

APPRAISAL OF



LOCATED AT:

3 Q Street
Newburyport, MA 01950

CLIENT:

Mark Drago
9 Kenmore Road
Melrose, MA, 02176

AS OF:

January 11, 2020

BY:

John E DiStefano
First Fidelity Appraisal Services of New England, Inc.

First Fidelity Appraisal Services of New England, Inc.
Appraisal Report

File No. 201032HMO01A

Mark Drago
9 Kenmore Road
Melrose, MA, 02176

File Number: 201032HMO01A

In accordance with your request, I have appraised the real property at:

3 Q Street
Newburyport, MA 01950

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of January 11, 2020 is:

\$755,000
Seven Hundred Fifty-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.


John E DiStefano
First Fidelity Appraisal Services of New England, Inc.
384 Lowell Street, Wakefield, MA. 01880

First Fidelity Appraisal Services of N.E.
Residential Appraisal Report

File No. 201032HMO01A

PURPOSE

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User **Mark Drago** E-mail **mark.drago@hotmail.com**

Client Address **9 Kenmore Road** City **Melrose** State **MA** Zip **02176**

Additional Intended User(s) **Any individual appointed by the client.**

Intended Use **Estimate market value, subject to completion.**

SUBJECT

Property Address **3 Q Street** City **Newburyport** State **MA** Zip **01950**

Owner of Public Record **Mark Drago** County **Essex**

Legal Description **See deed So Essex Reg. of Deeds Bk:37291 Pg: 144 and Bk: 37310 Pg: 100**

Assessor's Parcel # **Map: 75 Lot: 170 & Map: 75 Lot: 168** Tax Year **2019** R.E. Taxes \$ **5,997.00**

Neighborhood Name **Plum Island** Map Reference **N/A** Census Tract **2684.00**

Property Rights Appraised Fee Simple Leasehold Other (describe)

SALES HISTORY

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: Date **01/24/2019** Price **\$340,000** Source(s) **Deed**

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) **Prior sale noted, please see the attached deed. There are two parcels of land. Parcel #1 has 4,788 sq.ft. and all improvements. Parcel #2 is a vacant waterfront lot. Please see the attached deeds.**

Offerings, options and contracts as of the effective date of the appraisal **No prior 12 month listing history noted.**

NEIGHBORHOOD

| Neighborhood Characteristics | | | One-Unit Housing Trends | | | One-Unit Housing | | Present Land Use % | | | |
|------------------------------|--|--|------------------------------------|-----------------|--|--|--------------------------------------|--------------------|-------------|--------------|-------|
| Location | <input type="checkbox"/> Urban | <input checked="" type="checkbox"/> Suburban | <input type="checkbox"/> Rural | Property Values | <input type="checkbox"/> Increasing | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining | PRICE | AGE | One-Unit | 85% % |
| Built-Up | <input checked="" type="checkbox"/> Over 75% | <input type="checkbox"/> 25-75% | <input type="checkbox"/> Under 25% | Demand/Supply | <input type="checkbox"/> Shortage | <input checked="" type="checkbox"/> In Balance | <input type="checkbox"/> Over Supply | \$(000) | (yrs) | 2-4 Unit | 5% % |
| Growth | <input type="checkbox"/> Rapid | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Slow | Marketing Time | <input checked="" type="checkbox"/> Under 3 mths | <input type="checkbox"/> 3-6 mths | <input type="checkbox"/> Over 6 mths | 300 Low | 1 | Multi-Family | % |
| Neighborhood Boundaries | The subject neighborhood is located north by the Merrimack River; south by the Town of Newbury; east by the Atlantic Ocean; west by Old Point Road. | | | | | | 1300 High | 150 | Commercial | | 5% % |
| Neighborhood Description | See Attached Addendum | | | | | | 750 Pred. | 50 | Other Condo | | 5% % |

Market Conditions (including support for the above conclusions) **Typical marketing time for properties that are properly priced is less than 3 months. Some seller sales concessions, such as closing cost allowance, are market accepted.**

SITE

Dimensions **See Attached Deed and Plat Map** Area **9,214 sf.** Shape **Irregular** View **Water View**

Specific Zoning Classification **Residential 3** Zoning Description **Residential Single Family 8,000 sq.ft. 80 foot frontage.**

Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe: **The current use is the highest and best use. Please see the attached addendum.**

| Utilities | Public | Other (describe) | Public | Other (describe) | Off-site Improvements—Type | Public | Private |
|-------------|-------------------------------------|---|----------------|-------------------------------------|----------------------------|-------------------------------------|--------------------------|
| Electricity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Water | <input checked="" type="checkbox"/> | Street | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Gas | <input type="checkbox"/> | <input checked="" type="checkbox"/> Propane | Sanitary Sewer | <input checked="" type="checkbox"/> | Alley | <input type="checkbox"/> | <input type="checkbox"/> |

Site Comments **No adverse easements or encroachments noted. The subject parcel is legal non-conforming to current zoning, and the dwelling can be rebuilt if destroyed. There are two parcels of land. Parcel #1 has 4,788 sq.ft. and all improvements. Parcel #2 has 4,426 sq.ft and is a vacant waterfront lot. Topography is street level.**

