UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
(Eastern Division)

In re:

SW BOSTON HOTEL VENTURE, LLC, *et al.*,[1]

Debtors.

AFFIDAVIT OF PAUL GRIESMER

Pursuant to 28 U.S.C. § 1746, I, Paul Griesmer, CRE, FRICS, hereby submit this affidavit (the "Affidavit") in support of confirmation of the plan of reorganization submitted by the debtors (collectively the "Debtors") in the above captioned proceeding (the "Plan"), and state as follows:

1. I am a designated Counselor of Real Estate, a Fellow in the Royal Institute of Chartered Surveyors, a state certified general real estate appraiser in the Commonwealth of Massachusetts, and a licensed real estate broker in Massachusetts. My curriculum vitae and additional qualifications are included in one of my expert reports.

2. I have been retained by the Debtors to provide expert testimony with respect to the Plan. My expert opinion is contained two reports, attached to this affidavit as Exhibit A and Exhibit B.

[1] The debtors in these jointly administered cases besides SW Boston are Auto Sales & Service, Inc., General Trading Company, Frank Sawyer Corporation, 100 Stuart Street, LLC, General Land Corporation, 131 Arlington Street Trust and 30-32 Oliver Street Corporation.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed this 23rd day of June, 2011.

Paul Griesmer

Paul Griesmer

599491

EXHIBIT A

Real Property Appraisal Consulting Report
On
Average Unit Pricing, Sellout Period, and Gross Residential Condominium Sellout
For Remaining Unsold Units

Subject Property
W Boston Residences
110 Stuart Street
Boston, Suffolk County, MA 02116

Prepared For:
Hanify and King P.C., as counsel to SW Boston Ventures LLC
1 Beacon Street
Boston, MA 02108

FTI CONSULTING

FTI CONSULTING

200 State Street 9th Floor
Boston, MA 02109

June 9, 2011

Mr. Harry Murphy, Esq.
Hanify & King P.C., as counsel to SW Boston Ventures LLC
1 Beacon Street
Boston, MA 02108-3131

Re: Unsold Residential Condominium Units of the 110 Stuart Street Residential Condominium at W Boston, 110 Stuart Street, Boston, MA 02116 as of July 1, 2011

Dear Mr. Murphy:

At your request, we are pleased to transmit our real property appraisal consulting report, analysis and conclusions of the above property in this summary report. A real property appraisal consulting assignment is a report of an analysis that includes an opinion of value as one of the components of the assignment but does not have an opinion of value as its primary purpose. The purpose of our assignment was to evaluate and form an opinion on the reasonableness of certain assumptions contained in the SW Boston Debtor's Amended Plan of Reorganization (POR) filed with the bankruptcy court. The assignment included development of an opinion of the market value of the average price per square foot of the remaining unsold units and a forecasted prospective estimate of gross condominium sellout revenue beginning July 1, 2011.

We understand this POR was filed on April 17, 2011 with an anticipated effective date of July 1, 2011. The date of our report is June 9, 2011. The effective date of the consulting analysis and opinion contained in this report is July 1, 2011. The effective date of the opinions of forecasted, prospective value contained in this report is July 1, 2011. These forecasted prospective opinions are estimates of what these values are expected to be as of the effective date of our analysis. The attached report sets forth our analysis and conclusions of unit prices, sellout period and gross condominium sellout revenue of unsold residences along with supporting research, data and reasoning, which form the basis of our opinion.

This real property appraisal consulting analysis and report have been prepared in accordance with the Uniform Standards of Professional Analysis Practice (USPAP), including Standards 4 and 5. The opinions of value contained in this report have been prepared consistent with the requirements of Standards 1 and 4 and have been reported consistent with the requirements of Standards Rule 2-2 (b) (i) through (x) and Standard 5.

The purpose of this real estate consulting analysis is to evaluate the reasonableness of the assumptions of gross unit pricing, sellout period and gross sellout revenue in the Amended Plan of Reorganization of SW Boston for the three year period beginning July 1, 2011. The analysis included independent development of estimates for the gross unit prices, sellout period and gross sellout value of the remaining unsold residential condominium units. Our report, analyses and conclusions may not be distributed to or relied upon by other persons or entities without written permission of FTI Consulting, Inc ("FTI").

Based on the Scope of Work and analyses as outlined in the report, in our opinion, the assumptions and estimates in the Amended Plan of Reorganization of SW Boston for the three year period beginning July 1, 2011 for average unit price per square foot, sellout period and gross condominium sales revenue for the unsold residential condominium units for the above property, are reasonable.

Our opinion is subject to the assumptions and limiting conditions, certifications, extraordinary and hypothetical conditions, if any, and definitions presented in this report. This letter is invalid if detached from the report, which contains the text, exhibits, and appendix. The forecasted prospective opinions of value and

200 State Street 9th Floor
Boston, MA 02109

estimates of gross condominium sellout period and revenue for the three years beginning July 1, 2011 assume no unforeseen change in market conditions or the subject property between the date of this report and the effective date of that forecasted prospective value or estimate. The appraisers are not responsible for unforeseen events that alter market conditions after the date of this report or prior to the effective date.

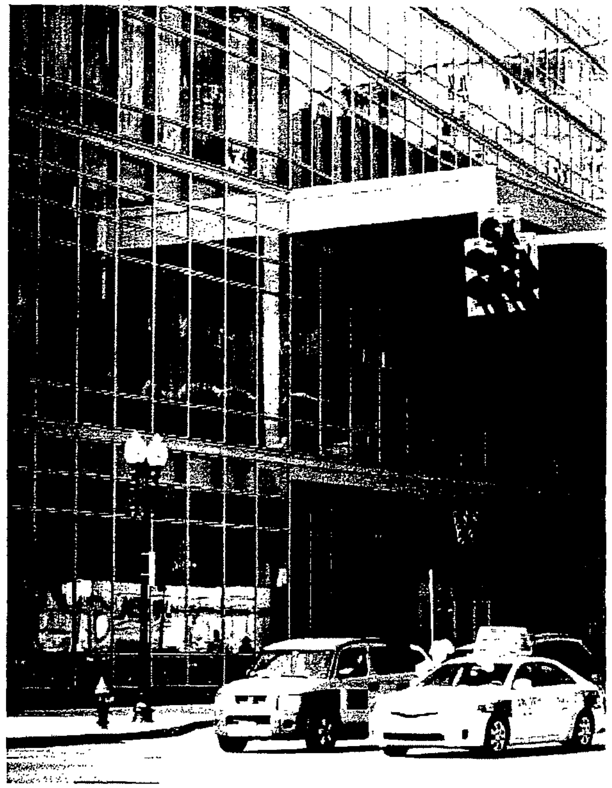
FTI Consulting previously performed work regarding the subject property including a retrospective appraisal as of August 1, 2010 in connection with the SW Boston bankruptcy case, consulting concerning interest rates and plan of reorganization issues and expert testimony in bankruptcy court on these issues. In addition, the FTI Consulting has been retained to provide restructuring and reorganization services for the Debtor in regard to the subject property.

The analysis, opinions, and conclusions were prepared by the undersigned. If you should have any questions, comments or further requests, please feel free to contact the undersigned. Acceptance of this report constitutes an agreement with these conditions and assumptions. Thank you for the opportunity to be of service.

