

MS VALUATION GROUP, INC.

Commercial and Industrial Appraisals



APPRAISAL REPORT OF LEASED FEE ESTATE

Houlton Higher Educational Center
University of Maine at Presque Isle
18 Military Street
Houlton, ME 04730

Client:

University of Maine System
(acting through the University of Maine at Presque Isle (UMPI))
5765 Service Building
Orono, Maine 04469

Inspection Date

August 11, 2023

Effective Date of Report

October 30, 2023

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MS VALUATION GROUP, INC.

Commercial and Industrial Appraisals

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October 30, 2023

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UMPI

SUBJECT PROPERTY: Houlton Higher Educational Center – 18 Military Street, Houlton, ME 04730

Dear Client:

In accordance with your request, I have personally analyzed the above referenced property for the purpose of formulating the As Is market value in the real estate as of the date of inspection. The subject property has +-15,248 sf of college building space, consisting of office space, +-6,231 sf of classroom space, and reception, conference, utility room, storage, and rest room areas.

The University of Maine System and UMPI are the intended users of the appraisal. This letter is accompanied by a complete appraisal report, found on the following pages.

Based on the assumptions and analyses that follow, I conclude the following value, based on the property's highest & best use conclusion:

ADDRESS	VALUE	INTEREST	EFFECTIVE DATE OF VALUE	CONCLUDED VALUE
18 Military Street	As Is	Leased Fee	8/11/2023	\$960,000

As defined below, this value is the most probable price that the property can expect to command in a competitive and open market. It is possible that the property could sell for substantially more to a charitable buyer or to a user that could use the property in its current configuration and who would not need to significantly repurpose the classroom space. However, there is no market data in the region to suggest that this will occur.

I personally inspected the property and comparable sales and performed the required investigations and analysis. The concluded market value estimate of the real estate was developed for the purpose of assisting the client in analyzing the property for internal purposes.

Importantly, the concluded value estimate excludes any value for any equipment, furniture or personal property. I urge the Client to carefully consider all of the Extraordinary Assumptions that were made to arrive at my value conclusions, as they are an essential part of this appraisal and their use might have significantly affected the assignment results. The Extraordinary Assumptions are explained below.

My concluded value opinion is based on current market conditions and the well-informed actions of property owners and market participants who are not under any duress. It is based on the information that was gathered as

defined in the scope of work below, including information provided by the property owner. Any financial data that was provided by the owner was not audited and was assumed to be accurate and complete. Management skill, changes in supply and demand, property maintenance, and depreciation can significantly impact the property in the future, and this appraisal cannot predict future performance caused by abnormal management practices, changing neighborhood and economic conditions, or rapidly changing market dynamics.

The appraisal is intended to conform with FIRREA Title XI, USPAP, the Interagency Appraisal and Evaluation Guidelines, and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, effective January 1, 2023.

This appraisal fulfills the scope of work and client requirements agreed upon by the University of Maine System and MS Valuation Group, Inc. At the client's request, this report was developed in an Appraisal Report format as described in the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule 2-2(a). This format provides a description of the subject property, scope of work, valuation process, market data, and valuation methods in a summary, versus detailed fashion.

I hereby grant the Client permission to copy the appraisal and to distribute it to its employees, or other parties involved in the transaction for which the appraisal was prepared.

I would like to express my appreciation for allowing us to be of service to you. Please call me anytime if you have any comments or questions about the appraisal.

Sincerely,

A handwritten signature in cursive script that reads "Michael J. Soucy". The ink is dark and the signature is fluid.

Michael J. Soucy, CFA, CPA, MBA
Certified General Appraiser-CG379 (Maine)

Enclosures

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SUMMARY OF IMPORTANT FACTS & CONCLUSIONS

CLIENTS

University of Maine System and UMPI.

INTENDED USERS

University of Maine System and UMPI.

INTENDED USE

To assist the clients and intended users in valuing the property for internal purposes.

PROPERTY IDENTIFICATION

Type

UMPI classroom outreach center.

Owner

University of Maine System.

Street Address

18 Military St.

City, State, Zip Code

Houlton, ME 04730

County

Aroostook County

Map/Lot

Map 34, Lot 3-006

Book/Page

Book 3368 Page 177

Total Real Estate Taxes

\$0 (Property is tax exempt).

Mill Rate:

\$20.60/\$1,000 in assessed value.

Assessment Ratio:

100%

Land Assessment

\$ 55,096

Building Assessment

\$ 832,700

Personal Property

\$ 0

Exemptions

\$

Total Assessment

\$ 887,796

SITE

Number of parcels

1

Configuration

Irregular

Topography

Gently sloping.

Access

Good via two-way, two-lane paved public roads.

Visibility/Exposure

Good on Military and Bangor streets. Attractive, well landscaped grounds.

Site Improvements

Extensive paved on-site parking, lawn areas (see detail below).

Zoning District (s)

“Central Business District”.

Flood Zone Map & Date

Map 2300210004B Dated: 8-19-1991

Flood Zone Description

Zone X – no portion of the subject property is located in a flood zone or velocity hazard district.

BUILDING IMPROVEMENTS

Gross Building Area (GBA)

15,248 sf.

Mezzanines/Outbuildings/Decks

3' height loading dock; 84.33 sf enclosed porch, 44 sf open porch, and 96 sf wood frame storage shed.

Basement	No basement; concrete slab only.
Number of Stories	One story.
Building Class/Type of Framing Sprinkler System	Class C – masonry framing. Full wet system.
Year Built (per tax records)	+/-1965, per tax records and the owner. Extensively remodeled in 2001, and the building has been well maintained.

HIGHEST & BEST USE

As Vacant	Professional Offices and/or Retail.
As Improved	Professional Offices.

EXPOSURE & MARKETING TIME

Exposure Time	12-24 months
Marketing Period	12-24 months

VALUATION CONCLUSIONS

Values Requested	Market Value As Is.
Interest Appraised	Leased Fee.

<i>SALES COMPARISON APPROACH</i>	\$960,000
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AS IS MARKET VALUE CONCLUSION

\$960,000

DEFINITIONS

MARKET VALUE¹

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.*

EXPOSURE TIME²

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 opinion based upon an analysis of past events assuming a competitive and open market.

Note that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient and reasonable effort.

Exposure time is always presumed to occur prior to the effective date of the appraisal, and is substantiated by supply/demand conditions as of the effective date of the appraisal; the use of current cost information; the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer); and the analysis of future income expectancy projected from the effective date of the appraisal.

EXTRAORDINARY ASSUMPTION²

An assignment specific assumption as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions.

Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

HYPOTHETICAL CONDITION²

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.

¹ 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).

² 2023 USPAP.

PURPOSE, INTENDED USE, SCOPE, OWNERSHIP HISTORY, EXTRAORDINARY ASSUMPTIONS

PURPOSE

The purpose of this assignment is to arrive at a supportable opinion of the Market Value As-Is of the Leased Fee interest of the subject property as of the inspection date.

CLIENT

The clients for this assignment are the University of Maine System and UMPI.

INTENDED USER(S)

The Intended Users are the University of Maine System and UMPI. I expressly prohibit the use of this report by Third parties or any other unintended user. Final values and conclusions are based on all of the analysis within the appraisal report. Reliance on portions of the report independent of other sections may result in the reader being misled with respect to intermediate or final value conclusions. Values and conclusions for various components of the property are not to be used independently for any purpose and are invalid if so used.

INTENDED USE

The Intended Use is to assist the clients and the intended users in valuing the property for internal purposes.

SCOPE

The following describes the scope of work for this assignment:

- I requested from the owner copies of any building plans, floor layouts, deed, and survey. A copy of the floor layout and deed was provided.
- I, Michael J. Soucy, personally observed all exterior walls of the subject property, but was not able to see the condition of most of the roof cover from the ground. I was not afforded access to the roof and therefore did not have the opportunity to observe the condition of most of the roof cover up close. I inspected the interior of all sections of the building and most of rooms.
- I toured the boundaries of the subject site, noting the topography, drainage, access, visibility, curb cuts, site distances, landscaping, number of on-site parking spaces, and condition of the paving.
- I toured the subject's neighborhood, noting the predominant uses, quality and condition of the properties, type and ease of access to the subject property, and whether there are any existing or potential nuisances or adverse influences that have/will have a material effect on the value of the subject property.
- I personally took all of the building, site, and neighborhood photos that are included in this report.
- I gathered and analyzed the subject property's available historical data.
- I gathered and analyzed the regional and local economic and demographic data including population, retail sales, employment, household income, and real estate trends for this property type.
- I gathered, confirmed and analyzed the economic, legal, and physical features of the subject property, and considered how they impact their functionality and competitiveness. The data gathering process included interviewing the city planner and tax assessor and reviewing the relevant records to obtain the available public assessment and code enforcement records on the property and to discuss current and planned economic activity in the market area.

- I performed a Supply/Demand analysis for the sub-market of the subject property. Given the physical and location characteristics of the subject property and the current economic conditions, I present conclusions with respect to the competitiveness of the subject property.
- Based on the property type, intended use and intended user(s), subject characteristics, neighborhood, and the conditions for the assignment, I selected and developed the appropriate and applicable approaches to produce credible and well supported value estimates for the subject property.
- For this assignment, the Sales Comparison Approach was the only applicable approach to value the property in its Highest & Best Use. I personally gathered the Sales Comparables data for the property's concluded highest & best use that is used below in the Sales Comparison Approach. A comprehensive search was undertaken throughout Aroostook County to discover sales of comparable large office buildings, with as similar quality and condition and acreage. In addition, knowledgeable local commercial brokers were interviewed in the identification of suitable sales, to discuss local and industry market trends, and to discuss local vacancy and appreciation or depreciation rates. Several commercial real estate databases and the Maine Multiple Listing Service, as well as public records were reviewed for the past four years to isolate those sales that are the most predictive of the market value of the subject property. In addition, I interviewed Houlton's tax assessor to find the very best sales, including any private transactions. Those property sales that are most similar to the subject property that have conveyed recently are analyzed below in the Sales Comparison Approach. All of the sales were confirmed with the listing or selling realtors that were involved in the transactions, and/or with property tax records and the Registry of Deeds. For this property type in this market, the property's value is best determined by how much investors have demonstrated they will pay for buildings with the property's concluded Highest & Best Use as professional office space.
- The Income Approach is normally very useful for determining a commercial property's value since the net income that the property can produce is typically weighed very heavily by potential investors. However, the approach was not applicable for the subject property since there is no useful historical income and expense data on the subject property as a whole by which to credibly forecast the property's future operating performance. The subject property has been primarily owner occupied historically. While small sections of the building have been rented to various entities for various uses, the net income that this historical rental activity has produced, once capitalized, would not produce a credible value estimate. In its current configuration, projecting what the entire building could rent for is too speculative (no useful comparable data). In any event, the subject property As Is would not likely be capable of producing sufficient rental income to determine a useful value estimate. The resulting value estimate would be too low, and would not capture the significant value of the subject land and site improvements, and would not capture the full value of the building improvements.
- The Cost Approach was inappropriate due to the fact that investors rarely use this approach in this market to formulate an offer price for properties of this type and age. It should be obvious (and the appraiser fully recognizes) that replicating a building of this quality would cost multiple times the concluded value estimate. However, the replacement cost calculations, less physical depreciation, plus the land value would very much overstate the value of the property. Changing technology and student preferences have made the need for much of the college classroom space in this property obsolete. High, subjective estimates for the other applicable forms of depreciation would have been required, undermining the credibility of a value estimate determined via the Cost Approach.
- As agreed to with the client and as described in USPAP Standard 2, an Appraisal Report format was utilized to convey the results of this assignment.

INFORMATION SOURCES

<i>Legal Description</i>	Most recent deed from the Registry of Deeds.
<i>Parcel Size</i>	Deed, tax assessment records & property tax map.
<i>Building Size</i>	Property tax records and a building layout provided by UMPI.
<i>Zoning</i>	Interview of Code Enforcement Office, Zoning Map & Land Use Ordinance.
<i>Taxes</i>	Tax Assessor (property is tax exempt).
<i>Flood Status</i>	FEMA Flood Maps.
<i>Wetlands</i>	U.S. Fish & Wildlife Service Wetlands Maps.
<i>Soils</i>	USDA Web Soils Survey.
<i>Industry Data</i>	Review of published commercial real estate surveys and trends, including the Realty Rates Investor Survey, the NAR Commercial Real Estate Market Trends & Outlook, and CBRE commercial market data.
<i>Comparables</i>	My firm's appraisal files, and commercial databases of comparable sales. Local commercial appraisers, commercial brokers & tax assessors.

HISTORY OF PROPERTY

CURRENT HISTORY

The subject property is not currently under contract for sale or being actively marketed for sale.

PRIOR SALE

The subject property last conveyed to the current owner in February 24, 2000.
Please see a copy of the deed in the Addendum.

KNOWN EASEMENTS, RESTRICTIONS, ENCUMBRANCES, COVENANTS, ETC.

The current deed mentions prohibitions against being used, leased, occupied, or permitted to be occupied as a supermarket, grocery store, food store, convenience store, bakery, delicatessen or drug store. Please see the deed in the Addendum for the specific language.

A title search was not performed for this assignment nor made available for review. The client is advised to seek legal assistance if any questions arise with respect to easements, encroachments, restrictions, covenants, or other encumbrances. Please see a copy of the subject deed in the Addendum.

EXTRAORDINARY ASSUMPTIONS OR HYPOTHETICAL CONDITIONS

An **Extraordinary Assumption** was made that there are no other easements, restrictions, encumbrances, covenants, etc. that have a material adverse effect on the subject property's value.

An **Extraordinary Assumption** was made that the roof, mechanical, electrical, plumbing, heating, or other systems are working properly at the subject building.

The client is encouraged to hire a qualified building inspector if a more detailed analysis is required of the condition of the building.

No survey was made available for the subject property. The property's acreage and boundaries were determined from the deed description and the information in the public records. An **Extraordinary Assumption** was made that the acreage indicated in the deed and public tax records and maps is reliable.

A USPAP requirement with respect to the use of **Extraordinary Assumptions** is to state that their use might have affected the assignment results.

EXPOSURE TIME/MARKETING TIME

The Marketing and Exposure times for the subject property are estimated to be 12-24 months, assuming diligent, professional marketing efforts and a market price.

PERSONAL PROPERTY INCLUDED IN VALUE ESTIMATES

As indicated, no personal property of any kind is included in the concluded value estimate, including any furniture, artwork, computers, etc.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is for no purpose other than property valuation and the appraiser is neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in the report, it is critically important to read this entire section to understand these limitations.

FINANCIAL INFORMATION

The historical or projected income and expense data that was provided to me by the owner (if any) is the representation of the owner and has not been audited or independently verified. While I may have requested copies of relevant tax schedules to corroborate the information given, I do not attest to the accuracy or comprehensiveness of the numbers provided. While I frequently make an attempt to assess the reasonableness of the data by comparing it to benchmark estimates for similar properties I may have recently appraised, it is critical for the reader to understand that I made no attempt to detect possible omissions or deliberate fraud in reviewing and relying upon the income and expense data presented to me.