IMPROVEMENTS

| GENERAL DESCRIPTION | | FOUNDATION | | EXTERIOR DESCRIPTION materials | | INTERIOR materials | |
|---|--|--|--|---|--|--|--|
| Units | <input checked="" type="checkbox"/> One <input type="checkbox"/> One w/Acc. unit <input type="checkbox"/> | <input checked="" type="checkbox"/> Concrete Slab | <input type="checkbox"/> Crawl Space | Foundation Walls | Concrete | Floors | Hrdwd&Crpt./Av. |
| # of Stories | 2 | <input type="checkbox"/> Full Basement | <input type="checkbox"/> Partial Basement | Exterior Walls | Vinyl | Walls | Drywall / Avg. |
| Type | <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit | Basement Area | 0 sq. ft. | Roof Surface | Asphalt | Trim/Finish | Wood / Avg. |
| | <input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Under Const. | Basement Finish | 0 % | Gutters & Downspouts | Yes | Bath Floor | Tile / Avg. |
| Design (Style) | Colonial | <input checked="" type="checkbox"/> Outside Entry/Exit | <input type="checkbox"/> Sump Pump | Window Type | D.H. | Bath Wainscot | Tile / Avg. |
| Year Built | 1930 | | | Storm Sash/Insulated | Yes | Car Storage | <input type="checkbox"/> None |
| Effective Age (Yrs) | 1 | | | Screens | Yes | <input checked="" type="checkbox"/> Driveway | # of Cars 4 |
| Attic | <input type="checkbox"/> None | Heating | <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HW <input type="checkbox"/> Radiant | Amenities | <input type="checkbox"/> WoodStove(s) # | Driveway Surface | Asphalt |
| <input type="checkbox"/> Drop Stair | <input type="checkbox"/> Stairs | <input type="checkbox"/> Other | Fuel Propane | <input checked="" type="checkbox"/> Fireplace(s) # 1 | <input type="checkbox"/> Fence None | <input checked="" type="checkbox"/> Garage | # of Cars 1 |
| <input type="checkbox"/> Floor | <input checked="" type="checkbox"/> Scuttle | Cooling | <input checked="" type="checkbox"/> Central Air Conditioning | <input checked="" type="checkbox"/> Patio/Deck Deck | <input type="checkbox"/> Porch None | <input type="checkbox"/> Carport | # of Cars |
| <input type="checkbox"/> Finished | <input type="checkbox"/> Heated | <input type="checkbox"/> Individual | <input type="checkbox"/> Other | <input type="checkbox"/> Pool None | <input type="checkbox"/> Other None | <input type="checkbox"/> Att. | <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Built-in |
| Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe) | | | | | | | |
| Finished area above grade contains: 5 Rooms 2 Bedrooms 2 Bath(s) 1,476 Square Feet of Gross Living Area Above Grade | | | | | | | |
| Additional Features Fireplace; Deck | | | | | | | |

Comments on the Improvements **The subject is a proposed construction of a contemporary colonial style home of good quality construction. The appraised value will be noted subject to completion of all interior and exterior renovations. No functional inadequacies associated with the proposed floor plan. Upon completion, the subject dwelling is effectively new with an estimated 65 years of remaining economic life.**

First Fidelity Appraisal Services of N.E.
Residential Appraisal Report

File No. 201032HMO01A

| FEATURE | SUBJECT | COMPARABLE SALE NO. 1 | | COMPARABLE SALE NO. 2 | | COMPARABLE SALE NO. 3 | |
|---|-------------------|--|--------------------|--|--------------------|--|--------------------|
| 3 Q Street Address Newburyport, MA 01950 | | 87 Reservation Ter. Newburyport, MA 01950 | | 6 Queen Street Newburyport, MA 01950 | | 35 Southern Blvd. Newbury, MA 01951 | |
| Proximity to Subject | | 0.37 miles NE | | 0.04 miles NE | | 1.24 miles SE | |
| Sale Price | \$ | | \$ 742,000 | | \$ 710,000 | | \$ 825,000 |
| Sale Price/Gross Liv. Area | \$ 0.00 sq. ft. | \$ 483.70 sq. ft. | | \$ 426.68 sq. ft. | | \$ 346.64 sq. ft. | |
| Data Source(s) | Inspection | MLS | | MLS | | MLS | |
| Verification Source(s) | | Assessors | | Assessors | | Assessors | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +(-) \$ Adjustment | DESCRIPTION | +(-) \$ Adjustment | DESCRIPTION | +(-) \$ Adjustment |
| Sale or Financing Concessions | | None Disclosed | 0 | None Disclosed | 0 | None Disclosed | 0 |
| Date of Sale/Time | | 08/09/2019 | | 09/30/2019 | | 09/05/2019 | |
| Location | Waterfront | Waterfront | | Waterfront | | Waterfront | |
| Leasehold/Fee Simple | Fee Simple | Fee Simple | | Fee Simple | | Fee Simple | |
| Site | 9,214 sf. | 11,340 sf. | -2,100 | 6,417 sf. | 2,800 | 10,598 sf. | -1,400 |
| View | Water View | Water View | | Water View | | Water View | |
| Design (Style) | Colonial | Colonial | | Colonial | | Colonial | |
| Quality of Construction | Good | Good | | Good | | Good | |
| Actual Age | 90+/- Years | 37+/- Years | | 24+/- Years | | 70+/- Years | |
| Condition | Good | Good | | Average 5% | 35,500 | Good | |
| Above Grade | Total Bdrms Baths | Total Bdrms Baths | | Total Bdrms Baths | | Total Bdrms Baths | |
| Room Count | 5 2 2 | 6 2 1 | 10,000 | 4 2 1.5 | 5,000 | 6 2 2.5 | -5,000 |
| Gross Living Area | 60 1,476 sq. ft. | 1,534 sq. ft. | -3,500 | 1,664 sq. ft. | -11,300 | 2,380 sq. ft. | -54,200 |
| Basement & Finished Rooms Below Grade | None | Full Part Finished | -10,000 -5,000 | Full Unfinished | -10,000 | Full Unfinished | -10,000 |
| Functional Utility | 2 Bedroom | 2 Bedroom | | 2 Bedroom | | 2 Bedroom | |
| Heating/Cooling | FHA / Central | FHA / Central | | FHA / None | 5,000 | FHA / Central | |
| Energy Efficient Items | Average | Average | | Average | | Average | |
| Garage/Carport | 1 Car Garage | Open Spaces | 10,000 | Open Spaces | 10,000 | 2 Car Garage | -10,000 |
| Porch/Patio/Deck | Deck | Deck | | Deck | | Deck | |
| Amenities | 1 Fireplace | None | 2,000 | 1 Fireplace | | 1 Fireplace | |
| Amenities | None | None | | None | | None | |
| Kitchen / Baths | New | Modern | 10,000 | Modern | 10,000 | Modern | 10,000 |
| Net Adjustment (Total) | | <input checked="" type="checkbox"/> + <input type="checkbox"/> - | \$ 11,400 | <input checked="" type="checkbox"/> + <input type="checkbox"/> - | \$ 47,000 | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ 70,600 |
| Adjusted Sale Price of Comparables | | Net Adj. 1.5% % Gross Adj. 7.1% % | \$ 753,400 | Net Adj. 6.6% % Gross Adj. 12.6% % | \$ 757,000 | Net Adj. -8.6% % Gross Adj. 11.0% % | \$ 754,400 |