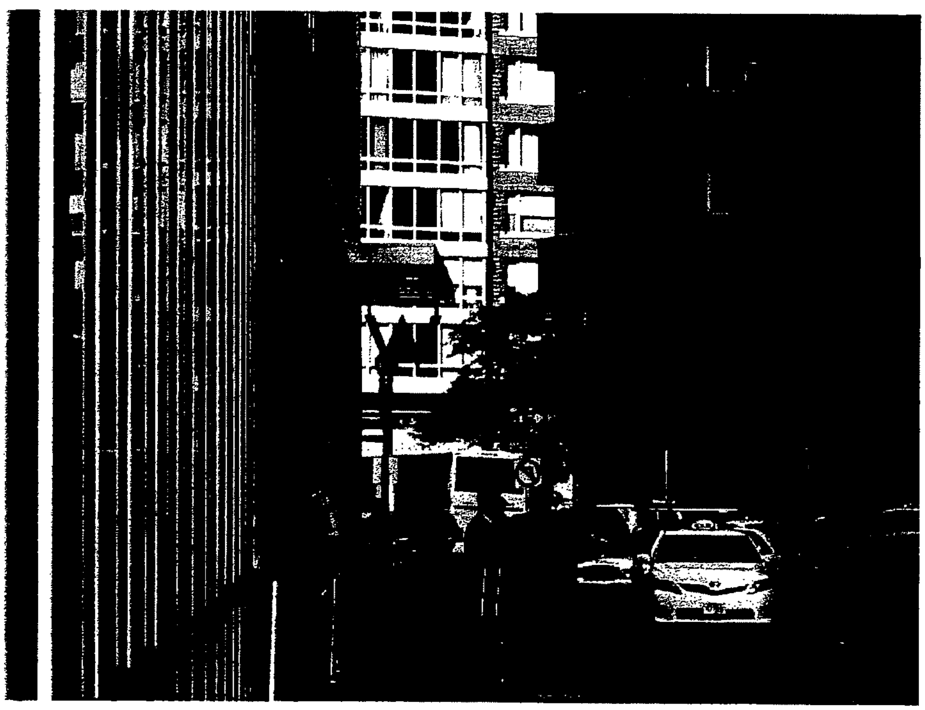
Respectfully submitted,

FTI Consulting

Exterior

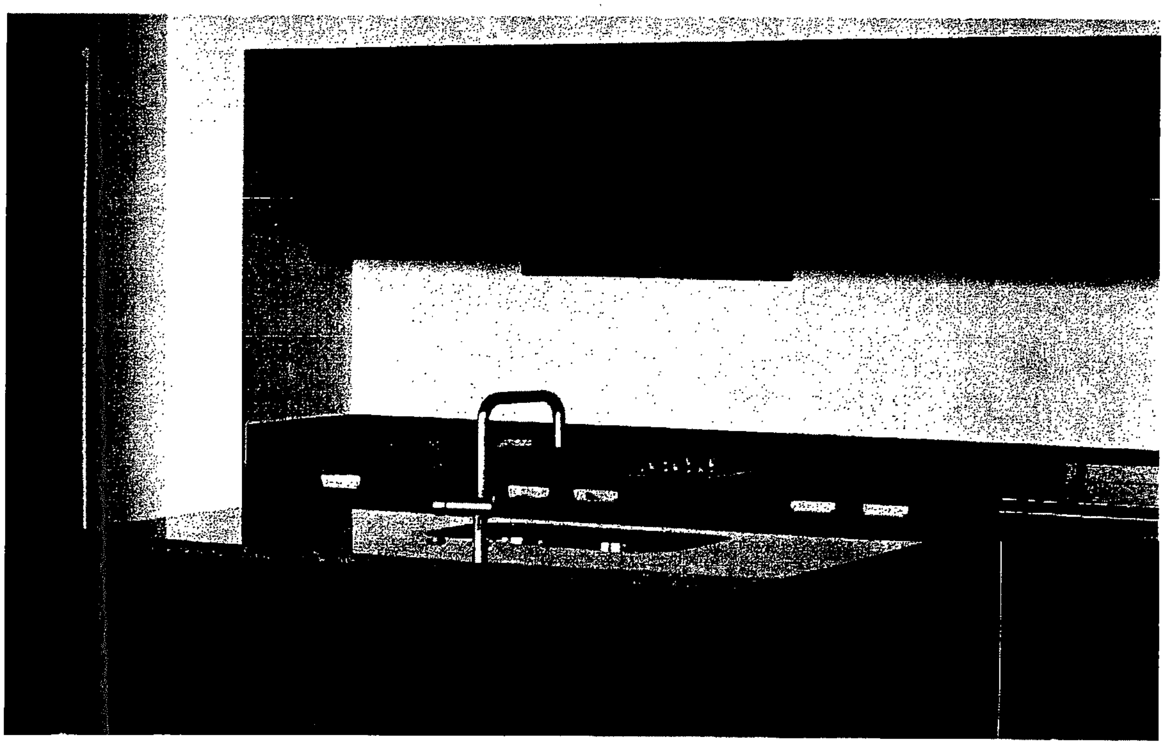


Street View



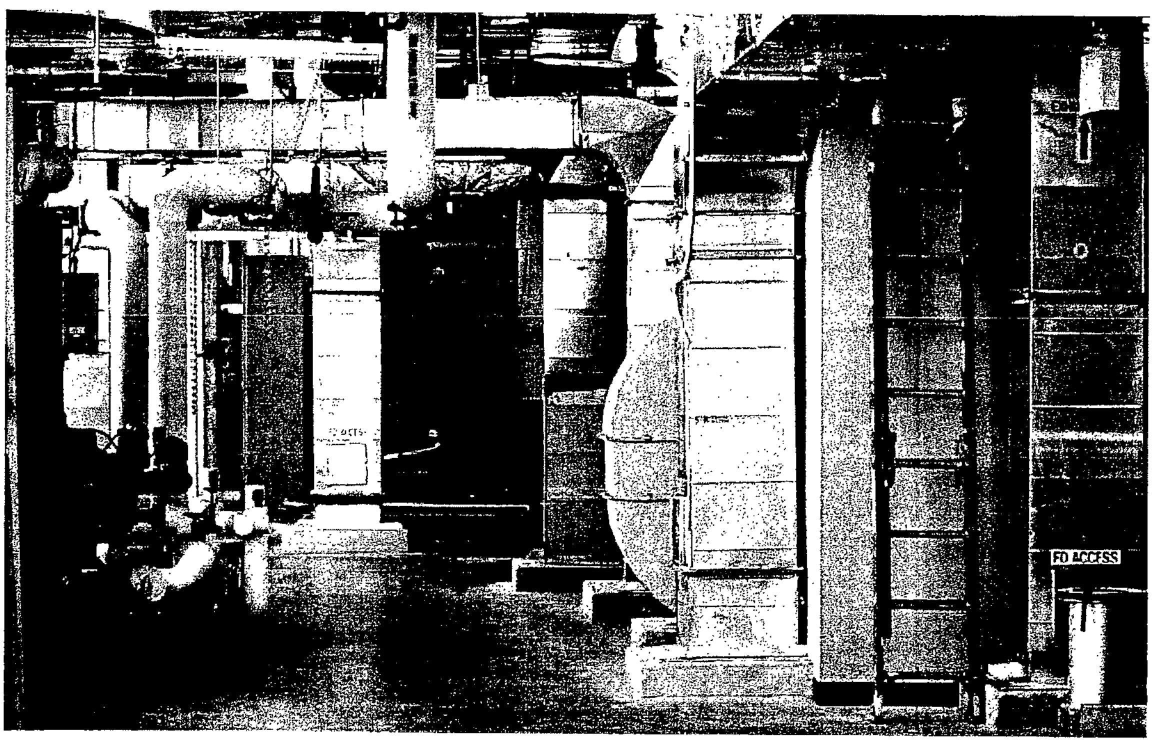
Concierge Desk

Typical Kitchen

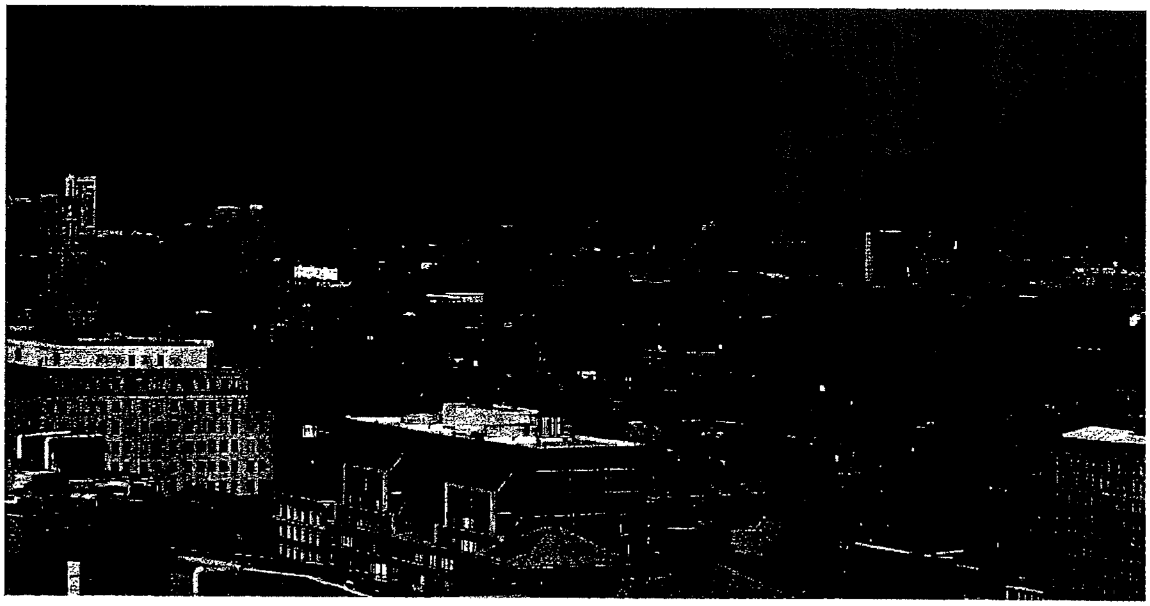


Parking

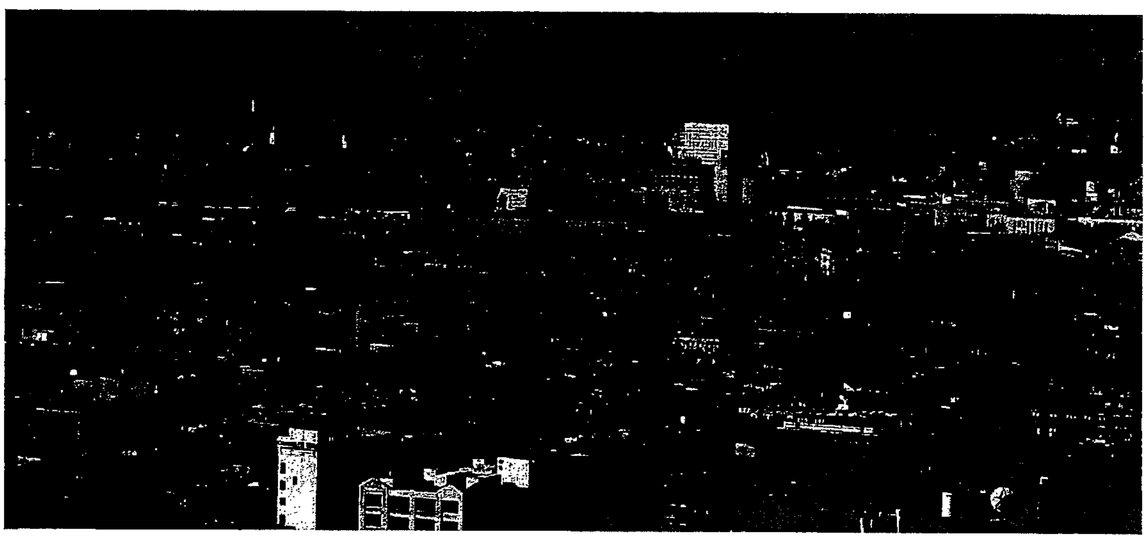
Mechanical Space



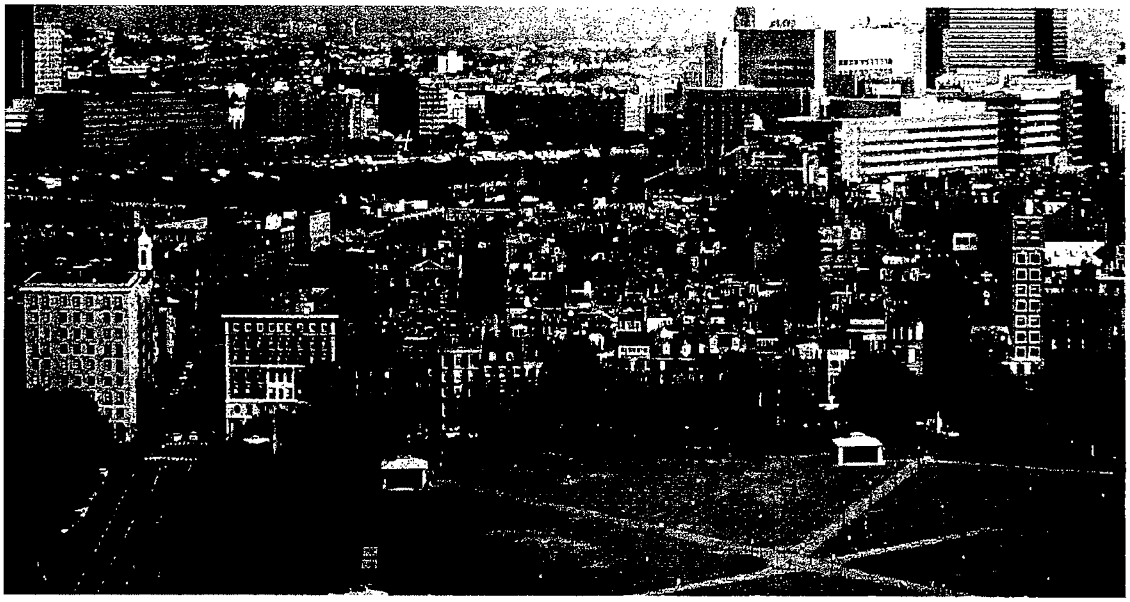
Northwest Penthouse View



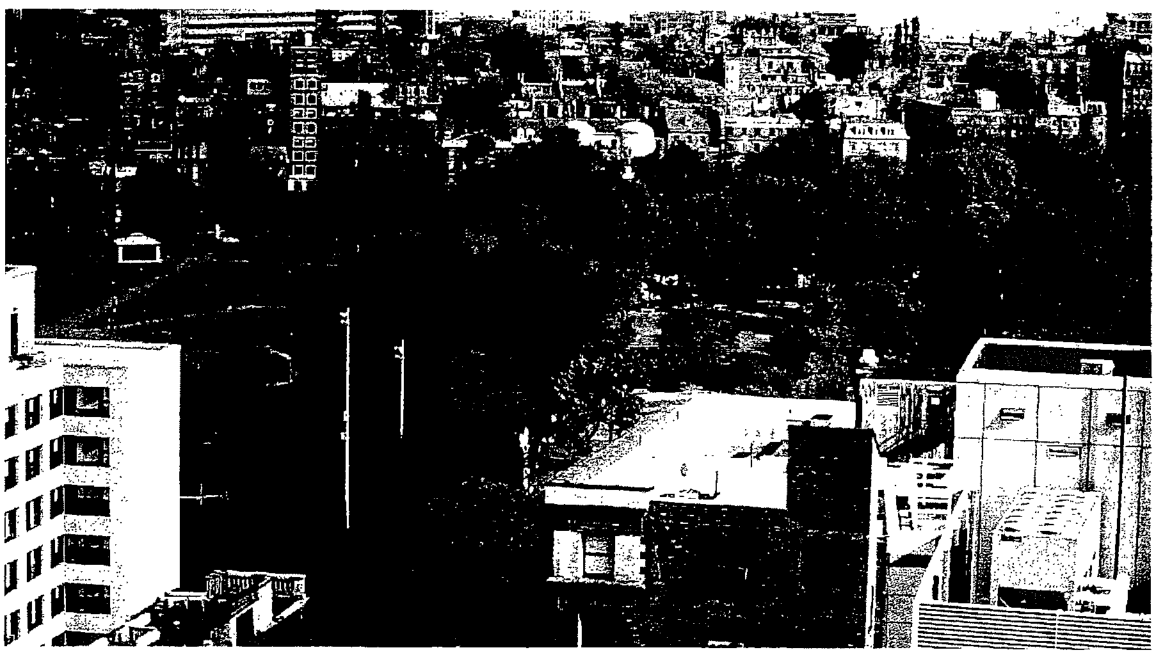
Southwest Penthouse View



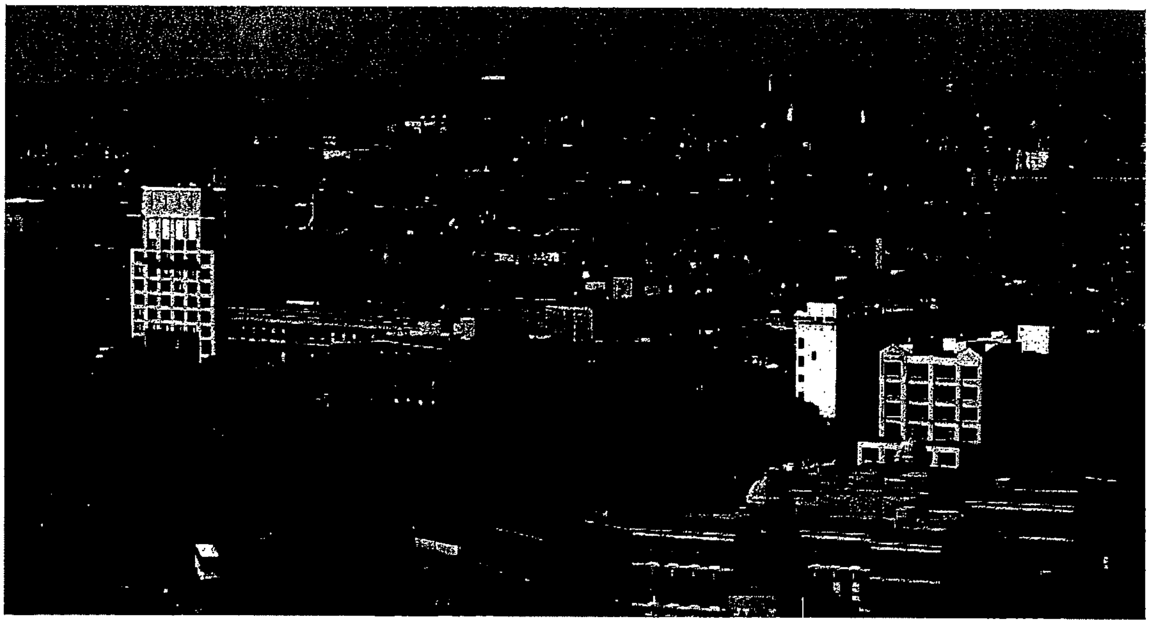
Northern Penthouse View



Northern View from 20th Floor



Southern View from 20th Floor



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The forecasted prospective residential condominium unit prices, sellout period, and gross sellout revenue estimated in the Amended Plan of Reorganization of the SW Boston Debtor for the three year period beginning July 1, 2011

Purpose of the Consulting Analysis

To evaluate the reasonableness of the condominium sales assumption in the Amended Plan of Reorganization.

Definition of Value

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America follows, taken from Advisory Opinion-22 of USPAP of The Appraisal Foundation:

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 t hereto; 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.

Summary of Salient Facts

Date of Report:	June 9, 2011
Dates of Inspection:	The subject property was inspected by Paul Griesmer on May 20, 2010, July 21, 2010, August 31, 2010 and May 4, 2011. The subject property was inspected by Brett Lake on May 4, 2011.
Effective Date of the Real Property Appraisal Consulting Analysis:	July 1, 2011
Effective Date of the Forecasted Prospective Opinions of Value Contained in this report:	July 1, 2011
Client:	Hanify & King P.C., as counsel to SW Boston Ventures LLC
Intended Use:	To evaluate certain assumptions in the Plan or Reorganization of the SW Boston Debtor.
Intended Users:	The parties in interest in the SW Hotel Ventures LLC bankruptcy case.

Previous Work Performed by FTI:	Retrospective appraisal effective August 1, 2010, expert testimony in bankruptcy court on value, Plan or Reorganization potential, assistance in sale of the commercial and garage condominium and assistance to the debtor in the plan of reorganization.

Property Attributes Analyzed

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Scope of Work

