by Wal-Mart and Lowes to lease the land that is the subject of the appraisal. I have assumed that either these leases or additional leases could be negotiated within a reasonable period. It appears that the proposed ground lease rent amounts were at market rates.

Hypothetical Conditions

USPAP defines a Hypothetical Condition as, "a condition, directly related to a specific assignment which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about the physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trend, or about the integrity of the data used in an analysis."

The following Hypothetical Condition has been used in the development of my opinion of market value:

LETTER OF TRANSMITTAL

1. The site has known contamination. I have been instructed to assume that the owner and buyer will negotiate the issue of "remediation cost" separately. Further, I am to assume that the site is free from contamination or that any contamination issues would have been resolved for a development consistent with the property's highest and best use—other than for the casino development.

The subject property is an remarkably large, urban land parcel and is one of the largest intact vacant parcels available for commercial redevelopment within the Boston and Everett market area.

The demographics indicate over 500,000 residents live within a 15-minute drive time of the site. Within a 10-minute drive of the site, there are 225,000 residents. As surveyed by COSTAR the retail vacancy rate within the Inner North Boston market area is 3% for retail Power Centers; the vacancy rate for Boston and Cambridge is 0% for retail Power Centers. The shopping center vacancy rate is 3% for the Inner Boston north market; Boston has a 4.6% vacancy rate and Cambridge, a rate of .7%.

Abutting the subject parcel, but separated by a rail line is the Gateway Center, a six building, 640,000 square foot power center having anchor tenants which include Target, Babies "R" Us, Bed Bath & Beyond, Michaels, Old Navy and The Home Depot. There is no vacancy within this retail development.

Our land valuation was based on the property's highest and best use for a retail development.

This narrative report sets forth the identification of the property, the pertinent facts about the area and the subject, the analysis, reasoning and limiting conditions and assumptions leading to my conclusions. At the request of the client, this appraisal is presented in a Summary appraisal format as defined by USPAP Standards Rule 2-2(b). This format provides a summary description of the appraisal process, subject property, market data and valuation analyses.

My signature below represents my assurance that the development process and the extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, please feel free to contact me.

Respectfully submitted,

**Colliers International
Valuation & Advisory Services**



Robert P. LaPorte, Jr., MAI, CRE
Managing Director / Boston
Certified General Real Estate Appraiser
Commonwealth of Massachusetts License #735
1.617.330.8101
robert.laporte@colliers.com

CC: Daniel Gaquin, Esquire

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EXECUTIVE SUMMARY

J130250

GENERAL INFORMATION

<i>Location</i>	Chemical Way—a/k/a 1 Horizon Way, Everett, Massachusetts and Alford Street, Boston (Charlestown), Massachusetts Middlesex County and Suffolk County, respectively
<i>Property Owner</i>	FBT Everett Realty, LLC
<i>Assessors' Parcel Numbers</i>	Everett Assessors' Parcel Number H00006000191 01 Boston Assessors' Parcel Number 0201835000
<i>Property Type</i>	Vacant redevelopment land
<i>Subject Zoning District</i>	Waterfront Mixed Use (LB-WMU) and Resort Casino Overlay District
<i>Assessment and Taxes</i>	Fiscal Year 2013

	Parcel ID	Land Area Acres	Building Area SF	Land Assessment	Building Assessment	Total Assessment	Tax Rate/ \$1,000	Real Estate Taxes
Everett	H0-06-000191	29.90	0	\$8,835,800	\$0	\$8,835,800	\$31.96	\$282,392
Boston	201835000	5.39	0	\$1,064,000	\$0	\$1,064,000	\$41.66	\$44,326
Total		35.29	0	\$9,899,800	\$0	\$9,899,800		\$326,718

<i>Highest and Best Use As Though Vacant</i>	most likely use is large box retail. However, site can support a number of other uses including general and specialized industrial and commercial uses.
<i>As Improved</i>	Not applicable
<i>Property Rights Appraised</i>	Fee Simple interest subject to easements of record

SUBJECT PROPERTY DATA

<i>Land Area</i>	35.29 Acres
<i>Parcel Shape</i>	Irregular
<i>Topography</i>	Level
<i>Flood Zone</i>	According to the Federal Emergency Management Agency's Map Number 25017C0439E, dated June 4, 2010, the subject property is identified as being located within an area identified as Zone X. See FEMA Flood Map in the Property Description.
<i>Improvements</i>	Not Applicable—the subject property is unimproved land with the exception of a modular office building
<i>Indicated Exposure Time</i>	The indicated exposure time for the subject property is estimated to be 12 to 18 months.

VALUATION DETAILS

Date of Value Estimate: October 29, 2013

Valuation

Cost Approach not applicable

Sales Comparison Approach \$34,000,000

Income Approach \$36,000,000 (based on leasing the land as initial offers indicated)

Concluded Market Value \$35,000,000

PROPERTY IDENTIFICATION

The subject property contains a total of approximately 35.29 acres of vacant land located partly in the City of Everett (30+/- acres) and partly in the Charlestown neighborhood of the City of Boston (5+/- acres). The subject is commonly known as the former Monsanto Company site. The property is further identified as being Everett Assessors' Parcel Number H00006000191 01 and Boston Assessors' Parcel 0201835000.

The street address is Chemical Way in Everett--also known as One Horizon Way in Everett.

OWNERSHIP AND SALES HISTORY

Monsanto Company originally owned the property until they sold it in 1983 to Boston Edison Company for \$1,100,000. Boston Edison Company then sold the land to O'Donnell Sand and Gravel, Inc. in 1995 for \$2,000,000 and in June 2001, the property was sold to Mystic Landing LLC (Modern Continental) for a recorded consideration of \$300,000.

Mystic Landing entered into a purchase and sale agreement and a pre-closing, use and occupancy agreement with OMLC, LLC that allowed them to use a portion of the land rent-free until the closing. Prior to the closing, OMLC discovered that the City of Boston held tax title on the Charlestown portion of the property. Mystic Landing paid the outstanding real estate taxes and obtained confirmation of payment from the City of Boston; however, because a certificate of tax redemption could not be issued prior to the closing, OMLC refused to close on the sale.

Mystic Landing, LLC sold the property to FBT Everett Realty LLC on October 15, 2009 for \$8,000,000. Following the sale to FBT, OMLC failed to vacate the 15+/-acres they occupied for the storage of construction material and debris.

The subject property has been available for sale or for lease as a land parcel since its purchase by FBT. Attorney Paul L. Feldman of Davis, Malm & D'Agostine, who represents, FBT received two ground lease offers for the property. They are included in the valuation section.

CLIENT IDENTIFICATION

The client of this specific assignment is Wynn MA, LLC.

PURPOSE

The purpose of this appraisal is to develop an opinion of the market value of the property's fee simple interest subject to easements of record.

INTENDED USE OF REPORT

The report is intended to be used in connection with price negotiations between Wynn MA, LLC and FBT Everett Realty, LLC.

INTENDED USER OF REPORT

The intended user of this appraisal report is Ms. Jacqui Krum, Senior Vice President of Wynn MA, LLC and the Boston law firm of Mintz Levin who represents Wynn MA, LLC.

DATE OF VALUE

The date of the value estimate is October 29, 2013.

FORMAT OF APPRAISAL

The form of this report is considered to be a Summary Appraisal.

Summary Appraisal Report is defined as:

"A written report prepared under Standards Rule 2-2(b) or 8-2(b) of the Uniform Standards of Professional Appraisal Practice (2012-2013 ed.)."

DATE OF INSPECTION

The subject property was inspected on October 29, 2013 by Robert P. LaPorte, Jr., MAI, CRE.

DATE OF REPORT

This appraisal was completed between the months of October and November 2013.

PROPERTY USE EXISTING AS OF VALUATION DATE

As of October 29, 2013, the property was vacant, unimproved land.

PROPERTY USE AS VALUED HEREIN

The market value of the subject property developed in this report is conditional upon the property's use as redevelopment land.

PERSONAL INTANGIBLE PROPERTY

No personal property or intangible items have been valued within this appraisal.

PURPOSE OF THE APPRAISAL AND PROPERTY RIGHTS APPRAISED

The objective of this appraisal is to estimate the market value of the fee simple interest for the subject property as of October 29, 2013.

PREVIOUS SUBJECT PROPERTY APPRAISALS COMPLETED OVER THE LAST THREE YEARS

In 2012, we completed an appraisal for the current property owner in order to estimate the market rent for the land based upon its use for temporary storage and as construction laydown areas. This appraisal was completed in connection with an on-going litigation case.

In 2010, we appraised a portion of the property for National Grid in connection with a utility easement.

DEFINITION OF SIGNIFICANT TERMS

This section summarizes the definitions of value property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary included in the Addenda of this report.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the following definition of value is applicable.

According to the Dictionary of Real Estate Appraisal, *Market Value* is:

"...the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress."

Fee Simple Estate is 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

Highest and Best Use is defined as:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value."²

VALUATION SCENARIOS

As-Is Value is defined as:

"The estimate of the value of the real property in its current physical condition, use and zoning as of the appraisal date."³

¹ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute), 2010.

² Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute), 2010.

³ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute), 2010.

EXTRAORDINARY ASSUMPTIONS

Extraordinary Assumption is defined follows:

"An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2012-2013 ed.)"

The estimated value concluded in this report is subject to the following extraordinary assumptions. They are:

1. Appraisal is based on the property's allowed "as of right" uses under zoning but excluding the casino use which will be an allowed use under the proposed casino overlay district.
2. That City of Everett approval of a retail use on the land as allowed under zoning would occur within a reasonable amount of time and would not be subject to extraordinary development conditions—especially as to off-site mitigation that could be required as part of the site's development approval.
3. That Chemical Lane, which is located in both the Cities of Everett and Boston, would be adequate for access to the development.
4. That easements held by others and located on the property can be relocated, if necessary, at the expense of the developer and the cost for any relocation would be reasonable.
5. Part of the valuation approach was based on earlier offers by Wal-Mart and Lowes to lease the land that is the subject of the appraisal. I have assumed that either these leases or additional leases could be negotiated within a reasonable period. It appears that the proposed ground lease rent amounts were at market rates.

HYPOTHETICAL CONDITIONS

Hypothetical Condition is described as follows:

"That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2012-2013 ed.)"

1. The site has known contamination. I have been instructed to assume that the owner and buyer will negotiate the issue of "remediation cost" separately. Further, I am to assume that the site is free from contamination or that any contamination issues would have been resolved for a development consistent with the property's highest and best use—other than for the casino development.

INDICATED EXPOSURE TIME

Exposure Time is described as:

"1. The time a property remains on the market."

2. *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; a retrospective estimate based on an analysis of past events assuming a competitive and open market*⁴.

The indicated exposure time for the subject property is estimated to be 12 to 18 months.

Note that land when there are no approvals for development is generally sold subject to land development approvals that

SCOPE OF WORK

The following summary comments apply to the amount and type of information researched (but not limited to) and the analysis undertaken in the development of the appraisal of the subject property. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property that would make the property more or less valuable and makes no guarantees or warranties, express or implied, regarding the condition of the property.

➤ *Identification of problem to be solved:*

The objective of this appraisal is to provide an opinion of the market value of the fee simple interest for the 35.29-acre parcel subject to easements of record. The property is under negotiation for purchase for a casino development. This will require a number of governmental approvals. The client has directed us to exclude a valuation based on a casino development. In addition, the site has contamination that requires remediation. The client has requested that we exclude consideration of the contamination as that issue will be negotiated separately. The client has therefore requested a valuation based on a highest and best use other than a casino and assuming the site has been remediated for that use.

➤ *Area & Neighborhood Analysis:*

A visual drive-through survey was made of the neighborhood and research was conducted in connection with any relevant comparable land sales or current listing activity within the subject's market area. Observations were made as to the land uses that abut the property, land uses along Route 99, the status of Federal Development's project known as Assembly Row now under development. This project is:

"a 45-acre, one-of-a-kind, mixed-use neighborhood unlike any other place in Somerville or the Boston metro area. It has its own Orange Line T-stop, is directly accessible to I-93 and Route 28, and will grow a rich network of bike paths connecting to Boston. Assembly Row will include 1.75 million square feet of new office space in Somerville, more than 500,000 square feet of retail space—including restaurants and a 12-screen movie theater—and 2,100 new apartments, plus a six-acre park along the Mystic River."

In addition, I inspected the existing Assembly Square shopping center and the Gateway Shopping Center adjacent to the subject property.

➤ *Property Description & Analysis:*

Robert P. LaPorte, Jr., inspected the subject property on October 29, 2013. The deed was read and the ALTA survey plan was reviewed. I met with Attorney Paul Feldman (who represents the owner) and Attorney Daniel Gaquin (who represents my client). The Everett and Boston Assessors' records were researched for information on the property. In addition, the Zoning By-laws for Everett including information regarding upcoming zoning changes provided by Attorney Gaquin were reviewed.

⁴ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010

➤ *Research into physical and economic factors:*

See the previous comments as to the neighborhood research and my site inspection of this property.

I have reviewed published data from COSTAR and REISS as it impacts the demand for likely uses of the property in addition to interviewing the retail brokers from Colliers Boston office. I have also reviewed various economic publications such as the Federal Reserve's **Beige Book Report** and conducted broker interviews regarding supply and demand characteristics. I have investigated land uses in the immediate area and have reviewed the site's historic uses over the last fifteen years.

➤ *Market Data Program:*

I researched land sales and rentals for similar uses in Everett and Boston as well as other nearby communities. I have also reviewed file material from other similar projects involving the sale of land. I have reviewed and obtained market information on retail ground leases and the sale of ground leased land.

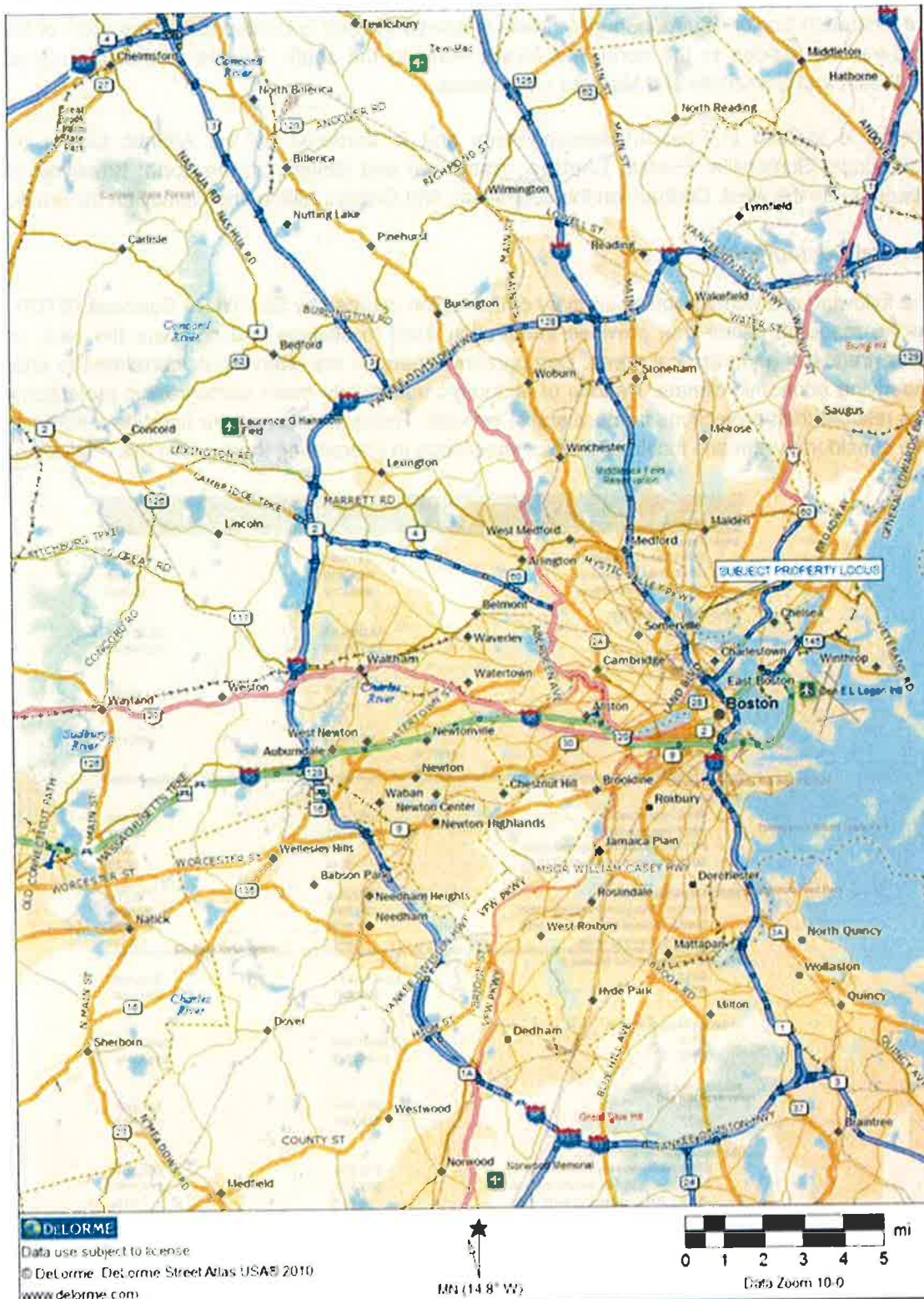
➤ *The type and extent of analysis applied to arrive at my opinions and conclusion:*

I performed a market data analysis and income analysis to arrive at the market value of the land owned by FBT Everett Realty LLC.

SOURCES OF INFORMATION

ITEM	SOURCE
Legal Description	Middlesex County Registry of Deeds
Assessment & Tax Data	Everett and Boston Assessors' Department
Zoning Information	City of Everett and the City of Boston
Site Data	City of Everett, City of Boston Feldman ALTA survey, legal description and property inspection
Flood Map	Federal Emergency Management Agency
Demographic Data	ERSI, 2010 US Census and Massachusetts Division of Employment and Career Development
Comparable Information	Research of data provided by Banker & Tradesman, CoStar, REISS, interviews with various professionals having experience with this type of land leases and review of my office file data.

REGIONAL LOCATION MAP



AREA ANALYSIS—GENERAL OVERVIEW

The bulk of the subject property, or 30+/- acres, are located in Everett (Middlesex County) and 5+/- acres are located in Boston (Suffolk County), Massachusetts. Everett is located four miles north of Boston and is bordered by Malden to the north, the Mystic River to the south, Revere to the east, Chelsea on the southeast and Somerville and Medford on the west.

Boston is located in Eastern Massachusetts and is bordered by the Atlantic Ocean on the east; Cambridge, Somerville, Everett, Chelsea, Watertown and Revere on the north; Brookline, Newton and Needham on the west; Dedham on the southwest; and Canton, Milton and Quincy on the south.

General Demographics

The following is a demographic summary of the region sourced by Site To Do Business (STDB Online), an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but I also consider current and localized market knowledge in interpreting them within this analysis.

	BOSTON	EVERETT
Population		
2010 Total Population	617,594	41,667
2012 Total Population	629,339	42,180
2017 Total Population	664,373	43,659
Population Density		
2012	13,035.95	12,314.81
2017	13,781.63	12,746.41
Median Age		
2012	31.10	35.30
2017	31.70	35.70
2012 Population by Sex		
Males	48.05%	49.17%
Females	51.95%	50.83%
Households		
2012 Households	257,449	15,636
2017 Households	274,741	18,127
2012 Average Household Size	2.27	2.69
2017 Average Household Size	2.25	2.70
2012 Housing Units		
Owner Occupied Housing Units	30.36%	35.02%
Renter Occupied Housing Units	62.30%	57.48%
Vacant Housing Units	7.34%	6.91%
Median Household Income		
2012	\$49,320	\$45,493
2017	\$56,322	\$51,538
Median Home Value		
2012	\$359,180	\$289,497
2017	\$420,398	\$314,549
Per Capita Income		
2012	\$31,254	\$21,649
2017	\$35,860	\$23,858
Households by Income		
2012 Average Household Income	\$72,028	\$58,101
2017 Average Household Income	\$82,721	\$64,370
2012 - 2017 Annual Growth Rate	2.81%	2.07%

THE SUBJECT PROPERTY

J130250



Demographic and Income Profile - Appraisal Version

Everett
Everett city, MA (2521990)
Geography: Place

Prepared by Carolyn Keefe-Keating

Summary	Census 2010	2013	2018			
Population	41,667	42,309	43,708			
Households	15,943	15,683	16,142			
Families	10,059	10,135	10,393			
Average Household Size	2.67	2.69	2.70			
Owner Occupied Housing Units	6,198	6,333	6,666			
Renter Occupied Housing Units	9,345	9,350	9,476			
Median Age	35.3	35.6	36.2			
Trends: 2013 - 2018 Annual Rate	Area	State	National			
Population	0.65%	0.47%	0.71%			
Households	0.58%	0.53%	0.74%			
Families	0.50%	0.43%	0.63%			
Owner HHs	1.03%	0.77%	0.94%			
Median Household Income	2.11%	3.45%	3.03%			
Households by Income	2013		2018			
	Number	Percent	Number	Percent		
<\$15,000	2,253	14.4%	2,254	14.0%		
\$15,000 - \$24,999	1,341	8.6%	1,117	6.9%		
\$25,000 - \$34,999	2,216	14.1%	1,759	10.9%		
\$35,000 - \$49,999	2,410	15.4%	2,571	15.9%		
\$50,000 - \$74,999	2,980	19.0%	3,012	18.7%		
\$75,000 - \$99,999	2,199	14.0%	2,662	16.5%		
\$100,000 - \$149,999	1,396	8.9%	1,582	9.8%		
\$150,000 - \$199,999	651	4.2%	896	5.6%		
\$200,000+	237	1.5%	289	1.8%		
Median Household Income	\$46,945		\$52,102			
Average Household Income	\$60,783		\$68,058			
Per Capita Income	\$22,610		\$25,211			
Population by Age	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	2,862	6.9%	2,835	6.7%	2,920	6.7%
5 - 9	2,461	5.9%	2,632	6.2%	2,714	6.2%
10 - 14	2,520	6.0%	2,538	6.0%	2,711	6.2%
15 - 19	2,753	6.6%	2,628	6.2%	2,566	5.9%
20 - 24	2,998	7.2%	3,146	7.4%	2,842	6.5%
25 - 34	7,021	16.9%	7,032	16.6%	7,208	16.5%
35 - 44	6,449	15.5%	6,280	14.8%	6,570	15.0%
45 - 54	5,778	13.9%	5,983	14.1%	5,767	13.2%
55 - 64	4,044	9.7%	4,437	10.5%	4,912	11.2%
65 - 74	2,345	5.6%	2,487	5.9%	3,048	7.0%
75 - 84	1,725	4.1%	1,568	3.7%	1,642	3.8%
85+	711	1.7%	743	1.8%	808	1.8%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