APPRAISAL IS NOT A SURVEY

It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless noted within the report.

No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by the appraiser and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern on boundaries, setbacks, encroachments, or other survey matters.

APPRAISAL IS NOT A LEGAL OPINION

No responsibility is assumed for matters of a legal nature that affect title to the property nor is an opinion of title rendered. I am not an attorney and have no skill or knowledge in performing title searches. The title is assumed to be good and marketable. The value estimate is given without regard to any questions of title, boundaries, encumbrances, or encroachments. The easements that we describe in the report (if any) are based upon an interview with the current owner and what has been recorded in the subject deed. I did not search in the registry for easements on the subject property that are not recorded in the subject deed, and as an appraiser, I am not expected to perform work that is normally performed by skilled attorneys. I am not usually provided an abstract of the property being appraised and, in any event, I neither made a detailed examination of it nor do I give any legal opinion concerning it.

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report. A comprehensive examination of laws and regulations affecting the subject property was not performed for this appraisal.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a non-conformity has been stated, defined and considered in the appraisal report. Information and analysis shown in this report concerning these items is based only on a rudimentary investigation. Any significant questions should be addressed to local zoning or land use officials and/or an attorney.

It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based. Appropriate government officials and/or an attorney should be consulted if an interested party has any questions or concerns on these items since I have not made a comprehensive examination of laws and regulations affecting the subject property.

APPRAISAL IS NOT AN ENGINEERING OR PROPERTY INSPECTION REPORT

This appraisal should not be considered a report on any physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. The appraiser is not a construction, engineering, environmental, or legal expert, and any statement given on these matters in this report should be considered preliminary in nature.

If any building improvements exist on the property, the observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, and all mechanical and construction, is based on a casual inspection only and no detailed inspection was made. For instance, I am not an expert on heating systems and no attempt was made to inspect the interior of the furnace. The structures were not checked for building code violations and it is assumed that all buildings meet applicable building codes unless so stated in the report.

Some items such as conditions behind walls, above ceilings, behind locked doors or under the ground are not exposed to casual view and, therefore, were not inspected. The existence of insulation, if any is mentioned, was found by conversation with others and/or circumstantial evidence, unless otherwise indicated. Since it is not exposed to view, the accuracy of any statements about insulation cannot be guaranteed.

It is assumed that there are no hidden or concealed conditions of the property, sub-soil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions, or for the engineering that may be required to discover such factors. Since no engineering or percolation tests were made, no liability is assumed for soil conditions. Sub-surface rights (mineral and oil) were not considered in making this appraisal.

Wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use.

I am not an environmental expert and do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or any other environmental hazards on the subject or surrounding properties. If I know of any problems of this nature that I believe would create a significant problem, they are disclosed in this report. Nondisclosure should not be taken as an indication that such a problem does not exist, however. An expert in the field should be consulted if any interested party has questions on environmental factors.

No chemical or scientific tests were performed by the appraiser on the subject property and it is assumed that the air, water, ground, and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed that the lot does not contain any type of dumpsite and that there are no underground tanks (or any underground source) leaking toxic or hazardous chemicals into the groundwater or the environment unless otherwise noted in the report.

The age of any improvements to the subject property mentioned in this report should be considered a rough estimate. I am not sufficiently skilled in the construction trades to be able to reliably estimate the age of improvements by observation. I, therefore, rely on circumstantial evidence which may come into my possession

(such as dates on architectural plans) or conversations with those who might be somewhat familiar with the history of the property such as property owners, on-site personnel, or others. Parties interested in knowing the exact age of improvements on the land should contact me to ascertain the source of our data and then make a decision as to whether they wish to pursue additional investigation.

Because no detailed inspection was made and because such knowledge goes beyond the scope of this appraisal, any observed condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a construction expert be hired for a detailed investigation.

I have not performed a detailed analysis of whether the property is compliant with the Americans with Disabilities Act (ADA), which became effective in 1992. An in-depth compliance analysis is beyond the scope of this appraisal. It is possible that a detailed study by an ADA expert would conclude that the property is deficient with respect to certain provisions of the Act, which could have an adverse effect on the property's value. Unless specific items of noncompliance were evident during the inspection, I did not consider any possible compliance deficiencies when determining the market value estimates concluded.

APPRAISAL IS MADE UNDER CONDITIONS OF UNCERTAINTY WITH LIMITED DATA

As can be seen from limitations presented above, this appraisal has been performed with a limited amount of data. Data limitations result from a lack of certain areas of expertise by the appraiser (that go beyond the scope of the ordinary knowledge of an appraiser), the inability of the appraiser to view certain portions of the property, the inherent limitations of relying upon information provided by others, etc.

There is also an economic constraint, however. The appraisal budget (and the fee for this appraisal) did not contain unlimited funds for investigation. I have spent my time and effort in the investigative stage of this appraisal in those areas where I think it will do the most good but, inevitably, there is a significant possibility that I do not possess all information relevant to the subject property.

Before relying on any statement made in this appraisal report, interested parties should contact me for the exact extent of our data collection on any point that they believe to be important to their decision making. This will enable such interested parties to determine whether they think the extent of my data gathering process was adequate for their needs or whether they would like to pursue additional data gathering for a higher level of certainty.

Information (including projections of income and expenses) provided by local sources, such as government agencies, financial institutions, accountants, attorneys, and others is assumed to be true, correct, and reliable. No responsibility for the accuracy of such information is assumed by the appraiser.

The comparable sales data relied upon in the appraisal are believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.

Engineering analysis of the subject property was neither provided for use nor made as a part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is, therefore, based only on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.

All values shown in the appraisal report are projections based on our analysis as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. I take no responsibility for events, conditions, or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report or the date of our field inspection, whichever occurs first.

Since projected mathematical models and other projections are based on estimates and assumptions that are inherently subject to uncertainty and variation depending upon evolving events, I do not represent them as results that will actually be achieved. I make no assertion as to the eventual profits or net cash flows (if applicable) that the property will produce, or whether the property will be able to produce enough revenue to enable the owner to service the debt, if any, assumed to finance the property. The profitability of most income producing real estate in large part depends on the skill, quality and attention of the property's owners and/or manager(s) and the strategies they elect to employ, and the value estimates assume experienced, attentive, aggressive management of the property.

This appraisal is an estimate of value based on an analysis of information known to me at the time the appraisal was made. I do not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice.

Opinions and estimates expressed herein represent my best judgment but should not be construed as advice or recommendation to act. Any actions taken by you, the client, or any others should be based on your own judgment and the decision process should consider many factors other than just the value estimate and information given in this report.

APPRAISAL REPORT LIMITATIONS

Appraisal reports are technical documents addressed to the specific technical needs of clients. Casual readers should understand that this report does not contain all of the information we have concerning the subject property or the real estate market. While no factors I believe to be significant but unknown to the client have been knowingly withheld, it is always possible that I have information of significance which may be important to others but which, with my limited acquaintance of the property and my limited expertise, does not seem to be important to me.

Appraisal reports made for lenders are technical documents specifically made to lender requirements. Casual readers are cautioned about their limitations and cautioned against possible misinterpretation of the information contained in these reports.

The appraiser should be contacted with any questions before this report is relied on for decision making.

This appraisal was prepared at the request of and for the exclusive use of the client to whom the appraisal is addressed. No third party shall have any right to use or rely upon this appraisal for any purpose.

There are no requirements, by reason of this appraisal, to give testimony or appear in court or any pretrial conference or appearance required by subpoena with reference to the property in question, unless sufficient notice is given to allow adequate preparation and additional fees are paid by the client at my regular rates for such appearance and the preparation necessitated thereby.

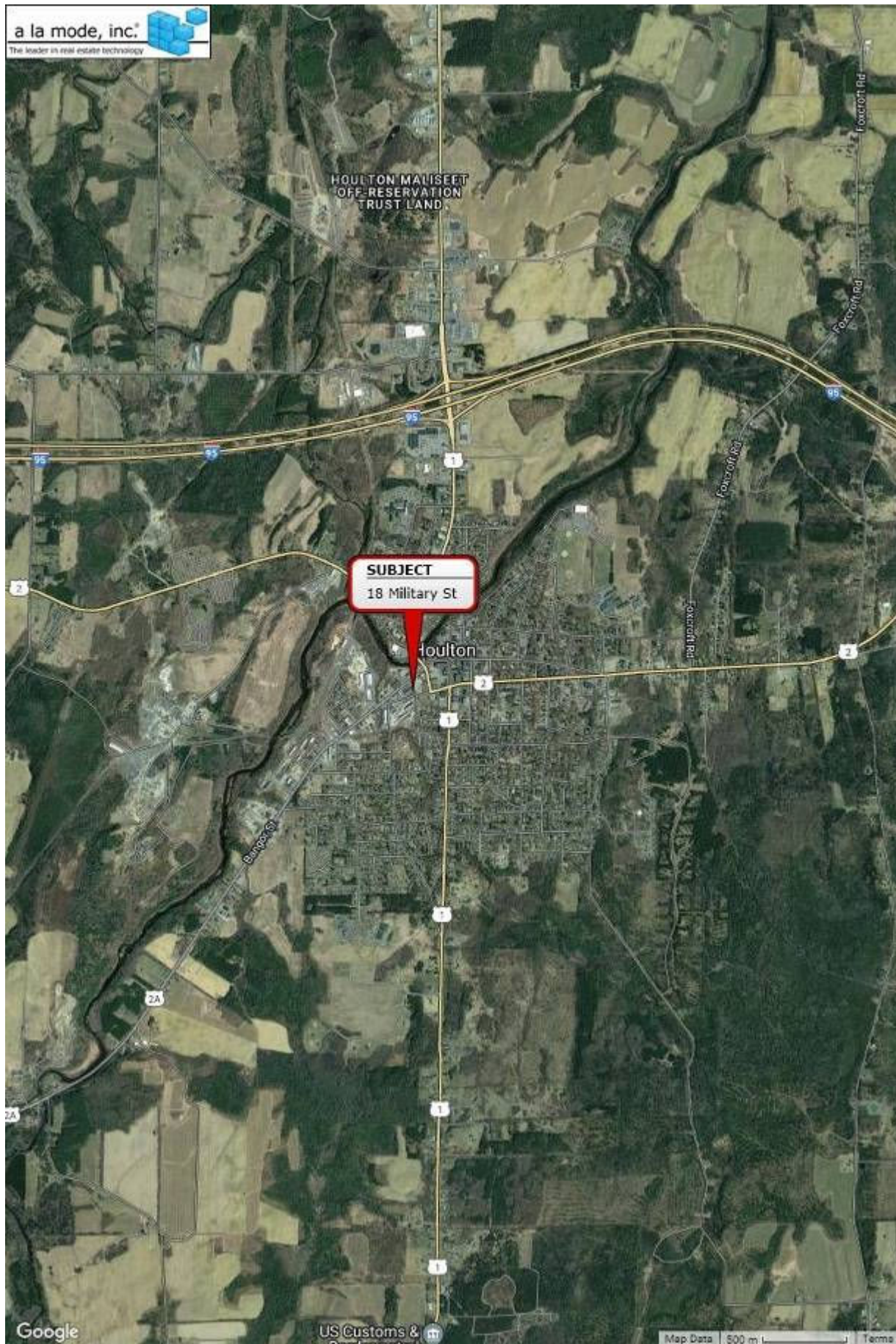
This report is made for the information and/or guidance of the client and possession of this report, or a copy thereof, does not carry with it a right of publication. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organization of

which the appraiser is a member be identified without written consent of the appraiser.

It is suggested that those who possess this appraisal report should not give copies to others. Certainly legal advice should be obtained on potential liability issues before this is done. Anyone who gives out an incomplete or altered copy of the appraisal report (including all attachments) does so at their own risk and assumes complete liability for any harm caused by giving out an incomplete or altered copy. Neither the appraiser nor this company assumes any liability for harm caused by reliance upon an incomplete or altered copy of the appraisal report given out by others. Anyone with a question on whether their copy of an appraisal report is incomplete or altered should contact my office.

Values and conclusions for various components of the subject parcel as contained within this report are valid only when making a summation; they are not to be used independently for any purpose and must be considered invalid if so used. The allocation of the total value in this report between land and improvements (if applicable) applies only under the reported highest and best use of the property. The separate valuations for land and building (if applicable) must not be used in conjunction with any other appraisal and are invalid if so used.

LOCATION MAPS





PROPERTY TAX MAP



SUBJECT PHOTOS

Exterior Photos

East wall (façade), main entrance



East wall, main entrance



Portions of South and West walls



South wall



Truck dock on the south wall



Drive up ramp and utility room



Start of the west wall, facing North



North wall



East wall, facing north to main entrance



Interior Photos
Entrance/Reception



Typical Hallway finishes



Room 117



Room 117



Room 119



Room 124



7

Room 124 (opposite view)



Room 125



Room 125 – Opposite View



Break room



Typical bathroom finish (good quality)



Typical bathroom



Room 131



Room 131 – opposite view



Staff bathroom



Small storage shed on site



Shed on site



SITE IMPROVEMENTS

Signage on Military Street



Signage on Military Street



Signage at Bangor Street entrance



Access to parking lot from Bangor Street, facing south to Military Street entrance



Another view of the parking lot, facing West



Parking lot, facing west



View of the parking lot entrance from Military Street, facing northwest



NEIGHBORHOOD SCENES

Southwest of the Military Street entrance



Southwest of the subject – mixed use commercial



North of the subject



Former drycleaner adjacent to the property to the north. Monitoring wells are located around the property.