The objective of this consulting assignment was to analyze the unit price per square foot , sellout period and gross revenue assumptions in the SW Boston Debtor's Amended Plan of Reorganization for the three year period beginning July 1, 2011 for the unsold residential condominium units of the W Boston.

The scope of work included obtaining and reading the SW Boston Debtor's Amended plan of Reorganization with a particular focus on the residential unit condominium sales assumptions.

The scope of this analysis required collecting primary and secondary data relevant to the subject property. Agreements were read and analyzed; sales, contracts, and listing at the subject property were obtained from SW Boston management and from Otis Ahearn the listing broker. These contracts were verified through a combination of personal inspection of the documents and confirmation with registry of deeds and LINK . In addition, sales of units at comparable properties were obtained and analyzed from LINK and confirmed through the registry of deeds. Absorption and sales histories at subject property and comparable properties were calculated and analyzed as were unit prices on a per square foot basis. Leases for units at the subject property were also obtained and considered. Scheduled closings and recent units placed under agreement were discussed with the listing broker and SW Boston management. We estimated the number of units that would remain unsold as of July 1, 2011 the effective date of our report. The effect of units coming off lease was considered.

We developed our own independent estimates of unit prices and compared the average of these estimates to the assumptions in the Amended Plan of Reorganization (POR). We also estimated a sellout period and compared this conclusion to the assumption in the POR. We estimated the gross sales revenue for a sellout under two scenarios and compared the estimated gross sales revenue to the assumption in the POR.

We performed a review of the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. This process included interviews with regional and/or local market participants, available published data, and other various resources. All data has been thoroughly analyzed and confirmed with sources believed to be reliable, leading to the conclusions in this report.

