

SUPPLEMENTAL VALUATION ANALYSIS

AND

RESTRICTED USE APPRAISAL REPORT

PROPERTY

90 Martin Street and 2 Stow Street
Acton, Massachusetts

DATE OF VALUATION

September 1, 2010

PREPARED FOR

Steven L. Ledoux, Town Manager
Town of Acton
472 Main Street
Acton, Massachusetts 01720

PREPARED BY

Avery Associates
282 Central Street
Post Office Box 834
Acton, Massachusetts 01720
Tel: 978-263-5002
File No.210004UPD/2010184

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September 3, 2010

Steven L. Ledoux, Town Manager
Town of Acton
472 Main Street
Acton, Massachusetts 01720

Re: Supplemental Analysis
90 Martin Street and 2 Stow Street
Acton, Massachusetts

Dear Mr. Ledoux:

In accordance with your request, attached please find the report presenting the revised estimate of market value for the above referenced real property. This supplemental analysis is in the Restricted Use Appraisal format in accordance with our agreement. This format is the most abbreviated method of reporting and is designed to provide to you, as the intended user, conclusions only. This supplemental appraisal analysis incorporates by reference the narrative appraisal report prepared for you dated February 1, 2010.

The purpose of this supplemental analysis is to provide an estimate of the value of this property incorporating the more accurate acreage resulting from a survey of the property completed since the date of the original appraisal. The original appraisal was based on an estimated land size of 15.7 acres. Subsequent survey results in a revised acreage of 13.89 acres. The primary effect of this correction is to reduce the potential for development of the land (one less building lot). This supplemental valuation analysis incorporates the revised acreage as it affects the lot layout which is now possible and the associated costs of infrastructure and development.

An ASTM Phase II Environmental Site Assessment (ESA) has also been prepared in the interim (dated June 7, 2010) by *Groundwater and Environmental Services, Inc.* The results of this ESA are summarized on page 1 and 2 of their report. They conclude, based on their initial work, that chromium, arsenic, lead and PAHs are present in the soil and freshwater sediment at "...concentrations which constitute a 120 day MassDEP reporting condition for the present owner".

Page 2
September 3, 2010
Steven L. Ledoux, Town Manager

Further onsite testing and analysis by a Licensed Site Professional (LSP) is required to determine the level of contamination and the costs of remediation – if required. This supplemental valuation analysis is based on the **hypothetical condition** that the property is not contaminated and remediation is not required. When confirmed, the degree of contamination and the costs of remediation may affect the value conclusions contained herein.

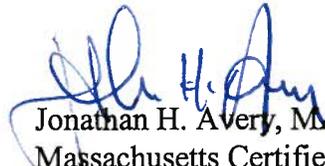
The value opinion reported is qualified by certain, definitions, limiting conditions, hypothetical conditions and certifications included herein and in the original appraisal report. This appraisal has been prepared for your exclusive use and may not be distributed to or relied upon by unintended users without prior permission.

As a result of this supplemental analysis, it is my conclusion that the market value of the subject property, subject to the updated acreage, stated assumptions and hypothetical condition, as of September 1, 2010, is:

ONE MILLION FORTY THOUSAND (\$1,040,000) DOLLARS

This letter must remain a portion of the attached Restricted Use Appraisal Report with related exhibits in order for the value opinion set forth to be considered valid.

Respectfully submitted,


Jonathan H. Avery, MAI, CRE
Massachusetts Certified General
Real Estate Appraiser #26

RESTRICTED USE APPRAISAL REPORT

SUPPLEMENTAL VALUATION ANALYSIS

CLIENT: Steven L. Ledoux, Town Manager
Town of Acton

APPRAISER: Jonathan H. Avery, MAI, CRE
Avery Associates
282 Central Street
Acton, Massachusetts 01720

PROPERTY ADDRESS: 90 Martin Street
2 Stow Street
Acton, Massachusetts

PURPOSE OF THE ANALYSIS: To supplement the February 1, 2010, appraisal of the subject property in light of revised survey information revealing less acreage than was thought to be the case.

INTENDED USE OF THE REPORT: The intended use of this analysis is to supplement the conclusions of the earlier appraisal.

INTEREST VALUED: Fee Simple

EFFECTIVE DATE: September 1, 2010

DATE OF REPORT: September 3, 2010

SCOPE OF THE ANALYSIS: During the process of developing and reporting the results of this supplemental analysis, the appraiser inspected the subject property from the roadway. In addition to reviewing material gathered in conjunction with this inspection the appraiser reviewed additional data including:

- Updated survey of the property as shown on the 6/15/2010, Progress Print prepared by Stamski and McNary, Inc.
- Updated conceptual lot layout of the property prepared by town engineer (since retired) Bruce Stamski
- ASTM Phase II Environmental Site Assessment (ESA) has been prepared (dated June 7, 2010) *Groundwater and Environmental Services, Inc.*
- MLS data reporting sales transactions involving vacant land and homes occurring since February 1, 2010
- Available economic data pertaining to residential real estate market conditions during Q1 and Q2 2010.

MARKET CONDITIONS

The residential real estate market conditions since the date of the original appraisal, February 1, 2010, have both improved and stabilized. During the first and second quarter of 2010, the Federal Homebuyers' Tax Credit energized the market for homes. In Acton and surrounding areas, this resulted in an increase in the number of sales transactions when compared to one year previous and resulted in a slight increase in the median home price.

National indices, including the *S&P/Case-Shiller National Home Price Index*, reflect this stimulus to the residential real estate market. In the greater Boston area, the change from the first quarter 2010 to the second quarter was a positive 1.2%. A one-year look back shows an increase of 3.4% in prices. Preliminary data for July and August of 2010 is not as positive. There are indications that the volume of sales transactions has decreased significantly, although not an unexpected event. Many forecasters believe that sales which might have occurred in July and August of 2010 took place in the spring to meet the buyer demand fueled by the federal income tax credit.

MLS data for Acton for the period July 28, 2010, to August 31, 2010, reflects this stimulus. During this period, 113 homes were sold at a median price of \$533,000 representing a sales price to list price ratio of 98%. During that same period, 121 homes actually went under agreement. Currently, there are 92 homes on the market in Acton, with a median price of \$572,500. This compares with the condition in February of this year of 45 homes on the market with a median price of \$545,000.