Other side of the drycleaner



North of the subject, parking area adjacent to former dry cleaning business



STREET SCENES

Facing east on Bangor Street to historic downtown



Facing west on Bangor Street



Facing west on Military Street



Facing east on Military Street



SITE DATA & ANALYSIS

Property Tax Map



Topographical Map

Gently Sloping Terrain



Wetlands Map

No mapped wetlands



Wetlands



October 27, 2023

Wetlands

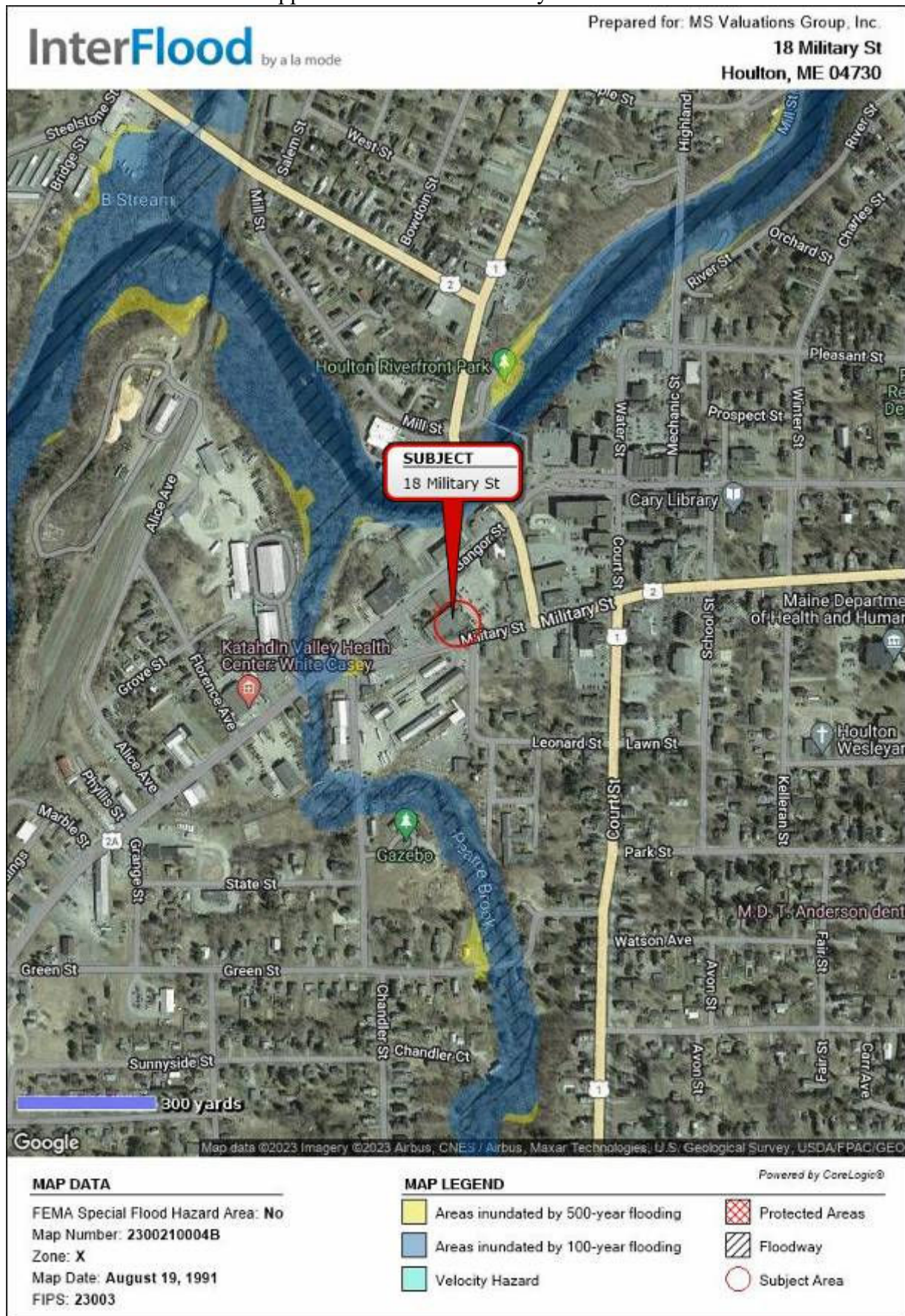
- | | | |
|--------------------------------|-----------------------------------|----------|
| Estuarine and Marine Deepwater | Freshwater Emergent Wetland | Lake |
| Estuarine and Marine Wetland | Freshwater Forested/Shrub Wetland | Other |
| | Freshwater Pond | Riverine |

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

National Wetlands Inventory (NWI)
This page was produced by the NWI mapper

FLOOD MAP

No mapped flood zones or velocity hazard districts



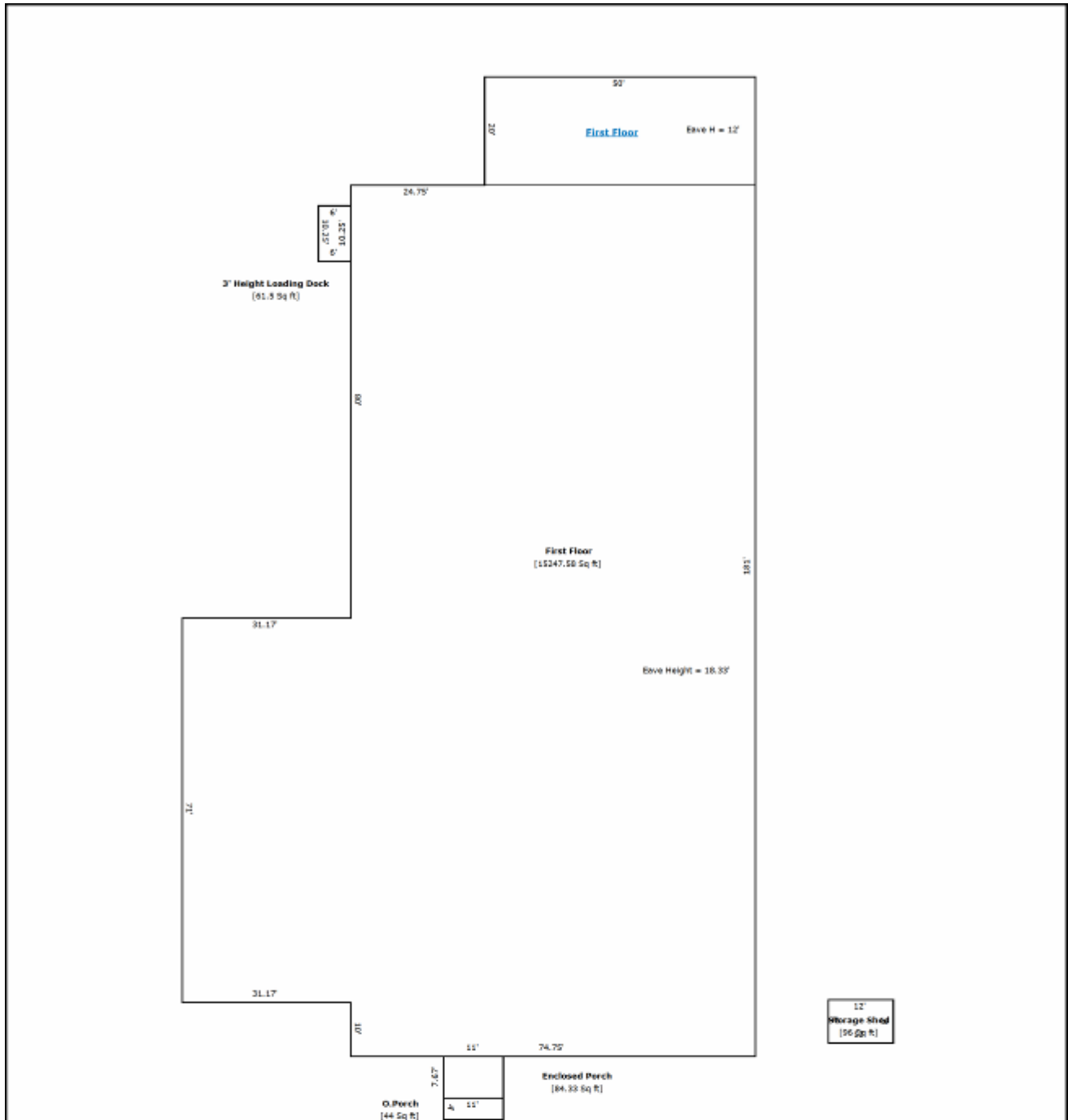
SITE CHARACTERISTICS

Total Acreage	+/-2.49 acres, per tax records
Parcel Shape and Dimensions	Irregular
Location Description	High density mixed commercial next to historic downtown,
Corner Lot	No
Primary Access	Military Street
# of Curb Cuts	Two on Military Street.
Paved Road	Yes
Publicly Maintained	Yes
Secondary Access	Bangor Street (two-way, two-lane paved).
Road Frontage	Bangor Street – 348.40'. Military Street – 265'.
# of Lanes	2 lanes, 2-way on each street.
Direction Flows	East to West on both streets.
Site Distance	600' in both directions.
Overall Visibility	Excellent on Military Street; good from Bangor Street.
Latest Traffic Counts	9,040 combined on both streets.
Speed Limit	25
Distance and Time to Nearest Arterial	+/-1 mile to I-95.
Railroad Access	None
Traffic Lights/Stop Signs	None
Water Frontage	None
Topography	Gently sloping.
Vegetative Cover	Good landscaping. Substantial lawn and good landscaping (+/-27,500 sf).
Wetlands of Water Courses	None
Drainage	Good
Flood Zone Status	See above Flood Map – not located in a flood zone.
Views	Mixed commercial.
Electricity	On-site.
Natural Gas / Propane	Propane
Sewage Disposal	Public
Water Source	Public
Internet Access	Yes
Adequacy of Utilities	Good
Paved Areas	+/-42,500 sf. Approximately 50% depreciated (installed in 2001).

Signage	Good free-standing signage on both streets.
Other Site Improvements	None.
Approx. Surplus Land Acreage	+/-1 acre.
Significant Natural Resources	None.
Nuisances, Environmental Issues	None.
Conformity of Site	Conforms well with competing sites in competitive market area.
Overall Site utility and Adequacy	Good for current use. Ample on-site parking. Good access and visibility from two streets.

BUILDING IMPROVEMENTS

Building Sketch

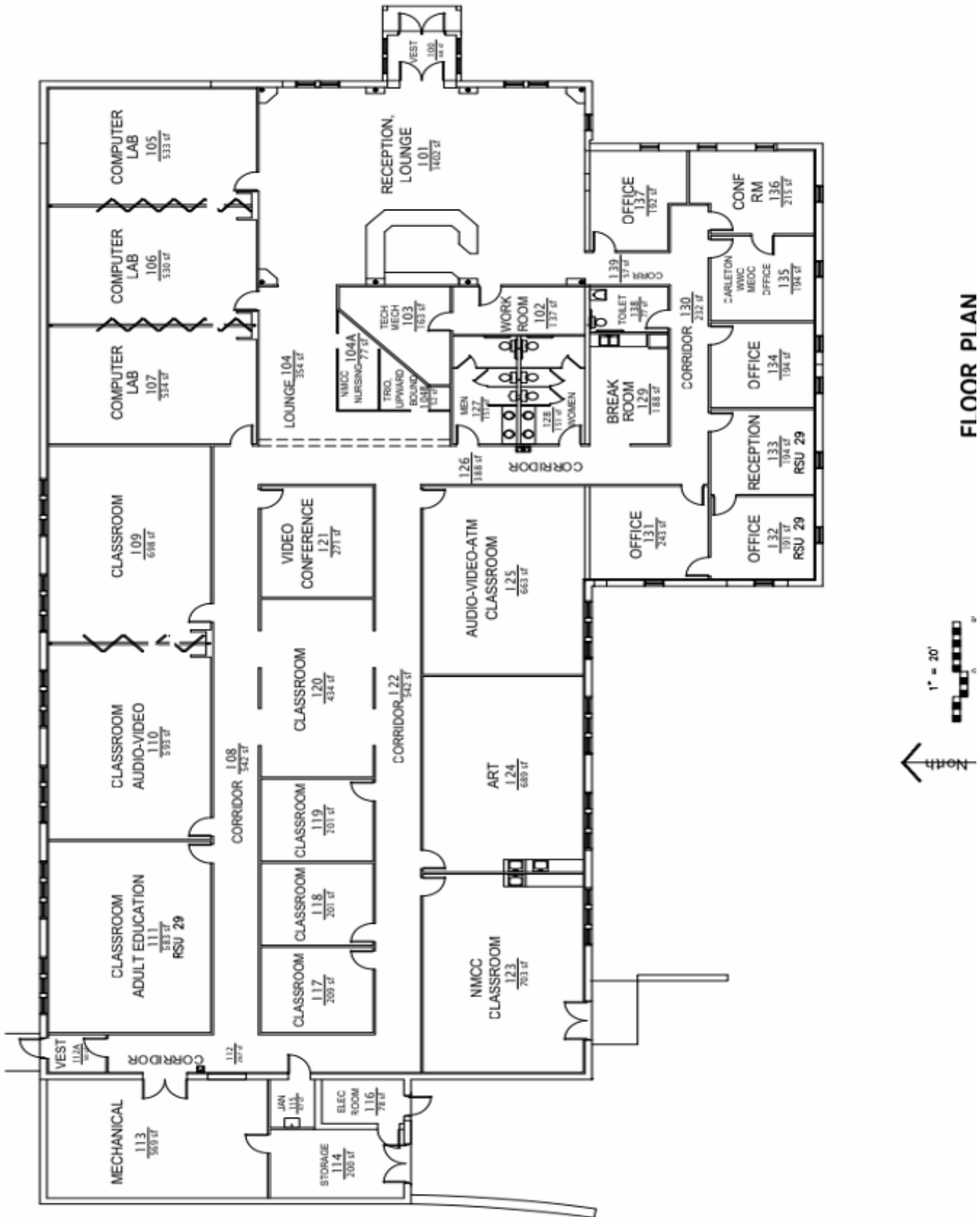


TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		Calculation Details	
First Floor	15247.58 Sq ft	$71 \times 31.17 =$	2212.84
		$74.75 \times 161 =$	12034.75
		$50 \times 20 =$	1000
Total Living Area (Rounded):		15248 Sq ft	
Non-living Area			
3' Height Loading Dock	61.5 Sq ft	$10.25 \times 6 =$	61.5
Enclosed Porch	84.33 Sq ft	$11 \times 7.67 =$	84.33
O. Porch	44 Sq ft	$11 \times 4 =$	44
Storage Shed	96 Sq ft	$8 \times 12 =$	96

FLOOR PLAN AND ROOM SIZES



EXTERIOR NOTES

- The structure was built in 1965 and extensively remodeled in 2001.
- Original windows – Low E, Argon gas, double pane.
- Thick insulation in the walls – owner believes it is R36.
- The first 2’6” of the siding consists of stone siding, then stucco siding.
- Architectural roof shingles on hip roof and entry porch. New EPDM rubber roof on other roof sections.
- Eave height is 18’4” for most of the building.
- 10 security cameras
- No attic space
- Built on a slab
- The exterior, including the roof, is in above average condition
- The small shed has a metal roof and T111 siding.

INTERIOR NOTES

Heating & Cooling	Utility Room – the room is equipped with two Buderus boilers, Well-McLain burners, three 330 gallon #2 fuel oil tanks (2001) , wet sprinkler system, ceiling suspended Modine heater, diesel generator, fluorescent lights, steel door entrance; 2 central vacuum systems. Propane fired Modine heater for entrance (2015 - \$7,000). One heat pump for server room. Two electric hot water heaters (20 gallons each – 2001).
Power	3-phase for air handler. Extensive circuit panels. 15 kw diesel back-up generator for server room (not for entire building) installed in 2020.
Security	Motion sensors, door and window contacts. Centrally monitored camera system (+- 10 cameras total installed in 2017 at a cost of \$16,000).
Lighting	T8 lighting in most of the building, with one classroom having LED lighting.
Sprinkler	Wet sprinkler system throughout the building.