The subject property was physically re inspected; opinions as to the condition of the property are based on this inspection and data and information developed by independent third parties. We assume no responsibility for the accuracy of the information provided. Previous inspections of comparable properties were relied upon and copies of floor plans of comparable units were used to evaluate unit features and comparability.

We considered the availability of parking and discussed with SW Boston management and the listing broker which units had been sold with and without parking and estimated which remaining unsold units would be sold with or without parking.

We used our previous retrospective appraisal as of August 1, 2010 as a baseline for certain information descriptive and legal information concerning the subject property. As components of our appraisal consulting assignment, we developed forecasted prospective opinions of the market value of the average price per square foot of the units estimated to be unsold as of July 1, 2011 and the prospective forecasted gross condominium sellout revenue beginning July 1, 2011. Our analysis estimates what these amounts are expected to be.

We compared the results of our research and analysis to the assumptions in the POR and concluded as to the reasonableness of the POR's assumptions on condominium sales.

Samantha Burke provided assistance in reviewing purchase and sale contracts and leases at the subject property to verify schedules and information provided in summary form by SW Boston management. Mark Field provided assistance in verifying certain comparable transactions through LINK Boston and the Suffolk County Registry of Deeds. LINK Boston is a Multiple Listing Service serving Boston and the surrounding areas.

Identification of Property

Relevant information about the subject is obtained from the owner (or representatives) and public records. The property was legally identified through its postal address and assessor records.

Property Type/Name:	W Boston Residences
Location:	110 Stuart Street, Boston, MA 02116
Property Description:	W Boston Residences include 123-units on the top floors of a mixed-use high-rise residential condominium located in Boston, Massachusetts, on a parcel totaling 0.6 acres. The subject is assumed to have a total of 79 remaining unsold units as of July 1, 2011, consisting of 64 units available for immediate sale, 11 units lease units, and 4 units under contract and expected to close after July 1, 2011. Another four units are currently under contract and are expected to close in June 2011 after the June 9,2011 date of our report but before the July 1, 2011 effective date of this report. The high-rise is located in the theatre district at the corner of Tremont and Stuart streets in Boston's Theatre District. The hotel and commercial space is located on the first 15 floors of the tower and opened in October 2009. The hotel portion of the tower contains: a spa, an upscale restaurant Market, a bar, event space, and an underground parking garage. The tower is one of the tallest luxury buildings in downtown Boston.
Parcel ID:	0500075020
Legal Description:	Legal description of the property is provided in the appendix of this report and in the Condominium Master Deed and Residential Master Deed. These deeds are in file with the bankruptcy court and are incorporated herein by reference. The Residential Condominium is subject to the by-laws of both the Primary and Residential Condominiums. These by-laws are also on file with the bankruptcy court and are incorporated herein by reference.

<u>Property Ownership & Recent History</u>

Current Ownership:	SW Boston Hotel Venture LLC, a subsidiary of Sawyer Enterprises (the "Developer")
Sale History:	Other than the declaration of condominium on December 11, 2009, sales of individual residential units and a sale lease-back of certain HVAC equipment to Trigen Energy Corporation ("Trigen"), no sales of the subject property have occurred in the last three years. It is noted that the owner filed for bankruptcy protection on April 28, 2010.We understand the financing component of the Trigen sale leaseback was paid off on June 8, 2011. The Developer is a subsidiary of Sawyer Enterprises and the subject property opened in October 2009. Sawyer Enterprises is run by Carol Sawyer Parks. Since the completion of the building and as of the effective date of this analysis, 44 units will have been sold and 11 are under lease contract as described later in this report.

Primary Condominium:	On December 11, 2009 SW Boston Hotel Venture LLC declared and signed the Master Deed of 100 Stuart Street in the City of Boston, Suffolk County, Massachusetts, consisting of the land and building located at 100 Stuart Street. The name of the condominium is the 100 Stuart Street Primary Condominium consisting of the residential unit, commercial unit, and garage unit. The residential, commercial, and garage units consist of approximately 173,883, 191,286, and 30,689 square feet respectively. The residential, commercial, and garage units represent 31%, 67%, and 2% interest respectively in the Primary Common Elements (see Appendix).
Residential Condominium:	On December 11, 2009 SW Boston Hotel Venture LLC declared and signed the Master Deed of 110 Stuart Street in the City of Boston, Suffolk County, Massachusetts. The name of the Condominium is the 110 Stuart Street Residential Condominium which contains the residential unit of the Primary Condominium. The residential unit is a multi-story condominium unit consisting primarily of the interior area of floors 14 through 26 (Levels 16 – Penthouse) of the building. Each residential condominium unit is described according to designation, location, number of rooms, approximate area, and percentage interest in the Residential Common Elements (see Appendix). The residential unit of the Condominium represents a 31% interest in the Primary Common Elements.
Trigen Agreement:	The owner entered into a sale-leaseback agreement for the common area HVAC with Trigen. We have been informed that as of part of the sale of the commercial condominium on June 8, 2011 that the Trigen sale-leaseback financing has been repaid and that the associated debt no longer encumbers the Primary Condominium Association common area property.

Site Description

Property Name/Type:	W Boston Residences
Property Address:	110 Stuart Street, Boston, MA 02116 The residences are located at the corner of Tremont and Stuart streets in Boston's Theatre District.
Property Description:	W Boston Residences are luxury condominiums located in Boston, Massachusetts, on a parcel totaling 0.6 acres. The property is located at the corner of Tremont and Stuart streets in Boston's Theatre District. Situated with a 26-story tower opened in October 2009, the hotel consists of 235 guest rooms, and occupies the first 15 floors of the tower. The hotel portion of the tower also contains: a spa, an upscale restaurant Market, a bar, event space, and an underground parking garage. Floors 16-26 of the tower contain the 123 luxury residential condominium units. The W Boston tower is one of the tallest luxury buildings in downtown Boston.
Real Property Aspects Analyzed:	Unit pricing, sellout period, and gross sellout revenue
Land Area:	A parcel totaling 0.6 acres
Site Improvements:	The W Boston Residences are a full-service, luxury condominium facility. It contains 123 condominiums and opened in October 2009. The hotel portion of the tower also contains: a Bliss spa, Sweat fitness center, Wired business center, celebrity chef Jean-Georges Vongerichten's upscale restaurant Market, the Living Room Bar, and an underground parking garage with 142 spaces. Floors above the hotel are devoted to the residential condominium. Of the 123 condominiums, 22 are studios, 46 are one bedrooms, 50 are two bedrooms, and 5 are penthouses.
Highest / Best Use as Improved:	Sellout of available residential condominium units
Highest / Best Use As Vacant:	Hold for future development

Improvements Description

Type of Building: Full Service Luxury Residences

Type of Construction: Tower

Year Built: October 2009

Number of Stories: 26

Gross Total Building Area: 424,676 square feet

Gross Residential Condominium Building Area: 188,345 square feet

Land/Building Ratio: Approximately 7.21

Construction: Excellent

Quality Excellent

Interior

Unit Mix:

Unit Mix Estimated as of July 1, 2011

Type	Sold*	Under Contract**	Rented	Immediately Available for Sale	Total
Studio	11	0	1	10	22
1BR	18	3	5	21	47
2BR	12	1	5	32	50
PH	3	0	0	1	4
	44	4	11	64	123

** Includes 4 units (16H, 19E, 24G, 27F) currently under contract and expected to close in June 2011 after the date of this report.*

*** Includes 4 units (21F, 21J, 25C, 25F) expected to close after the effective date of this report.*

Unit Finish: Units are generally delivered with hardwood floors and high-end kitchen and baths. The sales center is located in a completed and furnished unit on the 20th floor, where all units, except the I unit, have been fitted out and furnished by well-known interior design firms. Furniture and personal property has been provided by and is still owned by various furniture vendors; therefore, none of this personal property, including the carpeting, has been included in this appraisal. Certain modifications have been funded by the Owner and are part of the subject property, which is analyzed in this report. A number of units on the 20th floor have been decorated by various designers. We assume their work will either be removed before sale to individual buyers or that individual buyers will pay the designers separately for this work. Unit prices in this report do not include amounts for these designs.

Elevators: There are 8 elevators: 2 hotel, 2 residential, 2 service, 1 spa, 1 theme bar

HVAC:	The HVAC system is a multi-zone heating and ventilation system. Domestic hot water is provided by steam.
Electrical:	Electrical is standard for condominium use
Plumbing:	Plumbing is extensive and typical for a condominium structure
Sprinkler:	Sprinklers cover 100% of the building