This market stimulus is less clear with respect to the sale of lots. There has been a very low volume of lot sales transactions in Acton over the last six months. It is reported that two parcels of land sold, only one of which was a single house lot. That lot sold for \$325,000. Currently, there are three lots on the market in Acton ranging in price from the high \$200,000's to over \$1,000,000. This is not considered to be representative of normal market conditions. However, the fact that three lots went under agreement for purchase in the last six months does show a return of market activity.

In summary, the market conditions for residential real estate in Acton improved significantly during the first and second quarters of the year. However, current market conditions are less clear and the fall selling season will be an important indicator of where the market is headed. In my opinion, the market for lots at the subject property would be comparatively strong and I continue to forecast approximately 18 months for sale of lots should they be developed at the subject property.

SUBJECT PROPERTY

The primary change affecting the subject property is a revised total land area based upon recent survey. In the original appraisal, the total land area was calculated to be 15.7 acres. A corrected survey, most significantly impacted by the land calculation under Mill Pond, results in a total land area of 13.8 acres. This total land area is as

depicted on the progress print dated June 15, 2010, prepared by Stamski and McNary, Inc. included in the Addenda to this analysis.

The most significant result from this revised land area is the reduced potential for lots at the subject property from a total of 7 (including the existing residence) to a total of 6. This revised acreage results in a revision to the conceptual development potential of the property resulting in a revision to its estimated value.

HIGHEST AND BEST USE

As noted, the primary change affecting valuation is the reduction in land area resulting from the new survey. This reduction not only reduces the land area to such a degree that one less lot is its potential, but also results in a change to the conceptual development plan eliminating the need for the second shorter new roadway extending from Martin Street.

As shown in the revised Conceptual Development Plan prepared by retired Town Engineer, Bruce Stamski, the roadway required to provide access from Stow Street remains similar to that in the original conceptual layout. Although the land areas may vary slightly for each of the potential lots, they are similar in size to those envisioned in the earlier 7-lot layout.

The major infrastructure change is that the second roadway, estimated to be 300 feet in length, extending from Martin Street will no longer be required. The revised conceptual subdivision plan is included in the Addenda to this appraisal. It is noted that Lot 1 on this conceptual plan is actually comprised of the original Lot 1 and Lot 2 based upon the earlier survey.

It is further important to note the **Hypothetical Condition** referencing potential contamination at the property. The questionable areas are in the vicinity of Lot 1 and Lot 2 on this updated conceptual layout. Should this contamination be confirmed and remediation or use limitations be required, this development potential of this area of the conceptual plan may be significantly affected. Any change resulting in a diminished number of lots or impaired portions of the property would result in a change in the value estimate.

SUPPLEMENTAL VALUATION ANALYSIS

In order to adapt the valuation analysis for the revised acreage, I have relied upon the progress print survey of June 15, 2010, and the revised conceptual layout included in the Addenda to this appraisal. As a result of these modifications, the valuation analysis presented in the original appraisal report has been modified.

This modification, resulting in the supplemental conclusions contained herein, is primarily impacted by the change in the number of potential lots and the reduced infrastructure costs. These are reflected in the attached, revised conceptual subdivision development model. Other basic parameters included in the original model have not been changed. The indicated value of the subject property, as modified, is \$1,040,000. The revised Conceptual Development Model follows.

RECONCILIATION AND CONCLUSIONS

The purpose of this supplemental analysis is to provide to you a revised valuation conclusion based on the updated survey information. This updated survey information indicates the subject property to be smaller than originally thought when the February appraisal was prepared. The resulting smaller total land area, 13.89 acres, impacts the conceptual development potential at the property.

The revised development potential of the property is a total of six homes sites, including the existing house on Martin Street. This home remains, in my opinion, unsuitable for inclusion in the development of the property and, therefore, it will likely be demolished and removed as a part of any development. In addition, the revised conceptual development plan provides for only one newly constructed cul-de-sac rather than the two shown in the original plan.

The impact of these changes, in the context of evolving market conditions, is shown in the revised conceptual subdivision development model. As a result of this revised development, it is my conclusion that the market value of the subject property, subject to the **Hypothetical Condition** and assumptions stated herein, as of September 1, 2010, is:

ONE MILLION FORTY THOUSAND (\$1,040,000) DOLLARS

CERTIFICATION

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Jonathan H. Avery is currently certified under the voluntary continuing education program of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this certification.
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- I have previously appraised the subject property within the past three years.


Jonathan H. Avery, MAI, CRE
Massachusetts Certified General
Real Estate Appraiser #26

ADDENDA

**Stamski & McNary Survey Plan
6/15/10 Progress Print**

Conceptual Development Plan
Prepared by Bruce Stamski

MLS Market Statistics
S&P/Case-Schiller Home Price Indices

On-Market Snapshot

Report Run: 8/31/2010 4:40:30 PM

Property Type(s): LD

Snapshot Date: 2/28/2010

Towns: Acton

Price Range	2/28/2010		8/31/2010	
	Number of Listings	Avg. Days on Market vs. today	Number of Listings	Avg. Days on Market
Under \$50,000	-	-	-	-
\$50,000 - \$99,999	-	-	-	-
\$100,000 - \$149,999	-	-	-	-
\$150,000 - \$199,999	-	-	-	-
\$200,000 - \$249,999	-	-	3	116
\$250,000 - \$299,999	1	465	2	335
\$300,000 - \$349,999	-	-	-	-
\$350,000 - \$399,999	-	-	-	-
\$400,000 - \$449,999	-	-	-	-
\$450,000 - \$499,999	-	-	-	-
\$500,000 - \$599,999	-	-	-	-
\$600,000 - \$699,999	-	-	-	-
\$700,000 - \$799,999	1	190	-	-
\$800,000 - \$899,999	-	-	-	-
\$900,000 - \$999,999	-	-	-	-
\$1,000,000 - \$1,499,999	-	-	-	-
\$1,500,000 - \$1,999,999	1	27	-	-
\$2,000,000 - \$2,499,999	-	-	-	-
\$2,500,000 - \$2,999,999	-	-	-	-
\$3,000,000 - \$3,999,999	-	-	-	-
\$4,000,000 - \$4,999,999	-	-	-	-
\$5,000,000 - \$9,999,999	-	-	-	-
Over \$10,000,000	-	-	-	-
Total Properties	3	Avg. 227	5	Avg. 203
Lowest Price:	\$265,000		Lowest Price:	\$219,900
Median Price:	\$725,000		Median Price:	\$239,900
Highest Price:	\$1,900,000		Highest Price:	\$275,000
Average Price:	\$963,333		Average Price:	\$242,940
Total Market Volume:	\$2,890,000		Total Market Volume:	\$1,214,700