October 29, 2013

01/20/2013

Page 1 of 2

THE SUBJECT PROPERTY

J130250



Demographic and Income Profile - Appraisal Version

Boston
Boston city, MA (2507000)
Geography: Place

Prepared by Carolyn Keefe-Keating

Summary	Census 2010	2013	2018			
Population	617,594	631,445	662,924			
Households	252,699	259,441	274,140			
Families	116,244	118,974	124,956			
Average Household Size	2.26	2.26	2.25			
Owner Occupied Housing Units	85,791	88,627	95,850			
Renter Occupied Housing Units	166,908	170,814	178,290			
Median Age	31.0	31.6	32.6			
Trends: 2013 - 2018 Annual Rate						
	Area	State	National			
Population	0.98%	0.47%	0.71%			
Households	1.11%	0.53%	0.74%			
Families	0.99%	0.43%	0.63%			
Owner HHs	1.58%	0.77%	0.94%			
Median Household Income	2.65%	3.45%	3.03%			
Households by Income						
	2013		2018			
	Number	Percent	Number	Percent		
<\$15,000	50,578	19.5%	51,317	18.7%		
\$15,000 - \$24,999	21,489	8.3%	18,263	6.7%		
\$25,000 - \$34,999	25,120	9.7%	19,804	7.2%		
\$35,000 - \$49,999	32,823	12.7%	33,287	12.1%		
\$50,000 - \$74,999	40,501	15.6%	41,241	15.0%		
\$75,000 - \$99,999	25,381	9.8%	32,891	12.0%		
\$100,000 - \$149,999	33,237	12.8%	38,368	14.0%		
\$150,000 - \$199,999	14,368	5.5%	19,744	7.2%		
\$200,000+	15,925	6.1%	19,206	7.0%		
Median Household Income	\$49,818		\$56,790			
Average Household Income	\$76,202		\$89,542			
Per Capita Income	\$32,572		\$38,232			
Population by Age						
	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	32,420	5.2%	32,433	5.1%	34,109	5.1%
5 - 9	26,823	4.3%	28,570	4.5%	29,711	4.5%
10 - 14	26,523	4.3%	27,032	4.3%	28,957	4.4%
15 - 19	49,826	8.1%	47,126	7.5%	47,208	7.1%
20 - 24	88,129	14.3%	84,913	13.4%	79,875	12.0%
25 - 34	128,084	20.7%	135,228	21.4%	142,954	21.6%
35 - 44	77,341	12.5%	79,069	12.5%	85,476	12.9%
45 - 54	70,160	11.4%	70,000	11.1%	68,595	10.3%
55 - 64	56,051	9.1%	60,465	9.6%	65,871	9.9%
65 - 74	32,910	5.3%	36,762	5.8%	46,177	7.0%
75 - 84	20,267	3.3%	20,257	3.2%	23,363	3.5%
85+	9,060	1.5%	9,590	1.5%	10,628	1.6%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

October 29, 2013

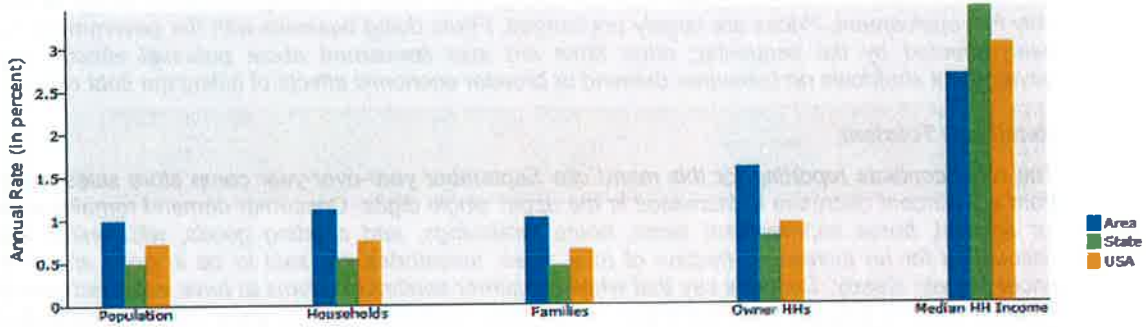


Demographic and Income Profile - Appraisal Version

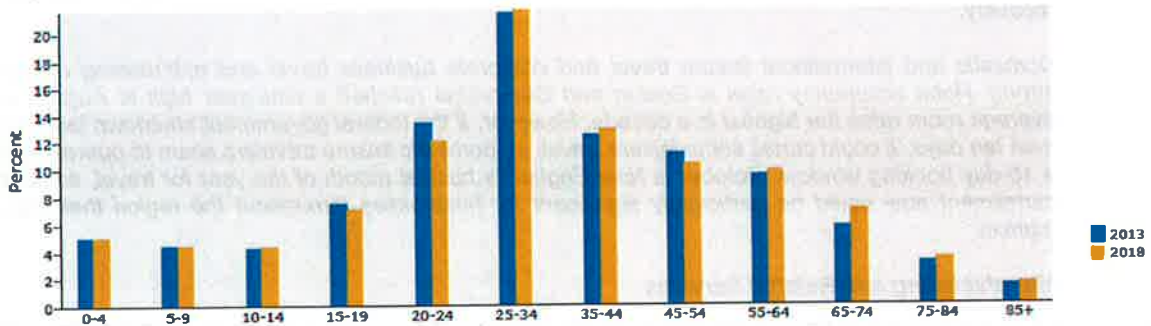
Boston
 Boston city, MA (2507000)
 Geography: Place

Prepared by Carolyn Keefe-Keating

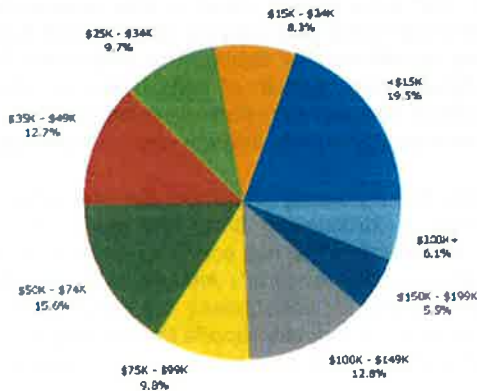
Trends 2013-2018



Population by Age



2013 Household Income



2013 Percent Hispanic Origin: 18.5%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

Economy

Beige Book -- October 16, 2013 -- First District--Boston

Reports from business contacts indicate the First District economy continues to grow, at a pace that varies depending on sector. Most retailers and manufacturers report moderate increases in revenue, while consulting and advertising contacts cite robust growth. Residential and commercial real estate markets continue to improve. Aside from consulting, most firms are doing little to no hiring, or hiring only for replacement. Prices are largely unchanged. Firms doing business with the government have been affected by the sequester; other firms are also concerned about potential effects of the government shutdown on consumer demand or broader economic effects of hitting the debt ceiling.

Retail and Tourism

The retail contacts reporting for this round cite September year-over-year comp store sales ranging from a 2 percent decrease to increases in the upper single digits. Consumer demand remains strong for apparel, home improvement items, home furnishings, and sporting goods, with online sales accounting for an increasing fraction of total sales. Inventories are said to be in good shape and prices remain steady. Contacts say that while consumer sentiment seems to have improved over the summer months through mid-September—which they attribute in part to more positive trends in the housing market—the recent decline in the stock market and federal government shutdown may damp consumer spending. Respondents note uncertainty about the underlying strength of the economic recovery.

Domestic and international leisure travel and corporate business travel and entertaining are quite strong. Hotel occupancy rates in Boston and Cambridge reached a nine-year high in August, with average room rates the highest in a decade. However, if the federal government shutdown lasts more than ten days, it could curtail some leisure travel, as domestic leisure travelers seem to operate within a 10-day booking window. October is New England's busiest month of the year for travel, so such a curtailment now could be particularly significant for businesses throughout the region that rely on tourism.

Manufacturing and Related Services

Of 11 manufacturing firms contacted this cycle, only one, a frozen food producer, reports falling sales. Among firms reporting higher sales, those in the medical and technology areas with blockbuster products report double-digit sales growth, more or less independently of the state of the economy. The rest of the firms generally report year-on-year sales growth in low single digits and, for such firms, small changes are very significant. For example, a diversified firm in the building equipment and aerospace industries reports sales growth of only 3 percent when they expected 4 percent; as a result, the firm has imposed serious restrictions on hiring and, in some areas, substantial layoffs, as the firm attempts to meet earnings targets through cost containment.

On the global front, China has reportedly stabilized, but several contacts mention that other emerging markets declined, pointing in particular to Brazil and India. Indeed, a contact at a manufacturer of computer storage devices describes the two countries as "disasters." Interestingly, the devaluation of the Indian currency was good for this firm's income statement because, due to outsourcing, their costs in India exceed their revenues; nonetheless, the contact views the turmoil in India as worrisome news. A firm in the semiconductor industry reports that an unusually long down-cycle in sales appears to have come to an end and that sales have returned to their historic peak, achieved in 2010.

Eight of the 11 contacts say they are keeping employment steady and hiring only for replacement or for key needs. Of the remaining three, one plans to consolidate two business lines and cut headquarters staff, including some highly paid executives. The other two, a drug manufacturer and a computer storage firm, are hiring significantly and roughly in line with their sales growth.

Only one contact, a firm in the semiconductor equipment business, reports revising investment plans down recently. The rest are holding steady or accelerating their plans. In particular, the firm planning layoffs is at the same time "investing for the long run," albeit mostly in Asia.

The outlook ranges from fair to very good. One contact in publishing expects slow growth for at least the next 12 to 18 months. Another contact said he was, "increasingly nervous that there is another little slow down here." But many other contacts are quite optimistic, including a firm that had disappointing results in 2013, where the contact expects 2014 to be better.

Selected Business Services

Consulting and advertising contacts report a strong third quarter, consistent with a sustainably, but not rapidly, growing economy. Healthcare consultants cite the strongest results, as the double-digit revenue growth of the past few years continues. Demand for healthcare consulting services is driven by increased merger and acquisition activity among providers, adoption of new technology, compliance with new regulations, and the need for organizational change due to structural shifts in the healthcare industry. Demand for economic consulting remains strong, and strategy consultants report that "the economy is slowly picking up steam." Marketing contacts estimate industry-wide growth of 6 percent to 7 percent, driven by large corporate orders and a shift in demand towards higher-value items as companies have more to spend on marketing and branding. By contrast, a government consultant reports a slight drop in revenues and a smaller backlog as the sequester continues to reduce agencies' ability to purchase services.

Most firms' annual salary adjustments range from 2 percent to 4 percent. A majority of contacts report minimal increases in health insurance costs; however, two cite troublingly large increases. Firms' own rate increases are about 3 percent to 5 percent. Economic and healthcare consulting firms have been increasing employment 10 percent to 15 percent on an annual basis, strategy consultants closer to 5 percent, while marketing and government consultant's report little to no hiring.

Contacts expect growth to continue at or moderately above its current level as long as the economy is not hit with a shock. Other than the government contractor, contacts are not worried about the sequester or European uncertainty, and several note that European risk has been "priced in" or forgotten about. Several are very concerned, however, about the potential for a debt ceiling-induced financial crisis.

Commercial Real Estate

Reports from First District contacts describe the region's commercial real estate markets as either stable or strengthening. A Boston contact cites improvement in leasing fundamentals in recent weeks across diverse sectors—including office and assisted living facilities—while investment sales demand is up from an already-strong pace. Redevelopment activity picked up in Boston's retail sector, with plans for filling and retooling vacant space in both urban and suburban locations. Another Boston contact says office leasing activity is roughly unchanged since the last report, with strong demand in the Seaport and Kendall Square areas and comparatively weak demand for locations in the Financial District. Build-to-suit office construction continues in prime neighborhoods but otherwise office construction is negligible in metro Boston. A Portland contact notes significant improvements in leasing fundamentals and investment demand in recent months. In Hartford, the sale of two large office building in recent months has resulted in a significant decline in the office vacancy rate for class A space, from upwards of 25 percent to roughly 17 percent, a decline that should lead to some firming of rents after a long period of stagnation. Also in Hartford, investor demand for prime office and multifamily properties stayed strong. A Providence contact is mostly upbeat, citing a modest uptick in leasing activity in recent weeks and some positive absorption of downtown office space. While leasing volume increased across the region, contacts note that most leasing deals consist of renewals-in-place or relocations of existing firms, with little to no net expansion of firms' footprints.

In Boston, local conditions lead contacts to expect more slow-to-modest growth in the commercial real estate sector moving forward, but national economic and political conditions lend uncertainty and downside risks to the outlook. In both Rhode Island and Connecticut, contacts are cautiously optimistic that commercial leasing fundamentals will continue to improve, but note that their respective states face persistent challenges to economic growth, leaving their overall prospects weaker than the U.S. average. A Portland contact is mostly optimistic that southern Maine will continue to see modest growth in leasing fundamentals, but expects investment sales to slow with rising interest rates.

Residential Real Estate

Residential real estate contacts in the First District say markets continue to strengthen and they are "cautiously optimistic" about the outlook. According to a source in New Hampshire, realtors are no longer talking about returning to a "non-recession" market, but rather stating that market conditions have returned to normal. August saw sales of single-family homes and condominiums continuing to increase across the region compared to August 2012. Market participants, however, are watching interest rates closely. Where current market activity is largely driven by first time home buyers--such as in Maine and Connecticut--higher interest rates could slow sales. In other states, rising interest rates may be temporarily spurring activity as buyers attempt to lock in lower rates. With the exception of one state which saw condo prices fall, median prices for single-family homes and condominiums rose in August relative to last year. Inventory trends vary across the states, with Massachusetts seeing inventory for single-family homes and condos low compared to historic norms--making it a sellers' market--while inventory in Maine increased in August compared to a year ago and New Hampshire sources indicate there "appears to be more balance between buyers and sellers."

While First District realtors say that this has been a turnaround year, they fear economic shocks could still stall the recovery. In addition, respondents express concern about negative effects on housing markets of the Biggert-Waters Flood Insurance Reform Act of 2012; they say that lack of affordable flood insurance may cause values to fall and buyer delays in newly redrawn flood zones.

Employment

The following table has been prepared from data obtained from the website of the Commonwealth of Massachusetts' Division of Employment and Career Development. This table compares the historical unemployment rates in Everett, Boston, Middlesex County, Suffolk County and the State of Massachusetts over the past ten years. As of August 2013, Everett's unemployment rate was reported to be 7.4% versus 7.1% in the City of Boston.

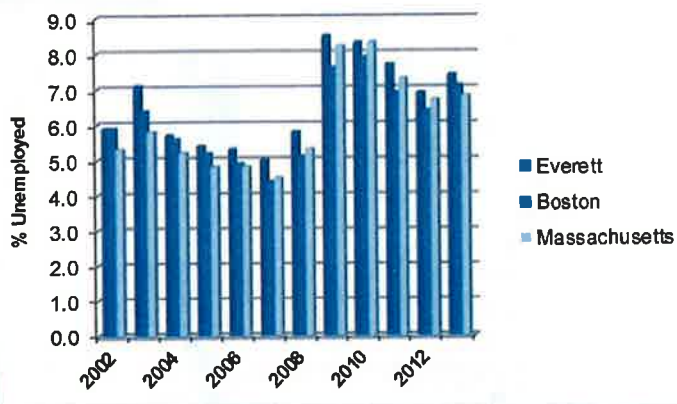
Year	Middlesex		Suffolk		Massachusetts
	Everett	County	Boston	County	
2013	7.4	5.5	7.1	7.2	6.8
2012	6.9	5.3	6.4	6.6	6.7
2011	7.7	5.8	6.9	7.1	7.3
2010	8.3	6.8	7.9	8.1	8.3
2009	8.5	6.9	7.6	7.8	8.2
2008	5.8	4.4	5.1	5.3	5.3
2007	5.0	3.7	4.4	4.5	4.5
2006	5.3	3.9	4.9	5.0	4.8
2005	5.4	4.1	5.2	5.3	4.8
2004	5.7	4.5	5.6	5.8	5.2
2003	7.1	5.3	6.4	6.6	5.8
2002	5.9	5.0	5.9	5.9	5.3

2013 = as of August

Comparing unemployment rates in Everett and Boston shows that over the past decade, Everett's unemployment rates have been consistently higher than those experienced in the City of Boston. Everett's unemployment rate has ranged from a low of 5.0% in 2007 to a high of 8.5% in 2009; the ten-year average unemployment rate was 6.5%. Over the same period, Boston's unemployment rates ranged from 4.4% in 2007 to 7.9% in 2010. Boston's ten-year average unemployment rate was 6.0%.

Year	Everett	Boston	Massachusetts
2002	5.9	5.9	5.3
2003	7.1	6.4	5.8
2004	5.7	5.6	5.2
2005	5.4	5.2	4.8
2006	5.3	4.9	4.8
2007	5.0	4.4	4.5
2008	5.8	5.1	5.3
2009	8.5	7.6	8.2
2010	8.3	7.9	8.3
2011	7.7	6.9	7.3
2012	6.9	6.4	6.7
2013	7.4	7.1	6.8

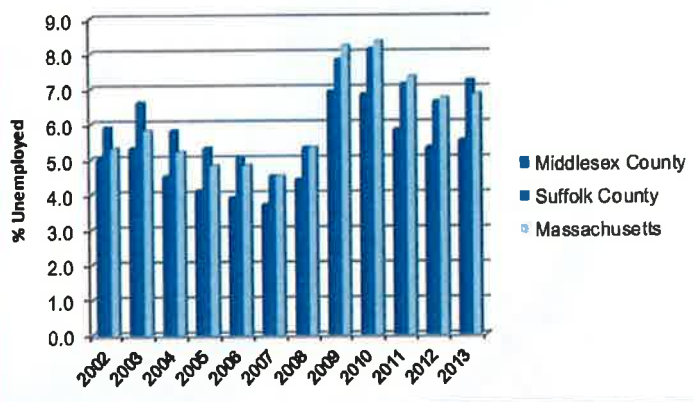
2013 = as of August



When comparing county unemployment rates, Middlesex County had lower ten-year rates ranging from 3.7% to 6.9% compared to Suffolk County where unemployment ranged between 4.5% and 8.1%. The State of Massachusetts had higher unemployment rates compared to Middlesex and Suffolk Counties and ranged from 4.8% to 8.3%.

Year	Middlesex County	Suffolk County	Massachusetts
2002	5.0	5.9	5.3
2003	5.3	6.6	5.8
2004	4.5	5.8	5.2
2005	4.1	5.3	4.8
2006	3.9	5.0	4.8
2007	3.7	4.5	4.5
2008	4.4	5.3	5.3
2009	6.9	7.8	8.2
2010	6.8	8.1	8.3
2011	5.8	7.1	7.3
2012	5.3	6.6	6.7
2013	5.5	7.2	6.8

2013 = as of August



Comparing unemployment rates over the past twelve month period shows that Everett's monthly unemployment rates remain higher than the rates reported for the City of Boston and that Middlesex County's unemployment rates were below those in Suffolk County. The average unemployment rate in Everett over the past twelve-month period was 7.0% compared to Boston's average rate of 6.5%.

Month	Everett	Boston	Middlesex County	Suffolk County	Massachusetts
Sep-12	6.8	6.7	5.4	6.8	6.6
Oct-12	6.6	6.3	5.2	6.4	6.3
Nov-12	6.2	5.9	4.9	6.1	6.2
Dec-12	6.7	6.1	5.1	6.2	6.6
Jan-13	7.5	6.7	5.6	6.9	7.4
Feb-13	6.9	5.8	5.1	6.1	6.8
Mar-13	6.6	5.8	5.0	6.0	6.8
Apr-13	6.4	5.9	4.9	6.0	6.3
May-13	6.9	6.8	5.4	6.9	6.7
Jun-13	7.8	7.8	6.1	7.9	7.4
Jul-13	7.8	7.5	5.9	7.6	7.2
Aug-13	7.4	7.1	5.5	7.2	6.8

NEIGHBORHOOD MAP



NEIGHBORHOOD DESCRIPTION

The subject property is located off Route 99 in Everett with access via Chemical Lane. Route 99 is a heavily travelled, arterial street connecting Boston (Charlestown) with Everett and Chelsea as well as Route 16, the Revere Beach Parkway.

Route 99 includes Alford Street in Charlestown and Broadway in Everett and is developed with a variety of industrial and commercial uses. The east side of Broadway is developed with older industrial uses that extend into Chelsea and include a large power plant. The west side of Broadway has seen significant redevelopment with commercial uses including a car dealer, car wash and fast food restaurants. Abutting the subject to the west on Route 16 is the 650,000 square foot, Gateway Center (a shopping center) anchored by a Target and Home Depot and an MBTA commuter rail line and maintenance facility on about 20 acres of land.

In Charlestown, the Boston Water and Sewer Commission purchased a 177,764 square foot parcel along Route 99 for the construction of a maintenance facility. According to online research ...

"In September 2006, the Commission filed the second Notice of Project Change (NPC) which proposed a new project site for the construction of the materials handling EOE # 12776 Second NPC Certificate - Revised 03/22/07 facility, specifically a four-acre parcel recently purchased by BWSC located at 180 Alford Street (Route 99) in the Charlestown section of the City of Boston. The project site's western boundary borders on a tidal portion of the Mystic River. The materials handling facility building will contain approximately 34,250 sf of materials processing space and approximately 3,000 sf of office space..."

Located along the north bank of the Mystic River, just west of Alford Street (Route 99), is the Massachusetts Water Resource Authority (MWRA) facility known as the DeLauri Pump Station. This property contains 8.65 acres of land and is owned by the MWRA. A 365-foot tall wind turbine was installed at the DeLauri Pump Station in October of 2011. The turbine was constructed to provide electricity for the wastewater pumping station. The \$4.7 million project was fully financed by the American Resource and Recovery Act (ARRA). One-half of the project cost project was for purchasing the 1.5-megawatt turbine.

The Massachusetts Department of Transportation (MADOT) reports the following average daily traffic counts along Route 99:

East of Beacham Street—40,400 vehicles
East of Dexter Street—44,900 vehicles

The latest counts were in May 2005.

Also located within the neighborhood is the Mystic Generating Station, an eight unit, 1,951-megawatt (MW) fossil power plant owned and operated by Exelon Power—a business unit of Exelon Generation.