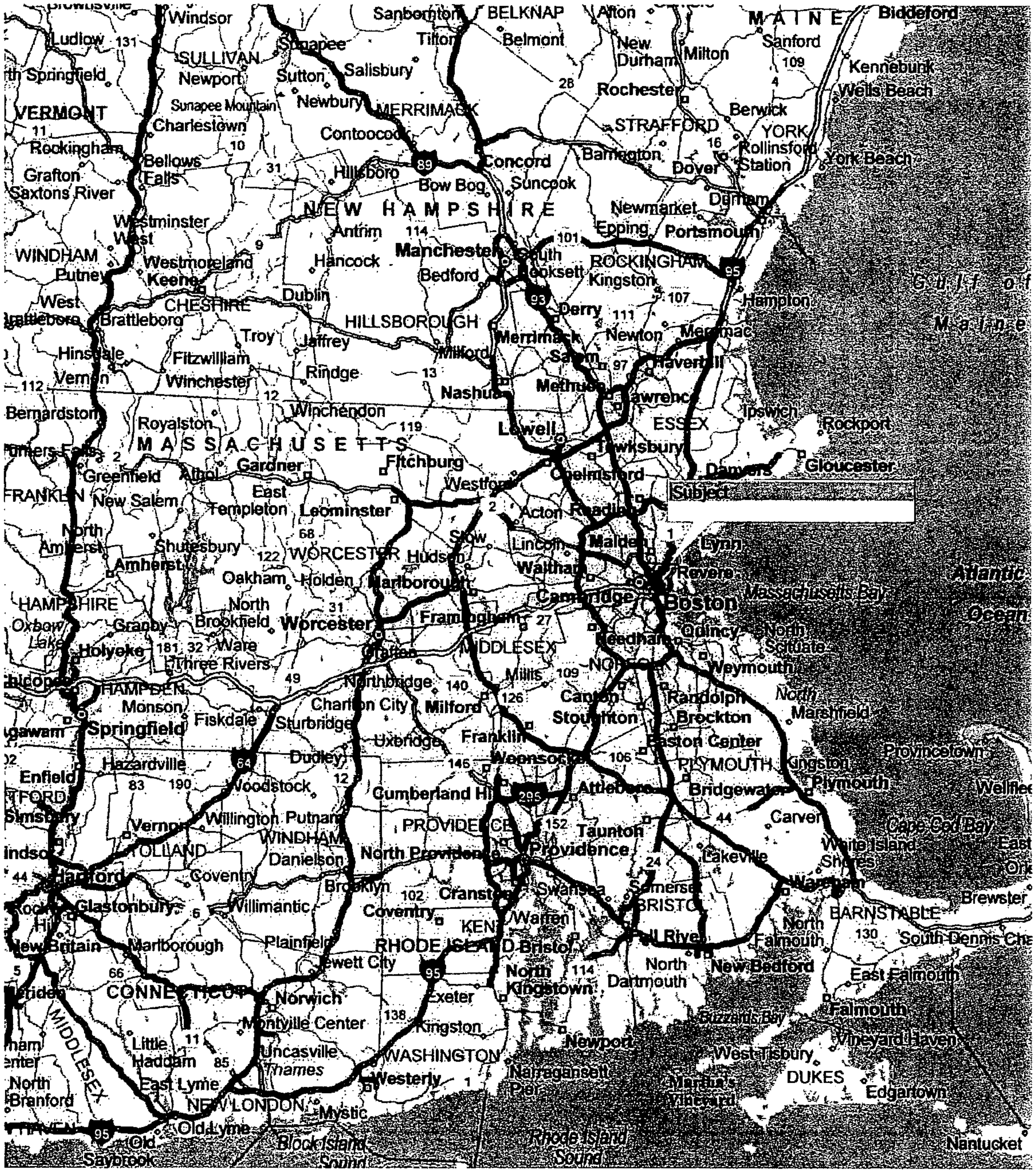
Site Improvements

Parking Type:	The property currently offers 142 parking spaces in an underground parking garage. The garage condominium has been sold as of June 8, 2011. However, we understand that the Residential condominium maintains rights to use parking consistent with the assumptions in our previous appraisal and that units may still be sold to buyers with parking.

Property Analysis

Functional Utility:	The subject improvements are well designed possessing good appeal for future usage.

Regional Map



BACKGROUND DATA

Regional Economic Analysis

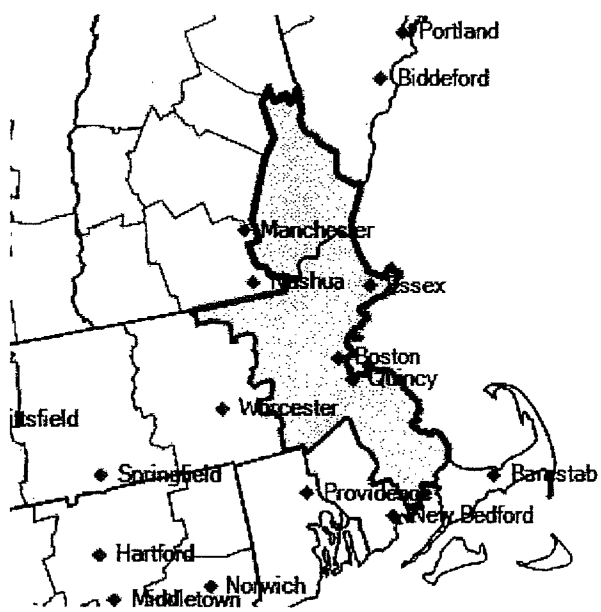
The economic vitality of the market area and neighborhood surrounding the subject property is an important consideration in forecasting demand and income potential. Economic and demographic trends provide a basis from which to project demand. The purpose of the market area analysis is to review available economic and demographic data to determine whether the regional market will undergo economic growth, stabilize, or decline. In addition to predicting the direction of the economy, the rate of change must be quantified. These trends are then correlated based on their propensity to reflect variations in demand, with the objective of forecasting the amount of growth or decline in the subject's market area.

The subject's market area is generally defined as the geographical area of influence surrounding the property. In most instances, this area also encompasses the demand generators and competitive properties. The economic and demographic profile of the defined market area is typically relevant in gauging the strength of the market's demand. The subject property is located in the city of Boston, Suffolk County, and the Commonwealth of Boston.

The subject market can be defined by its Metropolitan Statistical Area (MSA): Boston-Cambridge-Quincy, MA-NH MSA. The MSA is the most standard definition used in comparative studies of metropolitan areas. The federal government defines an MSA as a large population nucleus, which, together with adjacent counties, has a higher degree of social integration. The following map illustrates the regional market area. The primary market encompassing the subject property is downtown Boston.

The region's most significant thoroughfares are Interstate 93, which provides north/south access and Interstate 90, which provides east/west access. Overall, regional access to the subject property is considered excellent. The well-developed network of high-speed interstate highways, along with superior local roadways, significantly increases the subject property's primary market area and facilitates the ability to capture demand.

Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area (MSA)



Demographic Characteristics

The Boston MSA population is estimated at approximately 4.58 MM and over the next five years is expected to grow 1.1%. The U.S. estimated 2011 population is approximately 310.1 MM and is expected to grow 4.1% over the next five years. These projected population growth rates coincide with the projected increase in the number of households over the next five years. The 2011 estimated number of households in Boston MSA and in the U.S. is 1.76 MM and 116.86 MM respectively, expected to increase 1.0% and 4.1% over the next five years.

The following chart shows demographic characteristics of the Boston MSA compared to those of the U.S.

Demographic Characteristics - 2011 Estimates

Characteristic	Boston MSA		United States	
Population				
2011 Estimate	4,577,633		310,650,750	
2000 Census	4,391,344		281,421,906	
Households				
2011 Estimate	1,757,283		116,862,390	
2000 Census	1,679,659		105,480,101	
2011 Est. HHs by HH Income	1,757,283		116,862,390	
Income Less than $25,000	314,799	17.91%	27,679,144	23.69%
Income $25,000 - $49,999	344,373	19.60%	31,082,587	26.60%
Income $50,000 - $74,999	319,878	18.20%	22,773,790	19.49%
Income $75,000 - $99,999	247,073	14.06%	13,923,845	11.91%
Income $100,000 +	531,160	30.23%	21,403,024	18.31%
2011 Est. Average Household Income	$88,867		$67,529	
2011 Est. Median Household Income	$67,153		$49,726	
2011 Est. Average Household Size	2.51		2.59	
2011 Est. All Owner-Occupied Housing Values	1,120,221		77,595,191	
Value Less than $100,000	25,132	2.24%	18,422,779	23.74%
Value $100,000 - $199,999	121,355	10.83%	26,630,536	34.32%
Value $200,000 - $299,999	301,913	26.95%	14,323,795	18.46%
Value $300,000 - $399,999	248,215	22.16%	7,137,368	9.20%
Value $400,000 - $499,999	158,406	14.14%	3,858,396	4.97%
Value $500,000 - $999,999	222,351	19.85%	5,833,520	7.52%
Value $1,000,000 or more	42,849	3.83%	1,388,797	1.79%

Source: Claritas

The average household income of the Boston MSA is $88,867, approximately $21,000 higher than the average household income of the U.S. Additionally, average household income of the Boston MSA is projected to increase 10.2% over the next five years while the U.S. average household income is projected to increase only 8.9%. The higher average income seen in the Boston area is driven by the fact that 30.23% of the Boston MSA households earn an annual income of $100,000 or more. This statistic is significantly higher than that of the U.S. where only 18.31% of the households earn annual income over $100,000 or more.

Additionally, the value distribution of owner occupied housing units in the Boston MSA is higher than that of the U.S., where 37.8% of housing units are valued at $400,000 or greater compared to 14.3% in the U.S.

Population Growth

We have evaluated various economic and demographic statistics to determine trends in demand.

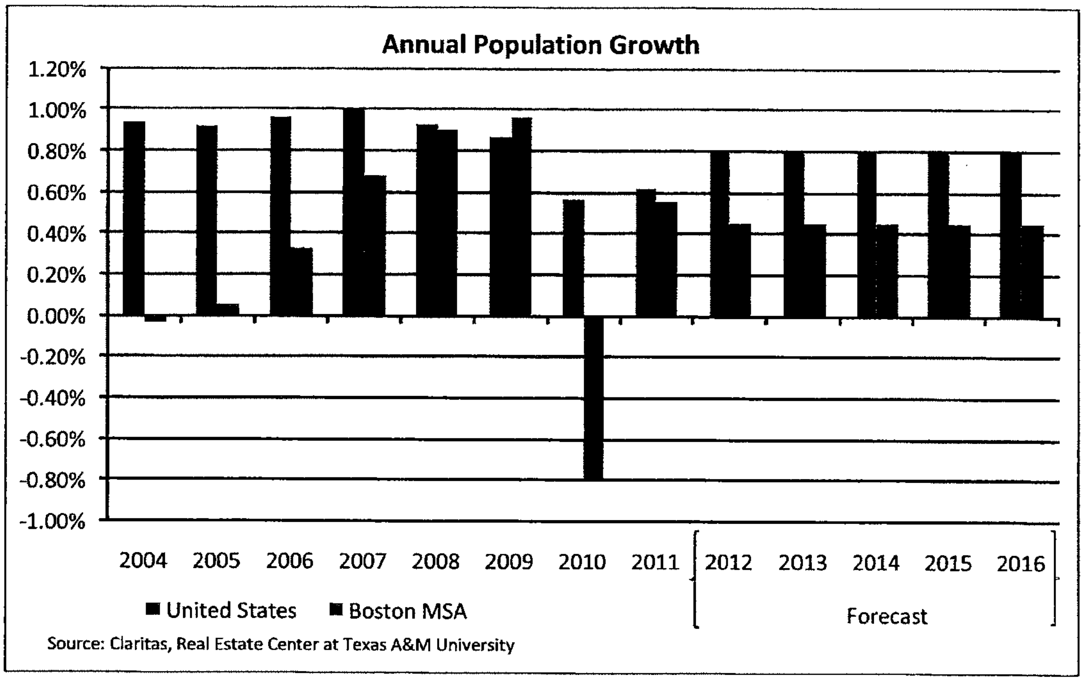
The following demographic and economic review sets forth population, per capita income, and other demographics for Suffolk County, Boston MSA, the State of Massachusetts, and the United States as a whole. Although not directly correlated with housing demand, population growth serves as general measure of the market's health. Per-capita income reflects the economic well-being of a population. All dollar amounts have been adjusted for inflation, and thus growth or decline represents real change in constant dollars.