Summary of Sales Comparison Approach GLA adjustments were based on \$60.00 per sq.ft. Half bath adjusted at \$5,000 per. Full bath adjusted at \$10,000 per. Site adjustments were based on \$1.00 per. sq.ft. Condition adjustment to reflect variations in effective age.

| COST APPROACH TO VALUE | |
|--|--|
| Site Value Comments | Limited land sales within the past 12 months. The estimated land value was developed from the extraction method. |
| ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW | OPINION OF SITE VALUE = \$ 400,000 |
| Source of cost data Cost Manuals and Local Builders | Dwelling 1,476 Sq. Ft. @ \$ 214.00 = \$ 315,864 |
| Quality rating from cost service Good Effective date of cost data 12/2019 | Sq. Ft. @ \$ = \$ 0 |
| Comments on Cost Approach (gross living area calculations, depreciation, etc.) | Amenities 22,500 |
| The cost approach was developed by data from cost manuals. | Garage/Carport 250 Sq. Ft. @ \$ 50.00 = \$ 12,500 |
| The subject has an estimated remaining economic life of 65 years. The land to value ratio exceeds 30% due to a lack of buildable sites and is market accepted. | Total Estimate of Cost-New = \$ 350,864 |
| | Less 65 Physical Functional External |
| | Depreciation \$5,397 \$0 \$0 = \$ (5,397) |
| | Depreciated Cost of Improvements = \$ 345,467 |
| | "As-is" Value of Site Improvements = \$ 15,000 |
| | INDICATED VALUE BY COST APPROACH = \$ 760,467 |

| INCOME APPROACH TO VALUE | |
|---|------------------------------------|
| Estimated Monthly Market Rent \$ 0 X Gross Rent Multiplier 0 = \$ 0 | Indicated Value by Income Approach |
| Summary of Income Approach (including support for market rent and GRM) The income and cost approach were considered, but not developed with the appraisal report due to limited rental/sales data and limited land sales. | |

Indicated Value by: Sales Comparison Approach \$755,000 Cost Approach (if developed) \$ 760,467 Income Approach (if developed) \$ 0
 The sales comparison approach was given greatest consideration. The income approach to value was considered but not developed due to limited rental/sales data. The cost approach was developed. Comparables #1 and 2 were given greatest consideration.

This appraisal is made "as is," subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed subject to the following:
 The appraised value is noted subject to completion per plans and specifications.

Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is \$ 755,000 as of 01/11/2020, which is the effective date of this appraisal.

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.

This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage/use.
11. The ACI General Purpose Appraisal Report (GPAR™) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

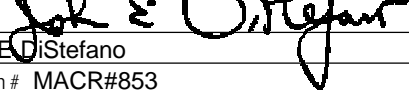
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

Definition of Value: Market Value Other Value: _____
Source of Definition: Appraisal Institute "Dictionary of Real Estate Appraisal 4th Edition" Page 177 and 178.