According to the Everett Waterfront Assessment prepared in June of 2003 by City of Everett Mayor's Office of Community and Economic Development: reports that land uses include:

TABLE 1 Land and Waterside Uses

PARCEL	OWNER	CURRENT USE	BERTHING FAC.
Malden River Mixed Use/ Passive Recreation District			
	Mass Electric/New England Power	Vehicle Maint., Service Dispatch	None
	General Electric	Vacant with some areas used for parking by Boston Coach, Inc.	None
	Haskell	Construction equipment storage	None
	Mellon Bank	Bank Headquarters	None
	MDC	Route 16 (Revere Beach Pkwy)	None
	Developers Diversified	Retail Mall	None
	Developers Diversified	23 acre park	None
	MDC	Cape Cod Bern Park	None
	MDC	Mystic View Road	None
Mystic River Mixed Use District			
	MDC	Amelia Earhart Lock and Dam	Restricted
	Gateway Mall	Small portion of retail mall	None
	Modern Continental		
Mystic River Port Economy District			
	City of Boston	Abandoned pump station	None
	Sithe Energy	Cogeneration Power Plant	None
	Proliferized New England	Scrap Metal Processing	Yes
	Distrigas	LNG Storage	Yes
	Exxon	Petroleum Fuel Storage	Yes
Island End River District			
	Aggregated Industries (Ossipee Aggregates)	Sand & Gravel Processing/Distribution	Yes
	Coldwater Seafood	Frozen Fish Processing/Distribution	Yes
	Sun Valley Produce	Fresh Produce	None
	Franour Marine Corp.	Marine Construction Lay Down Yard	Yes

A demographic analysis showing population, household and income trends within a 5-, 10- and 15-minute drive from the subject is presented on the following pages as Exhibits 1 through 4.

These demographics illustrate:

- 7.7% of the Massachusetts population lives within a 15 minute drive time of the subject.
- The area’s median household income, however, is only 84% of the state average, but 4% higher than the national average.

Exhibit 1 Drive Time Demographic Analysis



Market Profile

Monsanto
1 Broadway, Everett, MA, 02149
Drive Time: 5, 10, 15 minutes

Prepared by Carolyn Keefe-Keating
Latitude: 42.26318068
Longitude: 71.04287972

	0 - 5 minutes	0 - 10 minutes	0 - 15 minutes
Population Summary			
2000 Total Population	14,050	214,366	485,310
2010 Total Population	15,075	224,226	506,103
2013 Total Population	15,266	228,679	514,636
2013 Group Quarters	36	1,610	15,969
2018 Total Population	15,712	238,375	525,065
2013-2018 Annual Rate	0.56%	0.83%	0.78%
Household Summary			
2000 Households	5,754	83,687	202,140
2000 Average Household Size	2.43	2.54	2.32
2010 Households	5,809	85,349	210,412
2010 Average Household Size	2.59	2.60	2.33
2013 Households	5,854	87,207	214,341
2013 Average Household Size	2.60	2.60	2.30
2018 Households	6,009	90,959	223,470
2018 Average Household Size	2.61	2.60	2.32
2013-2018 Annual Rate	0.53%	0.85%	0.84%
2010 Families	3,568	50,874	106,558
2010 Average Family Size	3.21	3.25	3.07
2013 Families	3,587	51,726	109,234
2013 Average Family Size	3.22	3.25	3.07
2018 Families	3,685	53,677	112,184
2018 Average Family Size	3.23	3.25	3.06
2013-2018 Annual Rate	0.43%	0.74%	0.72%
Housing Unit Summary			
2000 Housing Units	5,942	86,668	210,283
Owner Occupied Housing Units	36.1%	36.7%	37.6%
Renter Occupied Housing Units	60.8%	59.9%	58.6%
Vacant Housing Units	3.2%	3.4%	3.6%
2010 Housing Units	6,244	91,497	225,940
Owner Occupied Housing Units	33.3%	34.9%	35.6%
Renter Occupied Housing Units	59.7%	58.6%	56.5%
Vacant Housing Units	7.0%	6.5%	6.9%
2013 Housing Units	6,279	93,030	229,632
Owner Occupied Housing Units	33.8%	35.5%	37.0%
Renter Occupied Housing Units	59.4%	58.3%	56.2%
Vacant Housing Units	6.8%	6.3%	6.8%
2018 Housing Units	6,405	96,052	237,357
Owner Occupied Housing Units	34.6%	36.9%	38.2%
Renter Occupied Housing Units	59.3%	57.8%	55.9%
Vacant Housing Units	6.2%	5.3%	5.9%
Median Household Income			
2013	\$45,334	\$48,509	\$55,092
2018	\$50,679	\$54,883	\$64,105
Median Home Value			
2013	\$295,942	\$337,675	\$370,123
2018	\$374,439	\$409,339	\$456,327
Per Capita Income			
2013	\$22,738	\$25,391	\$33,330
2018	\$25,553	\$29,093	\$38,805
Median Age			
2010	35.6	34.0	34.0
2013	35.8	34.6	34.5
2018	36.5	35.6	35.5

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Sources: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 GMA into 2010 geography.

November 04, 2013

THE SUBJECT PROPERTY

J130250

Exhibit 2



Market Profile

Monaco
1 Broadway, Everett, MA, 02149,
Drive Time: 5, 10, 15 minutes

Prepared by Carolyn Keefe-Keating

Latitude: 42.34501890E

Longitude: -71.06697892

	0 - 5 minutes	0 - 10 minutes	0 - 15 minutes
2013 Households by Income			
Household Income Base	5,834	87,207	214,337
<\$15,000	16.0%	14.9%	13.0%
\$15,000 - \$24,999	9.6%	9.0%	7.8%
\$25,000 - \$34,999	14.9%	12.5%	10.2%
\$35,000 - \$49,999	12.6%	14.5%	13.0%
\$50,000 - \$74,999	20.2%	17.4%	16.4%
\$75,000 - \$99,999	15.2%	12.3%	12.5%
\$100,000 - \$149,999	6.4%	12.0%	14.4%
\$150,000 - \$199,999	2.6%	4.4%	6.0%
\$200,000+	2.5%	2.8%	5.2%
Average Household Income	\$56,034	\$66,411	\$78,474
2018 Households by Income			
Household Income Base	6,009	90,959	223,466
<\$15,000	15.6%	14.2%	13.1%
\$15,000 - \$24,999	7.9%	7.3%	6.2%
\$25,000 - \$34,999	11.7%	9.5%	7.6%
\$35,000 - \$49,999	14.0%	14.5%	12.9%
\$50,000 - \$74,999	18.9%	17.0%	15.6%
\$75,000 - \$99,999	16.0%	15.1%	15.1%
\$100,000 - \$149,999	7.8%	13.2%	15.6%
\$150,000 - \$199,999	3.5%	5.9%	7.7%
\$200,000+	2.6%	3.3%	6.0%
Average Household Income	\$66,457	\$76,112	\$91,362
2013 Owner Occupied Housing Units by Value			
Total	2,122	32,994	85,043
<\$50,000	0.3%	0.3%	0.3%
\$50,000 - \$99,999	2.7%	1.9%	1.5%
\$100,000 - \$149,999	4.5%	3.4%	2.6%
\$150,000 - \$199,999	10.4%	6.3%	4.8%
\$200,000 - \$249,999	14.6%	10.1%	7.6%
\$250,000 - \$299,999	16.9%	15.9%	12.5%
\$300,000 - \$399,999	28.6%	32.1%	29.5%
\$400,000 - \$499,999	13.1%	17.2%	18.7%
\$500,000 - \$749,999	5.1%	9.9%	14.9%
\$750,000 - \$999,999	1.1%	1.7%	3.6%
\$1,000,000 +	0.6%	1.2%	4.1%
Average Home Value	\$319,094	\$364,941	\$426,920
2018 Owner Occupied Housing Units by Value			
Total	2,214	35,418	90,763
<\$50,000	0.3%	0.2%	0.2%
\$50,000 - \$99,999	1.5%	1.0%	0.6%
\$100,000 - \$149,999	1.5%	1.0%	0.7%
\$150,000 - \$199,999	5.2%	2.7%	1.9%
\$200,000 - \$249,999	8.9%	5.6%	3.9%
\$250,000 - \$299,999	12.1%	9.4%	7.0%
\$300,000 - \$399,999	27.6%	27.9%	23.2%
\$400,000 - \$499,999	22.5%	24.1%	22.4%
\$500,000 - \$749,999	17.0%	22.1%	26.5%
\$750,000 - \$999,999	2.0%	4.4%	8.3%
\$1,000,000 +	0.5%	1.6%	5.4%
Average Home Value	\$397,108	\$448,552	\$520,275

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

November 04, 2013

ES&Y Inc.

Page 1 of 4

Exhibit 3



Market Profile

Monsanto
 1 Broadway, Everett, MA, 02149.
 Drive Time: 5, 10, 15 minutes

Prepared by Carolyn Keefe-Keating
 Latitude: 42.295018908
 Longitude: 71.066573802

	0 - 5 minutes	0 - 10 minutes	0 - 15 minutes
2010 Population by Age			
Total	15,074	224,225	506,106
0 - 4	6.7%	7.0%	5.7%
5 - 9	5.5%	5.6%	4.5%
10 - 14	5.7%	5.2%	4.1%
15 - 24	13.0%	13.7%	15.0%
25 - 34	18.1%	20.3%	22.8%
35 - 44	15.6%	15.5%	14.5%
45 - 54	14.0%	13.0%	12.4%
55 - 64	9.8%	9.1%	9.6%
65 - 74	5.5%	5.3%	5.7%
75 - 84	4.2%	3.7%	3.9%
85 +	1.9%	1.6%	1.8%
18 +	78.6%	78.8%	83.0%
2013 Population by Age			
Total	15,266	228,679	514,631
0 - 4	6.6%	6.8%	5.5%
5 - 9	6.0%	6.0%	4.8%
10 - 14	5.7%	5.4%	4.3%
15 - 24	12.9%	12.9%	14.1%
25 - 34	17.6%	19.7%	22.4%
35 - 44	15.3%	15.5%	14.6%
45 - 54	14.3%	13.1%	12.3%
55 - 64	10.4%	9.9%	10.2%
65 - 74	5.8%	5.6%	6.2%
75 - 84	3.6%	3.4%	3.7%
85 +	1.8%	1.7%	1.9%
18 +	78.4%	78.6%	82.9%
2018 Population by Age			
Total	15,712	238,375	535,065
0 - 4	6.6%	6.8%	5.5%
5 - 9	6.1%	6.1%	4.8%
10 - 14	6.0%	5.8%	4.5%
15 - 24	11.9%	11.7%	12.9%
25 - 34	16.8%	18.7%	21.5%
35 - 44	15.8%	16.0%	15.2%
45 - 54	13.2%	12.5%	11.6%
55 - 64	11.1%	10.6%	10.8%
65 - 74	6.9%	6.6%	7.3%
75 - 84	3.6%	3.6%	4.0%
85 +	1.9%	1.7%	2.0%
18 +	78.0%	78.3%	82.7%
2010 Population by Sex			
Males	7,513	111,571	248,141
Females	7,562	112,655	257,962
2013 Population by Sex			
Males	7,616	113,882	252,815
Females	7,650	114,797	261,815
2018 Population by Sex			
Males	7,845	118,753	263,543
Females	7,867	119,622	271,522

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

Exhibit 4



Market Profile

Monsanto
 1 Broadway, Everett, MA, 02149,
 Drive Time: 5, 10, 15 minutes

Prepared by Carolyn Keefe-Keating
 License# 47195018008
 Longitude: -71.05667892

	0 - 5 minutes	0 - 10 minutes	0 - 15 minutes
2010 Households by Type			
Total	5,809	85,549	210,411
Households with 1 Person	29.5%	29.8%	34.6%
Households with 2+ People	70.5%	70.2%	65.4%
Family Households	61.4%	59.5%	50.6%
Husband-wife Families	37.6%	36.7%	34.2%
With Related Children	18.8%	18.1%	14.9%
Other Family (No Spouse Present)	23.9%	22.8%	16.4%
Other Family with Male Householder	7.4%	6.6%	4.6%
With Related Children	3.6%	3.1%	2.0%
Other Family with Female Householder	16.5%	16.2%	11.8%
With Related Children	9.9%	10.2%	6.9%
Nonfamily Households	9.1%	10.7%	14.7%
All Households with Children	32.7%	31.8%	24.0%
Multigenerational Households	4.5%	4.6%	3.2%
Unmarried Partner Households	7.3%	8.3%	8.2%
Male-female	6.5%	7.2%	7.0%
Same-sex	0.8%	1.0%	1.2%
2010 Households by Size			
Total	5,810	85,548	210,410
1 Person Household	29.4%	29.8%	34.6%
2 Person Household	27.7%	27.9%	31.3%
3 Person Household	17.9%	16.9%	15.3%
4 Person Household	13.5%	13.1%	10.6%
5 Person Household	6.7%	6.7%	4.8%
6 Person Household	2.5%	3.0%	1.9%
7 + Person Household	2.3%	2.6%	1.5%
2010 Households by Tenure and Mortgage Status			
Total	5,809	85,549	210,412
Owner Occupied	35.8%	37.3%	39.3%
Owned with a Mortgage/Loan	26.4%	28.3%	29.2%
Owned Free and Clear	9.5%	9.1%	10.1%
Renter Occupied	64.2%	62.7%	60.7%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 2 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2016. Esri converted Census 2000 data into 2010 geography.

November 04, 2013

THE SUBJECT PROPERTY

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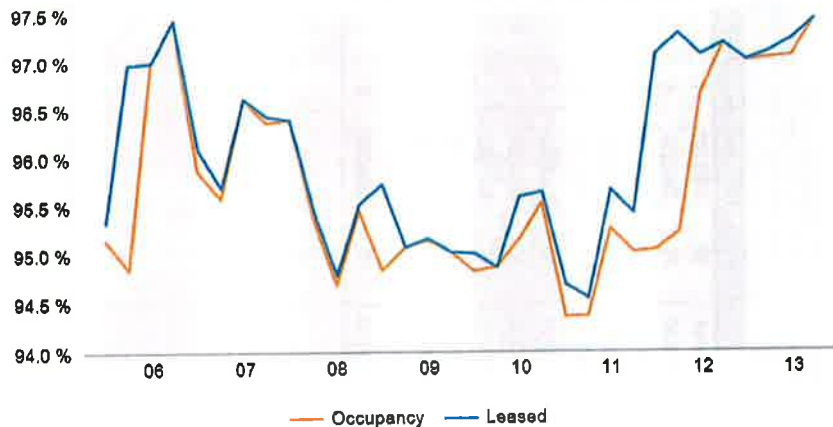
The following aerial photo shows nearby shopping centers in relation to the subject property. As noted earlier, all of the retail space is fully leased. Assembly Row is under construction and is being actively leased.

Aerial 1



As a retail location, COSTAR reports the following statistics within three miles of the subject as shown under Chart 1 and on Exhibit 5. Of the 5.7 million square feet within this 3-mile radius, occupancy is close to 97.5%. This indicates the strength of the retail market in the subject's trade area.

Chart 1



THE SUBJECT PROPERTY

J130250

Exhibit 5

Aggregate Absorption Report

Summary totals for existing properties

Quarter	Existing Inventory		Delivered Inventory		Ytd. Occupied SF	Leasing Activity			Net Absorption			Gross Absorption			Average Rate			
	# of Units	SF	# of Units	SF		Booked	Delivered	Total	Booked	Delivered	Total	Booked	Delivered	Total	Booked	Delivered	Total	
Current	97	5,648,296	0	0	5,542,546	1,000	0	1,000	29,303	0	29,303	21,000	0	21,000	\$23.31/sqm	-	\$23.31/sqm	-
2013 3Q	97	5,648,296	0	0	5,482,125	15,048	0	15,048	1,883	0	1,883	25,229	0	25,229	\$22.23/sqm	-	\$22.23/sqm	-
2013 2Q	97	5,648,296	0	0	5,451,262	19,873	0	19,873	1,413	0	1,413	2,200	500	2,700	\$21.29/sqm	-	\$21.29/sqm	-
2013 1Q	97	5,648,296	0	0	5,479,949	2,500	500	3,000	(16,126)	0	(16,126)	2,819	0	2,819	\$21.29/sqm	-	\$21.29/sqm	-
2012 4Q	97	5,648,296	0	0	5,459,790	2,465	0	2,465	29,451	0	29,451	30,755	0	30,755	\$23.90/sqm	-	\$23.90/sqm	-
2012 3Q	97	5,648,296	0	0	5,407,325	31,940	0	31,940	91,805	0	91,805	107,600	0	107,600	\$23.34/sqm	-	\$23.34/sqm	-
2012 2Q	97	5,648,296	0	0	5,378,924	20,323	0	20,323	10,226	0	10,226	19,402	0	19,402	\$22.20/sqm	-	\$22.20/sqm	-
2012 1Q	97	5,648,296	0	0	5,369,718	107,968	0	107,968	1,153	0	1,153	24,273	0	24,273	\$22.20/sqm	-	\$22.20/sqm	-
2011 4Q	97	5,648,296	0	0	5,307,345	25,670	1,100	26,770	(13,803)	0	(13,803)	2,272	1,150	3,422	\$22.26/sqm	-	\$22.26/sqm	-
2011 3Q	97	5,648,296	0	0	5,351,163	26,738	0	26,738	49,291	2,500	51,791	54,104	2,500	56,604	\$24.90/sqm	-	\$24.90/sqm	-
2011 2Q	97	5,648,296	0	0	5,320,377	21,825	0	21,825	(15,654)	16,000	306	5,654	14,000	14,000	\$21.45/sqm	-	\$21.45/sqm	-
2011 1Q	97	5,648,296	0	0	5,325,061	23,022	0	23,022	(16,341)	(14,000)	(30,341)	44,267	0	44,267	\$22.12/sqm	-	\$22.12/sqm	-

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11/13/2013
Page 1

ZONING

According to the Everett News November 3, 2013:

“On Monday, October 28, the Everett Board of Aldermen voted in favor of the new zoning district for the Lower Broadway neighborhood and the creation of the Everett Redevelopment Authority. The order has been the subject of contention and debate for years. The Everett City Council voted in its favor in early October and sent it up for concurrence to the Board of Aldermen. Mayor Carlo DeMaria, Jr. was present at the Joint Convention and Public Hearing which preceded the latest Board of Aldermen meeting.

“A lot of us saw the Lower Broadway Master Plan and the zoning changes that we'd like to make,” DeMaria began. He introduced Angus Jennings, planning and zoning consultant and project manager (American Institute of Certified Planners), and Jamie Erickson, director of planning and development for Everett. Chris Gordon, representing Wynn as their development manager for the project, was also present.

“This plan has been several years in the making,” the mayor said. “Four years ago, the City started down the path for Lower Broadway. This zoning will help make the Lower Broadway Master Plan [LBMP] a reality ... since 2011 we've had a multitude of meetings, probably three or four a month for three years. The new zoning will provide more options for landowners to reuse or redevelop the current industrial zoning. This would attract new private investment to this area in a form that is consistent with the LBMP... We can still propose industrial uses, just have a greater oversight. The new zoning does not take away the rights of business owners. This will fulfill the City's obligation under the State Gaming Act and Host Community Agreement with Wynn.”

Jennings and Erickson discussed the LBMP and presented a slideshow explaining its history and origins. Jennings, who came on board last spring, explained the requirements of the gaming legislation and the Host Community Agreement.

“We feel it's important to look at it [in] a comprehensive manner,” said Erickson. He continued, “If an owner of a commercial or industrial site in the district wants to maintain their existing use and site, they can do so in perpetuity. However, if a property owner wishes to improve their site or change a use to a more intensive use, the owner and developer will now be subject to a public permitting process that will allow site plan review and other protections for the surrounding neighborhood.”

The zoning ordinance will be in front of the City Council on Wednesday for another round of votes, after which it will once again be sent to the Board of Aldermen for concurrence before it is formally approved. The issue will be sent to the Board of Aldermen the following Monday”

Current Zoning District Waterfront Mixed-Use (LB-WMU) and Resort Casino Overlay District

Chart 2 Dimensional Requirements

Zoning Subdistrict		Minimum Lot Dimensions			FAR Range		Res. Density		Setbacks				Min. Open Space
		Area (sf unless noted)		Frontage (feet)	By-Right	Special Permit	Min. Lot Area per Dwelling Unit	Front		Side	Rear		
		By-Right	Special Permit					Min.	Max.			Min. Setbacks	
Resort Casino Overlay District	Resort Casino	20 ac.	-	-	n/a	n/a	n/a	n/a	-	-	-	-	30%
	Other Uses	10,000	-	-	5.0	-	See LB-WMU	-	-	-	-	-	30%
Waterfront Mixed-Use		10,000	5,000	40	1.5	5.0	-	360	0	12	-	-	15%
Mixed-Use		5,000	2,000	40	2.0	4.0	-	360	0	12	-	-	15%

Uses

- Research and development facilities except those associated with the emission of noxious odors, smoke, steam or produce excessive noise.
- Most light manufacturing are allowed by special permit.
- Retail uses are allowed as-of-right or by special permit.
- Hospitality uses customarily accessory to hotel, including restaurant, bar, spa, etc., are allowed.
- Multi-family residential is allowed may be permitted by special permit.

A.G. JENNINGS, LLC

128 BELKNAP STREET CONCORD, MA 01742

Telephone
617-719-1017

Email
agjennings@island.com

October 24, 2013

Common Council and Board of Aldermen
City of Everett
484 Broadway
Everett, MA 02149

RE: Lower Broadway and Resort Casino Zoning Districts

To the Members of the Common Council and the Board of Aldermen:

As you know, a public hearing is scheduled for Monday, October 28 to consider proposed zoning amendments that would create a new Lower Broadway Economic Development District and Resort Casino Overlay District. At a Joint Convention on August 19, the zoning amendments were referred to the Planning Board for public hearing, and on September 9 the Planning Board voted to favorably recommend adoption of the zoning.

The proposed zoning amendments would authorize a Gaming Establishment (resort casino, hotel and other uses) on the site controlled by Wynn MA, LLC, and would implement the zoning recommendations in the Lower Broadway Master Plan. Because the existing zoning in this area is almost entirely Industrial, it does not reflect the existing developed conditions - including residential, commercial/retail and office uses, in addition to industrial uses - and it does not reflect the public vision for future new development in this location.

Zoning amendments must be adopted before Wynn can submit their phase 2 application for a Category 1 Gaming License, due to the Massachusetts Gaming Commission by the end of this year. This is required both by the gaming legislation (G.L. c.23K Sec. 15(12) requires that local zoning allow for a Gaming Establishment proposed for a state license) and by the Host Community Agreement approved by city-wide referendum in June, which at Section 9(D) reads: "The parties recognize

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that the Project will require amendment of the City's Zoning Ordinances, and agree to cooperate in the preparation and submission of such amendment(s)."

The attached Frequently Asked Questions document is intended to support your consideration of the proposed zoning, and has been made available to the public through the Department of Planning and Development, including on the City of Everett website.