	Avg. Annual Statistics				Avg. Annual Compounded Change		
	1990	2000	2008	2015	1990-00	2000-08	2008-15
Population ('000)					%	%	%
Suffolk County	663.0	690.0	687.7	684.5	0.4	0.0	-0.1
Boston MSA	4,137.3	4,401.8	4,502.4	4,641.1	0.6	0.3	0.4
State of Massachusetts	6,022.6	6,362.6	6,507.1	6,713.7	0.6	0.3	0.4
United States	249,622.8	282,217.0	306,045.0	327,310.6	1.2	1.0	1.0
Per-Capita Personal Income							
Suffolk County	$33,174.0	$41,330.0	$42,490.0	$46,336.0	2.2	0.3	1.2
Boston MSA	33,256.0	44,902.0	45,985.0	50,904.0	3.0	0.3	1.5
State of Massachusetts	31,023.0	40,914.0	42,993.0	47,361.0	2.8	0.6	1.4
United States	26,222.0	32,341.0	34,603.0	37,739.0	2.1	0.8	1.2
W&P Wealth Index							
Suffolk County	118.6	120.1	116.1	116.0	0.1	-0.4	0.0
Boston MSA	122.4	133.8	128.9	130.5	0.9	-0.5	0.2
State of Massachusetts	113.9	121.9	120.0	121.0	0.7	-0.2	0.1
United States	100.0	100.0	100.0	100.0	0.0	0.0	0.0
Food & Beverage Sales ('000,000)							
Suffolk County	$1,423.0	$1,678.3	$1,947.8	$2,126.2	1.7	1.9	1.3
Boston MSA	5,298.7	6,300.3	7,560.2	8,509.6	1.7	2.3	1.7
State of Massachusetts	7,348.2	8,658.7	10,395.2	11,776.9	1.7	2.3	1.8
United States	249,352.8	322,246.1	411,452.9	484,208.0	2.6	3.1	2.4
Total Retail Sales ('000,000)							
Suffolk County	$6,429.2	$7,631.5	$8,344.8	$8,965.0	1.7	1.1	1.0
Boston MSA	46,677.6	59,105.2	66,544.5	74,374.0	2.4	1.5	1.6
State of Massachusetts	65,790.2	80,517.2	90,363.5	100,749.8	2.0	1.5	1.6
United States	2,409,078.7	3,321,730.6	3,957,496.4	4,579,122.0	3.3	2.2	2.1

Source: HVS, Woods & Poole Economics, Inc.

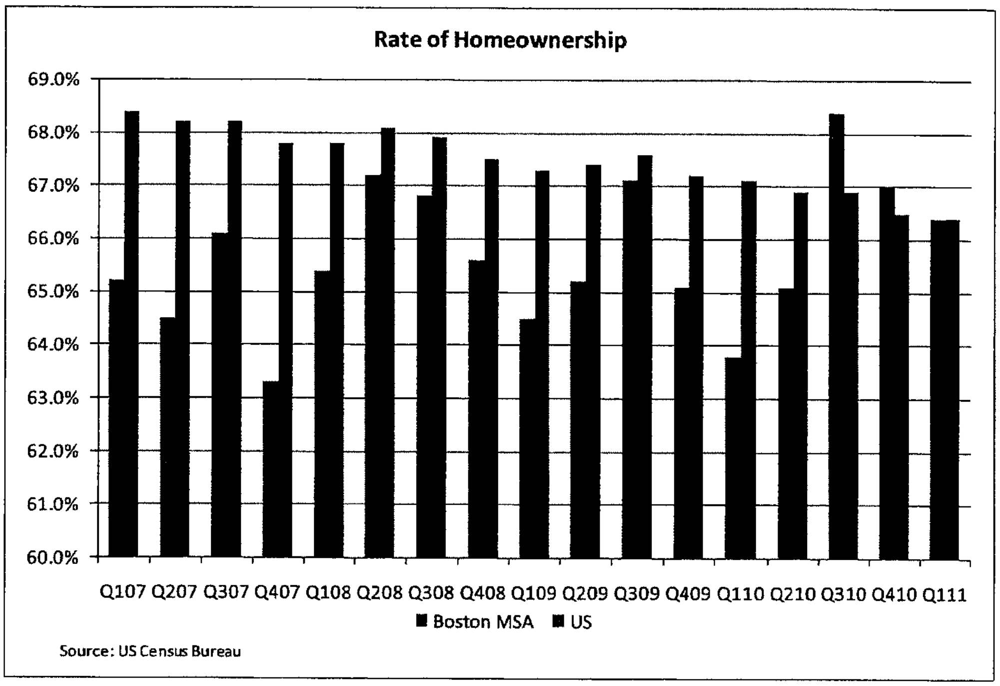
A review of the demographic data presented in the table above reflects the market area's status as a mature metropolitan area with limited capacity for growth or population expansion. The region nevertheless enjoys relatively favorable trends in per-capita income, food & beverage sales and retail sales indicating a high level of affluence in the region.

The following chart shows annual fluctuations in percentage population growth of the Boston MSA versus the U.S. The U.S. population grows at a steady annual rate of approximately 0.85% from 2004 to 2011 and is forecasted to continue at an average rate of 0.80% through 2016. However, the Boston MSA population has grown at a slower average annual rate of 0.46% from 2004 to 2011 and is forecasted to at an annual average rate of 0.33% through 2016.



Households

The following graph shows the fluctuations in the rate of homeownership from 2007 through the first quarter of 2011 in the Boston MSA and the United States. As of Q1 2011, the average rate of homeownership in Boston MSA and the United States is 66.4%. Over the period from Q1 2007 to Q1 2011 the average rate of homeownership in Boston MSA was 65.7% as compared to 67.5% in the U.S..

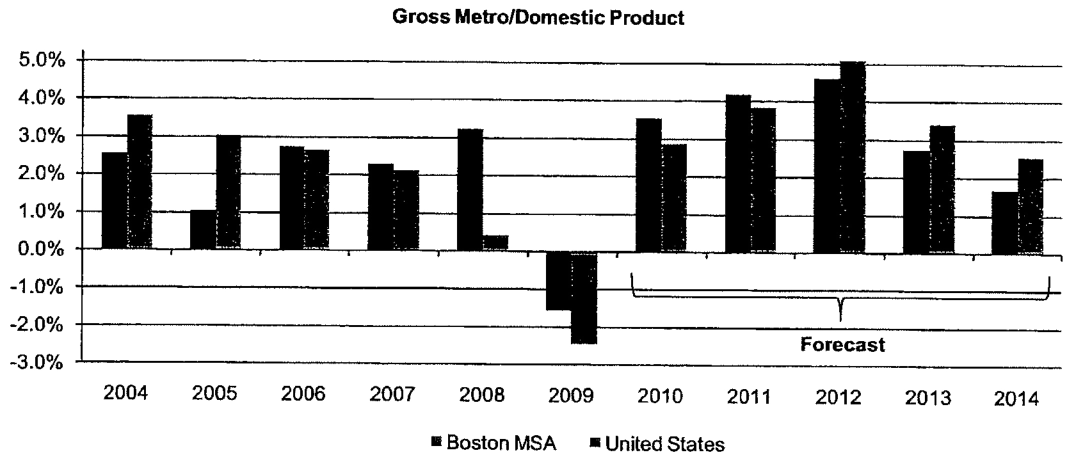


Economic Trends

Gross Metro Product

The trends seen in Boston's gross metro product (GMP) over the period of 2004 to 2009 differ from those seen in the U.S.'s gross domestic product (GDP). Boston MSA's GMP remains somewhat stable from 2004 to 2007 and then increases 3.5% in 2008. U.S. GDP increases 3.6% in 2004 and then experiences steady year over year declines in percentage increases through 2008.

In 2009, with the country in a recession, Boston MSA experienced a 1.6% decline in GMP, but this decline was 80 basis points above the 2.4% U.S. decline. Over the next five years, both Boston and the U.S. are projected to experience approximately 3.5% annual increases in GMP and GDP.