ADDRESS OF THE PROPERTY APPRAISED:
3 Q Street
Newburyport, MA 01950
EFFECTIVE DATE OF THE APPRAISAL: 01/11/2020
APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 755,000

APPRAISER

Signature: 
Name: John E. DiStefano
State Certification # MACR#853
or License # _____
or Other (describe): _____ State #: _____
State: MA
Expiration Date of Certification or License: 01/04/2022
Date of Signature and Report: 02/10/2020
Date of Property Viewing: 01/11/2020
Degree of property viewing:
 Interior and Exterior Exterior Only Did not personally view

SUPERVISORY APPRAISER

Signature: _____
Name: _____
State Certification # _____
or License # _____
State: _____
Expiration Date of Certification or License: _____
Date of Signature: _____
Date of Property Viewing: _____
Degree of property viewing:
 Interior and Exterior Exterior Only Did not personally view

ADDENDUM

Client: Mark Drago

File No.: 201032HMO01A

Property Address: 3 Q Street

Case No.:

City: Newburyport

State: MA

Zip: 01950

The Intended User of this appraisal report is the client. The Intended Use is to evaluate the property that is the subject of this appraisal for a litigation, subject to the stated Scope of Work, purpose of the appraisal, report requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

APPRAISAL PROCESS AND REPORT

The appraisal report has been provided which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. As such, it presents a summarized evaluation of the data, reasoning and analysis used in the appraisal process to develop an opinion of value.

LIMITATIONS OF APPRAISER LIABILITY, LIABILITY TO POTENTIAL BUYERS, SELLERS, LOAN APPLICANTS AND OTHER THIRD PARTIES

This appraisal report (including any data, opinion of market value, certification and statement) is being performed exclusively for the benefit of, and at the request of, First Fidelity Appraisal Services of New England, Inc.'s client. Said appraisal and opinion of market value is rendered exclusively for the protection of and use by the client. This appraisal and opinion of market value shall not be utilized or relied upon by any buyer, seller, loan applicant or any other third party, and no contract shall be deemed to exist between said individuals and the appraiser.

COMPETENCY OF THE APPRAISER

The appraiser hereby certifies that he has the appropriate knowledge and experience to complete this appraisal assignment competently. The appraiser's qualifications are maintained in the file and can be provided upon written request.

SCOPE OF APPRAISAL

To estimate the fair market value of the subject property utilizing the direct sales comparison approach to value. Information pertaining to the subject property was gathered from an exterior inspection of the property on January 11, 2020 and the Assessor's records. Information on the comparable sales utilized in this report was obtained from exterior driveby inspection, MLS, and the Assessor's records.

DIGITAL SIGNATURES

The signature(s) affixed to this report and certification were applied by the original appraiser(s) and (if required) the supervisory appraiser, and represents their acknowledgements of the facts, opinions, and conclusions found in the report. Each appraiser applied his or her signature electronically using a password encrypted method. Hence, these signatures have safeguards and carry the same validity as the individual's hand applied signature. If the report has a hand applied signature, this comment does not apply.

HIGHEST AND BEST USE

Defined*: The reasonable and probable use that results in the highest present land value of the land after considering all legally permissible, physically possible and economically feasible uses. The four criteria for highest and best use are as follows: legal permissibility, physical possibility, financial feasibility and maximum profitability. It is typically defined under two different premises: as if the site were vacant and could be improved in an optimal manner and or as the site is currently improved.

As if vacant: The use of the property under the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements.

As if improved: The use that should be made of the property as it exists.

(*Dictionary of Real Estate Appraisal, 5th edition, Chicago, IL, Appraisal Institute)

Based on the existing zoning and current use as as a single family home, the existing use is the highest and best use.

Legally Permissible: The subject is located in a zone where residential uses are permitted. Therefore it is legally permissible.

Physically Possible: The subject property is a single family home in an established neighborhood of like residences.

Financially Feasible: There is some new construction activity in the market and absorption of inventory for single family homes demonstrates feasibility for such development. The improvements contribute value to the land.

Maximally Productive: The subject property meets the demands of the market and suits its purpose as a single family home. No income is generated from the property, typical and in keeping with single family homes in this market.

EXPOSURE TIME DEFINITION

To comply with USPAP update requirement, the following definition of Exposure Time is deemed to apply to this appraisal report and market value estimate. Exposure time is the estimated length of time that the property interest being appraised would have been offered on the local market prior to the hypothetical consummation of a sale at market value on the effective date of this appraisal report. The estimated exposure time for the subject property is 30-60 days, based upon relevant sales data from the market area.

CERTIFICATE STATEMENT ON PRIOR SERVICES

ADDENDUM

Client: Mark Drago

File No.: 201032HMO01A

Property Address: 3 Q Street

Case No.:

City: Newburyport

State: MA

Zip: 01950

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

This report was created in adherence to the Appraiser Independence Requirement.

The appraiser attests that the above referenced appraisal report was completed in compliance with the appraisal independence requirements of the federal Truth in Lending Act. In producing this appraisal, the appraiser has not been influenced, nor has been subject to an attempt to influence, the result of this review through coercion, extortion, collusion, compensation, intimidation, or bribery.