- Foyer – 2 steel entrance doors with crash bars – auto opener. Wall to wall carpeting, painted drywall, Rinnai heater, 2 steel doors leading to atrium.
- Reception and Atrium - finished with wall to wall carpeting, hardwood baseboard andn chair rail, good hardwood trim around the windows, 3’ hardwood wainscoting o upper wall, 2 ceiling fans, strip fluorescent lighting– good condition with good quality. Hip ceiling peak height = 31’. Wall mounted cameras.
- Hallways – the hallways are finished with wall to wall carpeting, vinyl baseboard, painted drywall walls, reveal edge ceilings, 2x2 recessed fluorescent lights, sprinkled, solid core wood doors with steel casings and commercial grade handsets, 9’0” ceiling height.
- Room 111 – classroom - finished with wall to wall carpeting, vinyl baseboard, painted drywall, suspended ceiling, suspended ceiling lighting, solid core wood door.

- Room 110 & 109 – this is a double room with divider, projector from the ceiling, camera holder from the ceiling, hardwood window sills, wall to wall carpeting, vinyl baseboard, painted drywall walls, suspended ceiling, sprinkled, ceiling registers. Height = 11’8”.
- Room 120 – same finish as 111, height is 9’8”; rented to UM Cooperative Extension (library on floor plan).
- Room 121 – Office space and storage, former classroom. Same finish as room 120.
- Room 107 & 106 (computer lab) – Divider between rooms. Same finish.
- Room 105 – Lounge & classroom. This room has a ceiling height of 11’8”, this room can be combined with rooms 106 and 107.
- Rooms 135 & 136 – these rooms are connected and have the same finish, above average quality and above average condition. Ceiling height is 11’8”. Leased by UM Cooperative Extension.
- Room 111 – typical classroom, adult education lease.
- Room 134 – Leased office space, adult ed.
- 119 – Classroom, study room, student zoom, projectors and cameras for testing.
- Room 124 – Science and art room, projector with hanging microphones.
- Room 123 – Similar to room 124, rented to NMCC.
- Room 118 – Used as an office – wall to wall carpeting, vinyl baseboard, painted drywall, reveal edge ceiling with 2x4 troffers, solid core wood door, requires repainting. Ceiling – network booster, HVAC register, sprinkled.
- Room 117 – testing, studying and proctoring, University and adult ed proctoring cameras.

Overall, the interior is of Good quality in Good condition.

NEIGHBORHOOD

Type	Mixed commercial uses.
Neighborhood Boundaries	North-Route 2; South-Green Street; East-Hillview Avenue; West-Alice Avenue.
Present Land Use	Retail, professional office, convenience store uses.
Density Proximate to Subject	95%
Growth Rate	Stable
Trend in Property Values	Stable for commercial.
Change in Land Use	No significant changes on the horizon, per town officials.
Employment Stability	Good due to diverse opportunities in retail, farming, service, education, governmental jobs.
Convenience to Employment	Located within a mile from Houlton's main economic, service, and employment opportunities, and within a mile of the Houlton hospital.
Convenience to Shopping	Located within a retail and service area and within a mile to a grocery store, Wal-Mart, fast food, several shopping centers.
Convenience to Schools	Located within a half mile from Houlton schools.
Adequacy of Utilities	Public utilities are adequate and typical for neighborhood.
Property Compatibility	Most of the surrounding uses are commercial in nature, primarily retail and professional office uses.
Police and Fire Protection	Houlton has its own police and fire department, located +- ½ mile away.
General Appearance of Properties	Average
Appeal to Market	Good.
Nuisances if Any	None
Commercial Vacancy Rate	5-7%
Growth and Economic Catalysts	None significant on the immediate horizon, per town officials.
Overall Neighborhood Quality	Average
Overall Neighborhood Condition	Average

ECONOMIC & DEMOGRAPHIC INFORMATION

STATE OF MAINE

The Maine Consensus Economic Forecasting Commission (CEFC) last convened on March 31, 2023, to review and revise its forecast through 2027. The meeting built on the Commission's forecast update of November 1, 2022, incorporating the most recent updates available for all relevant baseline data.

The CEFC noted ongoing heightened uncertainty in economic conditions in the near-term but does not anticipate a recession in its forecast. The Commission expects that higher demand for labor will continue to draw enough workers into Maine in the coming years to offset retirements from the Baby Boom generation. The Commission recognizes that access to housing remains a barrier to labor force mobility but believes that rising wages and continued willingness of employers to pay more to attract the skills they need will enable Maine to extend its pattern of positive in-migration in the coming years. High inflation and interest rates have continued into 2023, and the CEFC noted that the Federal Reserve is expected to continue pursuing policies that will constrain inflation, but inflation risks are likely to take several years to fully ease. Inflation and interest rates, demographic changes, access to housing, and a tight labor market were among the key risks to continued economic growth that the CEFC considered as it revised its forecasts. The Commission noted that generally rising wage rates, strong consumer demand, and generally positive corporate profits have reduced the immediate threat of a recession. It believes that a period of slow economic growth sensitive to the Federal Reserve's policy of gradual increases in interest rates is likely to continue for the next year.

Non-farm employment increased by 2.4% in 2022, just below the November forecast of 2.5%. The Commission revised its employment forecast up in all years from 2023-2027 (to 1.2% in 2023, 0.8% in 2024, 0.4% in 2025, 0.2% in 2026, and 0.1% in 2027). The Commission's assumption is that demographic changes will be offset by continued increases in employment of older workers and increased migration to the state. The revised forecast anticipates that employment will continue to grow through 2027 to 656,100 with slower increases as 2027 approaches. These forecast levels of employment are higher than those in the Commission's November 2022 forecast.

This forecast reflects preliminary actual personal income data for 2022 released by the U.S. Bureau of Economic Activity on March 31. Total personal income growth in 2022 was 2.6%, down from the 3.6% forecast in November. The Commission revised its forecast for total personal income growth up modestly for each year of the forecast. The forecast was revised from 5.0% to 5.2% in 2023, from 4.7% to 4.9% in 2024, from 4.4% to 4.5% in 2025, from 4.5% to 4.6% in 2026, and from 4.6% to 4.7% in 2027. These increases largely reflect upward revisions in dividends, interest, and rent and personal current transfer receipts. Details of these categories are provided below.

Actual wage and salary income, the largest component of personal income, increased by 8.6% in 2022, lower than the November forecast of 11.0%. The Commission made no changes to its forecasts of growth in wage and salary income in future years.

Supplements to wages and salaries increased by 5.5% in 2022, lower than the previously forecasted increase of 7.0%. No changes were made to forecasts for 2023-2025, but 2026 and 2027 were revised down from 4.3% to 3.5% and 3.0%, respectively. Actual growth in non-farm proprietor's income was 3.8% in 2022, which was 0.2 percentage points lower than the Commission's November forecast. No changes were made to the forecast for future years.

Dividends, interest, and rent (DIR) increased 5.0% in 2022, higher than the 4.2% forecast in November. The Commission revised its forecast up for 2023 and 2024 from 4.0% to 5.0% and revised the 2025 forecast up from 4.0% to 4.5%, reflecting the assumption that rents will continue to increase. 2026 and 2027 were revised down from 5.1% and 5.0%, respectively, to 4.5% in both years.

Actual personal current transfer receipts in Maine decreased by 9.2% in 2022, which was slightly less of a decrease than was forecast in November (-10.0%). Upward revisions were made for 2023 (from 4.0% to 5.0%) and for 2026 and 2027 (from 4.9% to 6.0%), reflecting assumptions around the impact of state heating assistance payments, Social Security cost of living increases, and increased participation in Medicare and Medicaid programs. No changes were made to the 2024 and 2025 forecasts.

No changes were made to the Consumer Price Index (CPI) forecast.

Actual corporate profits were up 6.6% in 2022, lower than the November forecast of 10.2%. The Commission revised its forecast for 2025, 2026, and 2027 down from 6.0% annually to 5.0% annually, to better align with the IHS Markit and Moody's Analytics forecasts for these years. The forecasts for 2023 and 2024 were left unchanged.

The following table provides the forecast's major indicators along with a comparison to the previous forecast.

Calendar Years	2022	2023	2024	2025	2026	2027
Wage & Salary Employment (Annual Percentage Change)						
CEFC Forecast 11/2022	2.5	0.8	0.4	0.2	0.0	0.0
CEFC Forecast 04/2023	2.4	1.2	0.8	0.4	0.2	0.1
Personal Income (Annual Percentage Change)						
CEFC Forecast 11/2022	3.6	5.0	4.7	4.4	4.5	4.6
CEFC Forecast 04/2023	2.6	5.2	4.9	4.5	4.6	4.7
Wage and Salary Income (Annual Percentage Change)						
CEFC Forecast 11/2022	11.0	6.0	5.0	4.0	4.3	4.3
CEFC Forecast 04/2023	8.6	6.0	5.0	4.0	4.3	4.3
CPI (Annual Percentage Change)						
CEFC Forecast 11/2022	8.3	5.8	4.0	3.5	3.5	3.0
CEFC Forecast 04/2023	8.0	5.8	4.0	3.5	3.5	3.0

Consensus Forecast

Non-farm employment increased by 2.4% in 2022, just below the November forecast of 2.5%. The Commission revised its employment forecast up in all years from 2023-2027 (to 1.2% in 2023, 0.8% in 2024, 0.4% in 2025, 0.2% in 2026, and 0.1% in 2027). The Commission's assumption is that demographic changes will be offset by continued increases in employment of older workers and increased migration to the state. The revised forecast anticipates that employment will continue to grow through 2027 to 656,100 with slower increases as 2027 approaches. These forecast levels of employment are higher than those in the Commission's November 2022 forecast.

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The following page provides the full forecast.

Maine Consensus Economic Forecasting Commission

April 2023 Forecast

	History	Forecast				
	2022	2023	2024	2025	2026	2027
CPI-U* (Annual Change)	8.0%	5.8%	4.0%	3.5%	3.5%	3.0%
CPI for Energy Prices** (Annual Change)	25.0%	-2.3%	-2.6%	-2.1%	-0.1%	1.4%
Avg. Price of New Vehicles** (Annual Change)	8.9%	-1.1%	-6.5%	0.5%	4.6%	6.1%
New Vehicle Registrations** (Annual Change)	-11.8%	4.8%	3.4%	1.0%	0.0%	-1.2%
Personal Savings Rate**	3.7%	5.0%	6.4%	7.4%	7.9%	8.3%
Maine Unemployment Rate**	3.5%	4.0%	4.4%	4.4%	4.0%	3.6%
3-Month Treasury Bill Rate**	2.02%	4.88%	4.26%	2.91%	2.37%	2.37%
10-Year Treasury Note Yield**	2.95%	3.98%	3.70%	3.39%	3.26%	3.23%
Before-Tax Corporate Profits* (Annual Change)	6.6%	2.0%	5.0%	5.0%	5.0%	5.0%
Maine Wage & Salary Employment* (thousands)	638.7	646.4	651.5	654.1	655.4	656.1
Natural Resources	2.1	2.2	2.3	2.3	2.3	2.3
Construction	32.6	32.2	32.4	32.2	32.1	32.1
Manufacturing	54.5	54.8	54.9	54.9	54.9	54.9
Trade/Trans./Public Utils.	119.2	121.0	121.5	122.1	122.2	121.7
Information	7.9	8.1	8.3	8.3	8.3	8.2
Financial Activities	33.9	34.2	34.4	34.4	34.4	34.4
Prof. & Business Services	75.8	77.3	78.7	79.6	80.5	81.2
Education & Health Services	125.8	126.7	127.6	128.2	128.3	128.3
Leisure & Hospitality Services	65.5	68.0	69.3	69.8	69.7	69.8
Other Services	22.0	22.2	22.3	22.3	22.2	22.2
Government	99.4	99.7	100.0	100.0	100.4	101.0
Maine Wage & Salary Employment* (Annual Change)	2.4%	1.2%	0.8%	0.4%	0.2%	0.1%
Natural Resources	0.0%	3.2%	4.0%	2.2%	0.3%	0.0%
Construction	1.9%	-1.1%	0.4%	-0.4%	-0.4%	0.0%
Manufacturing	1.1%	0.6%	0.1%	0.1%	0.0%	-0.1%
Trade/Trans./Public Utils.	1.9%	1.5%	0.4%	0.5%	0.1%	-0.4%
Information	5.3%	3.0%	1.5%	0.5%	-0.2%	-0.6%
Financial Activities	2.4%	0.9%	0.5%	0.2%	0.0%	0.0%
Prof. & Business Services	4.6%	2.0%	1.8%	1.2%	1.1%	0.9%
Education & Health Services	0.1%	0.7%	0.7%	0.5%	0.1%	0.0%
Leisure & Hospitality Services	7.6%	3.8%	2.0%	0.6%	0.0%	0.1%
Other Services	4.3%	1.0%	0.4%	-0.2%	-0.2%	-0.2%
Government	1.7%	0.3%	0.3%	0.0%	0.4%	0.6%
	2022	2023	2024	2025	2026	2027
Personal Income* (\$ million)	82,377	86,698	90,931	95,057	99,453	104,091
Wages & Salaries*	38,563	40,877	42,921	44,638	46,558	48,559
Supplements to Wages & Salaries*	8,874	9,362	9,830	10,223	10,581	10,898
Nonfarm Proprietors' Income*	5,992	6,112	6,265	6,440	6,633	6,899
Farm Proprietors' Income**	129	201	204	223	223	215
Dividends, Interest, & Rent*	14,758	15,496	16,271	17,003	17,768	18,568
Dividends	5,196	5,287	5,311	5,354	5,526	5,727
Interest	6,007	6,493	7,422	8,166	8,644	9,058
Rent	3,557	3,717	3,531	3,469	3,589	3,769
Personal Current Transfer Receipts*	19,080	20,034	21,036	22,298	23,636	25,054
Less: Contributions for Social Ins.**	6,404	6,802	7,048	7,262	7,491	7,706
Adjustment for Residence**	1,384	1,418	1,452	1,494	1,544	1,604
Personal Income* (Annual Change)	2.6%	5.2%	4.9%	4.5%	4.6%	4.7%
Wages & Salaries*	8.6%	6.0%	5.0%	4.0%	4.3%	4.3%
Supplements to Wages & Salaries*	5.5%	5.5%	5.0%	4.0%	3.5%	3.0%
Nonfarm Proprietors' Income*	3.8%	2.0%	2.5%	2.8%	3.0%	4.0%
Farm Proprietors' Income**	98.9%	55.5%	1.4%	9.5%	0.0%	-3.9%
Dividends, Interest, & Rent*	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%
Dividends	4.6%	1.7%	0.5%	0.8%	3.2%	3.6%
Interest	3.8%	8.1%	14.3%	10.0%	5.9%	4.8%
Rent	7.8%	4.5%	-5.0%	-1.8%	3.5%	5.0%
Personal Current Transfer Receipts*	-9.2%	5.0%	5.0%	6.0%	6.0%	6.0%
Less: Contributions for Social Ins.**	8.3%	6.2%	3.6%	3.0%	3.1%	2.9%
Adjustment for Residence**	3.6%	2.4%	2.4%	2.8%	3.4%	3.9%

*CEFC Forecast

ECONOMIC AND DEMOGRAPHIC OVERVIEW

Houlton

Houlton is a town in Aroostook County, Maine, United States. According to the United States Census Bureau, the town has a total area of 38.55 square miles, of which 38.36 square miles is land and 0.19 square miles is water. Houlton is a town in Aroostook County, Maine, United States, on the Canada–United States border. It is perhaps best known for being at the northern terminus of Interstate 95 and as the birthplace of Samantha Smith, a goodwill ambassador as a child during the Cold War. The town hosts the annual Houlton Agricultural Fair.