The proposed zoning, if approved, can be expected to result in significant benefits to landowners, business owners and residents within the Lower Broadway neighborhoods, and to the City as a whole. Specifically:

- ▶ For existing landowners and business owners, the zoning amendments would:
 - Expand their rights to use or develop their property based on the allowed uses in the Table of Use Regulations, and
 - Preserve their rights to continue to use their property in its current use in perpetuity, or to sell their property to another owner for continued use - even if the current use does not conform to the new zoning
- ▶ For existing residents, the zoning amendments would provide protections to ensure that new commercial development adjacent to residential uses would be adequately screened, and that no negative impacts would result from new development (lighting, stormwater, noise etc.), where such protections do not exist today.
- ▶ For the City, the zoning amendments would allow for Wynn MA, LLC to file an application for a Category 1 Gaming License and, if awarded the license, to proceed with development of a Resort Casino in Everett. As you know, the casino proposal has met with overwhelming support from Everett voters.

At the public hearing on Monday, a brief presentation of the proposed zoning will be followed by opportunity for public comment, including discussion among the members of the Joint Convention. At the conclusion of the public hearing, the Joint Convention will be asked to vote to enact the zoning.

I look forward to attending the upcoming public hearing, along with Planning and Development Director Jamie Errickson, AICP and a representative from Kopelman and Paige, PC which has supported preparation of the zoning. We will be available

to provide additional information and answer whatever questions may arise regarding the specifics of the zoning proposal, and how it would apply to the district as a whole or to specific locations.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in blue ink that reads "Angus Jennings". The signature is written in a cursive style with a large initial 'A'.

Angus Jennings, AICP
Principal

J1830250

Proposed Lower Broadway Economic Development District and Resort Casino Overlay District



A.G. JENNINGS, LLC

Mapping by Alex Jennings, AICP
on behalf of the City of Everett

LEGEND	
	Resort Casino Overlay District
	Commercial (LBC)
	Employment (LBE)
	Mixed-Use (LBMU)
	Residential Detached (LBDH)
	Residential Multi-Family (LBRMF)
	Waterfront Mixed-Use (LBRWU)
	Study area parcels

Proposed Zoning Map
as of September 9, 2013
Recommended by vote
of the Everett Planning
Board on September 9, 2013
on September 9, 2013



Revision Date: 10/15/13

Date Issued: City of Everett, MAJUDS

Lower Broadway Master Plan Vision
The Lower Broadway District is exciting, changing, and fast-growing. The District is envisioned to be a vibrant mixed-use urban neighborhood that serves as a "gateway" to Everett from Boston and that is better connected to Everett Square and the City across Rt. 16. Lower Broadway is intended to be a distinct neighborhood with a strong identity and image. It is meant to be a destination for new mixed-use development, diverse light industrial and office/R&D employment, a high-quality urban residential neighborhood with recreational amenities, supporting retail/commercial services, with pedestrian and bicycle friendly streets. Lower Broadway should offer employment opportunities for the full spectrum of Everett residents from automobile repair to professional services and corporate offices. It should be a neighborhood that is desirable for all ages and income levels. It should offer nearby retail and commercial services to the residents of the District and Everett in a complementary manner to adjacent Gateway Center. The District offers the opportunity for new, regionally significant high-density mixed-use investment with a future MBTA commuter rail station, and extensive public access to the Mystic River, a new marina, and substantial bicycle connections to the evolving Mystic River trail network.

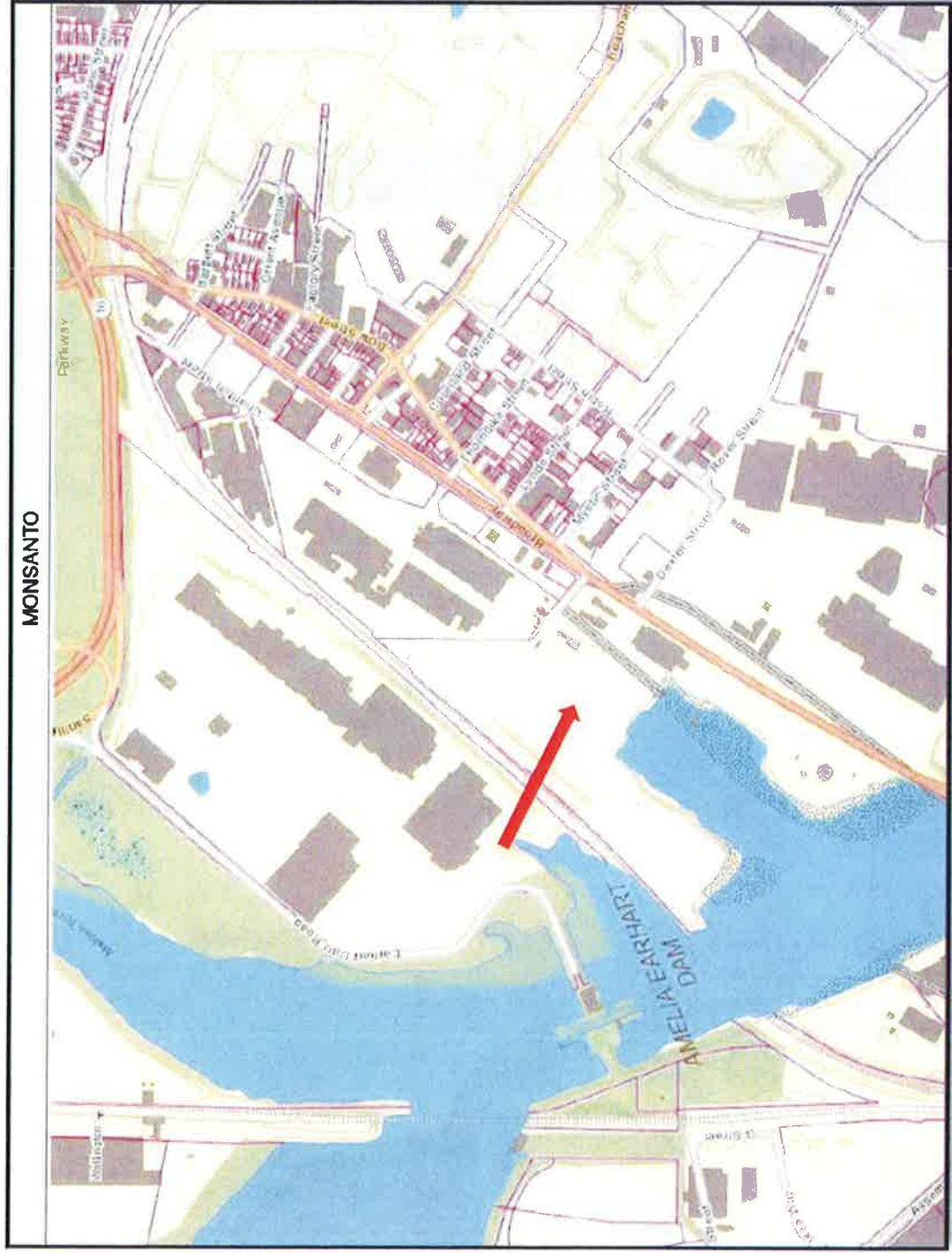
Lower Broadway can become the most diverse mixed-use neighborhood in Everett and the District that provides new employment, residential, retail/commercial services, and recreational opportunities for Everett residents. The District is the destination that residents bring their friends, family and visitors to "show off" their City and participate in a better future. Source: Lower Broadway Master Plan

ASSESSED VALUE AND REAL ESTATE TAXES

Fiscal Year 2013

	Parcel ID	Land Area Acres	Building Area SF	Land Assessment	Building Assessment	Total Assessment	Tax Rate/ \$1,000	Real Estate Taxes
Everett	H0-06-000191	29.90	0	\$8,835,800	\$0	\$8,835,800	\$31.96	\$282,392
Boston	201835000	5.39	0	\$1,064,000	\$0	\$1,064,000	\$41.66	\$44,326
Total		35.29	0	\$9,899,800	\$0	\$9,899,800		\$326,718

EVERETT PARCEL MAP



MONSANTO

Exhibit 6 Google Earth Aerial Photographs



PHOTOGRAPHS OF SUBJECT PROPERTY



Neighborhood view looking along Route 99 towards Boston



Looking in the opposite direction along Route 99. Chemical Lane is on the left



View looking at site at the end of Chemical Lane from Route 99. The MBTA facility is to the right foreground



Modular office building shown at the right.



View of new but vacant retail building constructed along Broadway at Chemical Lane

THE SUBJECT PROPERTY

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Looking down Chemical Lane to Route 99



Looking in the opposite direction to photo on left



Bordering properties between subject and Broadway



Bordering properties between subject and Broadway



Interior photo showing Mystic River in foreground



Interior photographs of the site



Interior view



Interior view



View looking the MBTA rail line along the subject's northern bound



Back side of site looking at the Home Depot located in the Gateway Center



View of the Assembly Square development in the distant foreground

PROPERTY DESCRIPTION

The total subject property consists of an undeveloped 35.29 acre tract of land in Everett and Boston (Charlestown) between an MBTA commuter rail right of way and Route 99 on the east side of the Mystic River. The subject upland is generally open land that is mostly flat with modest elevation changes. This area includes land between the high- and low-water marks. The only access is from the end of Chemical Lane to Route 99. Historically, the land had been used for a variety of open-air storage uses by Monsanto Chemical Co., O'Donnell Sand and Gravel, Modern Continental as well as by the current owner.

About 85% of the land is in Everett and 15% in Boston. Approximately 12.96 acres of the total area consists of water surface and flats and about 22 acres consist of upland. The upland area requires confirmation from an engineer. The valuation and this appraisal are based on 22 usable acres. According to the recorded plans, there are numerous utility and access easements; however, a title search would be required to determine if all are still in existence and if they are, to identify the benefitted parties.

The Monsanto Company once owned the land on both sides of the railroad. They sold this side in 1983 to Boston Edison and the other side in 1999 to Solutia Inc. who, in turn, sold it to Gateway LLC to be developed with the shopping center. There is an emergency right of way across the railroad right of way into the shopping center that is Chemical Lane extended and a tunnel under the railroad at the southerly end.

Portions of the site include tidelands. The attached survey states:

Figure 1

WATERFRONT AREA INCLUDES

LICENSES GRANTED BY THE COMMONWEALTH OF MASSACHUSETTS, BY THE HARBOR LAND COMMISSION - NO. 517 DATED MAY 4, 1880; NO. 3234 RECORDED AT BOOK 3357, PAGE 26; NO. 3252 RECORDED AT BOOK 3392, PAGE 81; NO. 3596 RECORDED AT BOOK 3639, PAGE 237; NO. 890 RECORDED AT BOOK 1784, PAGE 462; NO. 3060 RECORDED AT BOOK 3231, PAGE 221; NO. 3200 RECORDED AT BOOK 3326, PAGE 473; NO. 3201 RECORDED AT BOOK 3324, PAGE 138; AND NO. 3446 RECORDED AT BOOK 3566, PAGE 199

LICENSES GRANTED BY THE COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF PUBLIC WORKS - NO. 9 AND NO. 8 RECORDED AT BOOK 4339, PAGE 536 AND BOOK 4339, PAGE 533; NO. 23 RECORDED AT BOOK 4339, PAGE 534, NO. 200 RECORDED AT BOOK 4498, PAGE 330; NO. 210 RECORDED AT BOOK 4495, PAGE 3; NO. 1740 RECORDED AT BOOK 5995, PAGE 435; NO. 2585 RECORDED AT BOOK 6666, PAGE 359; NO. 1930 RECORDED AT BOOK 6185, PAGE 514; AND NO. 2574 RECORDED AT BOOK 6661, PAGE 588

In accordance with your instructions to me, this appraisal and valuation excludes any consideration of the existing contamination.

This site has the following characteristics:

1. A larger, urban development site.
2. Level topography and a cleared development site ready for construction.
3. Waterfront site in a growing retail area that has strong demographics.
4. May need to deal with utility and access easements during development.
5. Geotechnical issues for foundations are uncertain, but appear to be normal absent the contamination.
6. Located about 1.5 miles to Interstate 93 northbound and southbound.
7. Orange Line MBTA station a little over a mile away.
8. MBTA Bus routes 104, 105 and 109 run along Broadway by Chemical Lane.
9. Within a two-mile radius of the site, the retail vacancy rate is low.
10. Site limitation is Chemical Lane and managing access with a major Massachusetts Bay Transportation Authority (MBTA) maintenance facility sharing this way. This will require signalization at Broadway for a site development consistent with a retail highest and best use.
11. Everett is rezoning the site and neighborhood to allow flexibility offered by a mixed-use development of this site and the neighborhood.
12. Assumes dirt stockpiles and modular office structure (see photos) currently located on the site are removed.
13. Traffic counts (ADT) maybe increasing along Route 99 from 44,900 in 2005 to over 50,000 in 2010-see following exhibit.
14. Proximity to Federal Development's under-development project known as Assembly on the Mystic/ Assembly Square/Assembly Row. Work has begun on two of four buildings expected to be completed in 2014 as part of the first phase of Assembly Row—a massive, mixed-use development site that, when completed, is expected to include more than 800,000 square feet of retail space, about 1.75 million square feet of office space and more than 2,000 apartments. The project is being developed in partnership with Federal Realty Investment Trust, a real estate investment trust based in Rockville, Maryland.
15. Flood map included is not the revised FEMA map.

THE SUBJECT PROPERTY

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Figure 2 shows the frontage and City line as it crossed through the subject.

Figure 2

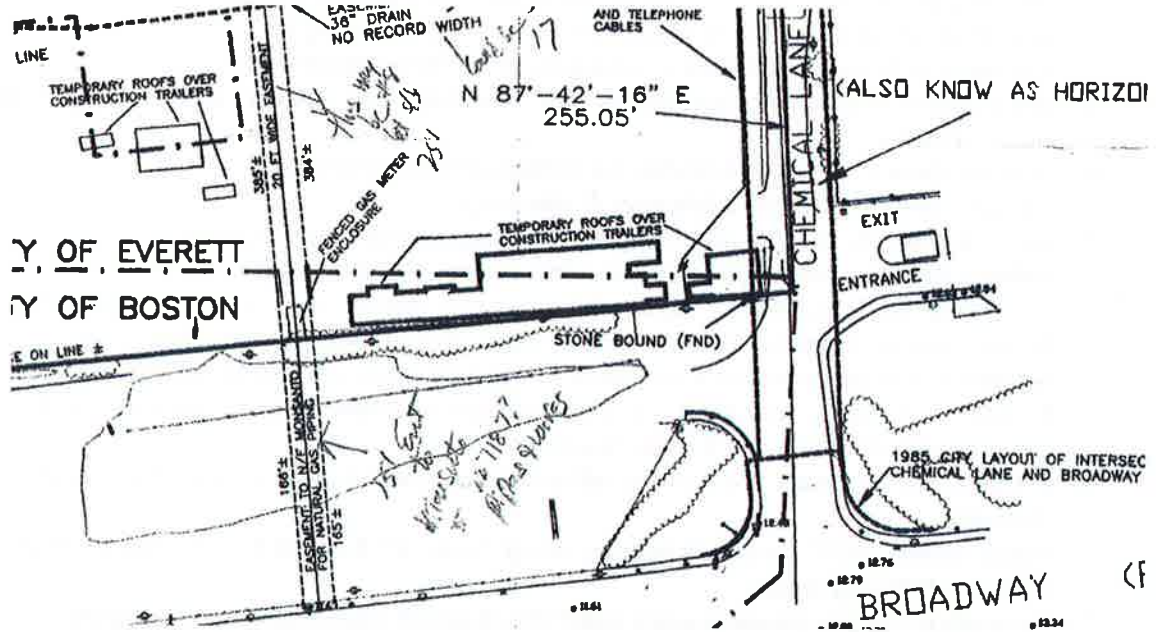


Figure 3 from the plot plan that follows illustrates frontage along the Mystic River, the City bounds, tideland areas and some of the easements.

Figure 3

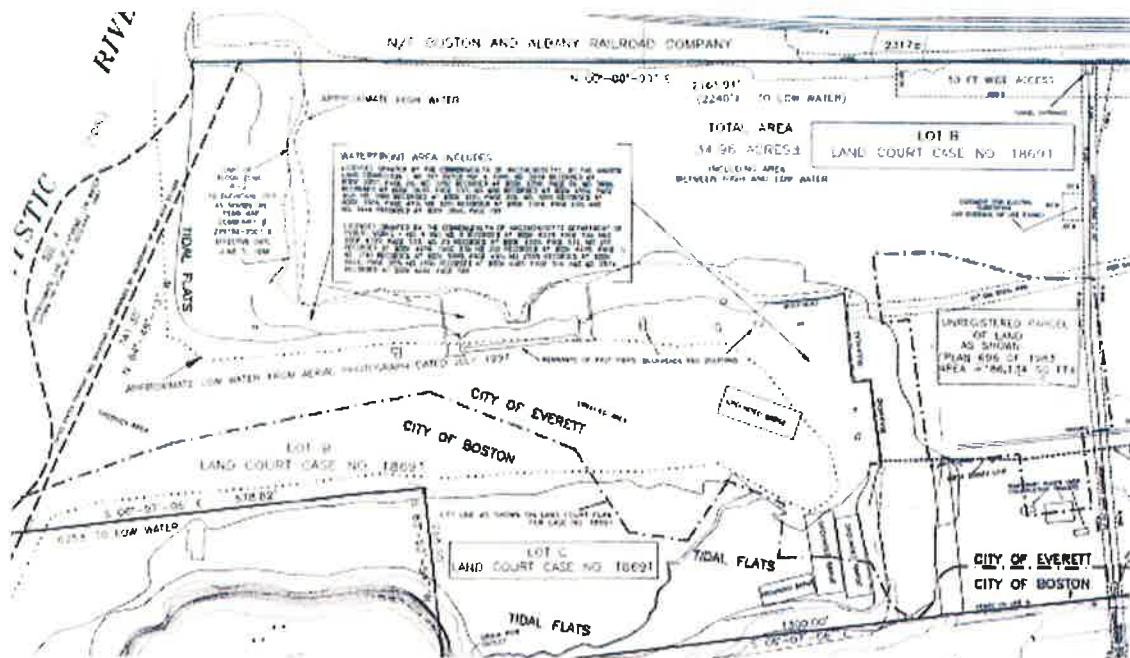


Figure 3 Showing subject relative to MBTA transit routes in area

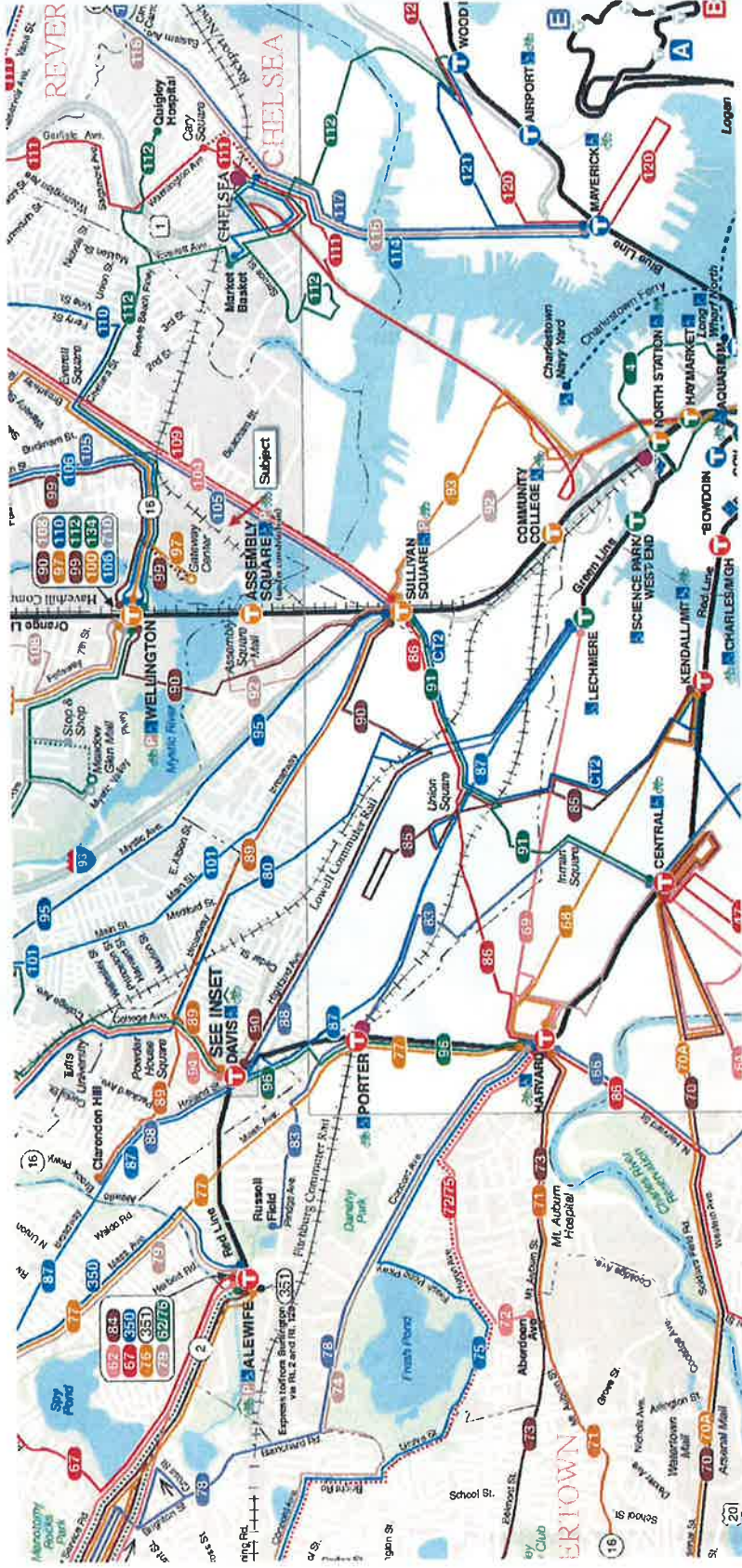


Exhibit 7 Traffic Counts

11/15/13



TCDS Locations

- Short
- Continuous
- WIM
- Located Short
- Located Continuous
- Located WIM

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FLOOD MAP



HIGHEST AND BEST USE

The highest and best use estimate for the property being appraised has considered the following four criteria.

What is legally permissible?

What is physically possible?

What is financially feasible?

What is the maximum productive use of the property?

What is legally permissible?

The subject is about to be officially rezoned to Waterfront Mixed Use (LB-WMU). This appraisal is based on the enactment of the zoning which is proceeding through the City's approval process. This rezoning has received one favorable vote and is awaiting a second vote.

Uses allowed include:

- Research and development facilities except those associated with the emission of noxious odors, smoke, steam or produce excessive noise.
- Most light manufacturing are allowed as a special permit.
- Retail uses are allowed as-of-right or by special permit.
- Hospitality uses customarily accessory to hotel, including restaurant, bar, spa, etc., are allowed.
- Multi-family residential may be permitted by special permit

Most retail uses are allowed either as-of-right or by a special permit; multi-family use is allowed under a special permit. To my knowledge, there have been no submissions or City approvals for development. There is a restriction in the sale from Monsanto to Boston Edison limiting allowed uses to industrial and manufacturing; the deed also stipulates that the land cannot be used for retail, residential, park and recreation purposes or food or feed facilities. All covenants in that deed were to run with the land and bind the parties (Monsanto and Boston Edison) and its successors. It was reported to me that Fidelity National Title Insurance Company stated that this restriction is not enforceable.