Neighborhood Description

Newburyport is a coastal community located 25 miles north east of Boston. The subject is located in the Plum Island section of Newburyport. Area properties consist of mostly wood frame dwellings which vary in age, quality and market appeal. Most neighborhood amenities (including public school, recreational and municipal facilities) are all located within a 3 mile radius. Rte. 113 provides direct access to other major highways including Rte. 95 and 495. Regional employment centers are located along these highways.

| | |
|------------------------------|------------------------|
| Client: Mark Drago | File No.: 201032HMO01A |
| Property Address: 3 Q Street | Case No.: |
| City: Newburyport | State: MA Zip: 01950 |



SO,ESSEX #270 Bk:37291 Pg:144
01/24/2019 02:29 PM DEED Pg 1/2
eRecorded

MASSACHUSETTS EXCISE TAX
Southern Essex District R00
Date: 01/24/2019 02:29 PM
ID: 1277949 Doc# 20190124002700
Fee: \$1,550.40 Cons: \$340,000.00

QUITCLAIM DEED

I, Carol Tracy, a/k/a Carole J. Tracy, of Mayetta, Kansas, for consideration paid and in full consideration of Three Hundred Forty Thousand and 00/100 Dollars (\$340,000.00)

grants to

Mark Drago, individually, of 9 Kenmore Road, Melrose, Middlesex County, Massachusetts 02176

with QUITCLAIM COVENANTS

a certain parcel of land with the buildings thereon situated in Newburyport, Essex County, Massachusetts, bounded and described as follows:

A parcel of land known as Lot numbered 200 in Block "I" shown on Map 75 of the Assessors of said Newburyport, said parcel supposed to contain 4,788 square feet.

Subject to a Driveway Easement and Right of Access Agreement from Kim A. Richards to Carol Tracy, recorded herewith.

This is not a homestead property and the grantor hereby states under the penalties of perjury that no person is entitled to an estate of homestead therein.

Being the same premises conveyed to the grantor by deed dated September 26, 1994 and recorded with Southern Essex District Registry of Deeds in Book 12775, Page 529.

Property Address: 3 Q Street, Newburyport

| | |
|------------------------------|------------------------|
| Client: Mark Drago | File No.: 201032HMO01A |
| Property Address: 3 Q Street | Case No.: |
| City: Newburyport | State: MA Zip: 01950 |

WITNESS my hand and seal this 10th day of January, 2019.

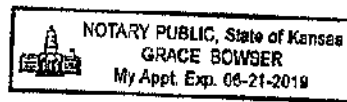
Carole Tracy
Carole J. Tracy a/k/a Carol Tracy

STATE OF KANSAS

County of Jackson

On this 10th day of January, 2019, before me, the undersigned notary public, personally appeared the above-named, Carole J. Tracy a/k/a Carol Tracy, proved to me through satisfactory evidence of identification, which was Drivers license, to be the person who signed the preceding or attached document in my presence, and acknowledged to me that she signed it voluntarily for its stated purpose.

Grace Bowser
Print Name: Grace Bowser
Notary Public
My Commission Expires: 6-21-19



Client: Mark Drago

File No.: 201032HMO01A

Property Address: 3 Q Street

Case No.:

City: Newburyport

State: MA

Zip: 01950



SO.ESSEX #487 Bk:37310 Pg:100
02/01/2019 02:55 PM DEED Pg.12
eRecorded

MASSACHUSETTS EXCISE TAX
Southern Essex District R00
Date: 02/01/2019 02:55 PM
ID: 1279294 Doc# 20190201004870
Fee: \$91.20 Cons: \$20,000.00

Recording information only above this line

QUITCLAIM DEED

I, Mary E. Steeves, Trustee of August Realty Trust u/d/t dated September 19, 1997 and recorded with Essex South District Registry of Deeds in Book 14327, Page 585, of Amesbury, Massachusetts, for consideration paid of TWENTY THOUSAND AND 00/100 Dollars (\$20,000.00)

Grant to Mark R. Drago, Trustee of the ZERO Q Street Realty Trust, u/d/t dated January 24, 2019, of 9 Kenmore Road, Melrose, Massachusetts

With QUITCLAIM COVENANTS

The land in the Plum Island Section of Newburyport, Newburyport, Essex County, Massachusetts, described in Assessor's Map 75 and known as Lot 170 in Block 000.

Subject to and together with the benefit of easements and restrictions of record insofar as the same are legally in force and applicable.

The conveyed premises, being undeveloped land, is not homestead property of the Grantor.

Meaning and intending to convey the same premises conveyed to the Grantor by Deed of Alan A. Winslow, dated September 19, 1997 and recorded September 19, 1997 with Essex South District Registry of Deeds in Book 14327, Page 594.

Property Address: 0 Q Street, Newburyport, Massachusetts

Client: Mark Drago

File No.: 201032HMO01A

Property Address: 3 Q Street


Case No.:

City: Newburyport

State: MA

Zip: 01950

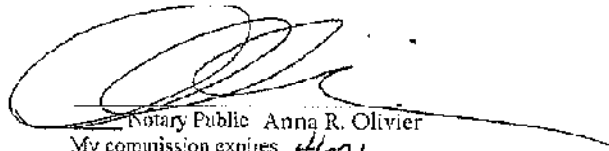
Executed as a sealed instrument this 30th day of January, 2019

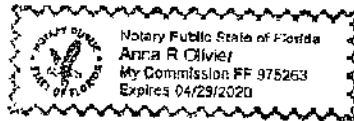

Mary E. Steeves, Trustee of the
August Realty Trust

STATE OF FLORIDA

County of Charlotte, FL

On this 30th day of January, 2019 before me, the undersigned notary public, personally appeared Mary E. Steeves, Trustee of the August Realty Trust, proved to me through satisfactory evidence of identification, which was MASS. D.L., to be the person whose name is signed on the preceding or attached document, and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of her knowledge and belief, and acknowledged to me that she signed it voluntarily for its stated purpose, by her free act and deed.