Houlton is the county seat of Aroostook County, and as such its nickname is the "Shire Town". The Houlton High School sports teams are named "The Shiretowners". The Meduxnekeag River flows through the heart of the town, and the border with the Canadian province of New Brunswick is 3 mi east of the town's center. Houlton was the home of Ricker College, which closed in 1978.

The primary settlement and center of the town is designated as a CDP with the same name. The headquarters of the federally recognized Houlton Band of Maliseet Indians is based here.

POPULATION

As of the 2022 census, the town's population was 6,072.

EMPLOYMENT

Using the most recent economic analysis from the 2022 Census Bureau, the town's median earnings per worker is \$43,244 which is the third lowest median earnings of all other places in the greater region. This compares to the United States median of \$53,269, and the State of Maine median earnings per worker of \$50,312.

The town has a median household income of \$48,281 which is the fourth lowest of all places in the greater region. This compares to the median U.S. household income of \$69,021, and the Maine median household income of \$63,182.

25.9% of households receive public assistance, which compares to 13.2% for the state of Maine, and 12.3% for the U.S.

The town has a 3.6% annual unemployment rate, compared to 3.5% for the U.S.

23.1% of its residents are below the poverty line, the highest percentage in the region.

HOUSING

The housing density, as measured by housing units per square land mile (includes single family homes, apartments, etc.), is 77.7 which is the lowest in terms of housing density of all the other places in the local area. The United States housing density is 39.5, and Maine's housing density is 23.9.

The town's change in housing units from 2010 to 2021 was 1.1% which is the 5th largest increase in the region. This compares to the State of Maine's change of 2.2% and the U.S. change of 7.4%.

The median year built for housing stock is 1956, which is the oldest in the region. This compares to 1975 for Maine, and 1979 for the U.S.

OFFICE SPACE SUPPLY & DEMAND

In the past year, there has been one sale of a professional office building within Aroostook County, according to the FlexMLS system. It sold for \$130,000 at 69% of the list price, and was on the market for 162 days. It took 277 days to close.

In the prior year, 2 professional office buildings sold at an average selling price of \$129,880, at 94% of the list price, and being 142 days of the market. The average number of days to close was 172.

Therefore, in the past year, the sales price to listing price has fallen, the number of days on the market has increased, and the number of days to close has increased.

There are currently no listings of professional office buildings in Aroostook County on the FlexMLS system.

Based on the foregoing, the market for professional office space in Aroostook County is relatively small, with the demand being roughly in balance to the available supply. The available evidence on the FlexMLS system suggests that the pricing for this property type has weakened in the past year.

ZONING AND LAND USE

According to the town's Code Enforcement Officer, all of the subject property is located in the **Central Business** zoning district.

The following was obtained from the city's Ordinance website, and lists the Permitted uses and Dimensional Requirements.

Zoning Compliance – Based on the following, the subject property parcel and use are legal and conforming in this zoning district.

Sec. 16 Central Business District "B-1"

A. Intent and Purpose. The "B-1" District is established as a zone in which the principal use of the land is for pedestrian-oriented commercial uses to which the public requires direct and frequent access. The "B-1" District is intended to encourage the concentration of commercial development to the mutual advantage of both consumers and merchants. Any uses which interfere with pedestrian access or passage create heavy truck traffic, offensive noise, heat, glare, vibration, odors or other objectionable influences or hazards, are prohibited.

B. Uses Permitted

1. Any retail or service business carried or mainly indoors including the incidental manufacture of products sold at retail on the premises, provided that the manufacturing does not occupy more than 50% of the total floor area; and employs no more than 5 persons on a single shift.

2. Business and professional offices and banks.

3. Public utility, passenger transportation and communication facilities.

4. Indoor recreation and amusement facilities.

5. Public and governmental facilities.

6. Business Signs.

7. Schools.

8. Hotels and motels.

9. Dwellings, however, excluding storefronts immediately adjacent to Broadway, Court Street, Main Street, Market Square and Union Square

10. Newspaper and printing plants

A-30

institutions.

11. Semi-public and private clubs, fraternal organizations and

12. Churches.

C. Exceptions.

1. Any retail use involving outdoor sales, services or storage, such as gasoline service stations, building supplies automobiles, trucks and other vehicles, farm machinery, boats, trailers, mobile homes, trees, shrubs, other nursery products, but excluding automobile graveyards, or junk yards.

2. Outdoor recreational and amusement facilities.

D. Space and Height Requirements.

1. Minimum Lot Area.

- a. Dwellings - 6,000 square feet for the first unit plus 1,000 square feet for each additional unit.

- b. All other uses - no minimum.

2. Minimum Lot Width.

- a. Dwellings - 65 feet.

- b. All other uses - no minimum.

3. Minimum Yard Depths.

- a. Front Yard - none.

- b. Side Yards - none required, but 10 feet if provided.

- c. Rear Yard - 10 feet.

4. Maximum Building Height - 45 feet.

5. Maximum Building Area - unspecified.

HIGHEST AND BEST USE ANALYSIS

The purpose of Highest and Best Use Analysis is to identify the most profitable use of the property from the available optional uses. The Highest and Best Use conclusion forms the premise in which the subsequent data gathering and analysis is performed.

Highest and best use may be defined as “*the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value*”. The highest and best use of land as though vacant assumes that a parcel of land is vacant or can be made vacant by demolishing any improvements. Highest and best use of a property as improved pertains to the use that should be made of an improved property in light of its improvements. For example, should a building be maintained as it is or should it be renovated, expanded, or partly demolished? Should it be replaced with a different type or intensity of use?

Highest & Best Use of Land as though Vacant

Physically Possible

The size, shape, terrain, and accessibility of land and the risk of natural disasters such as floods or earthquakes affect the uses to which land can be put. The utility of a parcel may also depend on its frontage, shape and depth. Irregularly shaped parcels can cost more to develop and, after development, may have less utility than regularly shaped parcels of the same size.

When topography or subsoil conditions make development difficult or costly, the land’s utility may be adversely affected. If the cost of grading or constructing a foundation on the subject site is higher than is typical for sites in the area competing for the same use, the subject site may be economically unfeasible for the highest and best use that would otherwise be indicated.

Factors such as transmission lines, adjoining uses that emit noise or odors, and excessive highway traffic can adversely affect the appeal and demand for residential uses. Adverse factors may also limit the range of the site’s uses and/or necessitate buffer areas, which will reduce the amount of land useable for development purposes.

The availability of utilities or drainage capacity of the soil can be a major factor in the suitability of a site for particular commercial uses, which may require public utilities that are reasonably priced.

When a reasonable forecast of a property’s highest and best use indicates a change in the near future from the property’s existing use to one with higher productivity, the present use is an interim use.

The highest and best use of a parcel could be to hold it for speculation – to remain vacant until development is justified by market demand. This occurs in oversupplied markets. Speculation is a type of interim use.

A use that was legal when established and has been maintained according to the jurisdiction’s regulations, but legally could not be rebuilt on an identical parcel of land is a legal, nonconforming use. When a property is a legal, nonconforming use that is more intense than current regulations allow, it usually has a nonconforming use value enhancement and an extended useful life.

The subject property consists of a gently sloping, +-2.49 acre parcel located on two public 2-way, 2-lane public streets in a mixed commercial use neighborhood proximate to the historic downtown district. The site has good visibility and access from both directions, with significant combined traffic counts. Power is available at the street, and public water and sewer are available (but no natural gas). The comparatively large acreage would enable a wide variety of commercial uses.

Legally Permissible

Legal permissibility considers zoning and other land use restrictions such as historic district codes, building codes, environment regulations, and private restrictions (including leases).

As previously noted in the Zoning section, the property is subject to the Central Business District zoning regulations (see details above, which itemize the permitted uses and the dimensional requirements).

Financially Feasible

All uses that are expected to produce a positive return after satisfying operating expenses and financial obligations are regarded as financially feasible.

Surrounding uses which have historically been profitable include primarily office, retail, convenience store, and institutional uses.

Due to the nature of the subject's neighborhood and good visibility and access, a professional office use and/or retail use would likely be feasible on the parcel if it were vacant, based on the historical success of nearby uses and on the easy access, good visibility, and location proximate to historic downtown.

Maximally Productive

Of the financially feasible uses, the highest and best use is the use that produces the highest residual land value consistent with the market's acceptance of risk and with the rate of return warranted by the market for that use.

The maximally productive use is that use that is physically possible, legally permissible, financially feasible, which produces the highest net present value.

The maximally productive use of the parcel as if vacant is concluded to be professional office and/or retail uses.

Highest & Best Use of the Property as Improved:

Physically Possible

The highest and best use of a property as improved pertains to the use that should be made of an improved property in light of the existing improvements.

If the existing use will remain financially feasible and is more profitable than modification or redevelopment, the existing use remains the highest and best use of the property as improved.

An existing improvement should be retained as 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 buildings and constructing new ones.

The highest and best use of a property as improved may involve renovation or rehabilitation, expansion, adaptation or conversion to another use, partial or total demolition, or some combination of those alternatives.

The first question that must be answered in any analysis of alternative uses is whether the existing improvements contribute value.

In this assignment, the value of the property as improved plus the cost of demolition are substantially greater than the value of the site as if vacant, and so the building improvements should not be demolished.

This does not mean that the current use is necessarily the highest and best use because conversion or renovation must be considered.

Currently, the site is improved with a college outreach center. The ample acreage likely would allow the significant expansion of the current building and/or the construction of additional buildings, while also providing for the required parking. The main building has been well maintained, with no material deferred maintenance. However, since the COVID epidemic, technology and student preferences have changed, with students preferring to attend classes remotely rather than travel to a classroom. As a result, many of the subject's classrooms are now either not utilized or are being underutilized, with the result being that the building is no longer financial feasible in its current use. While efforts have been made to rent out unutilized space to others, the resulting net income is insufficient to warrant its current uses.

Legally Permissible

The subject property is on a legally conforming lot and is a legally conforming use.

Financially Feasible

This test addresses the market demand for the subject property in its current state. If the existing use creates a positive return on the investment, that use is financially feasible.

If the value of the property as improved plus the cost of demolition exceeds the value of the land as though vacant, the appraiser can reasonably conclude that continuation of the existing use is financially feasible. All uses that are expected to produce a positive return after satisfying operating expenses and financial obligations are regarded as financially feasible.

There are four primary ways to determine whether a use or alternative use is financially feasible:

- Inferring from market conditions
- Calculation of residual land value
- Comparison of feasibility rent with market rent
- Applying a NPV profitability index

The value of the property as improved plus the cost of demolition substantially exceeds the value of the land as though vacant. However, given the lack of profitability in its current use, the property's +/-6,231 sf of classrooms should be converted to professional office space to improve the building's revenue generating capacity or its value in use. With some renovations, the property would be well suited as a corporate headquarters/training center, city hall with council chambers, medical administrative offices, non-profit offices, insurance offices, or other professional office uses. There is a market for sales of professional office space, as indicated by recent comparable sales. Once converted by dividing the existing classroom space into office spaces by using mobile partitions (the least expensive option), it is likely that the property would generate an acceptable return in use or on invested capital into the foreseeable future.

Maximally Productive

Given its good quality, condition and design, the maximally productive use of the property is viewed as converting the classrooms into professional office space, using mobile office partitions.

OVERVIEW OF APPRAISAL PROCESS

In any determination of value, local market data are sought on such factors as sales and offerings of similar properties and tracts of vacant land, current prices for construction materials and labor, rentals of similar properties and their operating expenses, and current rates of return on investments and properties. From these data, values may be developed for the land and the property as a whole.

Three generally accepted methods may be used in the valuation of the fee simple interest in an improved property: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach.

The **Cost Approach** is based on the premise that a property's value can be derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the site and building improvements and then subtracting the amount of depreciation (deterioration and obsolescence) in the structure(s) and site improvements from all causes. The land value is best derived through a sales comparison of similar vacant parcels. The current costs to construct the improvements are obtained from cost estimating publications and/or builders and contractors. To these costs are added other indirect costs and an estimate of entrepreneurial profit. Depreciation is measured through market research and the application of specific valuation procedures.

In the **Sales Comparison Approach**, similar properties recently sold or offered for sale in the current market are analyzed and compared with the property being appraised. Adjustments are made to the comparables for various factors, such as market conditions, financing, conditions of sale, location, size, physical condition, basements, outbuildings, construction quality or other dissimilarities between the comparable and the subject. Upward adjustments are made to reflect inferior features. Downward adjustments are made to adjust features considered superior to the subject. The adjustment process produces a range of value estimates, which are then correlated into a single value estimate for the subject. The approach's reliability is a function of: (1) the availability of comparable sales data; (2) the degree of similarity between the comparable sales and the subject; (3) the extent to which the comparables do not exhibit abnormal financing or selling conditions.

In the **Income Approach**, the forecasted stabilized stream of net income before debt service can be capitalized using a reconciled overall capitalization rate to compute a value estimate. The capitalization process involves an analysis of competitive rent information for similar space within the competitive market area to determine whether the subject rents are at market. To the projected market rent estimate is added an estimated amount for miscellaneous income, if applicable.

The operating expenses that are expected for the property are then deducted from the effective gross income to arrive at the net operating income stream for the subject property. The quality, durability, probability and volatility of the forecasted income and expenses are considered important assumptions in this analysis.

If the property is likely to experience uneven annual future cash flows due to fluctuations in rents or expenses, or if the rate of change for the revenue relative to the expenses will be different, then the property's expected annual net operating income estimates over the investment holding period can be converted to a market value estimate through the use of Discounted Cash Flow Analysis.

In this assignment, as noted in the Scope section of the report, the **Sales Comparison** was the only applicable approach and is used below to value the subject property.

SALES COMPARISON APPROACH – As Is

The Sales Comparison Approach was utilized to value the subject property on an As-Is basis.

The principle of Substitution is the fundamental principle in the Sales Comparison Approach. Substitution suggests that property values tend to be set by the cost of acquiring an equally desirable substitute property. Equally desirable properties that have sold or are currently listed are used as comparable sales. In this assignment, due to the Maximally Productive Conclusion being the conversion of the +-6,231 sf of classroom space to professional office space, sales of professional office buildings were used.

Since no two properties are exactly equal, adjustments are then made. The adjustments for the differences, or elements of comparison, are intended to revise the sale/listing price of a comparable property until it reflects how much the comparable would have sold for had it been just like the subject. The objective of the adjustments is to make the comparables equivalent to the subject in market appeal on the effective date of the opinion of value. After all adjustments are made, the comparable property has theoretically been altered into a duplicate of the subject property. The concluded per-unit adjusted price is the indicated value for the subject property. The unit of comparison selected is what is used most often by market participants in the market for that property type. In this assignment, once the traditional office building adjustments have been performed, a final adjustment needed to be performed to account for the expense to renovate the subject classroom spaces to professional office spaces by installing movable partitions.