Total Sold Market Statistics

Report Run: 8/31/2010 4:41:43 PM

Property Type(s): LD

Status: SLD

Start Date: 2/28/2010

End Date: 8/31/2010

Towns: Acton

Price Range	# of Listings	Avg. Days on Market	Average Sale Price	Average List Price	SP:LP Ratio	Average Orig Price	SP:OP Ratio
\$0 - \$49,999	0	0	\$0	\$0	0	\$0	0
\$50,000 - \$99,999	0	0	\$0	\$0	0	\$0	0
\$100,000 - \$149,999	0	0	\$0	\$0	0	\$0	0
\$150,000 - \$199,999	0	0	\$0	\$0	0	\$0	0
\$200,000 - \$249,999	0	0	\$0	\$0	0	\$0	0
\$250,000 - \$299,999	0	0	\$0	\$0	0	\$0	0
\$300,000 - \$349,999	1	18	\$325,000	\$325,000	100	\$325,000	100
\$350,000 - \$399,999	0	0	\$0	\$0	0	\$0	0
\$400,000 - \$449,999	0	0	\$0	\$0	0	\$0	0
\$450,000 - \$499,999	0	0	\$0	\$0	0	\$0	0
\$500,000 - \$599,999	0	0	\$0	\$0	0	\$0	0
\$600,000 - \$699,999	0	0	\$0	\$0	0	\$0	0
\$700,000 - \$799,999	0	0	\$0	\$0	0	\$0	0
\$800,000 - \$899,999	0	0	\$0	\$0	0	\$0	0
\$900,000 - \$999,999	0	0	\$0	\$0	0	\$0	0
\$1,000,000 - \$1,499,999	0	0	\$0	\$0	0	\$0	0
\$1,500,000 - \$1,999,999	1	109	\$1,710,000	\$2,000,000	86	\$2,000,000	86
\$2,000,000 - \$2,499,999	0	0	\$0	\$0	0	\$0	0
\$2,500,000 - \$2,999,999	0	0	\$0	\$0	0	\$0	0
\$3,000,000 - \$3,999,999	0	0	\$0	\$0	0	\$0	0
\$4,000,000 - \$4,999,999	0	0	\$0	\$0	0	\$0	0
\$5,000,000 - \$9,999,999	0	0	\$0	\$0	0	\$0	0
\$10,000,000 - \$99,999,999	0	0	\$0	\$0	0	\$0	0
Total Properties	2	Avg. 64	\$1,017,500	\$1,162,500	93	\$1,162,500	93

Lowest Price: **\$325,000**Median Price: **\$1,017,500**Highest Price: **\$1,710,000**Average Price: **\$1,017,500**Total Market Volume: **\$2,035,000**

Under Agreement Statistics

Report Run: 8/31/2010 4:42:49 PM
 Property Type(s): LD
 Start Date: 2/28/2010
 End Date: 8/31/2010
 Towns: Acton

Price Range	Went UAG	Current Status		
	# of Listings	# UAG	# Sold	# Other
Under \$50,000	-	-	-	-
\$50,000 - \$99,999	-	-	-	-
\$100,000 - \$149,999	-	-	-	-
\$150,000 - \$199,999	-	-	-	-
\$200,000 - \$249,999	-	-	-	-
\$250,000 - \$299,999	2	-	-	2
\$300,000 - \$349,999	-	-	-	-
\$350,000 - \$399,999	-	-	-	-
\$400,000 - \$449,999	-	-	-	-
\$450,000 - \$499,999	-	-	-	-
\$500,000 - \$599,999	-	-	-	-
\$600,000 - \$699,999	-	-	-	-
\$700,000 - \$799,999	1	-	-	1
\$800,000 - \$899,999	-	-	-	-
\$900,000 - \$999,999	-	-	-	-
\$1,000,000 - \$1,499,999	-	-	-	-
\$1,500,000 - \$1,999,999	-	-	-	-
\$2,000,000 - \$2,499,999	-	-	-	-
\$2,500,000 - \$2,999,999	-	-	-	-
\$3,000,000 - \$3,999,999	-	-	-	-
\$4,000,000 - \$4,999,999	-	-	-	-
\$5,000,000 - \$9,999,999	-	-	-	-
Over \$10,000,000	-	-	-	-
Total Properties	3	0	0	3

Lowest Price: **\$260,000**

Highest Price: **\$725,000**

Median Price: **\$275,000**

Average Price: **\$420,000**

Total Market Volume: **\$1,260,000**

On-Market Snapshot

Report Run: 8/31/2010 5:00:25 PM

Property Type(s): SF

Snapshot Date: 2/28/2010

Towns: Acton

Price Range	2/28/2010		8/31/2010	
	Number of Listings	Avg. Days on Market vs. today	Number of Listings	Avg. Days on Market
Under \$50,000	-	-	-	-
\$50,000 - \$99,999	-	-	-	-
\$100,000 - \$149,999	-	-	-	-
\$150,000 - \$199,999	-	-	-	-
\$200,000 - \$249,999	1	147	-	-
\$250,000 - \$299,999	1	465	4	217
\$300,000 - \$349,999	1	298	4	46
\$350,000 - \$399,999	2	80	5	89
\$400,000 - \$449,999	5	61	14	82
\$450,000 - \$499,999	6	71	8	54
\$500,000 - \$599,999	10	87	18	98
\$600,000 - \$699,999	9	58	17	57
\$700,000 - \$799,999	5	122	10	75
\$800,000 - \$899,999	2	46	5	221
\$900,000 - \$999,999	1	110	4	66
\$1,000,000 - \$1,499,999	2	84	3	90
\$1,500,000 - \$1,999,999	-	-	-	-
\$2,000,000 - \$2,499,999	-	-	-	-
\$2,500,000 - \$2,999,999	-	-	-	-
\$3,000,000 - \$3,999,999	-	-	-	-
\$4,000,000 - \$4,999,999	-	-	-	-
\$5,000,000 - \$9,999,999	-	-	-	-
Over \$10,000,000	-	-	-	-
Total Properties	45	Avg. 93	92	Avg. 89
Lowest Price:	\$239,900		Lowest Price:	\$260,000
Median Price:	\$545,000		Median Price:	\$572,499.50
Highest Price:	\$1,156,500		Highest Price:	\$1,275,000
Average Price:	\$589,054		Average Price:	\$590,209
Total Market Volume:	\$26,507,470		Total Market Volume:	\$54,299,299