It was reported to us that there are easements on the site and, while they can pose a site issue, the easements could either be relocated or alterations to development could accommodate these areas.

What is physically possible?

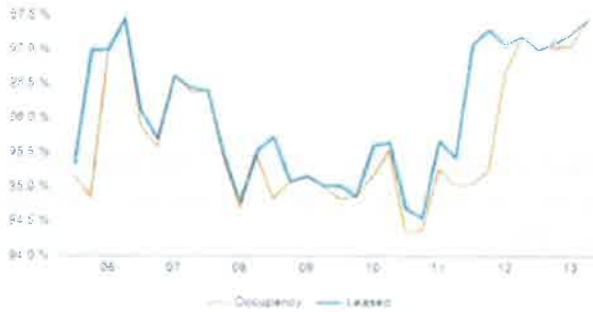
The subject property is a 35.29-acre parcel of vacant land. Of this total acreage, approximately 22 acres has been estimated to be upland that can support development. The subject is a large, level and cleared site that has access via Chemical Lane to State Route 99. We have excluded any consideration of the contamination issue as part of our highest and best use. No site conditions have been reported to us that would preclude or limit development of the land.

What is financially feasible?

The location of the property along Route 99; the trade area's low retail vacancy rate within a two-mile radius; and the past interest in this property expressed by Lowes and Wal-Mart for retail development indicate a retail land use. Each of these prospective tenants was in negotiation to lease land for the development of their respective store which was to total 245,000 square feet of building area.

An outline of two land leases was prepared and copies are in the addenda of this report. Exhibit 8 shows the land plan for these ground leases. It appears that negotiations ceased due to a lis pendens suit that has since been resolved. Since that time, Wynn has been in negotiations to acquire this land.

The retail vacancy rate as shown in Chart 1 and included again below indicates a very low vacancy rate.



The Federal Development in Somerville will add a substantial amount of retail space to the market. Most of the space appears to be "outlet" stores and restaurants. The type of retail development envisioned for the subject is for a "Power Center" type of occupancy.

Based on the lack of available acreage parcels in the inner Boston area that are zoned for retail use coupled with the area's low vacancy rate, a retail use is a likely use for the subject land. I have assumed that the land and building rent for this type of development justify construction costs although the exact building program and cost are not known as of the date.

What is the maximum productive use of the property?

Based on the foregoing, it is our opinion that a retail use appears to produce the highest land value for the subject property. While we have assumed that there is no contamination on the site, it is unclear whether the ultimate cleanup will be to a standard that would allow for a multi-family use as the degree of remediation is higher for a residential use.

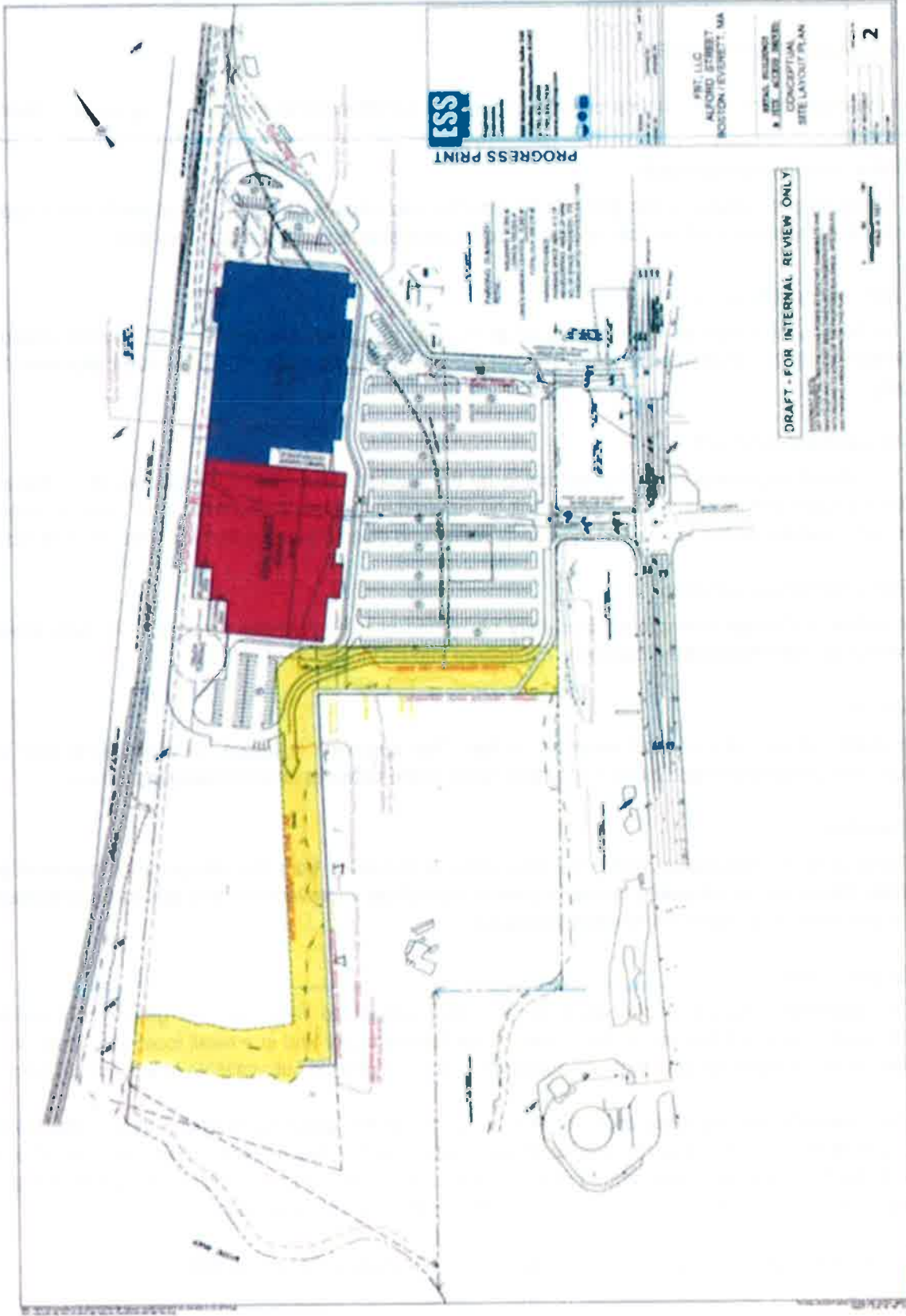
Conclusion

It is our opinion that the highest and best use of the subject land is for a retail use.

THE SUBJECT PROPERTY

J130250

Exhibit 8 Proposed Ground lease plan to Wal-Mart and Lowes



VALUATION TECHNIQUES

In the valuation of vacant unimproved land there are six valuation techniques. They are as follows.

Sales Comparison Approach

This technique compares the property to recently sold parcels of land. Adjustments are completed for various differences such as date of sale, location, land size, and highest and best use.

Land Residual Approach

The land is assumed to be improved to its highest and best use and the net income attributable by deducting all the building expenses. The net income is then capitalized into a value indication of the land only.

Development Approach

The total of undeveloped land is estimated by the market value of finished lots and then deducting the development and incentive costs which will be incurred in the sale of the retail lots. The net sales income is estimated during the forecasted marketing period and discounted to reflect the time value of money.

Ground Rent Capitalization

In certain instances, unimproved land may be leased or used for retail purposes. In such cases, a net income is estimated and the income is capitalized into an indication of value.

Allocation

In areas where sales of land occur so seldom, this approach is based upon allocating sale prices of improved property through the use of typical ratios found between land and property values.

Extraction

This is a form of allocation where the land value is extracted from the sale price of improved property. Here, the appraiser estimates the depreciated value of the improvements and this value is deducted from the sale price to produce the residual land value.

Subject Valuation

This appraisal is based on the sales comparison approach to value and the ground rent capitalization approach. There are few recent land sales in this size category and in a retail location. There is a lack of cleared and assembled land that can support this amount of build out available in this market area.

The value indication by sales approach was supported by the ground rent capitalization. This approach is based on the condition that the proposed land leases can be duplicated in today's market. Our analysis confirmed that the proposed ground rent is market supported. Our analysis accounted for the amount of time required to negotiate the site for this use, the profit required to successfully

The remaining five land valuation procedures were not considered appropriate.

SALES COMPARISON APPROACH VALUE



Comparable 1: On October 2, 2013, IKEA US, Inc. sold 13 acres of land located at 34 Sturtevant Street in Somerville, Massachusetts, to Federal Realty Investment Trust (herein after Federal Realty) for \$18.015 million, or approximately \$1,385,769 per acre.

IKEA had originally planned to develop a retail store at this location; however, they faced local opposition since the property is

on the riverfront. At some point, IKEA decided not to build a store and opted to sell land.

This sale and IKEA has a complicated transaction history. In 1999, this land had sold to IKEA for \$19,500,000 (\$1,174,699 per acre). IKEA spent almost ten years attempting to obtain permits for their development. After Federal Realty received development approvals on a larger site in this locus, Federal Realty swapped land with IKEA. The buyer (Federal Realty) owns 40 acres of land adjacent to this site; they are improving it with a mixed-use development. Previously, Federal Realty completed a land exchange between themselves and IKEA. Because of the exchange, Federal Realty now owns an additional 16.6 acres of riverfront property for their proposed development of "Assembly on the Mystic", while IKEA gained title to an 11.9-acre, inland site approved for a 340,000-square-foot store. This became part of the 2013 land sale.

Comments: Although it is across the Mystic River, this sale can be seen from the subject site. The sale is an interior lot within the Assembly Square development. The site was not sold on the open market and was the subject of a previous transaction involving the developer. Fourteen years ago, IKEA had acquired land for \$1.175 million per acre without development permits and this was their entry acquisition to create a location in Eastern Massachusetts.



Comparable 2: 38 Life Street and 150 Guest Street in the Brighton section of Boston are transactions of two improved properties totaling 7.74 acres by Life Street Associates and Boston Markets Associates LP to New Brighton Landing, LLC for \$21,250,000 or \$2,745,478 per acre. The building improvements that were part of the sale required demolition. These land sales have been assembled with other land for New Balance's \$500M 'Boston Landing'

development. The total development will entail 14-acres including New Balance's current headquarters building on Guest Street. Over the past year, the company has demolished old warehouse buildings on the sale property to make room for the company's planned 1.45 million square-foot "health and wellness district" consisting of a new headquarters, sports complex hotel, and up to three office buildings along with space for retail, restaurant, recreation and parking. The company also plans to build a new commuter rail station along the Framingham-Worcester line tracks that abut the site. The site also is parallel to the

Massachusetts Turnpike (I-90)). New Balance has received city and state approval for its plan and company officials have said they expect to complete the six-phase project within about a four-year span. The commuter rail station would open in 2014. The headquarters, sports complex and the hotel are expected to be completed by 2015. The office buildings are expected to be built by 2017.

Comment: As compared to the subject, this sale is part of a major, multi-use development by one of this country's largest, privately held sneaker manufacturer—New Balance. The site is adjacent to their present headquarters and New Balance was motivated to create a landmark, mixed-use development. The use of the land by New Balance will exceed the land density envisioned for the subject. In addition, the sale fronts an interstate highway and commuter rail line where a new station will be added as part of the development. As compared to the subject, the sale price needs to be adjusted for the demolition cost of the buildings.



Comparable 3: 245-257 Marginal Street in Chelsea is a parcel that Delta Airlines uses as a Parking Lot. This transaction represents the sale by JAB Realty, Inc. of 6.370 acres or 277,477 square feet of land to Marginal Leasing, LCC for \$6,600,000. This is equivalent to \$1,036,106 per acre. The land is being used as an 800-space, open parking lot for Delta Airlines. The seller confirmed that the property was not on the market (he and the buyer are acquainted). No brokers were involved and there were no conditions on the sale. The property is zoned industrial.

Comments: As compared to the subject, this sale has a less intense highest and best use. Its use as a parking lot by Delta is connected to nearby Logan International Airport. There is limited retail potential for the sale. The land is open, level and located along the Chelsea Creek. It appears that this site for any other use may be affected by governmental controls as a result of tidelands and zoning issues.



Comparable 4: 415 William F McClellan Highway is a 6.2-acre land parcel that sold in January 2012 for \$3,750,000 or \$604,839 per acre. Colliers sold this land to a buyer who has plans to develop a hotel on the site. Reinforced concrete pads left from its former use as an oil storage facility negatively affected the sale price. In addition, the seller was required to complete the transaction rapidly due to other financial problems. The site sold without permits and, today, continues to go through an approval process. The site is located north of Logan Airport adjacent to a car rental facility. In marketing the site, there was little interest in the property for a retail use because it is located below the elevation of Route 1A and does not have a strong retail draw.

Comment: As compared to the subject, the site has known foundation issues. The subject is superior to the sale in this regard. In addition, the subject site is at street grade whereas the sale site is below the grade of highway Route 1A. The likely access frontage will be off a side street. The subject's retail use is greater than the proposed hotel use. The seller was very motivated to sell this site and this is an inferior condition to that of the subject seller condition.

Before adjustments, the four sales show a wide range of prices. The subject has 22 usable acres and this size category allows for a land development with larger retail buildings much like the Lowes and Wal-Mart proposed land leases. As shown by the New Balance sale, this intensity of land use increases the per acre land values. Because of the subject's urban setting, there are very few recent land transactions within the 15-minute drive time demographic strengths of the subject site.

With this as background, the following grid analysis (Exhibit 9) was completed consistent with the narrative qualitative comments made previously.

Based on my analysis is it my opinion that the indicated value by this approach was \$1,500,000 per acre or \$33,000,000 rounded.

SUBJECT VALUATION

J130250

Exhibit 9

Land Sales Adjustment Grid					
Condition	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 3
Address	Broadway Everett	34 Sturtevant St Somerville	150 Guest St Brighton	Marginal Street Chelsea	Marginal Street Chelsea
Usable Land area (sf)	958,320	566,280	343,253	277,477	270,072
Usable Land area (ac)	22	13	7.88	6.37	6.2
Location	very good	excellent	excellent	average	average
Access	good	very good	very good	average	average
Exposure	good	good	excellent	good	good
Site utility	very good	very good	excellent	average	average
Sale Information					
Sale date	10/25/2013	10/1/2013	3/10/2011	8/1/2008	1/18/2012
Status		sale	sale	sale	sale
Property rights	fee simple	fee simple	fee simple	fee simple	fee simple
Analysis Price		\$18,015,000	\$21,250,000	\$6,600,000	\$6,600,000
Price psf		\$31.81	\$61.91	\$23.79	\$24.44
Price per acre		\$1,385,769	\$2,696,701	\$1,036,107	\$1,064,516
Transactional adjustment					
Property rights	fee simple	fee simple	fee simple	fee simple	fee simple
Conditional Sale	arms length	arm length	arm length	arm length	arm length
Financing	conventional	cash sale	cash sale	cash sale	cash sale
Market conditions	current	current	superior	current	current
		0%	5%	20%	10%
Subtotal Transactional Adj Price		\$1,385,769	\$2,831,535.53	\$1,243,328	\$1,170,968
Physical Information					
Location		slightly superior	superior	inferior	inferior
Adjustment		-5%	-10%	10%	5%
Frontage		superior	superior	superior	superior
Adjustment		-5%	-5.0%	-5%	-5%
Access		similar	similar	similar	inferior
Adjustment		0%	0%	0%	10%
highest and best use		retail	mixed use high density	parking	hotel
Adjustment		0%	-25%	20%	10%
Utilities		similar	similar	similar	similar
Adjustment		0%	0%	0%	0%
Topography/shape		similar	similar	similar	inferior
Adjustment		0%	0.0%	0%	5%
Subtotal Property Adjustment		-10%	-40%	25%	25%
Total Adjusted Price		\$1,247,192	\$1,698,921	\$1,554,160	\$1,463,710
Statistics psf	Undadjusted	Adjusted			
Low	\$1,036,107	\$1,247,192			
High	\$2,696,701	\$1,698,921	Indicated market value per acre	\$1,500,000	
Median	\$1,314,549	\$1,508,935	Indicated market value	\$33,000,000	
Average	\$1,657,900	\$1,490,996			

INCOME APPROACH TO VALUE

Figure 4 is an income analysis under a hypothetical condition that the site was ground leased in a similar fashion to the 2010 proposals to ground lease the land to Lowes and Wal-Mart.

Figure 4

Proposed tenant		Rent
Wal-Mart		
Ground rent		
Years 1-20		\$1,500,000 per year
land area	10 acres	
building area	95,000 sf	
Lowes		
Ground rent		
Years 1-20		\$1,650,000 per year
land area	not stated	
building area	150,000 sf	
Gross ground rent payments		\$3,150,000 per year
Less		
management and accounting costs		1.5% accounting, common area management
Expense deduction		<u>-\$47,250</u>
Net ground rent		\$3,102,750
Capitalization rate		<u>6.750%</u>
Value before adjustments		\$45,966,667
Deductions		
Less permits		\$0 owner represents that WalMart and partly Lowes will pay
Less Lowes on and offsite improvements		\$0 owner represents that WalMart and partly Lowes will pay
Less Management of clean up		<u>-\$150,000</u>
Indicated market value		\$45,816,667 assuming that ground leases are in place and ground lessees paying ground rent
As of the valuation date		
1- no signed leases		
2- responsibilities of landlord to perform (site work, permits and construction)		
Less Profit and Risk and time required for rent commencement		0.787986 discounted at 10% for 2 1/2 years for commencement of ground rent
Value unit indicators		\$36,102,874
Land area upland portion	22 acres	\$1,641,040 per acre
Proposed project building area	245,000 sf	\$187 per sf of building area
floor area ratio (FAR)	0.26	

This approach reflects the following analysis steps, opinions, and conditions:

The analysis is based on the re-marketing of the site for retail development and the tenant entering into a long-term ground lease comparable to the leases proposed in 2010 to Wal-Mart and Lowes. As will be illustrated later, it is our opinion that the land rent proposed to these tenants is a market rate.

The Figure 4 analysis mirrors the proposed rent by Wal-Mart and Lowes This ground rent totaled \$3,150,000.

When questioned about the business terms, Attorney Feldman stated:

"The deal being discussed with Lowes was that Landlord would complete the construction of the building for Lowe's on a cost-plus basis based on most recent costs for similar stores. Lowe's was going to be responsible for all costs of the building but Landlord was going to perform the work and make fees from performing it."

SUBJECT VALUATION

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Regarding on-site and off-site work that Lowes proposed to be on Landlord's account, the Lowes development was contemplated with the Wal-Mart and Wal-Mart was responsible for most of the on-site and off-site work under its LOI. In addition, the revision to the proposal being discussed with Lowes was that Lowes would contribute \$2 million to residual infrastructure and environmental work that Landlord was responsible for (that was in addition to Wal-Mart's obligations regarding infrastructure, the \$2,000,000 Wal-Mart was contributing, and the up to \$400,000 Wal-Mart was contributing to permitting).

In short, FBT believed that Wal-Mart's responsibility for on-site and off-site infrastructure plus the \$4,400,000 of contributions by Wal-Mart and Lowes covered FBT's permitting, environmental (given the Pharmacia judgment) and work obligations.

FBT did not get to the point of construction budgets."

Other comparable land leases include:

Location: 5 Ward Street, Revere
Tenant: BJ's Wholesale Club
Lessor: Thibeault Realty Trust
Land area: 13.85 acres
Ground rent: \$1,000,000 net annually
Building area constructed 120,224 sf
Lease date February 2009
Comments: 15 year ground lease with 6-10 year options Property sold for \$16.4 million in October 2013. Indicated overall rate was 6.1%. The price per acre was \$1.184 million.

Location: 66 Seyon Street, Waltham
Tenant: BJ's Wholesale Club
Lessor: Samuels Associates
Land area: 13.11 acres
Ground rent: \$1,410,000 net annually
Building area constructed 122,142 sf
Lease date February 2009
Comments: 25-year ground lease with 4-5 year options Tenant contributed \$5.5 million towards site work. Percentage lease clause commencing year 4 of the lease. Property sold for \$19.447 million in Indicated overall rate was 7.25% and the price per acre was \$1.483 million per acre.

Location: 599 Thomas Burgin Parkway, Quincy
Tenant: Lowes
Lessor:
Land area: 12.81 acres
Ground rent: \$1,512,945 net annually
Building area constructed 126,607 sf
Lease date January 2011
Comments: 20-year ground lease with options

SUBJECT VALUATION

J130250

Location:	400 Lynn Fells Parkway, Saugus
Tenant:	Target
Lessor	Gerondolis Foundation
Land area:	15.88 acres
Ground rent:	\$1,500,000 net annually
Building area constructed	151,593 sf
Lease date	September 2013
Comments:	25-year ground lease with options. Existing tenant extended lease older shopping center (built in 1960 with later renovations) with likely program to either rebuild or complete extensive rehabilitation of the shopping center in the near future. Negotiations assumed that if lessor took back the center that the likely outcome would be to construct new retail buildings.

To be deducted from the gross rent income is a modest expense deduction of 1.5% of the ground rent for management costs.

The resulting net rent of \$3,102,750 was capitalized at a direct capitalization rate of 6.75%. This rate is based on the overall rates listed previously; the assumption that the ground rent would be flat for the initial period of the contract; and overall rates from the PriceWaterhouseCoopers (PwC) survey for net-leased properties as illustrated under Chart 3.

Chart 3

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)*					
Range	7.00% - 9.00%	7.00% - 9.00%	7.00% - 9.00%	8.00% - 9.50%	8.00% - 12.00%
Average	7.94%	7.94%	8.16%	8.41%	9.15%
Change (Basis Points)		0	- 22	- 47	- 141
OVERALL CAP RATE (OAR)*					
Range	6.00% - 8.50%	6.00% - 8.50%	6.00% - 8.75%	6.25% - 12.00%	6.00% - 10.00%
Average	7.18%	7.03%	7.44%	8.88%	7.65%
Change (Basis Points)		+ 15	- 26	- 170	- 47

The indicated capitalized value is \$45,966,667.

Deductions and discounts from this indicated were applied. Notwithstanding the fact we have assumed that the site is environmentally remediated to allow the development to proceed there is a cost associated with management and time entailing the remediation. We have set a budget as a cost allowance of \$150,000 for this time and work effort.

Presently there are no land leases in place so that there will be marketing and negotiating period before the leases will be signed. In addition, this type of land lease typically entails the landowner to perform land development before the ground rent commences. While no cost was deducted for this effort we have discounted the \$45,816,667 (net of the \$150,000) for 2 ½ years at 10%. This accounts for the present condition of the land without the leases in place. The discounting has not deducted the carry cost for the land during development. The discounting of about \$10,000,000 accounts for carry cost of the land and land owner.