While listings can be useful, they are primarily an indication of what the subject property is not worth if the property has been professionally marketed and has not sold after being on the market for many days.

Theoretically, the Sales Comparison Approach is applicable in all circumstances. Compared with the Cost and Income approaches, the Sales Comparison Approach often requires the lowest number of judgments and decisions to reflect the actions of buyers and sellers in order to develop an opinion of a property's market value.

The primary limitation of the approach is the occasional lack of data. There may be no comparable sales, or an insufficient number of sales to develop quantifiable adjustments. For example, it is frequently difficult to find suitable comparables for special-use or historic properties in many markets.

Analysis

Research and analysis was performed of sales and active listings of office buildings that are as similar as to what the subject property will be upon conversion of the classroom spaces to professional offices. A thorough search of the FlexMLS (Multiple Listing Service) system, Loopnet, and New England Commercial Property Exchange was performed for comparable sales and listings for the past 4 years for Aroostook County and Penobscot county.

While there have few sales of large office buildings anywhere in a two county region, a number of comparable building sales were identified and analyzed (more than are reported here). The 3 comparables that are summarized in the top half of the following **Building Comparables Adjustment Schedule** are the very best available. Detailed write-ups and maps of the comparables follow the Adjustment Schedule. Please review the detailed write-ups for more information in support of each of the adjustments.

Adjustment Schedule

The comparables were adjusted to estimate the value of the subject property in the bottom half of the schedule. A comparative analysis was made of the factors that influence value. The traditional Transactional and Property adjustment factors include Rights Conveyed, Financing, Conditions of Sale, Expenditures After Sale, Market Conditions, Location, Quality of Construction, Effective Age/Condition, Gross Building Area, Site & Site

Improvements, and Porches/Decks/Outbuildings/Basements. The resulting adjusted prices should closely approximate the market value of the subject property *as an office building* on the date of value. Because the subject property has extensive classroom space, a final deduction needed to be made to account for the estimated expense to convert the existing 6,231 sf of classroom space to office space by using mobile partitions.

A negative percentage adjustment was made to the comparables to adjust any of the aspects that were considered superior to the subject. A positive percentage adjustment was made to reflect those features deemed inferior. An adjusted price is determined after each percentage adjustment is computed.

The comparable sales are similar to the subject property in many important regards. The adjustment of each sale produces an indication of what the comparables would have sold for if they had exhibited the same significant characteristics as the subject.

Transactional Adjustments

The adjustment for **Rights Conveyed** seeks to address the value of the different bundle of rights that might have been conveyed for the comparable vis a vis the subject property. The Rights Conveyed adjustment is most likely to occur when the subject property or any of the comparables are encumbered by a long-term, below-market lease, or the subject or comparables are not at stabilized occupancy. The adjustment for a below market lease is determined by estimating the present value of the loss in net operating income resulting from the difference between the below-market lease and a lease at market, over the lease term at an appropriate discount rate. The rate should reflect the risk and the practices of market participants. A below-market lease is less risky than one based on a market lease, hence the discount rate for the leased fee is less than the discount rate for the fee simple.

The subject property has 6,231 sf of classroom that will be converted to office space to achieve the property's highest & best use. Upon conversion (the installation of modular partitions can be done quickly), this extra office space will need to be leased. It was assumed that the space would be leased at market rates for a one year period, and that leasing commissions of 6% of the one year lease amount would need to be incurred to promptly find a tenant (or tenants). Downward adjustments were required for the first two comparable sales, which were fully leased on the dates of sale.

Some contracts call for the sale of real property rights but add deed restrictions or other forms of limitations on the purchaser and/or future users of the property. Such title or use limitations may render the sale unusable for direct market comparison because the rights are less than fee simple.

While most of the subject property is owner occupied, the subject property was considered a Leased Fee interest, since several tenants (UMA, Adult & Community Education, NMCC, and UM Cooperative Extension Service) rent small office or classroom spaces on a short term basis. The third comparable was a Fee Simple interest, with no adjustment required.

The **Financing Terms** adjustment seeks to account for atypical financing terms, such as favorable seller financing terms or rates. For example, the purchaser of a comparable property may have assumed an existing mortgage at a favorable interest rate. Or, a seller may have arranged for a buy-down, paying cash to the lender so that a mortgage with a below-market interest rate could be offered. In both cases, the buyers probably paid higher prices for the properties to obtain below-market financing. Sales with non-market financing should be compared to other sales transacted with market financing to determine whether an adjustment for cash equivalency should be made. Strict, mathematical calculations of what the adjustment should be may not reflect market behavior. If the calculations are not recognized by buyers and sellers, the adjustment is not justified.

Because all of the comparables were conventionally financed or cash sales, no adjustments were required.

The adjustment for **Conditions of Sale** seeks to consider the effect of any tax considerations

(1031 transactions), listing price versus selling price, lack of adequate marketing exposure, sales between related business entities or persons, or any assemblage or plottage strategies. The adjustment also seeks to consider any undue duress, involving parties who are at a disadvantage (i.e., pending divorce or financial problems). The comparable sales were all arms-length transactions, and no adjustments were necessary for any of the comparables.

The adjustment for **Expenditures after Sale** seeks to account for any required expenses that are **anticipated to be incurred** immediately after the sale of the property, such as demolition of existing improvements & removal costs, costs to cure deferred maintenance, costs to petition for a zoning change, environmental remediation costs, drainage improvements, etc. The buyer must have been aware at the time of purchase that the expenditures would be necessary. The relevant figure is not the actual cost that was incurred post-sale, but the cost that was anticipated by the buyer (since that is the amount that was factored into the purchase price. No required after-sale expenses were uncovered in my research for any of the comparables.

Market Conditions seeks to adjust for appreciation or depreciation in the values of the comparables that might have transpired since the sale date to the subject appraisal date. Adjustments are made if property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time. When current sales of similar properties do not exist, other evidence of shifting market conditions include:

- upward or downward trends in rent and rent terms
- the trend in sales prices to listing prices
- trend in number of listings
- trend in listing prices
- number of offers a seller receives; frequency of backup offers
- trend in number of foreclosures
- number of building permits issued and aggregate value
- use of seller financing
- trend in number of vacancies
- trend in overall capitalization rates

Enough similar paired sales or repeat sales of similar properties could not be found to calculate a credible appreciation or depreciation rate. Based on an examination of median sales prices of similar properties and interviews with knowledgeable local commercial brokers and tax assessors, and stable rental rates in this market, no annual appreciation or depreciation adjustments were required for the comparable sales.

Adjusting for Location and Physical Differences

The second part of the grid uses percentage adjustments that account for a host of other differences.

The **Location** adjustment seeks to account for differences in quality/ease of access, visibility, proximity to employment, education, medical, and shopping centers or areas of broad interest, population density, commercial density, availability of public transportation & utilities, views or other amenities, supply and demand of similar properties, reputation, and quality and type of surrounding neighborhood. The subject property is located near historic downtown in a mixed use commercial neighborhood in a slow speed zone, with significant traffic counts. The first comparable enjoys higher traffic counts, with better visibility on North Street while being immediately proximate to Wal-Mart and I-95, with a downward adjustment required. The second comparable is located in downtown Houlton, but with significantly lower traffic counts and visibility, requiring an upward adjustment. The third comparable has similar traffic counts and is located in Lincoln in a similar mixed use commercial neighborhood, with easy access to I-95. Overall, no adjustment was required.

The **Quality of Construction** adjustment is more subjective, but using cost data as a guide, it seeks to account for differences in quality/durability/appeal of materials used, design, and craftsmanship. The subject

property exhibits Good Quality overall, with masonry framing, stone and stucco siding, an attractive reception/lounge area, and good finishes. The first two comparables have inferior quality, requiring upward adjustments. The second comparable is a masonry structure with brick veneer, an elevator, a sprinkler system, and warm/cool air – overall, no adjustment was required.

The **Age/Condition** adjustment accounts for the differences in the overall condition of the comparables and the subject and the adjustments are performed by considering the variances in effective age between the comparables and the subject. The Marshall & Swift Valuation depreciation estimates based on effective age were heavily weighed in performing the adjustments. The subject property was rated as having an effective age of 15 years, due to good on-going maintenance performed by the owner over time. Each of the comparables had higher effective ages, requiring upward adjustments.

The **Gross Building Area** adjustment accounts for the differences in value per square foot that result from significant differences in size. In general, the larger the building, the less it will sell for on a per square foot basis, due to a much smaller pool of willing and capable buyers, and to the increased utility and higher maintenance costs, and greater management effort. The first and third comparables were considerably smaller, requiring downward adjustments. The second comparable is substantially larger, requiring an upward adjustment.

The **Site & Site Improvements** adjustments account for the fact that additional land area allows an owner to expand a building or to expand parking, to add additional structures for storage or other purposes, or to provide buffer areas or more landscaping. The subject and comparables' estimated land values were determined from an analysis of vacant land sales in the respective neighborhoods, and consider factors such as acreage, frontage, configuration, topography, vegetative cover, and overall development potential. The adjustments also consider the value of the site improvements (paving, landscaping). The subject has 2.49 acres, extensive paving, and good landscaping. Please see bottom of the comparables' detail write-up sheets for a description of each comparable's site improvements.

The **Value of Basements, Porches, Decks, Outbuildings** adjustment is to account for the value differences in finished or unfinished basements, outbuildings, sheds, garages, decks, porches, etc. Because these components have significant contributory value both to the property and to the owner and would have value to typical buyers, and cannot be valued using capitalized net rent or by using sales comparables, the value of these components was determined primarily by using depreciated cost. The adjustments recognize that cost and value are not necessarily synonymous, and that the value added or lost by the presence or absence of an item in a comparable property may not equal the cost of installing or removing the item. The subject property has no basement, but benefits from a loading dock, enclosed porch, open porch, and a small 96 sf storage shed. The depreciated value of these structures was determined to be \$.62/sf of GBA. Please see the comparable detailed write-up sheets for a description of each comparable's basements, decks, porches, outbuildings, etc, if any. Their values were also determined based on their depreciated cost, using their effective ages.

The **Final Adjusted Prices** of the comparables were determined by applying the sum of the percentage adjustments to the **Adjusted Prices per Square Foot**, as explained above.

Averages and Medians for each of these metrics were then computed and are presented in the bottom of the schedule.

Each sale has its relative advantages and disadvantages as a benchmark by which to gauge the value of the subject property, and the comparables that were used are the best available. Several active listings were also considered, but those sales that were adjusted were the most reflective of value for the subject property.

Comparables #1 & #3 were given the most weight, due to least required Gross Adjustments.

All of the preceding analyses and information lead to a preliminary reconciled value indicator of **\$72/sf**. This produces a preliminary value indication of **\$1,098,000** for the subject property *as professional office*

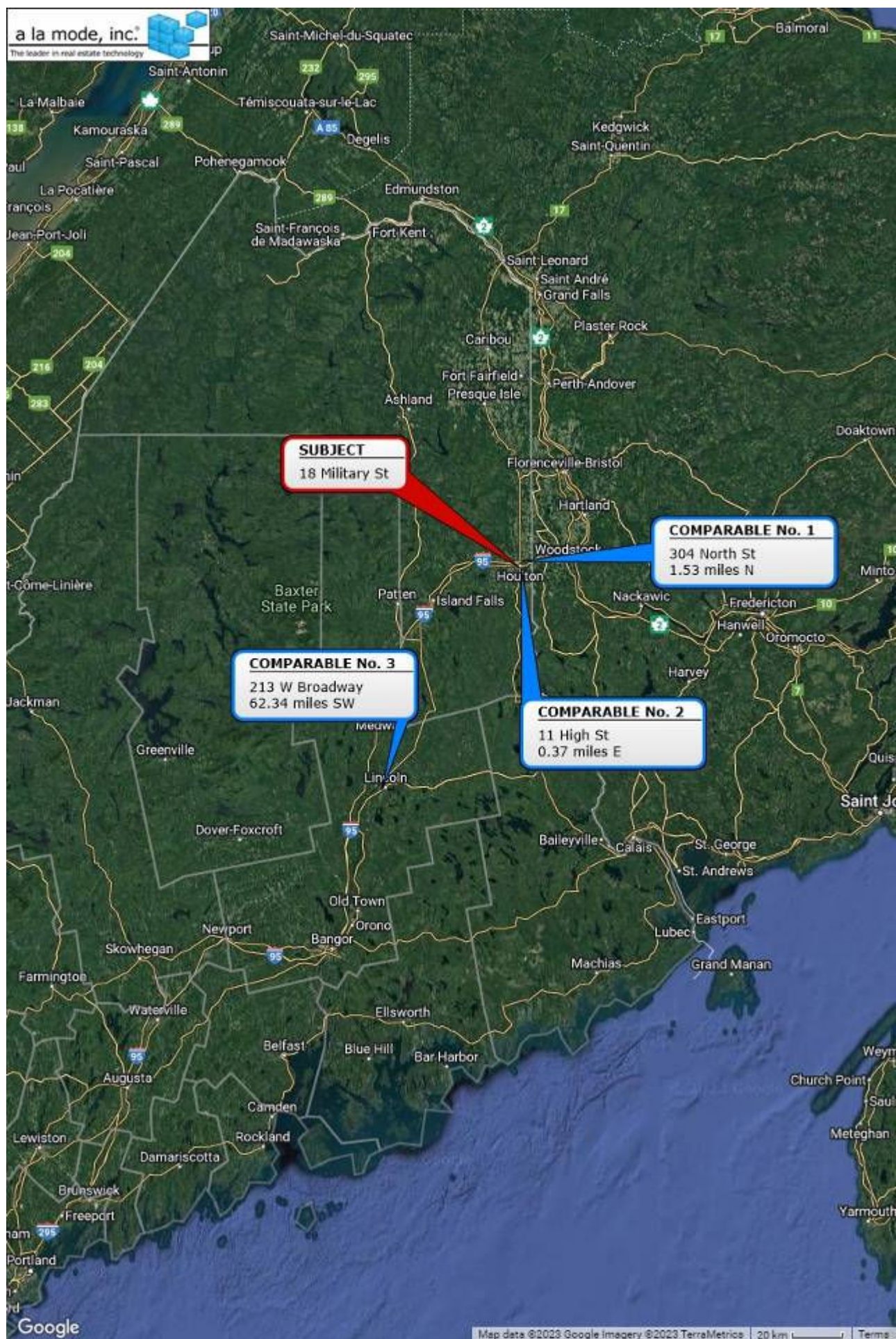
space. Since +-6,231 sf of the subject building is currently classroom space, a final adjustment needed to be made to account for the cost to convert the classroom space to office space.

Without the benefit of contractor estimates to establish the cost of conversion, I considered the build-out office finish cost information for good quality office space provided by the Marshall Valuation Service. However, this data assumes as a starting point a basic shell building, and assumes that many new walls would be constructed for the offices. The square foot cost for a basic, average quality build-out would be more than \$66/sf. However, the subject classrooms already have good quality wall and ceiling finishes and heating and cooling. Therefore, the Marshall Valuation Service cost data per square foot would substantially overstate the cost of conversion.