Total Sold Market Statistics

Report Run: 8/31/2010 5:01:08 PM

Property Type(s): SF

Status: SLD

Start Date: 2/28/2010

End Date: 8/31/2010

Towns: Acton

Price Range	# of Listings	Avg. Days on Market	Average Sale Price	Average List Price	SP:LP Ratio	Average Orig Price	SP:OP Ratio
\$0 - \$49,999	0	0	\$0	\$0	0	\$0	0
\$50,000 - \$99,999	0	0	\$0	\$0	0	\$0	0
\$100,000 - \$149,999	0	0	\$0	\$0	0	\$0	0
\$150,000 - \$199,999	<u>1</u>	13	\$160,500	\$197,500	81	\$197,500	81
\$200,000 - \$249,999	0	0	\$0	\$0	0	\$0	0
\$250,000 - \$299,999	<u>1</u>	12	\$272,000	\$265,000	103	\$265,000	103
\$300,000 - \$349,999	<u>6</u>	68	\$317,750	\$314,483	101	\$320,300	99
\$350,000 - \$399,999	<u>8</u>	79	\$371,563	\$384,663	97	\$388,650	96
\$400,000 - \$449,999	<u>21</u>	61	\$427,388	\$436,256	98	\$443,551	96
\$450,000 - \$499,999	<u>13</u>	44	\$469,283	\$475,400	99	\$477,638	98
\$500,000 - \$599,999	<u>16</u>	55	\$540,045	\$556,238	97	\$576,488	95
\$600,000 - \$699,999	<u>21</u>	80	\$639,847	\$651,729	98	\$656,257	98
\$700,000 - \$799,999	<u>13</u>	67	\$754,877	\$773,208	98	\$789,408	96
\$800,000 - \$899,999	<u>4</u>	81	\$842,750	\$879,175	96	\$886,475	95
\$900,000 - \$999,999	<u>5</u>	122	\$945,346	\$974,928	97	\$993,824	95
\$1,000,000 - \$1,499,999	<u>4</u>	52	\$1,190,450	\$1,212,875	98	\$1,221,625	98
\$1,500,000 - \$1,999,999	0	0	\$0	\$0	0	\$0	0
\$2,000,000 - \$2,499,999	0	0	\$0	\$0	0	\$0	0
\$2,500,000 - \$2,999,999	0	0	\$0	\$0	0	\$0	0
\$3,000,000 - \$3,999,999	0	0	\$0	\$0	0	\$0	0
\$4,000,000 - \$4,999,999	0	0	\$0	\$0	0	\$0	0
\$5,000,000 - \$9,999,999	0	0	\$0	\$0	0	\$0	0
\$10,000,000 - \$99,999,999	0	0	\$0	\$0	0	\$0	0
Total Properties	113	Avg. 66	\$576,440	\$589,813	98	\$598,995	97

Lowest Price: **\$160,500**Median Price: **\$533,000**Highest Price: **\$1,256,799**Average Price: **\$576,440**Total Market Volume: **\$65,137,766**

Under Agreement Statistics

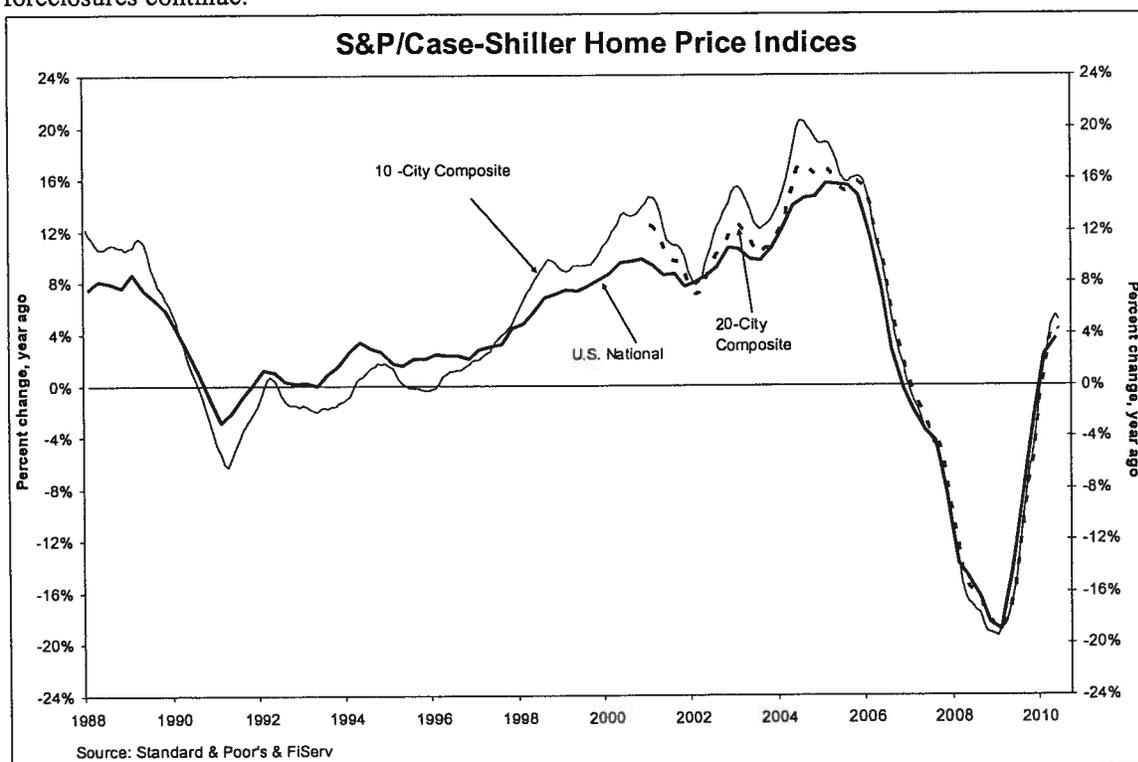
Report Run: 8/31/2010 5:01:58 PM
 Property Type(s): SF
 Start Date: 2/28/2010
 End Date: 8/31/2010
 Towns: Acton