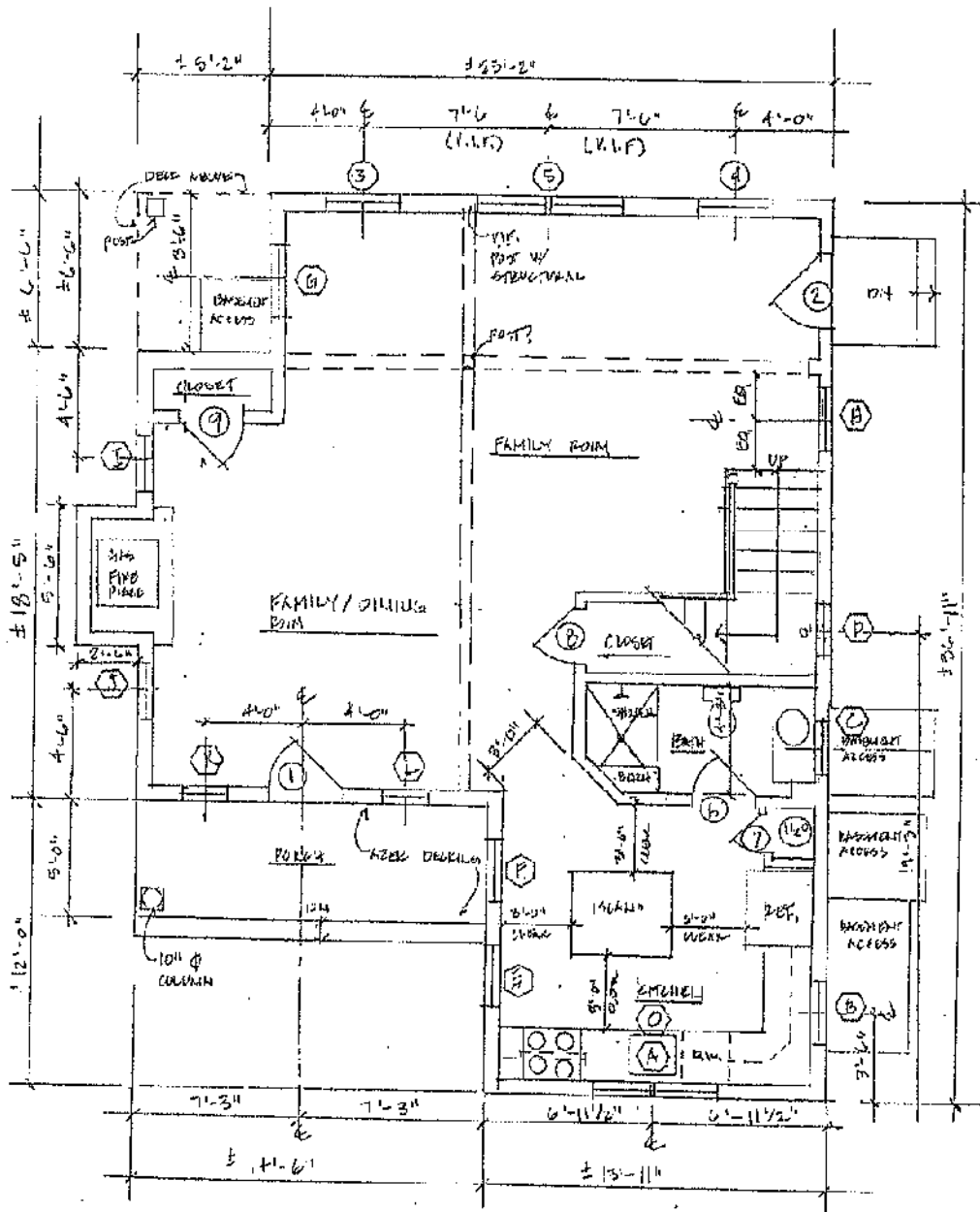

Notary Public Anna R. Olivier
My commission expires 4/29/20



Proposed Plans

Client: Mark Drago
 Property Address: 3 Q Street
 City: Newburyport

File No.: 201032HMO01A
 Case No.:
 State: MA
 Zip: 01950



FIRST FLOOR PLAN 855 GEORGE STREET
 1/26/10

| | | | |
|---|---|---|---------------------------|
| Amy Nizasi Architect 1342 Massachusetts Avenue Lexington, MA 02429 359-223-2893 amy@nizasi.com | Project: Drago Residence 3 Q Street Newburyport, MA | Title: 1 ST FLOOR PLAN Scale: 1/4" = 1'-0" Date: | Drawing No. A.1 |
|---|---|---|---------------------------|