The concluded best method was to assume that most rational investors would convert the space less expensively by using mobile wall partitions/cubicles. There are a dizzying number of options available for wall or office partitions, with an almost endless number of options for wall height, material type (wood, glass, etc), framing, fabrics, wall thickness, sizes, type of storage units, electrical connections, etc. Based on the overall quality of the subject building and based on the research I conducted on the cost of new wall partitions/cubicles, and based on the sizes of the subject classroom spaces, I selected \$22.50/sf as a reasonable approximation of the cost/sf to convert the classroom space into professional office space, including the electrical wiring that would be needed. Of course, some investors might prefer to purchase used cubicles/office partitions instead of new ones, which would significantly reduce the conversion cost and enable them to pay a higher purchase price for the property.

RECONCILIATION AND CONCLUSIONS

$6,231 \text{ sf} * \$22.50/\text{sf} = \$140,198$. Subtracting \$140,198 from the preliminary value indication of \$1,098,000 produces a final value estimate of **\$960,000** (rounded) for the subject property.



BUILDING COMPARABLES ADJUSTMENT SCHEDULE

	SUBJECT	Comparable #1	Comparable #2	Comparable #3
STREET ADDRESS	18 Military St.	304 North Street	11 High Street	213 W Broadway
CITY	Houlton	Houlton	Houlton	Lincoln
SALES/LISTING PRICE	n/a	\$356,400	\$1,263,600	\$450,000
SALE/LISTING DATE	n/a	12/22/2020	12/22/2020	12/15/2022
RIGHTS CONVEYED	Leased Fee	Leased Fee	Leased Fee	Fee Simple
FINANCING	n/a	Conventional	Conventional	Cash
CONDITIONS OF SALE	n/a	Arms Length	Arms Length	Arms Length
EXPENDITURES AFTER SALE	n/a	None required	None required	None required
ACREAGE	2.49	1.15	2.60	0.46
FLOOR AREA RATIO	3.2%	8.2%	21.5%	36.5%
TRAFFIC COUNTS	9,040	9,600	700 on High Street.	9,170
GROSS BUILDING AREA	15,248	4,104	24,396	7,320
GBA OF BASEMENT	Concrete slab	Concrete slab only	Office basement-12,474 sf	None
EFFECTIVE AGE	15	20	25	15
ACTUAL AGE	Houlton	34	52	15
OVERALL CONDITION	Good	Average	Below Average	Above Average
OVERALL QUALITY	Good	Above Average	Good	Average
EST. VALUE LAND & SITE IMPR / SF OF GBA	\$11.53	\$28.05	\$4.25	\$14.55
EST. VALUE BASEMENTS / SF OF GBA	\$0.00	\$0.00	\$15.34	\$0.00
EST. VALUE PORCHES / OUTBUILDINGS / SF GBA	\$0.62	\$1.49	\$2.50	\$0.00

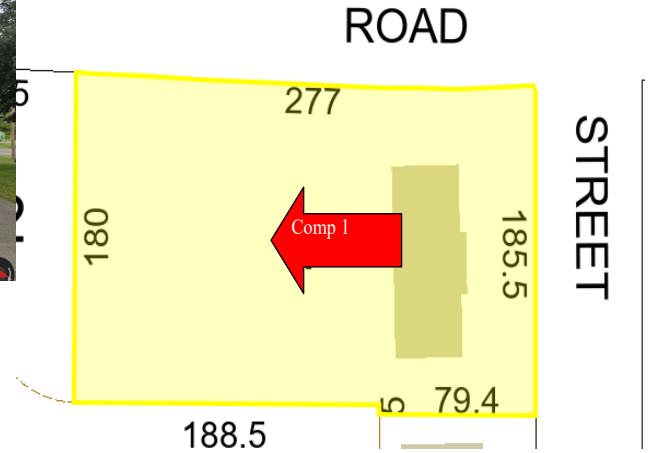
UNADJ. PRICE/SQ. FT.	n/a	\$86.84	\$51.80	\$61.48
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TRANSACTIONAL ADJUSTMENTS				
RIGHTS CONVEYED	Leased Fee	-5.0%	-5.0%	0.0%
\$ Adjustment	n/a	(\$4)	(\$3)	\$0
Adjusted Price	n/a	\$82.50	\$49.21	\$61.48
FINANCING	Conventional	0.0%	0.0%	0.0%
\$ Adjustment	n/a	\$0	\$0	\$0
Adjusted Price	n/a	\$83	\$49	\$61
CONDITIONS OF SALE	Arms Length	0.0%	0.0%	0.0%
\$ Adjustment	n/a	\$0	\$0	\$0
Adjusted Price	n/a	\$82.50	\$49.21	\$61.48
EXPENDITURES AFTER SALE	None	0.0%	0.0%	0.0%
\$ Adjustment	n/a	\$0	\$0	\$0
Adjusted Price	n/a	\$82.50	\$49.21	\$61.48
MARKET CONDITIONS	Stable	0.0%	0.0%	0.0%
\$ Adjustment	n/a	\$0.00	\$0.00	\$0.00
PRELIMINARY ADJUSTED PRICE/SF	n/a	\$82.50	\$49.21	\$61.48

PROPERTY ADJUSTMENTS				
LOCATION	CBD	-10.0%	15.0%	0.0%
\$ Adjustment	n/a	(\$8.25)	\$7.38	\$0.00
Adjusted Price/SF	n/a	\$74.25	\$56.59	\$61.48
OVERALL QUALITY	Good	15.0%	0.0%	25.0%
\$ Adjustment	n/a	\$11.14	\$0.00	\$15.37
Adjusted Price/SF	n/a	\$85.39	\$56.59	\$76.84
OVERALL CONDITION	Good	15.0%	25.0%	10.0%
\$ Adjustment	n/a	\$12.81	\$14.15	\$7.68
Adjusted Price/SF	n/a	\$98.20	\$70.73	\$84.53
GROSS BUILDING AREA	15,248	-10.0%	10.0%	-5.0%
\$ Adjustment	n/a	(\$9.82)	\$7.07	(\$4.23)
Adjusted Price/SF	n/a	\$88.38	\$77.81	\$80.30
SITE & SITE IMPROVEMENTS	2.49	-18.7%	9.4%	-3.8%
\$ Adjustment	n/a	(\$16.52)	\$7.29	(\$3.02)
Adjusted Price/SF	n/a	\$71.86	\$85.09	\$77.28
BASEMENTS / PORCHES / DECKS / OUTBLDGS	Concrete slab	-1.2%	-20.2%	0.8%
\$ Adjustment	n/a	(\$0.87)	(\$17.22)	\$0.62
Adjusted Price/SF	n/a	\$70.99	\$67.87	\$77.90
Final Adjusted Price/SF	n/a	\$70.99	\$67.87	\$77.90
Total Net Adjustments / SF	n/a	(\$15.85)	\$16.08	\$16.43
Net Adj. as a % of Sale Price / SF	n/a	-18.3%	31.0%	26.7%
Total Gross Adjustments / SF	n/a	\$63.74	\$55.69	\$30.93
Gross Adj. as a % of Sale Price / SF	n/a	73.4%	107.5%	50.3%
Median Final Adjusted Price / SF	\$70.99			
Average Final Adjusted Price/SF	\$72.26	Subject GBA		
Concluded Adjusted Price / SF	\$72.00	15,248		

	\$	1,098,000	
Less cost of Modular Partitioning & Wiring	\$	(140,198)	
Final Market Value Estimate	\$	960,000	(rounded)

BUILDING COMPARABLE #1



TAX MAP 22
TAX MAP LOT 1
STREET ADDRESS 304 North Street
CITY Houlton
STATE Maine
GROSS BUILDING AREA (GBA) 4,104

SELLING PRICE **\$356,400**
SALE DATE 12/22/2020
SALE PRICE/SF **\$86.84**

GRANTOR Gary Hagan
GRANTEE Houlton Holdings LLC
BOOK/PAGE 6110, p.295

RIGHTS CONVEYED Leased Fee
CONDITIONS OF SALE Arms Length
FINANCING Conventional
EXPENDITURES AFTER SALE None required

BUILDING DESCRIPTION

BUILDING CLASS Wood frame
HEATING/COOLING Package Air
CONSTRUCTION QUALITY Above Average
BUILDING CONDITION Average
EFFECTIVE AGE 20
ACTUAL AGE 34
OUTBUILDINGS/DECKS O.Front Porch-204 sf

BASEMENT Concrete Slab

REMARKS

One of two office buildings located at different addresses that were purchased at the same time by the buyer from the same seller. Good location less than 1/2 mile to I-95, with good visibility and access from two streets. Leased by USDA on date of sale.

SITE DESCRIPTION

ACREAGE 1.15
ZONING Highway Business
APPROX.ROAD FRONTAGE 186' on North Street (Route 1). 277' on B Road.
WATER FRONTAGE None
SHAPE Rectangular
UTILITIES Public water and sewer.

INGRESS/EGRESS Good in both directions on both streets.
ACCESS Curb cuts and parking lots off both streets - excellent.

STREET SURFACE Paved.
CORNER LOT? Yes-corner of B road and North St.
TOPOGRAPHY & DRAINAGE Level
VEGETATIVE COVER Lawn buffers on all sides.

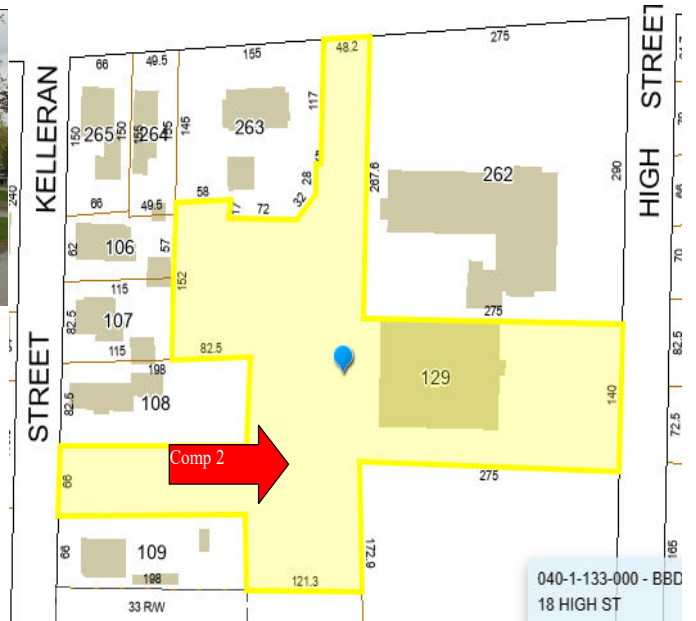
VISIBILITY/VIEWS Car dealership, Family Dollar, Tim Hortons
FLOOR AREA RATIO 8%
KNOWN WETLANDS None
KNOWN FLOOD ISSUES None disclosed.
SITE IMPROVEMENTS 36 paved parking spaces on-site.

EASEMENTS/RESTRICTIONS None noted in the conveyance deed.

NEIGHBORHOOD

TYPE High density mixed use commercial proximate to I-95. Walmart, truck-stop, motels, car dealership, fast food.
DENSITY 90%
ADVERSE CONDITIONS None
TRAFFIC COUNTS 9,600

BUILDING COMPARABLE #2



TAX MAP 40
TAX MAP LOT 1-129
STREET ADDRESS 11 High Street
CITY Houlton
STATE Maine
GROSS BUILDING AREA (GBA) 24,396

SALE PRICE **\$1,263,600**
SALE DATE 12/22/2020
SALE PRICE/SF **\$51.80**

GRANTOR Gary Hagan
GRANTEE Houlton Holdings LLC
BOOK/PAGE 6110, p.295

RIGHTS CONVEYED Leased Fee
CONDITIONS OF SALE Arms Length
FINANCING Conventional
EXPENDITURES AFTER SALE None required

BUILDING DESCRIPTION

BUILDING CLASS Masonry; brick veneer
HEATING/COOLING Warm/cool air

CONSTRUCTION QUALITY Good
BUILDING CONDITION Below Average
EFFECTIVE AGE 25
ACTUAL AGE 52
OUTBUILDINGS/DECKS O.Porch-552 sf; Elevator-3 stops.
BASEMENT Office basement-12,474 sf

REMARKS Sprinkled. Above ground space remodeled in 2002; basement remodeled in 1996.
 Leased by DHS on the sale date.

SITE DESCRIPTION

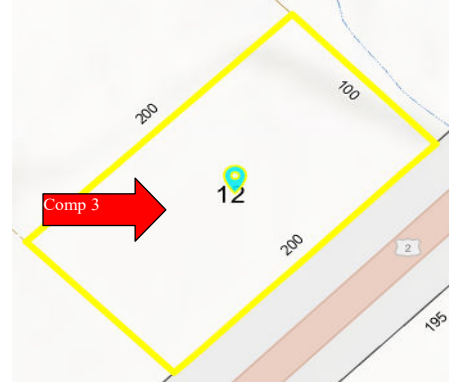
ACREAGE 2.60
ZONING General Residential & B1
APPROX.ROAD FRONTAGE 254' total on 3 streets.
WATER FRONTAGE None
SHAPE Highly Irregular
UTILITIES Public water and sewer.
INGRESS/EGRESS Good in both directions; low traffic counts.
ACCESS Curbs cuts leading to parking lots on Military, Kelleran, and High Streets.
STREET SURFACE No
CORNER LOT? No
TOPOGRAPHY & DRAINAGE Level
VEGETATIVE COVER Significant lawn; landscaping.
VISIBILITY/VIEWS Office and single family residential.
FLOOR AREA RATIO 21.5%
KNOWN WETLANDS None
KNOWN FLOOD ISSUES None.
SITE IMPROVEMENTS Over 75 paved parking spaces onsite.

EASEMENTS/RESTRICTIONS None indicated in conveyance deed.

NEIGHBORHOOD

TYPE Mixed office and residential
SURROUNDING USES Single family residential, offices, church, library.
DENSITY 95%
ADVERSE CONDITIONS None
TRAFFIC COUNTS 700 on High Street.

BUILDING COMPARABLE #3



TAX MAP	130
TAX MAP LOT	12
STREET ADDRESS	213 W Broadway
CITY	Lincoln
STATE	ME
GROSS BUILDING AREA (GBA)	7,320
SELLING PRICE	\$450,000
SALE DATE	12/15/2022
SALE PRICE/SF	\$61.48
GRANTOR	Carlos Lopez
GRANTEE	Daniel Aiken Living Trust
BOOK/PAGE	16711 / 317
RIGHTS CONVEYED	Fee Simple
CONDITIONS OF SALE	Arms Length
FINANCING	Cash
EXPENDITURES AFTER SALE	None required

BUILDING DESCRIPTION:

BUILDING CLASS	Wood Frame
HEATING/COOLING	Propane central air
CONSTRUCTION QUALITY	Average
BUILDING CONDITION	Above Average
EFFECTIVE AGE	15
ACTUAL AGE	15
OUTBUILDINGS/DECKS	None
BASEMENT	None

REMARKS Good location with high visibility and traffic counts located in a mixed use commercial neighborhood proximate to access road to I-95. Building was owner occupied prior to the sale. Rehabbed within the past few years.