Price Range	Went UAG	Current Status		
	# of Listings	# UAG	# Sold	# Other
Under \$50,000	-	-	-	-
\$50,000 - \$99,999	-	-	-	-
\$100,000 - \$149,999	-	-	-	-
\$150,000 - \$199,999	1	-	1	-
\$200,000 - \$249,999	-	-	-	-
\$250,000 - \$299,999	3	-	1	2
\$300,000 - \$349,999	5	1	4	-
\$350,000 - \$399,999	7	-	5	2
\$400,000 - \$449,999	24	3	20	1
\$450,000 - \$499,999	18	4	13	1
\$500,000 - \$599,999	17	3	13	1
\$600,000 - \$699,999	21	1	20	-
\$700,000 - \$799,999	12	3	9	-
\$800,000 - \$899,999	4	1	3	-
\$900,000 - \$999,999	6	2	4	-
\$1,000,000 - \$1,499,999	3	-	3	-
\$1,500,000 - \$1,999,999	-	-	-	-
\$2,000,000 - \$2,499,999	-	-	-	-
\$2,500,000 - \$2,999,999	-	-	-	-
\$3,000,000 - \$3,999,999	-	-	-	-
\$4,000,000 - \$4,999,999	-	-	-	-
\$5,000,000 - \$9,999,999	-	-	-	-
Over \$10,000,000	-	-	-	-
Total Properties	121	18	96	7
	Lowest Price: \$197,500	Median Price: \$499,000		
	Highest Price: \$1,240,000	Average Price: \$595,664		
	Total Market Volume: \$72,075,430			

Press Release

**The Second Quarter of 2010 Saw Modest Improvement in Home Prices
According to the S&P/Case-Shiller Home Price Indices**

New York, August 31, 2010 – Data through June 2010, released today by Standard & Poor’s for its S&P/Case-Shiller¹ Home Price Indices, the leading measure of U.S. home prices, show that the U.S. National Home Price Index rose 4.4% in the second quarter of 2010, after having fallen 2.8% in the first quarter. Nationally, home prices are 3.6% above their year-earlier levels. In June, 17 of the 20 MSAs covered by S&P/Case-Shiller Home Price Indices and both monthly composites were up; and the two composites and 15 MSAs showed year-over-year gains. Housing prices have rebounded from crisis lows, but other recent housing indicators point to more ominous signals as tax incentives have ended and foreclosures continue.



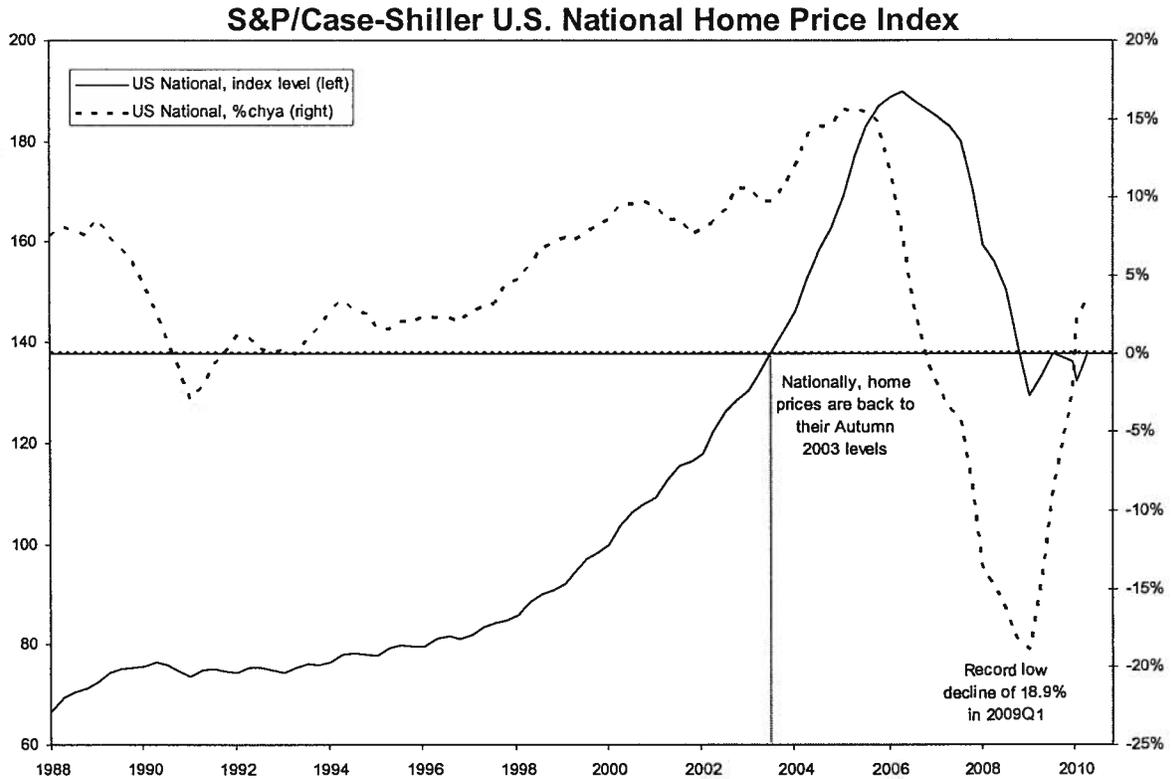
The chart above depicts the annual returns of the U.S. National, the 10-City Composite and the 20-City Composite Home Price Indices. The S&P/Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 3.6% improvement in the second quarter of 2010 over the second quarter of 2009. In June, the 10-City and 20-City Composites recorded annual returns of +5.0% and +4.2%, respectively. These two indices are reported at a monthly frequency and, after 16 consecutive months of improvement in their annual rates of return, June’s figures were the first to moderate from their prior month’s pace, pointing to a possible deceleration in home price returns. The 10-City

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Composite posted a +5.0% annual growth rate in June, versus +5.4% in May, and the 20-City Composite was up 4.2%, versus its +4.6% May print.