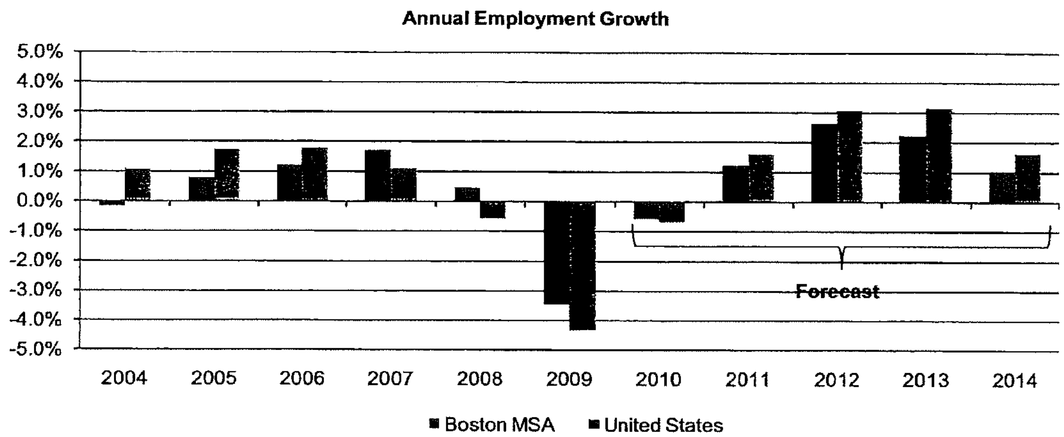


Source: Moody's Precis Report

Employment

Overall employment growth in Boston MSA declined 3.5% in 2009, 80 basis points above the U.S. average. Negative growth in employment is projected to continue in 2010. As of April 2010, employment trends show that construction, finance, and manufacturing experienced the largest percent declines over the same time last year at -14.6%, -5.6%, and -5.4%. These trends coincide with that of the overall U.S. employment market. The positive growth tends projected over 2011 to 2014 are largely a result of predictions that current job gains will continue. As of April 2010, job gains were averaging about 500,000 a month in the U.S. Additionally, once more certainty regarding regulatory reform returns to the market, Boston MSA employment is projected to increase, specifically in the financial sector.

The following graph compares Boston MSA and U.S. annual employment growth.



Source: Moody's Precis Report

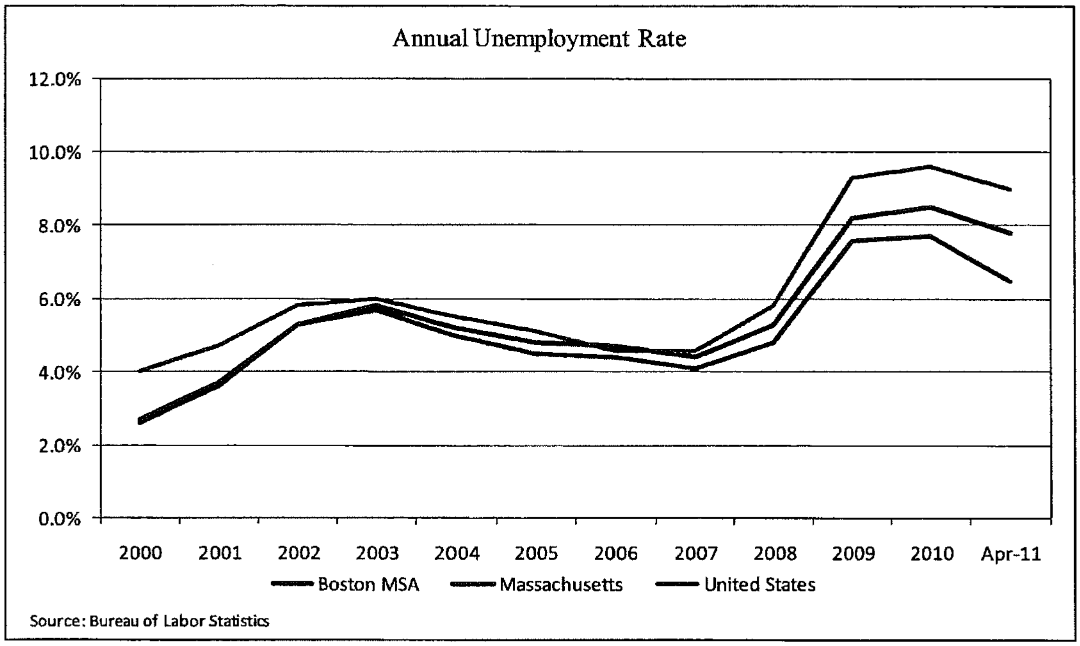
Unemployment

The following table features unemployment statistics for Boston MSA, Suffolk County, State of Massachusetts, and the United States as reported by the Bureau of Labor Statistics.

Unemployment Rates				
	Boston MSA	Suffolk County	State of Massachusetts	United States
	%	%	%	%
2000	2.6	3.1	2.7	4.0
2001	3.6	4.1	3.7	4.7
2002	5.3	5.9	5.3	5.8
2003	5.7	6.6	5.8	6.0
2004	5.0	5.8	5.2	5.5
2005	4.5	5.3	4.8	5.1
2006	4.4	5.0	4.7	4.6
2007	4.1	4.5	4.4	4.6
2008	4.8	5.2	5.3	5.8
2009	7.6	7.8	8.2	9.3
2010	7.7	8.1	8.5	9.6
As of 04/10	7.7	7.8	8.4	9.8
As of 04/11	6.5	6.8	7.8	9.0
Source: Bureau of Labor Statistics				

After peaking in 2010, unemployment rates have declined as economic conditions gradually improve. The Boston MSA and State of Massachusetts both have unemployment rates lower than the national average. During the first four months of 2011, the unemployment rate has declined 120 basis points within the Boston

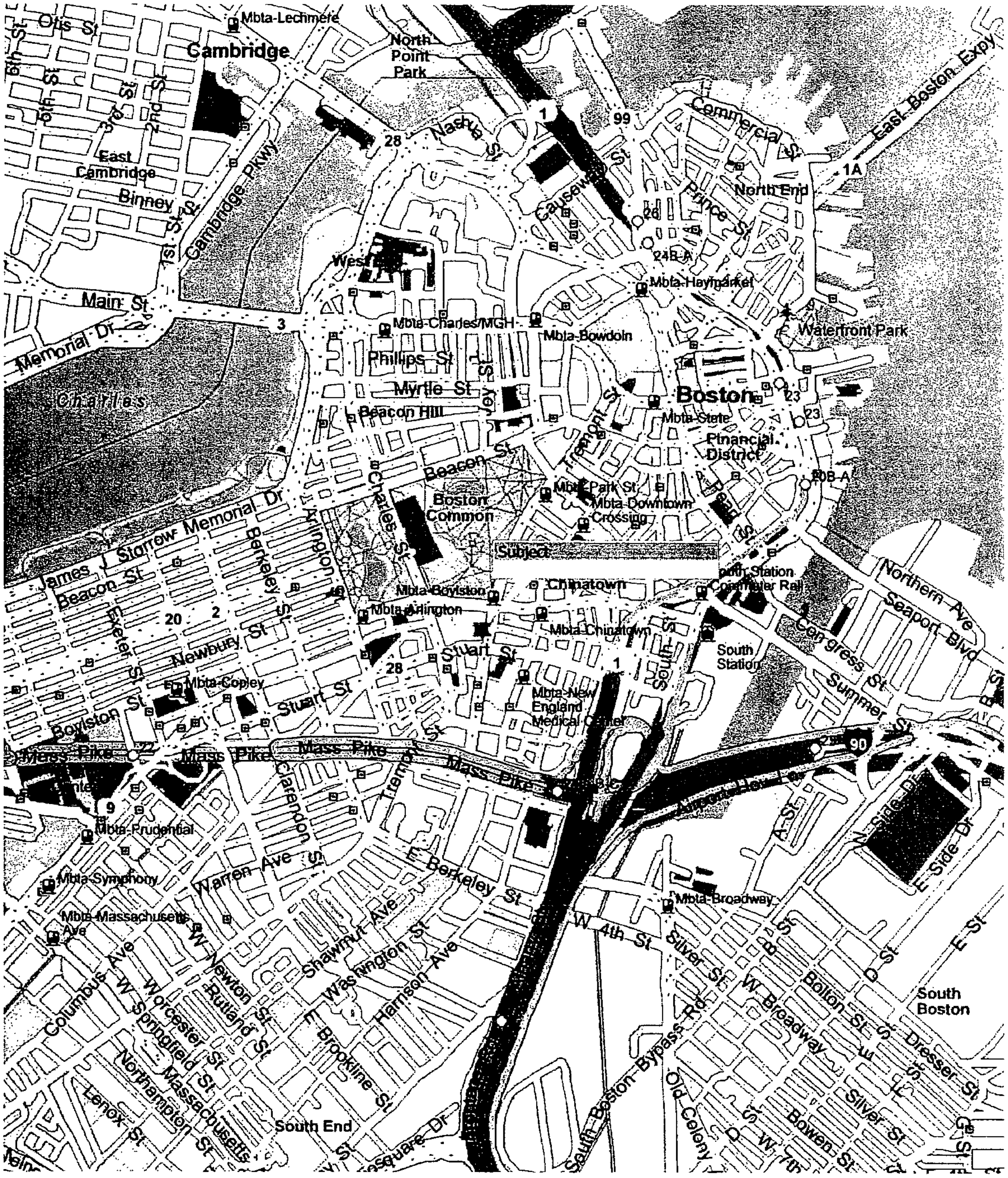
MSA and currently stands at 6.5%. Likewise, the employment situation has improved within the State of Massachusetts to start 2011 as unemployment rates have dropped 70 basis points to 7.8%.



Conclusion

The Boston MSA is an affluent and highly educated region in comparison to the overall United States. The population of the region may be growing at a slower rate than that of the U.S. due to the limited capacity for population expansion. Although unemployment remains of concern, rates have fallen during the start of 2011 as economic conditions improve and firms slowly begin to expand operations. The Boston MSA continues to weather the economic downturn with unemployment rates 250 basis points below the national average as of April 2011. Overall, economic indicators suggest that Boston enjoys a relatively stable economic environment, which should provide the basis for comparatively strong housing demand. Additionally, the gross metro product of the region experienced lesser 2009 declines than the U.S.; it is expected to experience year-over-year increases through 2012.

Local Area Map



Local Area Analysis

Location

The subject property is located at 110 Stuart Street in the Theater District of downtown Boston. The Theater District is adjacent to the affluent neighborhoods of Beacon Hill and the Back Bay, each of which contains retailers, high-end restaurants, and upscale residences. The subject neighborhood is also in close proximity to the Financial District, with a large concentration of office buildings.