SITE DESCRIPTION:

ACREAGE	0.46
ZONING	Commercial
ROAD FRONTAGE	200'
WATER FRONTAGE	None
SHAPE	Rectangular
UTILITIES	Public water and sewer
INGRESS/EGRESS ACCESS	Good in both directions
STREET SURFACE	Good via Route 2 - 3 lanes.
CORNER LOT?	Paved two way public road
TOPOGRAPHY & DRAINAGE	No
VEGETATIVE COVER	Level
VISIBILITY/VIEWS	Bushes to rear.
FLOOR AREA RATIO	Good visibility in both directions. Views of retail, office, motor inn.
KNOWN WETLANDS	37%
KNOWN FLOOD ISSUES	None
SITE IMPROVEMENTS	25 paved parking spaces on-site-good condition.
EASEMENTS/RESTRICTIONS	None indicated in conveyance deed.

NEIGHBORHOOD:

TYPE	High density mixed use commercial.
DENSITY	Proximate to Wal-Mart, Dollar-Tree, NAPA
ADVERSE CONDITIONS	95%
TRAFFIC COUNTS	None
	9,170

RECONCILIATION AND FINAL VALUE CONCLUSIONS – AS IS

The Sales Comparison Approach was utilized to determine an AS IS market value estimate for the subject property.

The Sales Comparison Approach is based on actual arms-length consummated sales of similar properties within the same economic area of the subject property, and hence is highly reflective of market participants' decision-making. However, more sales from which to select suitable comparables within the region would have been useful, and the ideal comparables would preferably have been of more similar size, construction quality, condition, and had similar improvements. In addition, the dissimilarities in land value, type and quality of site improvements, outbuildings, age, and other factors required some adjustments to be determined. The approach is weakened by the number and magnitude of these adjustments.

For this assignment, the Sales Comparison Approach was the only applicable approach for the reasons stated in the Scope section of the report. No other approach was applicable or necessary to determine a credible estimate of value.

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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have 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.*
- *I have no bias with respect to the property that is the subject of this report or 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.*
- *I have made a personal inspection of the property that is the subject of this report.*
- *no one provided significant real property appraisal assistance to the person signing this certification.*
- *I did not appraise the subject property or perform any other professional services for the subject property within the three-year period immediately preceding acceptance of this assignment.*
- *the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice.*



Michael J. Soucy, CFA, CPA, MBA
Certified General Appraiser – Maine CG379

COPY OF DEED

BK03368 Pg177 1652

02-24-2000 @ 09:26a

QUITCLAIM DEED Without Covenant

HANNAFORD BROS. CO., a corporation organized and existing under the laws of the State of Maine, successor by merger to The Sampson Supermarkets, Inc., and having a principal place of business at 145 Pleasant Hill Road, Scarborough, Maine (hereinafter the "Grantor"), for consideration paid and as a charitable donation, does hereby remise, release and forever quitclaim unto the UNIVERSITY OF MAINE SYSTEM, a body politic and corporate of the State of Maine, with a place of business and mailing address of 107 Maine Avenue, Bangor, Maine 04401 (hereinafter the "Grantee"), its successors and assigns forever, all of the Grantor's right, title and interest in and to the following real property:

Certain lots or parcels of land, with the buildings and improvements thereon, lying between the northerly side of Military Street and the southerly side of Bangor Street in the Town of Houlton, County of Aroostook and State of Maine, being more particularly described in the following deeds:

1. Deed from Military Street, Houlton, Inc. to The Sampson Supermarkets, Inc., dated September 23, 1966, and recorded in the Aroostook County (Southern District) Registry of Deeds in Book 987, Page 137.
2. Deed from Bernard S. Maher to The Sampson Supermarkets, Inc., dated September 5, 1967, and recorded in said Registry of Deeds in Book 1011, Page 167.
3. Deed from Edward R. Rau and Roger J. Grady to The Sampson Supermarkets, Inc., dated December 13, 1974, and recorded in said Registry of Deeds in Book 1163, Page 763.
4. Deed from Gerald E. Tapley and Joan M. Tapley to The Sampson Supermarkets, Inc., dated May 29, 1981, and recorded in said Registry of Deeds in Book 1535, Page 84.
5. Trustee's Deed from James M. Pierce, as Trustee of the Trust created by the Will of Clarence H. Pierce, to The Sampson Supermarkets, Inc., dated January 27, 1983, and recorded in said Registry of Deeds in Book 1634, Page 301.
6. Deed from Lawrence E. Clark and Margaret Clark to The Sampson Supermarkets, Inc., dated June 14, 1988, and recorded in said Registry of Deeds in Book 2096, Page 199.
7. Trustee's Deed from Francis M. Pierce, as Trustee of the Clarence H. Pierce Trust, to The Sampson Supermarkets, Inc., dated June 21, 1988, and recorded in said Registry of Deeds in Book 2096, Page 201.

Philip Blum & Sonlawy & yad

By acceptance of this deed the Grantee covenants and agrees that for a period of ninety-nine (99) years following the date of this deed no portion of the premises herein conveyed shall be used, leased, occupied or permitted to be occupied as: (1) a supermarket, grocery store, food store, convenience store, bakery, delicatessen, or store (or store department) that is engaged in the sale of food products intended for off-premises human consumption, including without limitation, perishable or nonperishable (whether fresh, frozen, processed or prepared) groceries, seafood, meat, poultry, fruit, vegetables, produce, dairy products, bakery products or any combination thereof, or (2) a drugstore, pharmacy (meaning any store, or department or counter within a store, which sells prescription medicines or drugs or any items requiring the presence of a registered pharmacist), or store primarily engaged in the sale of health and beauty aids. Notwithstanding the foregoing, (a) incidental quantities of food products and health and beauty aids (excepting prescription drugs) may be sold in connection with the operation of another primary business on the Premises, and (b) take-out food may be served by restaurants, provided that "take-out food" shall not include pre-prepared meals (or portions of meals) which are intended to be taken home and heated (in whole or in part) prior to consumption. The foregoing restrictive covenants shall run with the land and be binding upon the Grantee, its successors, assigns, and shall be enforceable at law and in equity by said Hannaford Bros. Co., its successors and assigns.

IN WITNESS WHEREOF, the said Hannaford Bros. Co. has caused this instrument to be executed in its corporate name this 18th day of February, 2000.

WITNESS:

HANNAFORD BROS. CO.

Karew A. May
Karew A. May

By: Arthur A. Aleshire
Print Name: Arthur A. Aleshire
Its: Vice President
By: Ronald E. Hodge
Print Name: Ronald E. Hodge
Its: Exec. Vice President & C.O.O.

STATE OF MAINE
COUNTY OF CUMBERLAND, ss.

February 16, 2000

Then personally appeared the above-named Arthur A. Aleshire,
Vice President of Hannaford Bros. Co., and acknowledged the foregoing instrument to be his free act and deed in his said capacity and the free act and deed of said Hannaford Bros. Co.

Before me,



YVONNE M. DRAUSCHKE
Notary Public, Maine
My Commission Expires February 12, 2002

Yvonne M. Drauschke
Notary Public/Attorney at Law
Print Name: _____
My Commission Expires: _____

STATE OF MAINE
COUNTY OF CUMBERLAND, ss.

February 18, 2000

Then personally appeared the above-named Ronald C. Hodge,
Exec. Vice President & C.O.O. of Hannaford Bros. Co., and acknowledged the
foregoing instrument to be his free act and deed in his said capacity and the free act and deed of
said Hannaford Bros. Co.

Before me,



Yvonne M. Drauschke
Notary Public/Attorney-at-Law
Print Name: _____
My Commission Expires: _____

YVONNE M. DRAUSCHKE
Notary Public, Maine

My Commission Expires February 12, 2002

ONFORMADSDSQUTWOOT.COYHOLSTON,12/01

RECORD AND RETURN TO
PHILLIPS, OLORE, DUNLAVEY & YORK
Box 1087 -Presque Isle, ME 04769

RECEIVED AROOSTOOK, SS

ATTEST: Mary C. Bennett
REGISTER OF DEEDS

-3-

Michael J. Soucy, CFA, CPA, MBA
Certified General Appraiser
646 Bog Rd.
Hermon, ME 04401
Phone: (207) 848.3333
msvaluation@gmail.com

PROFESSIONAL LICENSES & CERTIFICATION

- **Chartered Financial Analyst (CFA).**
- **Certified Public Accountant (CPA).**
- **Certified General Real Estate Appraiser (CG379).**
- **Real Estate Broker (Retired License-Maine)**
- **MBA, with a concentration in Investments & Finance (3.9 on a 4.0 scale).**
- **Graduate of General Electric's Financial Management Program (FMP).**

CAREER HISTORY

1991 - 2023 *MS Valuation Group, Inc.*

Hermon, ME

President – MS Valuation Group, Inc. is a full service appraisal company that performs narrative and form appraisals for a large number of clients, including banks, private parties, credit unions, attorneys and government agencies on retail, office, medical, industrial, farm, shopping mall, apartment and residential properties throughout the state of Maine.

1990 – 1991 *Solari Appraisal Services Company*

N. Windham, ME

Commercial Appraiser – Performed narrative and form appraisals of commercial, retail, and special purpose properties for a variety of banks, private parties and attorneys in the Greater Portland area. Appraised apartment complexes, multi-units, shopping centers, warehouses and manufacturing facilities, condos, special purpose properties, and properties subject to litigation.

1989-1990 *PriceWaterhouseCoopers - CPAs*

Portland, ME

PricewaterhouseCoopers is an international CPA firm that offers audit, tax, and consulting services.

As an **Associate**, I performed financial audits of retailing, manufacturing, and higher education institutions. Prepared audit working papers and financial statements in accordance with GAAP. Analyzed client's operations and financial statements, and made recommendations for improving operational efficiencies. Passed all parts of the Certified Public Accountant exam.

1986-1989 *Norstate Federal Credit Union*

Madawaska, ME

Norstate Federal Credit Union is one of Maine's largest credit unions, providing traditional banking services as well as commercial loans to its membership base.

As a **Commercial Loan Officer**, I evaluated, negotiated, closed and monitored loans to businesses and presented commercial loan requests to the Board of Directors. I also served as **Manager of the Accounting Department**, supervising the Accounting and Accounts Payable departments. In addition, I invested and managed a portion of the institution's fixed income securities portfolio. Promoted to **Systems Manager** in 1988 – in addition to the above duties, was responsible for hardware/software procurement, implementation, and maintenance.

1983-1985 *General Electric Company*

Malvern, PA

The **Financial Management Program** is a nationally recognized, intensive two-year program consisting of graduate-level coursework combined with full-time rotational work assignments in Finance. Rotations included work as an **Accounts Payable Supervisor** (3 staff, \$100 million in annual disbursements), **Accounts Receivable Specialist**, and **General Accounting Specialist**. See following **Education** section for graduate-level Finance & Accounting courses completed while in the program.

PROFESSIONAL EDUCATION

2009-2012 *Appraisal Institute*

Chicago, ILL

Completed all courses required for the **MAI** (Member of the Appraisal Institute) designation, as well as all 4 parts of the MAI Comprehensive Examination.

2002-2004 *CFA Institute*

Charlottesville, VA

Chartered Financial Analyst. I successfully passed Level I in 2002, Level II in 2003, and Level III in June 2004 and was awarded the CFA charter in September 2004.

2000-2002 *University of Maine*

Orono, ME

MBA Program – Completed a Masters of Business Administration degree, with a concentration in Investments & Finance, within 2 years while working on a full-time basis. Cumulative GPA–**3.9 (4.0 scale)**. Areas of focus included portfolio management, options, futures, swaps, fixed income securities, alternative investments and quantitative methods.

1992-2022 *Appraisal Institute (Chicago, Ill); University of Southern Maine (Portland, ME); Mckissock*

Completed 14 hours of Certified General Real Estate Appraiser continuing education requirements every year. Also completed 15 credit hours of Real Estate Broker continuing education requirements every two years. Also complete 40 hours of CPA CPE every year since licensure.

1987-1988 *University of Maine at Fort Kent*

Fort Kent, ME

Completed 12 college credit hours of real estate broker and investment courses: Real Estate Law, Real Estate Appraising, Real Estate Practice, and Personal Finance. **GPA – 4.0 (4.0 scale).**

1986-1987 *University of Pennsylvania Law School*

Philadelphia, PA

Attended as a full-time student. Courses taken: Contracts, Property Law, Civil Procedure, Torts, Legal Research and Writing, Criminal Law, Constitutional Law.

1983-1985 *GE Financial Management Program*

Valley Forge, PA

Two-year program that combined graduate-level, semester-length business courses with full-time, rotational work assignments. Curriculum: Financial Accounting, Management Accounting, Auditing, Management Information Systems, Effective Presentations, and Developing Managerial Effectiveness. Selected to be an instructor for the Effective Presentations course. Successfully graduated from the program in June, 1985.

1979-1983 *University of Maine*

Orono, ME

B.S., Business Administration. Double majors in Accounting and Finance; also a concentration in Computer Science. Completed the Honors Program course sequence and thesis. Thesis topic: Lease vs. Purchase Analysis (computerized model of capital asset financing). Advisor was Dr. John K. Ford – D.B.A. Harvard Business School.

HONORS

Graduated as an undergraduate from the University of Maine with 136 credit hours in 8 semesters (120 credits required for graduation) with **Highest Distinction** and completed the Honors Program with **Highest Honors**. **Cumulative GPA – 3.7** (4.0 scale).

PUBLIC SERVICE

2015 - 2016 *Hermon Economic Development Committee*

Hermon, ME

Selected by Hermon Town Management to serve on the town's Economic Development Committee, to assist with developing Economic Plans and creative incentives to attract businesses to the community.

2004 - 2007 *Hermon Town Council – Vice-Chairperson*

Hermon, ME

Elected by the citizens of Hermon in June, 2004 to a three-year term. Oversee all aspects of town management, budgeting, expenditures and governance.

1997-1998 *Planning Board Member – Town of Hermon*

Hermon, ME

Reviewed development plans from contractors for commercial and residential construction to ensure compliance with federal, state and local ordinances, and approved or denied development projects.

1987-1989 *MSAD #33 School Board Director*

St. Agatha, ME

Elected by the citizens of M.S.A.D #33. Chairman – Finance Committee. Chairman – Committee on Administrator Evaluations (evaluate Superintendent and Principals). Member – Salary Negotiations Committee (negotiate faculty contracts with unions).



State of Maine
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
OFFICE OF PROFESSIONAL AND OCCUPATIONAL REGULATION
BOARD OF REAL ESTATE APPRAISERS

License Number CG379

Be it known that

MICHAEL JEAN SOUCY

has qualified as required by Title 32 MRS Chapter 123 and is licensed as:

CERTIFIED GENERAL APPRAISER

ISSUE DATE
December 31, 2022

Anne L. Head
Commissioner

EXPIRATION DATE
December 31, 2023