“The monthly Composites cover June and the national index covers the second quarter, when the government’s program for first time home-buyers was winding down. While the numbers are upbeat, other more recent data on home sales and mortgages point to fewer gains ahead,” says David M. Blitzer, Chairman of the Index Committee at Standard & Poor’s. “Even with concerns about near term developments, we recognize that the housing market is in better shape than this time last year. Further, California’s cities have moved from some of the hardest hit to three of the four leading cities based on year-over-year gains. Among the other hard hit cities, the news is also a bit encouraging – Las Vegas, however, remains among the weaker cities.

“Seventeen of the 20 MSAs and both Composites saw home prices increase in June over May – Las Vegas was down 0.6%, Phoenix and Seattle were both flat. Through the second quarter, 15 of the 20 MSAs and both Composites have positive annual growth rates, and no market is registering a double-digit decline. The worry starts when you remember that the Homebuyers’ Tax Credit has expired, foreclosures are still at high levels, and July data on home sales and starts were very, very weak. The inventory of unsold homes and months’ supply data were particularly troubling. If this relative weakness in demand continues, it will likely filter through to home prices in coming months.”



Source: Standard & Poor's and Fiserv

The chart above shows the index levels for the U.S. National Home Price Index, as well as its annual returns. As of the second quarter of 2010, average home prices across the United States are at similar levels to what they were in the autumn of 2003. The 2010 second quarter values improved by 4.4% over the first quarter, with a corresponding annual rate of return of +3.6%. Since its recent 2009 Q1 trough, home prices have grown nationally by +6.8%.

From their peak in June/July of 2006 through the trough in April 2009, the 10-City Composite is down 33.5% and the 20-City Composite is down 32.6%. Through June, they have recovered by +7.0% and +6.3%, respectively. The peak-to-date figures through June 2010 are -28.8% and -28.4%, respectively.

Both the 10-City and 20-City Composites saw somewhat slower annual growth. The 10-City Composite was up 5.0% in June, versus +5.4% in May, and the 20-City Composite was up 4.2% in June, versus May's +4.6%. Most cities also experienced smaller price gains; while June itself was positive, the annual growth rates decelerated in 14 of the MSAs.

Looking at the monthly statistics, both the 10-City and 20-City Composite were up 1.0% in June over May. Seventeen of the 20 metro areas showed an increase in June compared to May – Las Vegas was down 0.6%, Phoenix and Seattle were both flat. Sixteen MSAs were positive for all three months of the quarter. Minneapolis, San Diego, San Francisco and Washington have shown recovery from recent lows of +15.9%, +13.4%, +21.1% and +12.0%, respectively. San Diego, in particular, has stood out with 14 consecutive months of increasing home prices. Las Vegas continues to be weak, it was the only market that fell in two months of the second quarter. Home prices in that city are very close to their January 2000 levels.

The table below summarizes the results for June 2010. The S&P/Case-Shiller Home Price Indices are revised for the 24 prior months, based on the receipt of additional source data. More than 23 years of history for these data series is available, and can be accessed in full by going to www.homeprice.standardandpoors.com

	2010 Q2 Level	2010 Q2/2010 Q1 Change (%)	2010 Q1/2009 Q4 Change (%)	1-Year Change (%)
U.S. National Index	138.03	4.4%	-2.8%	3.6%
Metropolitan Area	June 2010 Level	June/May Change (%)	May/April Change (%)	1-Year Change (%)
Atlanta	109.74	1.7%	2.1%	2.0%
Boston	157.83	1.2%	1.6%	3.4%
Charlotte	117.24	0.7%	0.3%	-2.7%
Chicago	124.90	2.5%	1.2%	-0.1%
Cleveland	107.26	1.3%	1.0%	0.8%
Dallas	121.14	1.0%	1.5%	1.2%
Denver	129.19	0.7%	0.6%	1.8%
Detroit	70.04	2.5%	0.8%	0.8%
Las Vegas	101.77	-0.6%	-0.5%	-5.2%
Los Angeles	175.66	0.6%	1.7%	9.2%
Miami	146.92	0.4%	0.9%	1.1%
Minneapolis	125.91	2.5%	2.8%	10.7%
New York	172.76	1.3%	0.9%	0.2%
Phoenix	110.98	0.0%	0.9%	6.0%
Portland	148.73	0.5%	1.2%	0.2%
San Diego	163.82	0.4%	1.1%	11.2%
San Francisco	142.55	0.3%	1.7%	14.3%
Seattle	146.83	0.0%	1.2%	-1.8%
Tampa	138.58	0.2%	0.9%	-1.6%
Washington	185.77	1.7%	1.7%	7.3%
Composite-10	161.04	1.0%	1.3%	5.0%
Composite-20	147.97	1.0%	1.3%	4.2%

Source: Standard & Poor's and Fiserv
Data through June 2010

Since its launch in early 2006, the S&P/Case-Shiller Home Price Indices have published, and the markets have followed and reported on, the non-seasonally adjusted data set used in the headline indices. For analytical purposes, Standard & Poor's does publish a seasonally adjusted data set covered in the headline indices, as well as for the 17 of 20 markets with tiered price indices and the five condo markets that are tracked. A summary of the monthly changes using the seasonally adjusted (SA) and non-seasonally adjusted (NSA) data can be found in the table below.

A summary of the monthly changes using the seasonally adjusted (SA) and non-seasonally adjusted (NSA) data can be found in the table below.