The discounted land value of \$36,102,874 say \$36,000,000 represents today market value assuming the risk/time to achieve two land leases and the point at which a ground lease rental stream would commence.

Based on my analysis the indicated value by this approach is \$36,000,000.

RECONCILIATION AND FINAL ESTIMATE OF MARKET VALUE

By the Income Approach:	\$36,000,000
By the Sales Comparison Approach:	\$33,000,000
Opinion of market value:	\$35,000,000

The subject site is a large urban retail site with favorable locational and demographic characteristics. The vacancy rate for retail in the trade area of the property is also low. This would indicate strong retail interest for the property.

The strength of the income approach is that the site has received offers to lease the land for a retail development. The proposed rent is consistent with other retail land leases though one of the differentiating features of this site is that two major retail buildings can be developed on its 22 acres. Other comparable sites could not achieve this feature. The ability to have two major retail buildings on the property benefits the marketability and the value of the land parcel. The weakness is that there are no land leases currently in place. As a result, we have discounted the ultimate value for a 2 ½ year to account for the time to negotiate the land leases and to complete the development work that commonly exist.

The sales approach supports the indicated value by the income approach. The best sale is the IKEA transaction. As we noted this site was never placed on the market. IKEA decided not to pursue a new store. The other important sale of note is the New Balance sale. This sale is part of a specialty development where the highest and best use of that sale exceeds the subject's highest and best use. I did note that two of the land leases in the income approach did sell. One sale (66 Seyon Street Waltham) sold subject to the land lease for \$1.483 million per acre. This 13.11 acres site leased to BJ's Wholesale Club had ground rent of \$1,410,000 net annually and supported a 122,142 sf building. Since that sale took place cap rates have decreased and this would increase its sale price as of the date of this value opinion.

In my opinion the market value of the subject parcel is \$35,000,000 subject to the assumptions and conditions cited in the report.

CERTIFICATION STATEMENT

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signer are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signer of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Robert P. LaPorte, MAI, CRE has performed services, as an appraiser for the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The 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.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice*, as set forth by the Appraisal Standards Board of the Appraisal Foundation.
- Robert P. LaPorte, MAI, CRE inspected the property that is the subject of this report. No one provided significant real property appraisal assistance to appraiser signing this certification.

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

As of the date of this report, Robert P. LaPorte, MAI, CRE has completed the continuing education program for Designated Members of the continuing education program of the Appraisal Institute.

No one provided significant real property appraisal assistance to appraisers signing this certification.



Robert P. LaPorte, Jr., MAI, CRE

Managing Director

Certified General R.E. Appraiser State of
Massachusetts 735

617.330.8101

robert.laporte@colliers.com

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors, no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.

- The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.
- The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

ADDENDA

COPY OF SUBJECT DEED

Bk: 63880 Pg: 333



Bk: 63880 Pg: 333 Doc: DEED
Page: 1 of 6 10/15/2009 03:17 PM

QUITCLAIM DEED

MYSTIC LANDING, LLC, a Massachusetts limited liability company ("Grantor"), for consideration of Eight Million Dollars (\$8,000,000.00), hereby grants to FBT EVERETT REALTY LLC, a Massachusetts limited liability company with an address of 550 Pleasant Street, Suite 109, Winthrop, MA 02152 ("Grantee"), WITH QUITCLAIM COVENANTS, the land (together with any improvements thereon) lying partly in Everett, Middlesex County, Massachusetts and partly in Boston, Suffolk County, Massachusetts, bounded and described as set forth in Exhibit A annexed hereto and made a part hereof, and subject to and with the benefit of matters of record, insofar as in force and applicable, not intending to re-impose any of said matters which were previously released, waived or terminated or which previously expired.

This Deed is being executed in triplicate, as the land conveyed consists in part of registered land lying within Suffolk County, in part of registered land lying in Middlesex County (South), and in part of unregistered land lying in Middlesex County (South). For Grantor's title, see deeds to Grantor described on Exhibit A annexed hereto.

ORIGINAL COUNTERPARTS OF THIS DEED HAVE BEEN EXECUTED IN TRIPPLICATE AND ARE BEING FILED AND RECORDED SIMULTANEOUSLY WITH THE SUFFOLK COUNTY REGISTRY DISTRICT OF THE LAND COURT, MIDDLESEX SOUTH REGISTRY DISTRICT OF THE LAND COURT AND MIDDLESEX SOUTH DISTRICT REGISTRY OF DEEDS AND THE REQUIRED DOCUMENTARY STAMPS IN THE AMOUNT OF \$36,480.00 HAVE BEEN AFFIXED TO THE COUNTERPART DEED WHICH IS BEING FILED WITH THE MIDDLESEX SOUTH REGISTRY DISTRICT OF THE LAND COURT.

Said Premises are conveyed subject to a Memorandum of Lis Pendens issued in connection with Suffolk Superior Court Case No. 09-2258C and recorded with Middlesex South Registry of Deeds in Book 52904, Page 402, filed with Middlesex South Registry District of the Land Court as Document No. 1502566 and filed with Suffolk Registry District of the Land Court as Document No. 765482.

~~See copy of Waiver of Tax Lien attached hereto as Exhibit B.~~

Horizon Way, Everett

RETURN TO:
Maureen McGunigle
Lawyers Title Insurance
265 Franklin Street, 8th Floor
Boston, MA 02110 617 277

Bk: 63680 Pg: 334

IN WITNESS WHEREOF, said MYSTIC LANDING, LLC has caused this instrument to be executed, acknowledged and delivered in triplicate as of this 13th day of October, 2009.

MYSTIC LANDING, LLC

By: 
John H. Pastore, Authorized Real Estate
Signatory

815318

Bk: 53680 Pg: 336

THE COMMONWEALTH OF MASSACHUSETTS

County of SUFFOLK

On this 13th day of October, 2009, before me, the undersigned notary public, personally appeared John H. Pastore, proved to me through satisfactory evidence of identification, which was photographic identification with signature issued by a federal or state governmental agency, or personal knowledge of the undersigned, to be the person whose name is signed on the preceding document, and acknowledged to me that he signed it voluntarily as an authorized real estate signatory of Mystic Landing, LLC for its stated purpose.



Notary Public

Print Name of Notary: ALAN P. GOTTWEMy commission expires: May 10, 2010

815318

Bk: 63680 Pg: 336

EXHIBIT A
To Quitclaim Deed

A certain parcel of registered and unregistered land situated on the westerly, southwesterly and northerly side of Horizon Way (also known as Chemical Lane) partly in the City of Boston, in the County of Suffolk, and partly in the City of Everett, in the County of Middlesex, Commonwealth of Massachusetts, shown on a plan entitled "Compiled Plan of Land in Everett & Boston, MA (Middlesex & Suffolk County)" dated January 14, 1983 by Miller & Nylander Co., a division of Boston Survey Consultants, Inc., and recorded with Middlesex South District Registry of Deeds in Book 15083, Page 253, as Plan No. 696 of 1983 (B, C & D of 4), and bounded and described according to the plan as follows:

Beginning at a point in the easterly sideline formerly of the Boston and Albany Railroad (now of Consolidated Rail Corporation) at the most southerly corner of land now or formerly of Massachusetts Bay Transportation Authority; thence turning and running

SOUTH 09° 12' 52" East	96.60 feet to a point; thence
SOUTH 40° 07' 44" East	717.15 feet to a stone bound, the first two courses by land of Massachusetts Bay Transportation Authority; thence
SOUTH 02° 17' 44" East	24.75 feet to a point; thence
NORTH 87° 42' 16" East	255.05 feet to a point, the last two courses by a portion of Chemical Lane; thence
SOUTH 06° 07' 06" East	partly by a portion of Chemical Lane and partly by land of Massachusetts Bay Transportation Authority, 1300.00 feet to a point; thence
SOUTH 83° 52' 54" West	264.50 feet to a point; thence
SOUTH 06° 07' 06" East	about 625 feet to the Mystic River, the last two courses by land of Massachusetts Bay Transportation Authority; thence
NORTHWESTERLY	by the Mystic River about 820 feet to a point in the easterly sideline of the Boston and Albany Railroad land; thence

Bk: 63680 Pg: 337

NORTH 00° 00' 00" East by land formerly of the Boston and Albany Railroad about 2,317 feet to the point of beginning.

There is included within the parcel described above the following parcel of unregistered land:

That certain parcel of land situated southerly of, but not abutting, Chemical Lane, in Everett, Middlesex County, Massachusetts, containing 86,134.1 square feet, bounded and described, according to the plan hereinafter referred to, as follows:

NORTHWESTERLY three hundred twenty-six and 90/100 (326.90) feet;

NORTHEASTERLY two hundred eighteen and 19/100 (218.19) feet;

SOUTHEASTERLY forty-three and 21/100 (43.21) feet;

NORTHEASTERLY again one hundred ten and 50/100 (110.50) feet;

SOUTHEASTERLY again ninety-five (95.00) feet;

SOUTHWESTERLY ninety and 50/100 (90.50) feet;

SOUTHEASTERLY again one hundred thirty-seven and 50/100 (137.50) feet;

SOUTHWESTERLY again two hundred thirteen (213.00) feet;

SOUTHEASTERLY again forty (40.00) feet; and

SOUTHWESTERLY again one hundred and 16/100 (100.16) feet.

All of said courses and distances being by other land previously registered to Boston Edison Company under Certificate of Title No. 168210, filed in the Middlesex South Registry District of the Land Court in Registration Book 971, Page 60.

The above-described parcel of land is shown on a plan entitled "Plan of Monsanto Company's Unregistered Land, Everett, Mass." signed by John W. Mich, Registered Land Surveyor, dated December 21, 1982, and recorded with Middlesex South District Registry of Deeds in Book 15083, Page 253, as Plan No. 696 of 1983 (A of 4).

There are included within this perimeter the following parcels of REGISTERED LAND, designated by parcel letter, shown on plans and covered by the certificates of title listed below:

Plan

815318

Bk: 53680 Pg: 338

<u>Parcel Page</u>	<u>Number</u>	<u>Registry District</u>	<u>Certificate</u>	<u>Book-</u>
C 12	18691A*	Suffolk	No. 95812	475-
B** 60	18691A	Middlesex South	No. 168210	971-
{Lot} C 60	9152B	Middlesex South	No. 168210	971-

* Plan filed with Certificate of Title No. 53765, Book 264, Page 165.

** Parcel B on Plan No. 18691A in Plan Book 485, Page 177 (excepting and excluding from said Parcel B a Parcel shown as "New England Alcohol Company").

For title, see the following:

- (i) deed filed with the Suffolk County Registry District of the Land Court as Document No. 616603, noted on Certificate of Title No. 117103 in Registration Book 581, Page 103;
- (ii) deed recorded with Middlesex South District Registry of Deeds in Book 33123, Page 71; and
- (iii) deed filed with the Middlesex South Registry District of the Land Court as Document No. 1175130, noted on Certificate of Title No. 221665, in Registration Book 1238, Page 15.

COPY OF ASSESSING RECORDS

Unofficial Property Record Card - Everett, MA

General Property Data

Parcel ID	H0-06-000191	Account Number	H00006 000191 01
Prior Parcel ID	60120 --		
Property Owner	FBT EVERETT REALTY LLC C/O THE DENUNZIO GROUP LLC	Property Location 1	HORIZON WAY
Mailing Address	306 CAMBRIDGE ST SUITE 3 CITY CAMBRIDGE	Property Use	LAND-I
Mailing State	MA Zip 02141	Most Recent Sale Date	10/16/2009
ParcelZoning	ID	Legal Reference	1376-146 246156
		Grantor	MYSTIC LANDING, LLC
		Sale Price	8,000,000
		Land Area	29.900 acres

Current Property Assessment

Card 1 Value	Building Value 0	Xtra Features Value 0	Land Value 8,835,800	Total Value 8,835,800
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Building Description

Building Style	N/A	Foundation Type	N/A	Flooring Type	N/A
# of Living Units	N/A	Frame Type	N/A	Basement Floor	N/A
Year Built	N/A	Roof Structure	N/A	Heating Type	N/A
Building Grade	N/A	Roof Cover	N/A	Heating Fuel	N/A
Building Condition	Average	Sliding	N/A	Air Conditioning	0%
Finished Area (SF)	N/A	Interior Walls	N/A	# of Bsmt Garages	0
Number Rooms	0	# of Bedrooms	0	# of Full Baths	0
# of 3/4 Baths	0	# of 1/2 Baths	0	# of Other Fixtures	0

Legal Description

Narrative Description of Property

This property contains 29.900 acres of land mainly classified as LAND-I with a(n) N/A style building, built about N/A , having N/A exterior and N/A roof cover, with N/A unit(s), 0 room(s), 0 bedroom(s), 0 bath(s), 0 half bath(s).

Property Images



Disclaimer: This information is believed to be correct but is subject to change and is not warranted.

Assessing On-Line

[← New search](#)
[Map](#)

Parcel ID: 0201835000
Address: ALFORD ST BOSTON MA 02129
Property Type: Commercial Land
Classification Code: 442 (Vacant Land - Accessory to Industrial Property / Undevelopable Land)
Lot Size: 235,000 sq ft
Living Area: 0 sq ft
Owner on Tuesday, January 1, 2013: FBT EVERETT REALTY LLC
Owner's Mailing Address: 305 CAMBRIDGE ST SUITE #3 CAMBRIDGE MA 02141
Residential Exemption: No
Personal Exemption: No

Value/Tax

Assessment as of Sunday, January 1, 2012, statutory lien date.

FY2013 Building value: \$0.00
FY2013 Land Value: \$1,064,000.00
FY2013 Total Assessed Value: \$1,064,000.00

FY2013 Tax Rates (per thousand):

- Residential: \$13.14
 - Commercial: \$31.96

FY2014 Preliminary

(Estimated) Total Tax Due:*

* First Half (Q1 + Q2): \$17,002.72

Current Owners

- 1 FBT EVERETT REALTY LLC
- 2 A MASS LLC
- 3 PAUL LOHNES RA

Ownership information last updated by City of Boston Assessing on June 21, 2013, and will not reflect changes made since then.

Value History

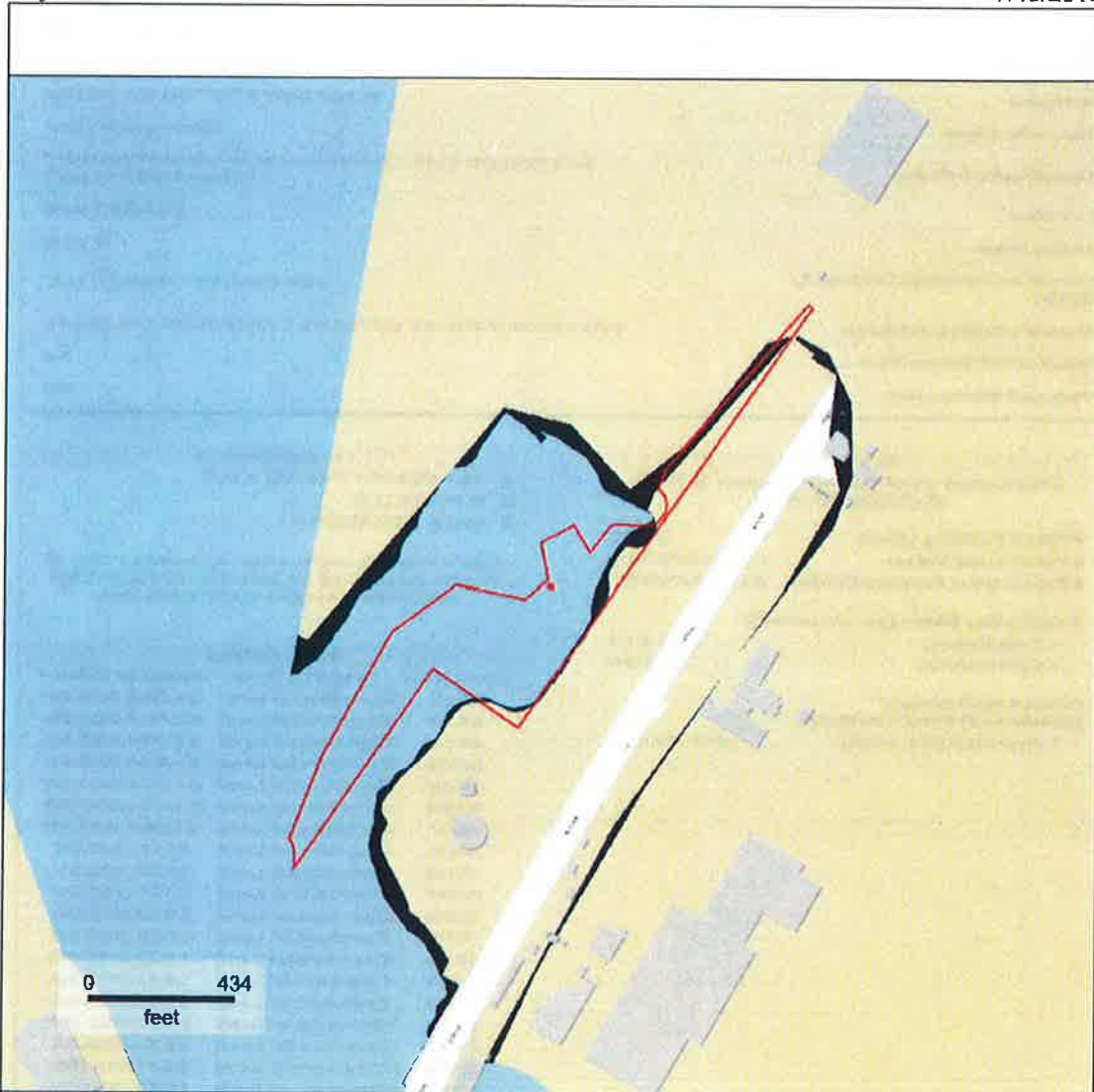
Fiscal Year	Property Type	Assessed Value *
2013	Commercial Land	\$1,064,000.00
2012	Commercial Land	\$1,064,000.00
2011	Commercial Land	\$1,064,000.00
2010	Commercial Land	\$1,064,000.00
2009	Commercial Land	\$1,064,000.00
2008	Commercial Land	\$1,064,000.00
2007	Commercial Land	\$1,064,000.00
2006	Commercial Land	\$912,000.00
2005	Commercial Land	\$820,800.00
2004	Commercial Land	\$820,800.00
2003	Commercial Land	\$820,800.00
2002	Commercial Land	\$820,800.00
2001	Commercial Land	\$820,800.00
2000	Commercial Land	\$631,500.00
1999	Commercial Land	\$631,500.00
1998	Commercial Land	\$631,500.00
1997	Commercial Land	\$631,500.00
1996	Commercial Land	\$631,500.00
1995	Commercial Land	\$630,000.00
1994	Commercial Land	\$191,000.00
1993	Commercial Land	\$191,000.00
1992	Commercial Land	\$888,500.00
1991	Commercial Land	\$1,880,000.00
1990	Commercial Land	\$1,880,000.00
1989	Commercial Land	\$1,880,000.00
1988	Commercial Land	\$1,974,000.00
1987	Commercial Land	\$1,974,000.00
1986	Commercial Land	\$1,645,000.00
1985	Commercial Land	\$323,800.00

* Actual Billed Assessments

View [Quarterly Tax Bill and Payment Information](#) for this parcel for FY2013 and FY2014.

Visit [My Neighborhood](#) for information on city services related to this parcel.

Questions? For CURRENT fiscal year tax bill Questions, contact the [Taxpayer Referral & Assistance Center](#). For PRIOR fiscal year tax payments, interest charges & fees, etc. contact the Collector's office at 617-635-4131.



Property Information

Parcel ID	0201835000
Owner	FBT EVERETT REALTY LLC
Address	ALFORD ST
Property Type	0442
Building Value	\$0.00
Land Value	\$1,064,000.00
Total Value	\$1,064,000.00
Lot Size	235000 sq ft
Land Use	Commercial Land



**MAP FOR REFERENCE ONLY
NOT A LEGAL DOCUMENT**

The City of Boston makes no claims, no representations, and no warranties, expressed or implied, concerning the validity (expressed or implied), the reliability, or the accuracy of the GIS data and GIS data products furnished by the City, including the implied validity of any uses of such data. The use of this data, in any such manner, shall not supercede any federal, state or local laws or regulations.



DRAFT COPY OF LAND LEASES

January 15, 2010

Josh Katzer
Real Estate Manager
Wal-Mart Stores, Inc.
2001 Southeast 10th Street
Bentonville, AR 72716

**Re: Proposed Wal-Mart Store Ground Lease Agreement
Broadway Route 99 in Everett, MA ("Property")**

Dear Mr. Katzer:

FBT Everett Realty LLC ("FBT") is interested in entering into a lease with Wal-Mart Stores East L.P. (or its nominee) ("Wal-Mart") for a portion of the above-referenced Property in accordance with the terms and conditions set forth below. The lease shall be in a mutually acceptable form, which reflects these terms as they may be subsequently modified pursuant to negotiations between FBT and Wal-Mart.

- | | |
|---------------------------------|---|
| 1. LANDLORD: | FBT Everett Realty LLC
550 Pleasant Street, Suite 109
Winthrop, MA 02152 |
| 2. TENANT: | Wal-Mart Stores East L.P.
702 SW 8 th Street
Bentonville, AR 72712 |
| 3. TRANSACTION: | Ground Lease |
| 4. SHOPPING CENTER DEVELOPMENT: | The Shopping Center shall consist of the Wal-Mart store and certain other retail stores and/or other commercial buildings located on approximately ten (10) acres of land together with a critical access road to Broadway Route 99 ("Shopping Center Development") as shown on plan attached hereto as Exhibit A (the "SCD Site Plan"). |
| 5. WAL-MART FACILITY: | The Wal-Mart Facility shall contain approximately 95,000 square feet of building together with loading docks, trash compactor, dumpster pad, sidewalks and roadways around the building with approximately 320 parking spaces located directly in front of the Wal-Mart Building together with additional parking fields located |

FBT Everett Realty LLC

Josh Katzer, Real Estate manager
January 15, 2010

to the immediate left and or right of the Wal-Mart Building such that there shall be maintained a parking ratio of five (5) parking spaces per 1000 square feet of space. All of which is shown on attached Site Plan marked **Exhibit B**, ("Wal-Mart Site Plan")

6. WAL-MART FACILITY LOCATION:

The proposed Wal-Mart Facility is located approximately as shown on **Exhibit B** (the "Wal-Mart Premises"). Landlord shall have the option to shift the Wal-Mart Building and parking fields to the north onto the triangular portion of its land, Commercial Lane and M.B.T.A. Land, all as depicted on **Exhibit C** and identified as Possible Shopping Center expansion area in the event that Landlord shall acquire the additional land.