Access

Accessibility in the local area is reliant upon the following major highways, all of which are within a few miles of the subject's neighborhood.

Interstate 93:	Access to the north and south
Interstate 95/Route 28:	Access to all areas within Massachusetts
Interstate 90:	Access to the east and west

Additionally, there is nearby access to the MBTA's Orange and Green line services that can connect passengers to all other major MBTA stations throughout the city.

Demand Generators

Major Business and Industry

Providing additional context for understanding the nature of the local economy, the following table presents a list of the major employers in the subject property's market.

The medical schools of both Tufts University and Harvard University are located in Boston, as is Massachusetts General Hospital, the major teaching hospital for both schools. Education is a thriving segment of Boston's economy; within the city limits are 10 colleges and universities, 6 technical schools, 4 art and music schools, and 6 junior colleges. In towns and suburbs surrounding Boston, educational institutions include many prestigious secondary and boarding schools.

Top 25 Employers in Boston

Rank	Employer	# of Employees
1	Massachusetts General Hospital	14,207
2	Brigham and Women's	11,607
3	Boston University	9,301
4	Children's Hospital, Boston	7,603
5	Beth Israel Deaconess Medical Center	7,192
6	Liberty Mutual Holding Company Inc.	7,125
7	State Street Bank & Trust Co.	5,600
8	Fidelity	5,457
9	Boston Medical Center Corporation	4,875
10	Tufts Medical Center	3,915
11	Boston College	3,791
12	Northeastern University	3,564
13	John Hancock	3,522
14	Dana-Farber Cancer Institute Inc.	3,485
15	Wellington Management	2,658
16	Blue Cross Blue Shield of Massachusetts Inc.	2,600
17	Gilette Co.	2,200
18	Brown Brothers Harriman & Co.	2,082
19	ARAMARK Corp.	2,039
20	Boston Globe/New York Times	2,023
21	New England Financial/Met Life	2,012
22	Caritas St. Elizabeth's Medical Center	1,954
23	Pearson Inc.	1,950
24	Verizon New England Inc.	1,800
25	Shaw's	1,756

Source: Boston Redevelopment Authority, March 2011

Tourist Attractions and Events

Boston is one of the country's top 10 tourist attractions, focusing on the city's 62 historic sites, its nearly 2,000 restaurants, numerous museums, a planetarium, an aquarium and its hundreds of hotels.

Boston Public Library - America's first public library serving the city of Boston with 27 neighborhood branch libraries, a collection of over 33 million items and a vibrant, online, around the clock service.

Franklin Park Zoo - 2-acre site nestled within Boston's historic Franklin Park. Here, guests can experience the most innovative and intimate indoor gorilla exhibit in the world.

Museum of Fine Arts - The Museum of Fine Arts, Boston is one of the world's great art museums with masterpieces from around the world and across the ages, including more Monets than any museum outside of Paris, an unrivaled Japanese art collection, treasures from Egypt and the ancient world, and American art from colonial to modern times.

New England Aquarium - Engaging exhibits featuring animals from across the globe. Four-story, 200,000 gallon Giant Ocean Tank, home to everything from sea turtles to sharks to tropical fish, and IMAX (R) film on New England's largest screen.

Suffolk Downs - New England's premier thoroughbred racetrack. Founded in 1935, the track conducts live thoroughbred racing from May through November.

USS Constitution Museum - The USS Constitution Museum brings to life the stories of the individuals who authorized, built, served on and preserved USS Constitution.

Trinity Church - H.H. Richardson's 1877 architectural masterpiece on Copley Square

American Repertory Theatre - Located in Harvard Square, the American Repertory Theatre (A.R.T.) is one of the country's most celebrated resident theaters and the winner of numerous awards, including the Tony Award and the Pulitzer Prize.

Boston Conservatory - The Boston Conservatory trains exceptional young performing artists for careers that enrich and transform the human experience.

The Freedom Trail - A walk along the two-and-a-half-mile Freedom Trail is one of the best ways to get acquainted with Boston and to efficiently visit the city's bounty of historic landmarks.

Boston Public Gardens - Boston Public Garden, located along Charles Street adjacent to Boston Common, is the nation's oldest botanical garden. The famous Swan Boats have returned to Boston Public Garden each spring since they were first invented in 1877 by Robert Paget.

Quincy Market - Most people know it as Quincy Market, although its official name is the Faneuil Hall Marketplace. Whatever you call it, this indoor-outdoor market is a great place for both shopping and dining.

Fenway Park - Historic home of Major League Baseball's Boston Red Sox.

Museum of Science - 400 interactive exhibits the Virtual Fish Tank, an IMAX theater and a planetarium.

Sam Adams Brewery - Samuel Adams is known as much for being a brewer as a Patriot. The brewery is also home to the Boston Beer Museum.

Boston Harbor Islands - The Boston Harbor Islands National Recreation Area consists of 34 narrow isles scattered in New England's most historic harbor.

Granary Burying Ground - In 1660, this land was reserved as a burial ground. It holds the graves of some of America's most famous patriots, including Paul Revere, Samuel Adams, John Hancock, and James Otis. The cemetery lies adjacent to the site of Boston's first granary.

Beacon Hill - The very first Bostonians resided here, initiating the reputation of Beacon Hill as the most desirable residential location in the area.

Boston Common - The town purchased this site in 1634 for use as a training ground for soldiers and a grazing pasture for cows. In doing so, it also created the first public park in America. On the flat west side, which faces the Public Garden, the Common is used as a venue for major outdoor events such as a papal mass and the Boston Symphony Orchestra's 100th birthday celebration.

Theater District - The City's Theater District is located south of the Financial District and includes the Wang Center for the Performing Arts, the Colonial Theater, the Shubert Theater, the Wilbur Theater, the Opera House, the Lyric Stage, the Charles Playhouse, and the Stuart Street Playhouse.

Athletic Teams - Boston has a professional franchise in every major sports league. The Red Sox, Bruins, and the Celtics all play in Downtown venues.

Each of these tourist attractions and events serve as a vehicle for attracting residents to the area.

Conclusion

After reviewing various economic and demographic data pertaining to the local area and the Commonwealth of Massachusetts, it is evident that Boston is a major economic and cultural location. The location of the subject property is enhanced due to its location in downtown Boston and its proximity to commercial and leisure demand generators.

While the near-term outlook is challenging, this downturn must be considered in the context of the economic picture over the longer term. Economic activity is cyclical in nature, and past downturns in the national economy have been followed by periods of growth and recovery. Thus, over the longer term, the outlook is for a return to stable growth, with the potential for a period of strong growth as the economy rebounds from the current conditions.

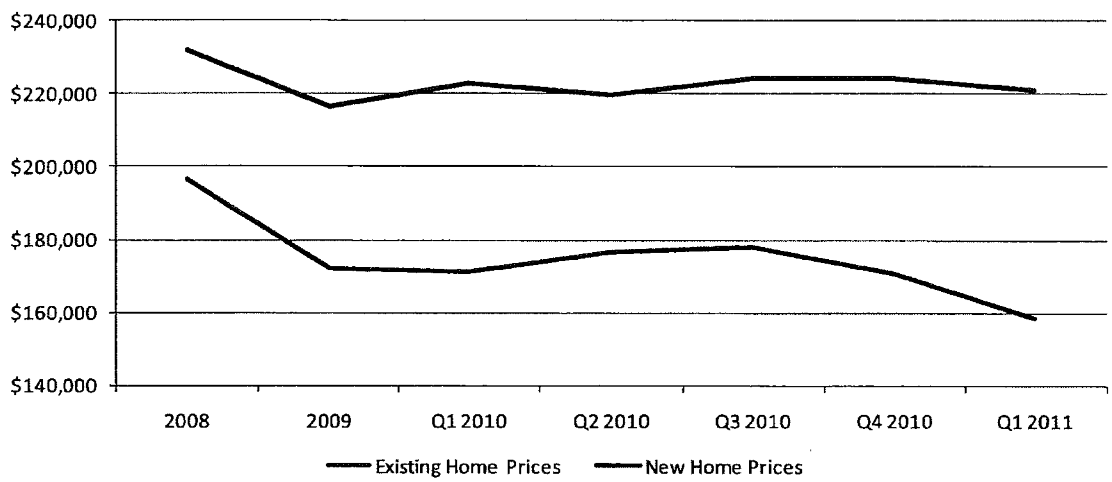
U.S. Residential Market Analysis

Although housing indicators are beginning to show modest improvement, recovery within the sector is expected to be slow. As foreclosures and short sales continue to account for a higher share of sales, prices are expected to remain under pressure in the upcoming months. Builder sentiment reported by the National Association of Homebuilders/Wells Fargo Price Index posted a slight decline in April. A more in depth analysis of the national housing market is outlined below.

U.S. Median Home Pricing

New home median prices have continued to decline through the first quarter of 2011 to $221,300. This is 2.1% higher than the price recorded at the close of 2009, but 1.4% off the price registered at the close of 2010. Likewise, existing home sale prices have also declined and currently register approximately $158,633. This represents a 7.4% decline from the first quarter of 2010. As of April 2011 the median sales price was $217,900.1`

U.S. New and Existing Median Home Price



Source: National Association of Realtors and U.S. Census Bureau

New Home Median Pricing

According to U.S. Census Bureau data, the U.S. new home median price decreased approximately 0.8% to from the first quarter 2010 to the first quarter 2011. The South region was the only area to record an increase in median price, increasing approximately 6.0% to $199,200 during the past 12 month period. Median sale prices lost the most value in the West region, decreasing approximately 6.2% to $247,300 since the first quarter of 2010. Median sale prices declined approximately 5.6% and 3.3% within the Midwest and Northeast regions, respectively, during the past 12 months. With a new home median sale price of approximately $326,200 the Northeast region continues to command the highest values.