	2010 Q2/2010 Q1		2010 Q1/2009 Q4	
	NSA	SA	NSA	SA
US National	4.4%	2.3%	-2.8%	-1.1%
Metropolitan Area	June/May Change (%)		May/April Change (%)	
	NSA	SA	NSA	SA
Atlanta	1.7%	0.5%	2.1%	1.0%
Boston	1.2%	-0.1%	1.6%	0.3%
Charlotte	0.7%	-0.2%	0.3%	-0.8%
Chicago	2.5%	1.2%	1.2%	0.4%
Cleveland	1.3%	0.0%	1.0%	-0.2%
Dallas	1.0%	0.0%	1.5%	0.3%
Denver	0.7%	-1.0%	0.6%	-0.3%
Detroit	2.5%	1.7%	0.8%	0.1%
Las Vegas	-0.6%	-0.9%	-0.5%	-0.4%
Los Angeles	0.6%	0.0%	1.7%	0.7%
Miami	0.4%	0.3%	0.9%	0.6%
Minneapolis	2.5%	1.0%	2.8%	1.2%
New York	1.3%	0.7%	0.9%	0.7%
Phoenix	0.0%	-0.6%	0.9%	0.0%
Portland	0.5%	-0.1%	1.2%	0.1%
San Diego	0.4%	-0.3%	1.1%	0.4%
San Francisco	0.3%	-0.6%	1.7%	0.7%
Seattle	0.0%	-0.8%	1.2%	0.5%
Tampa	0.2%	-0.2%	0.9%	0.3%
Washington	1.7%	0.9%	1.7%	0.8%
Composite-10	1.0%	0.3%	1.3%	0.5%
Composite-20	1.0%	0.3%	1.3%	0.5%

Source: Standard & Poor's and Fiserv

Data through June 2010

The S&P/Case-Shiller Home Price Indices are published on the last Tuesday of each month at 9:00 am ET. They are constructed to accurately track the price path of typical single-family homes located in each metropolitan area provided. Each index combines matched price pairs for thousands of individual houses from the available universe of arms-length sales data. The S&P/Case-Shiller National U.S. Home Price Index tracks the value of single-family housing within the United States. The index is a composite of single-family home price indices for the nine U.S. Census divisions and is calculated quarterly. The S&P/Case-Shiller Composite of 10 Home Price Index is a value-weighted average of the 10 original metro area indices. The S&P/Case-Shiller Composite of 20 Home Price Index is a value-weighted average of the 20 metro area indices. The indices have a base value of 100 in January 2000; thus, for example, a current index value of 150 translates to a 50% appreciation rate since January 2000 for a typical home located within the subject market.

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**ASTM Phase II Environmental Site
Assessment Excerpts**



**Groundwater
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ASTM Phase II Environmental Site Assessment

**Caouette Property
2 Stow Street/90 Martin Street
Acton, Massachusetts**

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June 7, 2010



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Figure 2	Site Map
Figure 3	Soil and Sediment Sample Location Map
Figure 4	Groundwater Monitoring Map
Figure 5	MassGIS Map

APPENDICES

Appendix A	Subsurface Exploration Logs and Monitoring Well Construction Details
Appendix B	Laboratory Analytical Report – Soil and Sediment (April 28 and 29, 2010)
Appendix C	Laboratory Analytical Reports – Groundwater (May 6, 2010)
Appendix D	Photographs
Appendix E	GES Proposal and Terms and Conditions



1.0 EXECUTIVE SUMMARY

Groundwater & Environmental Services, Inc. (GES), under contract with the Town of Acton, Massachusetts, has performed a Phase II Environmental Site Assessment in conformance with the scope and limitations of ASTM E1903-97 (2002), of a portion of the property located at 2 Stow Street/90 Martin Street in Acton, Massachusetts ("the site").

The purpose of this Phase II Environmental Site Assessment (ESA) is to determine the presence or absence of environmental impairment on the portion of the 2 Stow Street/90 Martin Street formerly occupied by the "Former Moore & Burgess Co. and Morocco Factory" in the eastern portion of the 2 Stow Street property and the adjoining northern shore of Mill Pond located south of the former factory. This area was previously identified as a Recognized Environmental Condition (REC) in an ASTM Phase I Environmental Site Assessment prepared by O'Reilly, Talbot & Okun Associates in March 2010.

The subsurface exploration portion of the Phase II ESA consisted of the installation of four groundwater monitoring wells and the collection of soil and groundwater samples from each well. Additionally, seven shallow soil samples and six sediment samples were collected from the site with a hand auger. Each sample was collected, preserved and iced in a cooler. The samples were properly labeled and sent to the analytical laboratory under chain-of-custody procedures. The sediments and soil samples were analyzed for polynuclear aromatic hydrocarbons (PAHs) by SW 846 EPA Method 8270C and arsenic, chromium, lead and zinc by SW 846 EPA Method 6010B. Groundwater samples were analyzed for volatile organic compounds (VOCs) by SW 846 EPA Method 8260B, arsenic, chromium, lead and zinc by SW 846 EPA Method 6010B, oxidation reduction potential (ORP), specific conductance, and pH.

One of the six sediment samples collected on April 30, 2010 from the area of the eastern shore of Mill Pond, sediment sample SD-1 (0-2'), contained chromium at a concentration of 141 milligrams per kilogram (mg/kg). Additionally, sediment sample SD-4 (0-2') contained concentrations of lead at 156 mg/kg and fluorene at 0.991 mg/kg, which exceed the "Freshwater Sediment Screening Criteria" as defined by the Massachusetts Department of Environmental Protection (MassDEP). Please note that the freshwater sediment screening criteria is not an enforceable regulation but rather a threshold above which would require the performance of a level 2 ecological risk characterization.

Of the seven shallow hand auger soil samples (SS-1 to SS-7) collected at a depth of 0-2 feet, SS-2 and SS-3 located within the foundation area of the former factory exhibited concentrations of PAHs and lead in excess of the reportable concentrations (RCS-1) outlined in the Massachusetts Contingency Plan (MCP).

Of the four shallow test boring soil samples (MW-1 through MW-4) collected at a depth of 0-2 feet, MW-1, MW-3 and MW-4 contained arsenic at concentrations in excess of the MassDEP RCS-1 reportable concentration of 20 mg/kg. MW-4 also exhibited both multiple PAH and lead concentrations in excess of the RCS-1 reportable concentrations. Additionally, the deeper soil sample collected from MW-1 from 4 to 5 feet contained chromium concentrations exceeding the RCS-1 of 30 mg/kg.

These reportable concentrations constitute a 120-day MassDEP reporting condition for the current owner of the property.

Groundwater samples were collected from the four newly installed monitoring wells on May 6, 2010. Based on analytical results for the May 6, 2010 sampling event, and as indicated in Table 3, no volatile organic compounds, arsenic, chromium, lead or zinc were detected at concentrations above the associated MCP RCGW-2 reportable concentrations in the groundwater samples collected from monitoring wells MW-1 through MW-4.