7. PARKING:

Parking will be maintained at a ratio of at least five (5) parking spaces for every 1000 square feet of the Wal-Mart Building and all other retail uses in the Shopping Center Development. Parking for any non-retail uses shall be maintained at an appropriate level consistent with local zoning requirements.

8. ACCESS:

The critical access routes from Broadway (Route 99) to the Shopping Center Development will be provided and maintained through out the term of the lease. ("Access Road")

9. PERMITS AND APPROVALS:

Landlord shall be responsible for securing all local, state and federal permits necessary for the operation of the Shopping Center Development. Landlord shall also be responsible for securing all local, state and federal permits and approvals necessary for Tenant to be able construct and operate a prototypical Wal-Mart Store (#___) within the Shopping Center Development (the "Permits and Approvals") which Permits and Approvals shall not contain any conditions or restrictions that would substantially increase the cost of development or use of the Wal-Mart Facility. The Permits and Approvals shall be final and not subject to appeal at the time of delivery of the premises. Tenant shall provide Landlord with all appropriate plans, study and architectural renderings for the Wal-Mart Facility and Wal-Mart Premises at Tenant sole cost. Tenant also agrees to pay fifty percent (50%) of the cost of obtaining all Permits and Approvals required for the Shopping Center Development in an amount not to exceed

FBT Everett Realty LLC

Josh Katzer, Real Estate manager
January 15, 2010

\$400,000. Payment shall be made during the approval process in the form of reimbursement to Landlord in accordance with a mutually agreed upon schedule. The Permits shall not be deemed to include any building permits necessary to construct the Wal-Mart Building. Tenant shall be responsible for obtaining all required building permits and other similar construction related permits in the nature of fees.

10. APPEALS:

In the event any of the Permits are appealed Tenant shall assist Landlord in its defense of any and all appeals and shall pay all cost and expense related thereto.

11. DELIVERY OF PREMISES:

Landlord will deliver possession of the Wal-Mart Premises to Tenant thirty (30) days following the date upon which Landlord has notified Tenant that all Permits and Approvals have been obtained and all applicable appeal periods have expired and no appeals have been filed, or if filed, any such appeal has been finally disposed (the "Delivery Date").

12. RENT COMMENCEMENT DATE:

The rent commencement date shall be the earlier of one (1) year from the Delivery Date or the opening of the Wal-Mart facility.

13. TERM:

The term of the Lease will be for twenty (20) years from the Rent Commencement Date. Provided Tenant gives at least one year written prior notice and provided further that Tenant is not in default under the lease, Tenant will have twelve (12) five (5) year options to extend the lease beyond the initial twenty (20) year term.

14. ANNUAL BASE RENT:

Annual Base Rent during the initial term will be:

	Monthly Rent	Annual Rent
Year 1-20	125,000	1,500,000

15. RENT INCREASE:

The Base Rent shall increase by seven and one half percent (7.5%) upon the commencement of each five (5) year option period of the lease.

FBT Everett Realty LLC

Josh Katzer, Real Estate manager
January 15, 2010

20. ENVIRONMENTAL:

As part of the environmental remediation, Landlord shall obtain a Response Action Outcome (with or without an Activity and Use Limitation ("AUL")), provided such AUL does not materially impair Tenant's ability to operate a retail facility on the site.

21. TENANTS WORK:

Tenant shall perform the following work at Tenant sole cost and expense:

- (1) construct the Wal-Mart Facility including the Wal-Mart Building and the parking fields and infrastructure;
- (2) construct all required offsite improvements along Route 99;
- (3) construct the Access Road running from Route 99 to Wal-Mart Premises;
- (4) construct a main utility line through the Wal-Mart Premises to the edge of the additional land within the Shopping Center with certain contributions by Landlord;
- (5) construct the pylon sign located at entrance to the Shopping Center Development with contribution on a pro-rata basis from other Tenant and or Landlord

22. SUBSURFACE WORK:

Because of the pre-existing environmental condition conditions and Landlord's responsibility for remediation of those conditions, in the event Tenant determines that Tenant requires any construction that will result in excavation, removal or disturbance of the soil or groundwater as part of the construction of the access road and the Wal-Mart Premises, then Landlord shall perform such work for Tenant at a cost plus twenty (20%) percent price or at a fixed amount.

23. LANDLORD'S WORK:

Landlord shall perform the following work, first sharing costs equally with Tenant in accordance with the Additional Compensation required above, and thereafter at Landlord's sole expense:

- (1) Landlord shall perform and pay for all required remediation as required under the AUL
- (2) Landlord shall construct, remediate or perform all other work required under the Chapter 91 License
- (3) Landlord shall perform any other work required for the development of all other portions of the Shopping Center Development or provide evidence of a third party performing such work

FBT Everett Realty LLC

Josh Katzer, Real Estate manager
January 15, 2010

24. SIGNAGE: Tenant will seek prototypical sign package as part of its permit process. Tenant to have top panel rights on all Pylon Signs, with Landlord's outparcel tenants to have panel to be further defined in the Lease. The Pylon Sign shall be located at the Access Road to the Shopping Center Development.
25. BROKERAGE: Landlord will be responsible for paying brokerage fees to The Dartmouth Company in accordance with a separate agreement with the Dartmouth Company.
26. REAL ESTATE TAXES: As additional rent, Tenant shall pay all *ad valorem* real estate taxes attributable to the Wal-Mart Facility. Landlord will use best efforts to have Wal-Mart Premises separately assessed so that Tenant can pay real estate taxes on a direct and separate basis. In the event the real estate taxes cannot be separately assessed, Landlord and Tenant shall mutually agree upon an appropriate pro-rata share of the total tax bill.
27. UTILITY EXPENSES: Commencing with the Delivery Date, Tenant shall pay all utilities consumed within the Wal-Mart Premises so long as said utilities are separately metered. In the event certain utilities are not separate metered, Landlord agrees to install sub-metering equipment and Tenant shall pay its pro-rata share based upon such sub-metering.
28. INSURANCE: Tenant shall maintain appropriate property damage insurance, personal property insurance and commercial general liability insurance on the Wal-Mart Premises naming Landlord and its mortgagees, if any, as named insureds in such amounts as are consistent with industry standards.
29. MAINTENANCE: Tenant shall be responsible at its sole cost and expense for all maintenance repair and replacement of the Wal-Mart Facility together with its pro-rata share of common area in the Shopping Center Development.

FBT Everett Realty LLC

Josh Katzer, Real Estate manager
January 15, 2010

Landlord and Tenant acknowledge that this is a non-binding Letter of Intent and is intended as the basis for preparation of a Ground Lease and a Site Development Agreement. The terms and provisions of this Letter of intent are not binding on either party and do not obligate either party until such time as a fully negotiated Ground Lease is executed and delivered.

FBT Everett Realty LLC

By: _____
Gary Decicco

By: _____
Paul Lohnes

Date: _____

FBT Everett Realty LLC

Josh Katzer, Real Estate manager
January 15, 2010

**16. LANDLORD'S
CARRY COST PRIOR TO
COMMENCEMENT DATE:**

Landlord has calculated its carry costs based on a six (6%) percent return on a land acquisition cost of \$10,341,000.00 for an annual return of \$620,460.00, plus real estate taxes in the approximate amount of \$331,377.76 per year (the "Carry Costs"). Unless the Tenant has previously terminated the Agreement, Tenant shall pay to Landlord 50% of the Carry Cost during the period beginning at the expiration of the Inspection Period through the Rent Commencement Date. The annual payment of approximately \$475,918.00 shall be made quarterly in the amount of \$118,979.50 per quarter, subject to actual tax bill for each tax period. The Carry Cost payments shall be fully earned upon receipt and non refundable.

**17. CONTRIBUTION TOWARDS
LAWSUIT:**

Landlord and Tenant acknowledge that there presently exists a lawsuit involving the Premises entitled OMLC, LLC (Plaintiff) vs. Mystic Landing, LLC, Boston Development Ventures, LLC, FBT Everett Realty, LLC (Defendants) case number _____, (the "Lawsuit") concerning the Access Road and rights therein. Tenant agrees to contribute one-half of the costs of litigation of and settlement of the Lawsuit, up to a maximum of \$1,500,000.00, that results in perfection of rights in the Access Road that are sufficient to service the Wal-Mart Premises. Payment shall be made at the Delivery Date.

18. ADDITIONAL COMPENSATION:

Tenant agrees to contribute two million (\$2,000,000.00) dollars towards (i) environmental remediation within the Shopping Center and (ii) any other work that may be required under the Chapter 91 License. The extent of the remediation and any work required pursuant to the Chapter 91 License shall be enumerated at a later date. Payment shall be made at the Delivery Date.

19. DEPOSIT:

Upon execution of the Lease, Tenant shall deposit into an escrow the sum of three million (\$3,000,000) dollars (the "Deposit") to secure the obligations of Tenant under the Lease. The escrow funds shall be deemed fully earned and non-refundable, and shall be paid to Landlord as liquidated damages in the event that Tenant terminates the Lease, by right or otherwise, prior to the Rent Commencement Date.

**PROPOSAL FOR GROUND LEASE AGREEMENT FOR PREMISES AT
Route 99
Everett, MA**

DATE: August 30, 2010

LANDLORD: Gary Dechico
(Please provide entity)

TENANT: Lowe's Home Centers Inc., Inc.

TRADE NAME: Lowe's Home Improvement

TRANSACTION: Ground Lease

PREMISES: Rt. 99 and Chemical Lane
Everett, MA
Site plan is attached.

PERMITTED USE: Any Legal Use.

SIZE: Approximately 150,000sf +/- including garden center.

INITIAL TERM: Twenty (20) years

OPTION TERMS: Eight (8) five (5) year option terms.

BASE RENT: INITIAL TERM	Year	Monthly Rent	Annual Rent
	1-20	\$137,500	\$1,650,000
OPTION TERM(S):	21-25	\$144,375	\$1,732,500
	26-30	\$151,594	\$1,819,125
	31-35	\$159,173	\$1,910,081
	36-40	\$167,132	\$2,005,585
	41-45	\$175,489	\$2,105,865
	46-50	\$184,263	\$2,211,158
	51-55	\$193,476	\$2,321,716
	56-60	\$203,150	\$2,437,801

REAL ESTATE TAXES: Tenant will pay real estate taxes for its separately assessed Premises.

MAINTENANCE AND INSURANCE CHARGES: Tenant will be responsible for the maintenance of its own Premises and the cost of its insurance as it pertains to its Premises. Landlord is responsible for common area maintenance. Tenant to pay its pro rata share of common area maintenance.

LANDLORD WORK:	<p>Landlord is responsible for delivering the property free of any leases, Landlord is responsible for removal of all tenants, lawsuits, restrictions, and any and all restrictions preventing Landlord to construct the center or restrictions that prevent Tenant from operating its retail store. Landlord shall provide assurance that all easements currently affecting the site are relocated or removed so that they do not adversely affect Lowe's operations.</p> <p>Landlord is responsible for all onsite and offsite work. All on site work built to Tenant's specifications within an agreed upon time period. Lowes will provide Landlord a copy of Tenant's most recent specifications. Landlord understands that such work will include any piles, foundation upgrades, or any and all geotechnical work that is necessary to build out the site</p> <p>Landlord and Tenant understand that due to the uniqueness of the site work, that it would be advantageous to the project that Landlord tie its onsite work to the construction of Tenant's building. It is agreed that Landlord will build Tenants building and Tenant will reimburse Landlord for those costs for Tenant's building as a pass through. It is understood that any geotechnical work as described above will not be part of Tenant's building costs.</p>
LANDLORD DELIVERY:	Landlord Delivery shall occur upon completion of building.
RENT COMMENCEMENT:	Rent shall commence upon the earlier of store opening or 250 days after "Landlord Delivery".
PERMITS & APPROVALS:	Landlord shall be responsible for securing all local, state, and federal permits necessary for Tenant to construct and operate a prototypical Lowe's Home Improvement Store, free from appeals or conditions and restrictions compliance with which would substantially increase the cost of development or use and free from restrictions interfering with the operation of Tenant's proposed business at the Demised Premises or on Tenant's ability to use any part of the Demised Premises for the Intended Use (including related uses necessary to the Intended Use). Tenant agrees to cooperate with Landlord, and Landlord agrees to inform Tenant of its progress of permitting as requested.
DUE DILIGENCE:	Landlord to provide all due diligence materials to Tenant for Tenant to review. Tenant shall have 120 days to review materials and approve them If Tenant finds any errors or deficiency in any report, then Landlord will provide

clarification of the materials or correct the materials. Tenant will then have 90 days to review the new materials and signoff.

If Landlord obtains all permits for Tenant as stated above, Tenant will reimburse Landlord for all costs of Due Diligence materials. Tenant will provide Landlord with full Due Diligence list of items that need to be provided.

ENVIRONMENTALS:

Landlord responsible for delivering the Premises free and clear of any and all asbestos and hazardous waste materials from the site. Both Tenant and Landlord understand that an AUL may be placed on the site which will affect the environmental cleanup

UTILITIES:

Landlord understands that as part of its onsite work, that it must deliver to Tenant all utilities at Landlord cost. Tenant is responsible for payment for utilities rendered or furnished to the Premises including water, gas, electricity, and sewer after Landlord Delivery as they relate to Tenant's work and operation of its premises, but not as they relate to Landlord's work or operations.

SIGNAGE:

To be determined

BROKERAGE:

The parties recognize The Dartmouth Company as the only real estate broker. Brokerage fees are to be paid in accordance with a separate agreement between Landlord and Broker.

Landlord and Tenant acknowledge that this is a non-binding Proposal and is intended for the basis of the preparation of an Agreement to Enter into a Ground Lease, a Ground Lease and a Site Development Agreement. Both shall be subject to Landlord's and Tenant's approval and full execution. The terms and provisions of this Proposal do not obligate the parties to enter into a Ground Lease or Agreement to Enter Ground Lease.

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* SJM - For base work.

* Common Site Maintenance - 4-6% - Admin fees
+ Pass through all costs

COPY OF PROFESSIONAL SERVICES AGREEMENT

PROFESSIONAL SERVICE AGREEMENT

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES



October 25, 2013

Robert P LaPorte, Jr. CRE, MAI
Managing Director Boston
Direct +1 617 330 8101
robert.laporte@colliers.com

Kim Sinatra, Esquire
Senior Vice President & General Counsel
Wynn MA, LLC
3131 Las Vegas Blvd South
Las Vegas, NV 89109

RE: Appraisal of Real Property Owned by FBT Everett Realty, LLC
Route 99
Everett and Charlestown, Massachusetts

Dear Attorney Sinatra:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the attached Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT

("Agreement")

Project:	35.29-acre parcel owned by FBT Everett Realty, LLC (FBT) Valuation of land for an alternate use to the proposed casino by Wynn MA, LLC ("Wynn" or "Client")
Location:	Route 99, Everett and Charlestown, Massachusetts
Description:	The property is known as the former Monsanto Company land in Everett and partly in Charlestown, Massachusetts. The property contains a total of approximately 35.29 acres of vacant land. Of the total area, 30 acres are located in Everett with the remaining 5+/- acres located in the Charlestown section of Boston. The property is further identified as being Everett Assessors' Parcel Number H00006000191 01 and Boston Assessors' Parcel 0201835000. The to-be-appraised site is described in Exhibit B of the option agreement which will be provided by Client.
Parties:	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and Wynn
Intended User:	The appraisal will be prepared for Wynn or its affiliates. No other users are intended, provided that CIVAS acknowledges and agrees that a copy of this appraisal may be shared with the Massachusetts Gaming Commission, and FBT.
Intended Use:	The report to be performed under this Agreement ("Appraisal") is intended only for use in the land price negotiation between the Client and FBT. The report is not intended for any other use.
Purpose:	Market value based on an "as-of-right zoning" of the land and subject to environmental conditions that would be appropriate for the use.
Type of Appraisal:	Summary
Rights Appraised:	Fee Simple
Date of Value:	Date of inspection

Colliers International Valuation & Advisory Services, and certain of its subsidiaries, is an independently owned and operated business and a member firm of Colliers International Company, a partnership of independent companies with over 500+ offices throughout more than 62 countries worldwide. Colliers International Valuation & Advisory Services is the United States member firm for FBT Service, FBT Valuation.

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

Scope of Work:	<p>CIVAS will provide the Appraisal in accordance with USPAP and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will inspect the property, research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. Based on our discussions with the Client, the Client has requested the following valuation scenarios: As is subject to contamination issues that would require remediation based on highest and best use of the land for a use other than a casino, CIVAS anticipates developing the following valuation approaches:</p> <ul style="list-style-type: none"> > Sales Comparison Approach <p>The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.</p>
Delivery:	<p>Preliminary Value: Delivered two (2) weeks from date of authorization subject to obtaining relevant information on the contamination issue.</p> <p>Draft Appraisal: Delivered three and one-half (3.5) weeks from the date of authorization and receipt of property specific information.</p> <p>Final Appraisal: Delivered three (3) days after completion of Client review and authorization to deliver final report(s).</p>
Professional Fee:	\$18,000.
Expenses:	Fees include all associated expenses except for an environmental engineer if required.
No. of Reports:	One (1) Electronic Draft Appraisal, One (1) Electronic Final Appraisal and Two (2) printed Color Final Appraisal (at the request of Client).
Retainer:	A retainer of 50% of the fee.
Payment Terms:	<p>CIVAS will invoice Client for the Appraisal in its entirety at the completion of the assignment.</p> <p>Final payment is due and payable within thirty (30) business days upon delivery of the electronic copy of the Final Appraisal or within thirty (30) days of your receipt of our Draft Appraisal, whichever is sooner. If a Draft Appraisal is requested, the fee is considered earned upon delivery of our Draft Appraisal.</p>
Acceptance Date:	These specifications are subject to modification if this Agreement is not accepted within 21 business days from the date of this letter.

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information we will need to begin our analysis. Please forward with the Agreement or as soon as possible.

- Engineering studies, soil tests or environmental assessments
- Details on any sale, contract, or listing of the property in the past 3 years
- Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
- Property Contact _____

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

The Appraisal is for the sole use of the Client. CIVAS does not consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.

CIVAS hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client and the Massachusetts Gaming Commission.

The Appraisal is predicated on the following reliance language:

This report may be relied upon by the Client and its respective affiliates and any party that purchases an interest in the property from the Client.

Our ability to honor the terms of this Agreement will require Client's response within three (3) business days. If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.


PROFESSIONAL SERVICE AGREEMENT

CONTINUED

I, Jacqui Krum, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.

Wynn MA, LLC

By: Wynn Resorts, Limited
Its sole member

By: 
Jacqui Krum
Senior Vice President

Date: October 25, 2013

Respectfully,

Colliers International Valuation & Advisory Services, LLC



Robert P LaPorte, Jr. CRE MAI
Managing Director, Boston
Direct +1 617.330.8101
robert.laporte@colliers.com

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

TERMS AND CONDITIONS

"T&C"

- 1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
- 2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls or meetings that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum \$500 or at a rate of \$250 per hour for associate time, \$350 per hour for valuation services director, and \$450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.
- 4) The fees and expenses shall be due CIVAS as agreed to in the Agreement and these T&Cs. Client agrees to pay all fees and expenses, including attorney fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, then from the date due and payable until paid the amount due and payable, shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is greater.
- 5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
- 6) Subject to paragraph 14 below, in the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs, including those incurred upon appeal. The Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. The venue of any action arising out of the Agreement shall be Middlesex County, Massachusetts. Client will have up to fourteen (14) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within this time period.
- 7) All statements of fact in the Appraisal which are used as the basis of the CIVAS' analyses, opinions, and conclusions will be true and correct to the best of the CIVAS' knowledge and belief. CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the property furnished to CIVAS by Client.
- 8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsurface conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the property analyzed.
- 9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
- 10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
- 12) CIVAS understands that there is no major or significant deferred maintenance in the property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
- 13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

- 14) In the event of any dispute between Client and CIVAS relating to this Agreement, or CIVAS' or Client's performance hereunder, CIVAS and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the Commonwealth of Massachusetts. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover from the losing party its reasonable expenses, including the costs of arbitration proceeding, and reasonable attorneys' fees.
- 15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of \$250 per hour for associate time, \$350 per hour for valuation services director, and \$450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
- 17) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnitees"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnitees by that third party; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnitees harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party. **LIMITATION OF LIABILITY. EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER. EXCEPT FOR IN NO EVENT WHATSOEVER SHALL CIVAS TOTAL LIABILITY TO CLIENT FOR DIRECT DAMAGES UNDER THE AGREEMENT OR ANY OTHER DAMAGES WHATSOEVER EXCEED IN THE AGGREGATE THE TOTAL SUM OF FUNDS RECEIVED BY CIVAS FROM CLIENT.**
- 18) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material, and disclaim all liability to any party other than the Client.
- 19) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.
- 20) CIVAS agrees to maintain Professional Liability Insurance in the amount of \$1,000,000 and General Liability Insurance in the amount of \$2,000,000, as well as workers compensation and shall contain a full waiver of subrogation clause but only to the extent of loss arising from or attributable to CIVAS negligence. Within ten (10) days of the execution of the Agreement, CIVAS will provide Client with certificates of insurance naming Client as an additional insured. CIVAS will endeavor to provide Client with prior written notice regarding any cancellation of any such insurance.
- 21) Please note that CIVAS' consent to allow the Appraisal or portions of the Appraisal, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at CIVAS' sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

PROFESSIONAL SERVICE AGREEMENT

Continued

- 22) Client and its affiliates, rating agencies and a limited number of investors involved in the securitization, may use and rely upon CIVAS report in connection with a planned loan securitization involving the Property including, without limitation, utilizing selected information in the Appraisal in the offering documents relating to the securitization and CIVAS agrees to cooperate in answering reasonable questions by any of the above parties in connection with the securitization.

Client agrees that it will not file, use, or permit or cause to be used in any offering documents or any other document any portion or extract of the Appraisal, or any reference to the Appraisal, without first (i) having provided the portion or portions of an offering document or other document to CIVAS for review and (ii) having obtained the prior written consent of CIVAS to any such filing, use, amendment or modification, which consent shall not be unreasonably withheld. CIVAS shall have the right to require Client to include in any offering document or other document disclosure concerning the conditions, qualifications and assumptions of the appraisal and such other disclosure concerning the Appraisal as CIVAS shall reasonably require.

Client can use the appraised value without attribution to the Appraisal, and selected information in the Appraisal, provided Client agrees that it has complied and at all times will comply, and will use Client's best efforts to cause any underwriters to comply, with all applicable Federal and state securities laws in connection with any offering, and offering document and any use of the Appraisal. Client further agrees that neither any offering document nor any other document used in connection with any offering will contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading regarding the Appraisal, or any portion or extract thereof, or any reference to the Appraisal.