Proposed Plans

Client: Mark Drago

File No.: 201032HMO01A

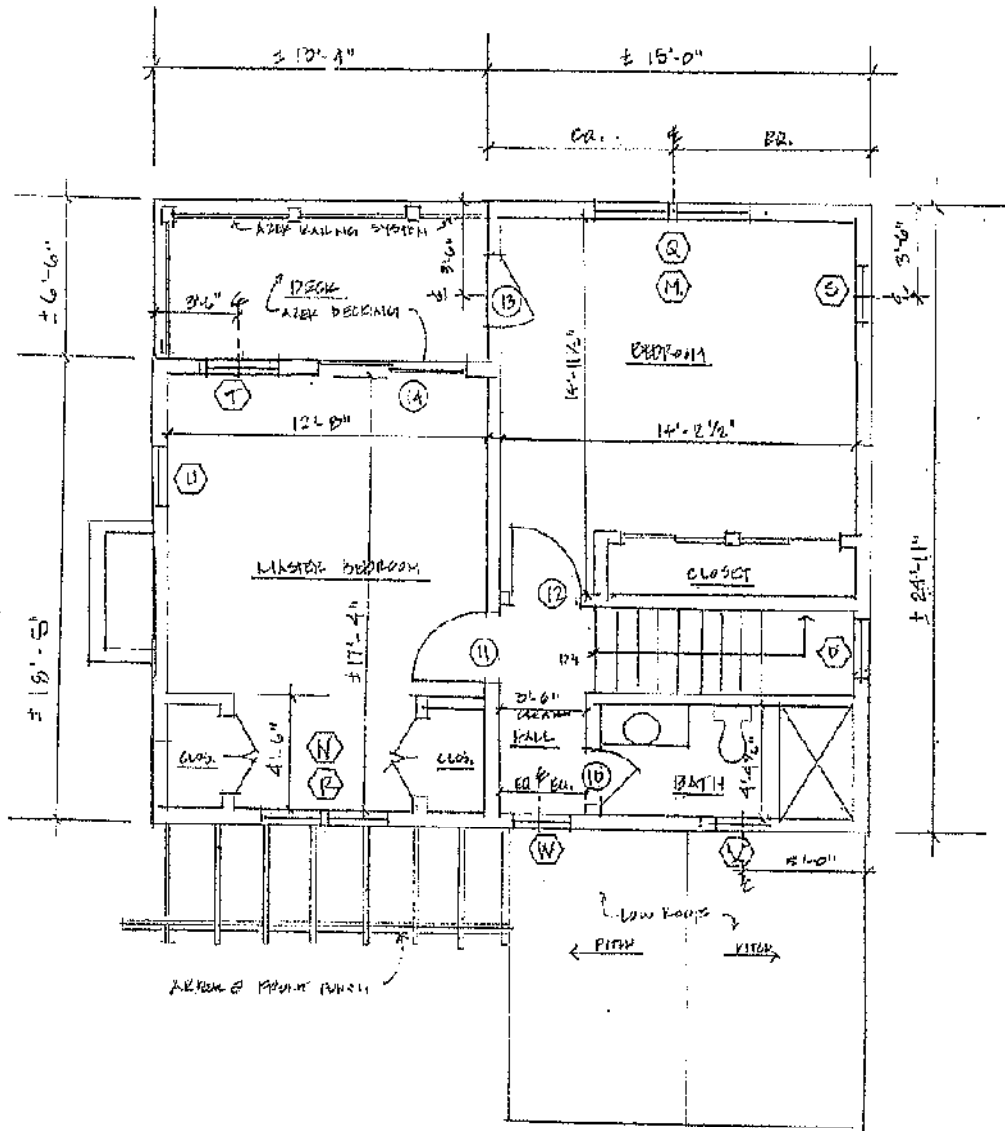
Property Address: 3 Q Street

Case No.:

City: Newburyport

State: MA

Zip: 01950



SECOND FLOOR PLAN 421 SQUARE FEET
1/4" = 1'-0"

| | | | |
|---|---|--|--------------------|
| Amy Nestori Architect 1741 Massachusetts Avenue Lexington, MA 02420 339-223-2392 amy@nestori.com | Project: Drago Residence 3 Q Street Newburyport, MA | Title: SECOND FLOOR PLAN Scale: 1/4" = 1'-0" Date: | Drawing No. A.2 |
|---|---|--|--------------------|

PLAT MAP

Client: Mark Drago

File No.: 201032HMO01A

Property Address: 3 Q Street

Case No.:

City: Newburyport

State: MA

Zip: 01950



FLOOD MAP

Client: Mark Drago
 Property Address: 3 Q Street
 City: Newburyport

File No.: 201032HMO01A
 Case No.:
 State: MA Zip: 01950



FLOOD INFORMATION

Community: CITY OF NEWBURYPORT
 Property is NOT in a FEMA Special Flood Hazard Area
Map Number: 25009C0137G
Panel: 0137G
Zone: X
Map Date: 07-16-2014
FIPS: 25009
Source: FEMA DFIRM

LEGEND

- = FEMA Special Flood Hazard Area – High Risk
- = Moderate and Minimal Risk Areas
- Road View:**
- = Forest
- = Water

Sky Flood™

No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

AERIAL MAP

Client: Mark Drago

File No.: 201032HMO01A

Property Address: 3 Q Street

Case No.:

City: Newburyport

State: MA

Zip: 01950



SUBJECT PROPERTY PHOTO ADDENDUM

| | |
|------------------------------|------------------------|
| Client: Mark Drago | File No.: 201032HMO01A |
| Property Address: 3 Q Street | Case No.: |
| City: Newburyport | State: MA Zip: 01950 |



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: January 11, 2020
Appraised Value: \$ 755,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE



Interior



Interior



Interior



Interior



Garage



Front & Side



Front & Side



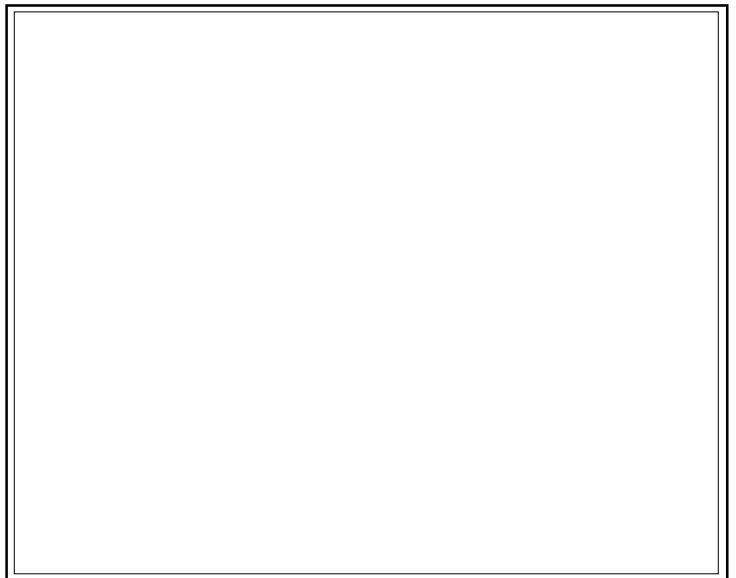
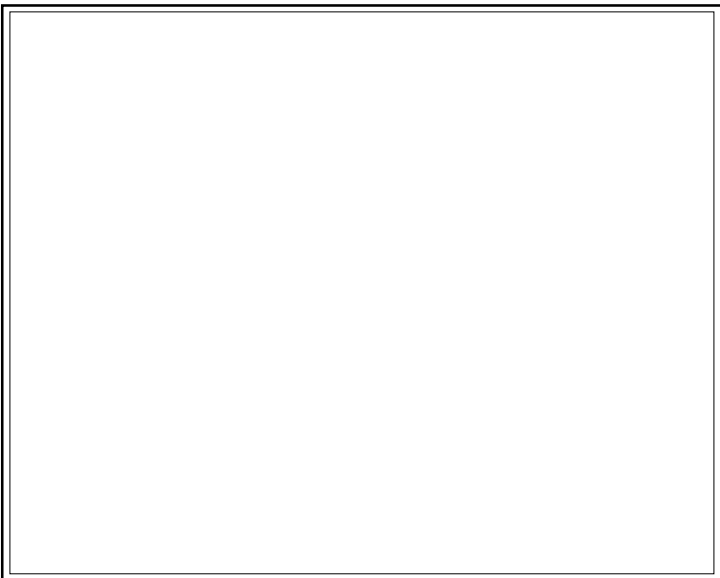
Rear & Side



Beach



Beach



COMPARABLE PROPERTY PHOTO ADDENDUM

| | |
|------------------------------|------------------------|
| Client: Mark Drago | File No.: 201032HMO01A |
| Property Address: 3 Q Street | Case No.: |
| City: Newburyport | State: MA Zip: 01950 |



COMPARABLE SALE #1

87 Reservation Ter.
Newburyport, MA 01950
Sale Date: 08/09/2019
Sale Price: \$ 742,000



COMPARABLE SALE #2

6 Queen Street
Newburyport, MA 01950
Sale Date: 09/30/2019
Sale Price: \$ 710,000



COMPARABLE SALE #3

35 Southern Blvd.
Newbury, MA 01951
Sale Date: 09/05/2019
Sale Price: \$ 825,000

USPAP ADDENDUM

File No. 201032HMO01A

Borrower: Mark Drago
 Property Address: 3 Q Street
 City: Newburyport County: Essex State: MA Zip Code: 01950
 Lender: Mark Drago

APPRAISAL AND REPORT IDENTIFICATION

This report was prepared under the following USPAP reporting option:

- Appraisal Report** A written report prepared under Standards Rule 2-2(a).
- Restricted Appraisal Report** A written report prepared under Standards Rule 2-2(b).

Reasonable Exposure Time

My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 1-3 Months

Additional Certifications

- I have performed **NO** services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I **HAVE** performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

Additional Comments

APPRAISER:

Signature: *John E DiStefano*
 Name: John E DiStefano
 Date Signed: 02/10/2020
 State Certification #: MACR#853
 or State License #: _____
 or Other (describe): _____ State #: _____
 State: MA
 Expiration Date of Certification or License: 01/04/2022
 Effective Date of Appraisal: January 11, 2020

SUPERVISORY APPRAISER (only if required):

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____
 Supervisory Appraiser inspection of Subject Property:
 Did Not Exterior-only from street Interior and Exterior

Client: Mark Drago

File No.: 201032HMO01A

Property Address: 3 Q Street

Case No.:

City: Newburyport

State: MA

Zip: 01950

**COMMONWEALTH OF MASSACHUSETTS
DIVISION OF PROFESSIONAL LICENSURE**

BOARD OF

REAL ESTATE APPRAISERS

ISSUES THE FOLLOWING LICENSE CERT

RES. REAL ESTATE APPRAISER

JOHN E DISTEFANO

384 LOWELL ST

STE 205

WAKEFIELD, MA 01880-1986

John E. Distefano
LICENSEE SIGNATURE

853

01/04/2022

776582

LICENSE NUMBER EXPIRATION DATE SERIAL NUMBER