2.3 Limitations and Exceptions of Assessment

GES has made a good faith effort to obtain reasonably ascertainable information sources from the User; and third party historical documentation sources. The inclusion of information from these data sources met the following criteria: the information was publicly available, the information was obtained in a reasonable time frame, the information was obtained at a reasonable cost, and the information was practically reviewable.

GES thoroughly reviewed the work scope provided with the RFP and clarifications discussed during a telephone conversation with Mr. Bartl on April 13, 2010. The following assumptions are provided for further clarification:

The information and data compiled to complete this ESA was collected in good faith and relies on the information provided during the field investigation and by several outside sources. GES utilized information provided by third parties with the assumption that the information was whole and accurate to the best of their knowledge. GES made a good faith effort to collect and assess as many practically reviewable information sources in the timeframe allowed under the terms of the contract negotiated with the User.

- GES and its subcontractors will have access to the property during normal business days to execute the work scope.
- Work will be conducted during standard work hours (8 am-5 pm) days and work weeks (Monday-Friday).
- This project will be performed in accordance with the current ASTM Standard E1903-Standard Guide for Environmental Site Assessments: Phase II Environmental Site Assessment Process.
- Assuming a depth to groundwater of less than ten feet, each well will be drilled to a maximum depth of twenty (20) feet deep.
- The locations and number of samples proposed to be collected and analyzed are based upon the requirements of the Request for Quote and do not represent a complete assessment of the entire Caouette Property at 2 Stow Street and 90 Martin Streets.
- The proposal does not include the costs for monitoring well decommissioning/abandonment.

2.4 Limiting Conditions and Methodology Used

The direct push drilling method is limited to drilling in unconsolidated soils and sediments. If bedrock or concrete is encountered, refusal is reached. In the case of the four wells installed for this investigation, refusal was reached between 11 and 14 feet below ground surface (bgs). However, a minimum of 5 feet of standing groundwater was observed in each well. This is sufficient for the purposes of groundwater sampling.



3.0 BACKGROUND

The area of concern for this investigation, referred to herein as "the site", has been described as the area of the "Former Moore & Burgess Co. and Morocco Factory" in the eastern portion of the 2 Stow Street property and the adjoining northern shore of Mill Pond located south of the former factory (refer to attached Site Plan).

3.1 Site Description and Features

The approximate elevation at the site is between 195 to 210 feet above mean sea level. Topography at the Caouette property is relatively flat, with a slight to moderate grade from northeast to southwest across the site. Surface runoff from the open field areas of the Caouette Property is anticipated to flow to the Mill Pond located along the southern boundary of the Caouette Property. No storm-water collection system is located on the site, and surface runoff is anticipated to flow into the Mill Pond.

According to the USGS Geologic Map of Massachusetts (1983), the site is located within the Nashoba Formation of Ordovician to Proterozoic Z age. The Nashoba Formation composed of sillimanite schist and gneiss, partly sulfidic, amphibole biotite gneiss, calc-silicate gneiss and marble.

The geology of the site was evaluated by reviewing the soil classifications provided in recent drilling logs, which are attached in Appendix A. According to these logs, the site is underlain by approximately four feet of fill in the area of the former factory; below which is found a well graded sand and silty sand to a depth of refusal at 11-14 feet bgs. Bedrock has not been encountered during subsurface investigations at the site, with a maximum drilling depth of 14 feet bgs (MW-4). However, refusal occurred at this depth, indicating a dense stratigraphy.

Based on surface topography and drainage patterns indicated on the USGS Topographic Map of the Maynard, Massachusetts Quadrangle, groundwater flow in the immediate vicinity of the site is expected to be to the south. Regional groundwater flow is also expected to be generally to the south.

During recent groundwater sampling activities conducted at the site in May 2010, groundwater depths ranged from approximately 3.7 to 6.1 feet below the tops of the well casings. Monitoring well gauging data indicate a southerly groundwater flow direction. The horizontal gradient is approximately 0.75/120 (0.00625) feet per foot. A groundwater contour map for the May 2010 gauging/sampling event is provided as Figure 4.

3.2 Physical Setting

The property consists primarily of open fields with a wooded area near the railroad track and Mill Pond. The topography generally slopes to the south towards the Mill Pond.

3.3 Site History and Land Use

The area of concern was used as a leather manufacturing facility from 1892 until the early 1900's. The Morocco Factory tanned leather with vegetable tanning and chromium tanning methods. Lead, Arsenic, Zinc and Polynuclear Aromatic Hydrocarbons (PAHs) may also be present from the historic tanning operations.

Following the Morocco Factory, an ice cream pail manufacturing company was in place. These pails were typically metal and could contain zinc.



Based upon the results of the ASTM Phase II ESA, GES recommends that the following be performed:

Provide the results of the Phase II ESA to the current owners of the property and inform them that based upon the soil sampling results, they are required to report to the MassDEP within 120 days that a reportable release of oil or hazardous materials has been detected on their property. This release condition will require them to retain a Licensed Site Professional (LSP) and perform certain assessment and possibly remediation activities under the MCP 310 CMR 40.00000.

If the Town of Acton decides to purchase the property, any further assessment and/or remediation work must be performed under the MCP and must utilize the services of an LSP.

The remainder of the property, which has been farmed in the past and present, the use of pesticides, as long as they have been applied in accordance with the manufacturer's directions, are exempt from reporting under the MCP 310 CMR 40.0317(8) (c).

If any extensive excavation was to be performed in the area, to construct building foundations, or install underground utilities we would recommend the following:

1. Soil samples should be collected in the area of the proposed excavation and tested for pesticides prior to the excavation work.
2. The sample results should be evaluated by an environmental professional (such as an LSP) to determine if any health and safety concerns exist associated with the excavation (dermal contact with pesticides etc.) and determine the off-site disposal costs associated with pesticide impacted soils.
3. If it is determined that pesticides are present, a soil management plan and health and safety plan should be prepared to ensure the safety of the excavation contractor.
4. If excess soil is generated it should be covered with and stockpiled on polyethylene sheeting to minimize human and environmental exposure.
5. The excavated soil should be tested for disposal parameters and disposed of under a Bill-of-Lading or a hazardous waste manifest.