A. CIVAS acknowledges that certain members of the Wynn Group (as defined below) are engaged in businesses that are or may be subject to privileged licenses or other permits issued by governmental authorities. Wynn may immediately terminate this Agreement upon written notice to CIVAS, without penalty or prejudice and without further liability to CIVAS if any member of the Wynn Group: (a) is directed to cease doing business with CIVAS by any such authority or sovereignties; or (b) determines, in its sole and exclusive judgment, that CIVAS, its affiliates or any of its or their directors, officers, employees, agents or other representatives is, might be or is about to be engaged in or involved in any activity or relationship that could or does jeopardize any of the businesses or licenses of any of the Wynn Group (including, without limitation, any denial, suspension or revocation (or the threat thereof)). "Wynn Group" shall mean Wynn Resorts, Limited, a Nevada corporation, and its subsidiaries, partnerships, joint ventures and other affiliates.

B. In performing the services under this Agreement, CIVAS will not, and will cause its members, managers, employees, agents and contractors not to, (i) pay, offer or promise to pay, or authorize the payment, directly or indirectly, of anything of value to any person or firm employed by or acting for or on behalf of any government official or employee or any political party or candidate for political office, for the purpose of inducing or rewarding any favorable action in any matter; (ii) engage a third party to make such payments; and (3) assign, transfer or subcontract its obligations under the Agreement without the prior written consent of Wynn. CIVAS further represents and warrants that, except as otherwise as notified in writing to Wynn at the time of the signing of this Agreement, neither it nor any of its members, managers, employees, agents or contractors (as well as any partners, owners, principals, employees, and agents of the contractors of the foregoing) are officials, officers, representatives, or employees of any government or political party or candidates for political office. In the event that Wynn has a reason to believe that a breach of any of the anti-corruption representations and warranties has occurred or will occur, Wynn will have the right to audit CIVAS in order to satisfy itself that no breach has occurred. CIVAS shall fully cooperate in any such audit. In the event of a breach of any of these anti-corruption representations and warranties, this Agreement may be terminated immediately without any liability to CIVAS upon written notice by Wynn, such termination to be effective as of the date of such notice.

C. CIVAS is aware, and each of its members, managers, employees, agents or contractors are aware, that the shares of Wynn Resorts, Limited are listed on the NASDAQ and CIVAS is aware, and each of its members, managers, employees, agents or contractors are aware, of applicable laws and regulations relating to insider trading of the securities laws of the United States and none of CIVAS, nor any of its members, managers, employees, agents or contractors, performing services hereunder or provided with any confidential information shall trade in the securities of Wynn Resorts, Limited until such time as they may do so under applicable securities laws.

D. CIVAS acknowledges that certain members of the Wynn Group are engaged in businesses that are or may be subject to privileged licenses or other permits issued by governmental authorities and that Wynn must perform a background check and other due diligence with respect to CIVAS. Accordingly, CIVAS agrees to deliver all necessary documentation to enable Wynn to complete the background check. CIVAS acknowledges and agrees that the satisfaction of Wynn's background check is a condition precedent to any payment obligations of Wynn hereunder. In addition, Wynn shall have the right to terminate

this Agreement without penalty and without further liability to CVAS if the foregoing conditions are not satisfied to Wynn's satisfaction.

COLLIERS INTERNATIONAL VALUATION GLOSSARY

Valuation Glossary

Valuation & Advisory Services



CONTACT DETAILS

TEL +1 877 720 2525
FAX +1 760 730 3372

Colliers International
5760 Avenida Drive
Suite 175
Carlsbad, CA 92008

www.colliers.com

These definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010 (*Dictionary*)

Uniform Standards of Professional Appraisal Practice, 2012-2013 Edition (USPAP)

The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, Chicago, Illinois, 2008 (*13th Edition*)

Marshall Valuation Service, Marshall & Swift, Los Angeles, California (*MVS*)

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management, often a long-term lease to a credit tenant. (*Dictionary*)

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. (*13th Edition*)

Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent an opinion of value; it is simply the total of multiple market value conclusions. (*Dictionary*)

Arm's-length Transaction

A transaction between unrelated parties under no duress. (*13th Edition*)

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (*Dictionary*)

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. (*13th Edition*)

Average Daily Room Rate (ADR)

In the lodging industry, total guest room revenue divided by the total number of occupied rooms. (*Dictionary*)

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (*Dictionary*)

Cash-Equivalent Price

The price of a property with above- or below-market financing expressed in terms of the price that would have been paid in an all-cash sale. (*Dictionary*)

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. (*Dictionary*)

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Tel: +1 877 720 2525
Fax: +1 660 730 3372

Colliers International
5790 Antenna Drive
Suite 175
Cathedral, CA 92009

www.colliers.com

Contract Rent

The actual rental income specified in a lease. *(13th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(13th Edition)*

Curable Functional Obsolescence

An element of depreciation, a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Needed repairs or replacement of items that should have taken place during the course of normal maintenance. *(Dictionary)*

Depreciation

In appraising, a loss in property value from any cause, the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

Direct Costs

1. Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

2. The labor, material, subcontractor, and heavy equipment costs directly incorporated into the construction of physical improvements. *(R.S. Means)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

An interest rate used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.

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Valuation & Advisory Services

CONTACT DETAILS

OM +1 877 720 3525
FAX +1 760 730 3372

Colliers International
5700 Arroyo Drive
Suite 175
Carlsbad, CA 92008

www.colliers.com

6 Both parties are acting in what they consider their best interests.

7. An adequate marketing effort will be made during the exposure time specified by the client.

8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.

9. 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.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

An interest in real property that transfers use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments accept conservation, open space, and preservation easements on private property. *(13th Edition)*

Economic Life

The period over which improvements to real property contribute to property value *(13th Edition)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real property after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income *(Dictionary)*

Effective Rent

The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs) *(Dictionary)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

A market-derived figure that represents the amount an entrepreneur expects to receive for his or her contribution to a project and risk. *(13th Edition)*

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Valuation & Advisory Services

CONTACT DETAILS

PH: +1 877 720 2525
FAX: +1 760 730 3172

Colliers International
5796 Armada Drive
Suite 175
Carlsbad, CA 92008

www.colliers.com

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. (*13th Edition*)

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately (*Dictionary*)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal, created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized at a higher rate in the income capitalization approach. (*Dictionary*)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (*Dictionary*)

Exposure Time

The time a property remains on the market. 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; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (*Dictionary*)

External Obsolescence

An element of depreciation, a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant. (*Dictionary*)

Extraordinary Assumption

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 conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions (USPAP)

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Colliers International
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www.colliers.com

Fair Market Value

A term that is, in concept, similar to market value in general usage; used mainly in condemnation, litigation, income tax, and property tax situations. When an appraisal assignment involves developing an opinion of fair market value, the appropriate, requisite, and precise definition of the term depends on the use of the appraisal and the applicable jurisdiction. *(Dictionary)*

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. *(USPAP)*

Fee Simple Estate

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. *(Dictionary)*

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. *(Dictionary)*

Functional Obsolescence

The impairment of functional capacity of a property according to market tastes and standards. *(Dictionary)*

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. *(13th Edition)*

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. *(Dictionary)*

Going-concern Value

1. The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern*.

2. The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable. *(Dictionary)*

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. *(Dictionary)*

Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. *(Dictionary)*

Valuation Glossary

Valuation & Advisory Services

CONTACT DETAILS

TEL +1 877 730 2525
FAX +1 760 730 3372

Colliers International
5790 Avenida Drive
Suite 175
Carlsbad, CA 92008

www.colliers.com

Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area, calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

Highest & Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity. *(Dictionary)*

Highest and Best Use of Land or a Site as Through Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. *(Dictionary)*

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. *(Dictionary)*

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP)*

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(13th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans; taxes and the builder's or developer's all-risk insurance during construction; and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. *(Dictionary)*

Valuation Glossary

Valuation & Advisory Services

CONTACT DETAILS

DEP +1 877 720 2525
FAX +1 700 730 3372

Colliers International
5708 Armada Drive
Suite 175
Carlsbad CA 92008

www.colliers.com

Insurable Value

The value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of non-insurable items (e.g. land value) from market value. *(MVS)*

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Interim Use

The temporary use to which a site or improved property is put until it is ready to be put to its future highest and best use. *(13th Edition)*

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship. *(Dictionary)*

Leasehold Interest

The tenant's possessory interest created by a lease. *(Dictionary)*

Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of the current zoning in the zone where it is located; also known as a *grandfathered use*. *(Dictionary)*

Market Study

A macroeconomic analysis that examines the general market conditions of supply, demand, and pricing or the demographic of demand for a specific area or property type. A market study may also include analyses of construction and absorption trends. *(13th Edition)*

Marketability Study

A microeconomic study that examines the marketability of a given property or class of properties, usually focusing on the market segments in which the property is likely to generate demand. Marketability studies are useful in determining a specific highest and best use, testing development proposals, and projecting an appropriate tenant mix. *(13th Edition)*

Valuation Glossary

Valuation & Advisory Services

CONTACT DETAILS

PH: +1 877 720 2525
FAX: +1 760 730 3372

Colliers International
5790 Arroyo Drive
Suite 175
Carlsbad, CA 92008

www.colliers.com

Market Analysis

A process for examining the demand for and supply of a property type and the geographic market area for that property type. This process is sometimes referred to as a use in search of a site. (13th Edition)

Market Area

The geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users. (13th Edition)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the typical lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (13th Edition)

Market Value

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 own best interests;

3. a reasonable time is allowed for exposure in the open market;

4. payment is made in terms of cash in U.S. 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. (Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value.)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income, but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (Dictionary)

Obsolescence

One cause of depreciation, an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use, may be either functional or external. (Dictionary)

Valuation Glossary

Valuation & Advisory Services

CONTACT DETAILS

tel: +1 877 730 2525
fax: +1 760 730 3372

Colliers International
5790 Armada Drive
Suite 175
Carlsbad, CA 92008

www.colliers.com

Off-site Costs

Costs incurred in the development of a project, excluding actual building construction costs, e.g., the costs of streets, sidewalks, curbing, traffic signals, and water and sewer mains; also called *common costs* or *off-site improvement costs*. *(Dictionary)*

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(13th Edition)*

Overall Capitalization Rate (OAR)

An income rate for a total real property interest that reflects the relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Potential Gross Income (PGI)

The total income attributable to real property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income ($PGIM = V/PGI$). *(Dictionary)*

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. *(Dictionary)*

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

Qualitative Analysis

The process of accounting for differences (such as between comparable properties and the subject property) that are not quantified; may be combined with quantitative analysis. *(Dictionary)*

Quantitative Adjustment

In the sale comparison approach, the process of making numerical adjustments to the sale prices of comparable properties, including data analysis techniques (paired data analysis, grouped data analysis, and secondary data analysis), statistical analysis, graphic analysis, trend analysis, cost analysis (cost-to-cure, depreciated cost), and capitalization of rent differences; usually precedes qualitative analysis. *(Dictionary)*

Rentable Area

The amount of space on which the rent is based, calculated according to local practice. *(Dictionary)*

Valuation Glossary

Valuation & Advisory Services

CONTACT DETAILS

DIR +1 877.720.2525
FAX +1 760.730.3372

Colliers International
5796 Armada Drive
Suite 175
Carlsbad, CA 92008

www.colliers.com

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. *(13th Edition)*

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(13th Edition)*

Retrospective Value Opinion

A value opinion effective as of a specific historical date. The term does not define a type of value. Instead, it defines a value opinion as being effective at some specific prior date. Inclusion of this type of value with this term is appropriate, e.g., "retrospective market value opinion." *(Dictionary)*

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available. *(13th Edition)*

Scope of Work

The type and extent of research and analysis in an assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets and pharmacies. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Center: A shopping center of 100,000 to 450,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Valuation Glossary

Valuation & Advisory Services

CONTACT DETAILS

PH +1 877 729 2526
FAX +1 709 730 3372

Colliers International
5786 Arroyo Drive
Suite 175
Carlsbad, CA 92008

www.colliers.com

Shopping Center Types (cont.)

Power Center: A large center of 500,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. (13th Edition)

Superadequacy

An excess in the capacity or quality of a structure or structural component, determined by market standards. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project, subject to periodic change for succeeding tenants. (Dictionary)

Triple Net Lease

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*. (Dictionary)

Useable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. (Dictionary)

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. (Dictionary)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent, also called *vacancy and credit loss* or *vacancy and contingency loss*. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary)

Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. (Dictionary)

QUALIFICATIONS AND LICENSE OF APPRAISER



Robert P. LaPorte, Jr., CRE, MAI

MANAGING DIRECTOR
Valuation & Advisory Services



bob.laporte@colliers.com

EDUCATION AND QUALIFICATIONS

Saint Anselm College,
Bachelor of Arts, Urban
Studies

STATE CERTIFICATION

Maine
Massachusetts
New Hampshire

CONTACT DETAILS

DIR +1 617 330 8101
FAX +1 617 330 8129

Colliers International
160 Federal Street
Boston, MA 02110

www.colliers.com

COMPANY EXPERIENCE

Robert LaPorte joined Colliers International in 1982 and is presently a Managing Director of the firm's Valuation & Advisory Services group. Over the course of his forty years in real estate, Mr. LaPorte has appraised or consulted on assignments throughout the New England states, New York, South Carolina, Pennsylvania and California. In addition to appraisals, Mr. LaPorte has also completed land use and marketability studies for properties located in industrial parks and central business districts; feasibility and market studies for residential and commercial uses; review appraisals; lease arbitration, valuation disputes, and provided expert witness testimony.

His valuation work has included a diverse property type that encompasses office, retail, industrial and institutional properties. Property interests include fee simple, leased fee, leasehold, sandwich leasehold, air rights and fractional property interests.

PROFESSIONAL ACCOMPLISHMENTS

Mr. LaPorte is qualified as an expert witness in the Superior Courts of the Commonwealth of Massachusetts in Suffolk, Worcester, Middlesex, Essex, Norfolk, Dukes and Plymouth Counties, Commonwealth of Massachusetts Appellate Tax Board and The Federal Bankruptcy Court of Massachusetts. In New Hampshire, he has testified before The Superior Court of Hillsboro County and the Board of Tax and Land Appeal.

PRIOR EXPERIENCE

Prior to joining Colliers International, in 1982 Mr. LaPorte was a partner at Foster Appraisal and Consulting.

PROFESSIONAL MEMBERSHIPS AND ACCREDITATIONS

Appraisal Institute, MAI and SRA Designations

Appraisal Institute, Past President, New England Chapter

The Counselors of Real Estate (CRE), Member

Greater Boston Real Estate Board—
Commercial Brokers Association

Massachusetts Certified Real Estate Appraiser. #735

Maine Certified Real Estate Appraiser #CG 687

New Hampshire Certified Real Estate Appraiser #377

Licensed Massachusetts Real Estate Broker #120582

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Robert P. LaPorte, Jr., CRE, MAI

MANAGING DIRECTOR
Valuation & Advisory Services



bob.laporte@colliers.com

CONTACT DETAILS

DIR +1 617 330 8101
FAX +1 617 330 8129

Colliers International
160 Federal Street
Boston, MA 02110

www.colliers.com

REPRESENTATIVE CLIENTS

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QUALIFICATIONS OF COLLIERS INTERNATIONAL



SENIOR VALUATION MANAGEMENT

Eduardo E. Alegre, MAI
President | Valuation & Advisory
+1 714 496 9400 Phone
Ed.Alegre@Colliers.com

E. Jason Lund, MAI, MRICS
Regional Managing Director
+1 949 751 2701 Phone
Jason.Lund@Colliers.com

Jerry P. Gisclair, MAI, MRICS
Regional Managing Director
+1 813 871 8531 Phone
Jerry.Gisclair@Colliers.com

Valuation & Advisory Services
U.S. Headquarters
5796 Armada Drive, Suite 175
Carlsbad, CA 92008

Colliers International Valuation & Advisory Services

Never in the history of real estate has valuation taken a more pivotal role than in today's business climate. A true and well supported opinion of property value can mean the difference between reaching a critical goal - securing a loan, closing a sale, reporting to investors, choosing the best asset - or failing to achieve it altogether.

Our valuation and advisory services are designed to deliver insight into a property's fundamentals, its competitors and the overall market dynamics affecting value, now and in the future. We believe that a solid valuation report can be a strategic asset for investors, lenders and owners, provided that it addresses both a property's unique characteristics and the big picture.

Our professionals share a commitment to deliver the highest level of service and the best client experience possible. We go the extra mile to deliver results, whether this means meeting a tight deadline or working with a complex and challenging property.

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COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES

SENIOR VALUATION MANAGEMENT

Eduardo E. Alegre, MAI
President | Valuation & Advisory
20411 SW Birch St., Suite 310
Newport Beach, CA 92660
714.496.9400 Phone
Ed.Alegre@colliers.com

E. Jason Lund, MAI, MRICS
Regional Managing Director
20411 SW Birch St., Suite 310
Newport Beach, CA 92660
949.751.2701 Phone
Jason.Lund@colliers.com

Jerry P. Gisclair, MAI, MRICS
Regional Managing Director
4350 W. Cypress St., Suite 300
Tampa, FL 33607
813.871.8031 Phone
Jerry.Gisclair@colliers.com

United States Locations

● Colliers ● Valuation & Advisory



ATLANTA

1349 W. Peachtree Street, Suite 1100
Atlanta, GA 30309
404.877.9299 Phone

Jerry P. Gisclair, MAI, MRICS
Regional Managing Director
Jerry.Gisclair@colliers.com

BOSTON

150 Federal Street
Boston, MA 02110
617.330.8101 Phone

Robert LaPorte, MAI, CRA
Managing Director
Robert.Laporte@colliers.com

BUFFALO

49 Buffalo Street
Hamburg, NY 14075
716.312.7790 Phone

James Murrell, MAI, CRA
Appraisal Standards & Audit Services
Jim.Murrell@colliers.com

CARLSBAD

5746 Arroyo Drive, Suite 175
Carlsbad, CA 92008
760.444.8000 Phone

Rob Deiting, MAI
Managing Director
Rob.Deiting@colliers.com

CENTRAL FLORIDA (TAMPA)

4350 W. Cypress Street, Suite 300
Tampa, FL 33607
813.871.8031 Phone

Jerry P. Gisclair, MAI, MRICS
Regional Managing Director
Jerry.Gisclair@colliers.com

CHARLOTTE

301 S. College Street, Suite 1350
Charlotte, NC 28202
704.699.2377 Phone

Murray Williams, MAI
Managing Director
Murray.Williams@colliers.com

CHICAGO

2 N. LaSalle Street, Suite 600
Chicago, IL 60602
312.602.6157 Phone

Jeremy R. Walling, MAI, MRICS
Executive Managing Director
Jeremy.Walling@colliers.com

COLUMBUS / CLEVELAND

8800 Lyra Drive, Suite 650
Columbus, OH 43240
614.436.9800 Phone

Bruce Neil, MAI, MRICS, MICP
Executive Managing Director
Bruce.Neil@colliers.com

DALLAS

4144 N. Central Exp., Suite 160
Dallas, TX 75204
214.277.9350 Phone

Thomas Bogdan, MAI
Executive Managing Director
Thomas.Bogdan@colliers.com

DENVER

7200 S. Alton Way, Suite B-260
Centennial, CO 80112
303.779.5000 Phone

Jonathan Fletcher, MAI
Managing Director
Jon.Fletcher@colliers.com

FRESNO

7485 N. Palm Avenue, Suite 110
Fresno, CA 93711
559.221.1271 Phone

John Larson
Senior Valuation Services Director
John.Larson@colliers.com

HAWAIIAN ISLANDS

140 Ulukouka Avenue, Suite 108
Honolulu, HI 96815
808.926.9595 Phone

Bobby Hastings, MAI, MRICS
Managing Director
Bobby.Hastings@colliers.com

HOUSTON

1300 Floss Oak Blvd., Suite 200
Houston, TX 77056
713.222.2111 Phone

Michael Higgins, MAI
Valuation Services Director
Michael.Higgins@colliers.com

LOS ANGELES

865 South Figueroa Street, Suite 3500
Los Angeles, CA 90017
213.532.3227 Phone

William Drewes, MAI
Valuation Services Director
Bill.Drewes@colliers.com

MIAMI

95 Merrick Way, Suite 380
Coral Gables, FL 33134
305.497.7828 Phone

Jerry P. Gisclair, MAI, MRICS
Regional Managing Director
Jerry.Gisclair@colliers.com

MINNEAPOLIS

900 2nd Avenue South, Suite 500
Minneapolis, MN 55402
952.837.3050 Phone

John Kubez, MAI
Valuation Services Director
John.Kubez@colliers.com

NEW YORK

57 W. 57th Street, Suite 1703
New York, NY 10019
212.355.1023 Phone

Morgan Turnbull
Senior Valuation Specialist
Morgan.Turnbull@colliers.com

NEWPORT BEACH

20411 SW Birch Street, Suite 310
Newport Beach, CA 92660
949.474.0707 Phone

E. Jason Lund, MAI, MRICS
Regional Managing Director
Jason.Lund@colliers.com

PHOENIX

2390 E. Camelback Road, Suite 100
Phoenix, AZ 85016
602.222.5165 Phone

Philip Steffen, MAI
Managing Director
Philip.Steffen@colliers.com

PORTLAND - VANCOUVER

110 SW Yamhill Street, Suite 200
Portland, OR 97204
503.226.0983 Phone

Jeff L. Gross, MAI
Executive Managing Director
Jeff.Gross@colliers.com

SACRAMENTO

1508 Eureka Road, Suite 250
Roseville, CA 95661
916.724.5500 Phone

Jeffrey Shouse
Executive Managing Director
Jeffrey.Shouse@colliers.com

SALT LAKE CITY

1592 South 500 West, Suite 202
Woods Cross, UT 84010
801.295.0246 Phone

R. Todd Larsen, MAI
Managing Director
Todd.Larsen@colliers.com

SAN DIEGO

750 B Street, Suite 3250
San Diego, CA 92101
619.814.4700 Phone

Rob Deiting, MAI
Managing Director
Rob.Deiting@colliers.com

SAN FRANCISCO

50 California, 19th Floor
San Francisco, California 94111
415.788.3100 Phone

Alex Khasin
Senior Valuation Specialist
Alex.Khasin@colliers.com

SEATTLE

1325 4th Avenue, Suite 1900
Seattle, WA 98101
206.343.7477 Phone

Reid Erickson, MAI
Executive Managing Director
Reid.Erickson@colliers.com

ST. LOUIS

1401 S. Brentwood Blvd., Gate 700
St. Louis, Missouri 63144
314.932.3917 Phone

John Griffin
Senior Valuation Specialist
John.Griffin@colliers.com

WASHINGTON D.C.

700 E. Street, NW, Suite 200
Washington, DC 20006
312.602.6157 Phone

Murray Williams, MAI
Managing Director
Murray.Williams@colliers.com

<http://www.colliers.com/ValuationAdvisory>

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