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State of New Hampshire
OFFICE OF LEGISLATIVE BUDGET ASSISTANT
State House, Room 102
Concord, New Hampshire 03301

STEPHEN C. SMITH, CPA
Director, Audit Division
(603) 271-2785

February 9, 2016

To Members of the Long Range Capital
Planning and Utilization Committee

The Long Range Capital Planning and Utilization Committee, as established by RSA 17-M, of which you are a member, will hold a regular business meeting on **Tuesday, February 16, 2016, at 1:30 p.m.** in Room 201 of the Legislative Office Building.

Please find attached information to be discussed at this meeting

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Kane".

Michael W. Kane
Legislative Budget Assistant

MWK/pe
Attachments

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE
AGENDA

Tuesday, February 16, 2016 at 1:30 p.m. in Room 201 of the Legislative Office Building

- (1) **Acceptance of Minutes** of the December 9, 2015 meeting
- (2) **Old Business:**
- (3) **New Business:**

RSA 4:39-c Disposal of Highway or Turnpike Funded Real Estate:

LRCP 16-002 Department of Transportation – request authorization to sell a parcel of State owned land consisting of 1.12 +/- acres, located on the southerly side of NH Route 286 (aka Black Water Road) in the Town of Seabrook by a sealed bid process with a minimum bid of \$7,100 which includes a \$1,100 Administrative Fee, subject to the conditions as specified in the request dated January 11, 2016

LRCP 16-003 Department of Transportation – request authorization to lease a 2,760 square foot parcel of State owned land located at the corner of Indian Brook Drive and Central Avenue in the City of Dover to Prime Circle, LLC for five (5) years at \$2,100 per year plus a one-time Administrative Fee of \$1,100, with an option for an additional five (5) years at a renegotiated value, subject to the conditions as specified in the request dated January 26, 2016

LRCP 16-004 Department of Transportation – request authorization to amend the request (LRCP 15-033, approved November 17, 2015) to transfer a 0.30 +/- of an acre permanent waterline easement over a parcel of State owned property located on the westerly side of NH Route 16 in Errol to Dixville Capital, LLC, and in exchange Dixville Capital, LLC will decrease the original area to be transferred to the Department from a 4.28 +/- acre parcel along with a 50 foot wide Right-of-Way access over additional property owned by them, to a 3.53 +/- acre parcel along with a Right-of-Way Access over additional property owned by them totaling one (1) +/- acre, located on the northerly side of NH Route 26 in the Unincorporated Place of Dixville and the Town of Colebrook, at no cost, and waive the \$1,100 Administrative Fee, subject to the conditions as specified in the request dated January 27, 2016

RSA 4:40 Disposal of Real Estate:

LRCP 16-001 Department of Administrative Services – request authorization to enter into a three (3) year Use of Premises Agreement with the County of Rockingham, with a mailing address of 119 North Road, Brentwood, N.H. 03833 for state owned property consisting of approximately 18,053 square feet of office space located in the Rockingham County Courthouse, #10 Route 25, Brentwood, N.H., for the period of May 1, 2016 to April 30, 2019, for an amount not to exceed \$549,204, subject to the schedule of annual rent as specified in the request dated January 19, 2016

LRCP 16-005 New Hampshire Employment Security – request authorization to amend prior Committee approval, granted November 14, 2012, and allow NHES to enter into a listing agreement with NAI Norwood Group, 116 South River Road, Bedford, N.H., for a term of up to fifteen (15) months, to sell: • 436 Maple Street, Manchester, NH, an unimproved parcel of 0.16 +/- acres currently utilized as a parking lot, for a price at or above \$95,000, assess an Administrative Fee of \$1,100, and allow negotiations within the Committee's current policy guidelines and that the right of first refusal be treated in the customary manner; and • 300 Hanover Street, Manchester, NH, containing four (4) parcels of land totaling 1.18 +/- acres improved with one building comprising approximately 20,360 square feet, and including a mix of offices, conference rooms, and utility spaces and parking, for a price at or above \$1,425,000, assess an Administrative Fee of \$1,100, and allow negotiations within the Committee's current policy guidelines and that the right of first refusal be treated in the customary manner, as specified in the request dated January 29, 2016 (This request (LRCP 12-042) was originally approved by the Committee September 18, 2012, and subsequently amended (LRCP 12-059) on November 14, 2012)

(4) **Miscellaneous:**

(5) **Informational:**

LRCP 16-006 New Hampshire Council on Resources and Development – Two (2) Memorandums regarding Surplus Land Review for; Warner SLR 15-007 and Concord SLR 16-001

(6) **Date of Next Meeting and Adjournment**

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE
MINUTES

December 9, 2015

The Long Range Capital Planning and Utilization Committee met on Wednesday, December 9, 2015 at 9:30 a.m. in Room 201 of the Legislative Office Building.

Members in attendance were as follows:

Representative Gene Chandler, Chairman
Representative John Cloutier, Clerk
Representative Mark McConkey
Representative David Danielson
Representative Edmond Gionet, Alternate
Representative Katherine Rogers, Alternate
Senator David Boutin, Vice Chairman
Senator Dan Feltes
Meredith Telus, Governor's Office

Representative Chandler called the meeting to order at 9:29 a.m.

ACCEPTANCE OF MINUTES:

On a motion by Senator Boutin, seconded by Representative Danielson, that the minutes of the November 17, 2015 meeting be accepted as written. MOTION ADOPTED.

OLD BUSINESS:

RSA 4:39-b APPROVAL OF STATE AGENCY LEASES EXCEEDING 5 YEARS:

The Department of Education submitted, LRCP 15-036 Additional Information, requesting Committee consideration in scheduling a meeting for tabled request LRCP 15-036 seeking approval of a ten-year lease agreement, effective December 16, 2015, with Brady Sullivan Keene Properties, LLC, 670 Commercial Street, Manchester, NH 03101, for 3,536 square feet of space to be provided in an existing building located at 149 Emerald Street, Keene, NH, with occupancy and rental payments commencing on March 1, 2016, providing time for fit-up, with an end date of February 28, 2026, for a total lease cost of \$671,840.00, for the schedule of annual rent as specified in the request dated November 3, 2015, tabled November 17, 2015.

LRCP 15-036 Department of Education – On a motion by Senator Boutin, seconded by Representative Cloutier, that the item be removed from the table. MOTION ADOPTED.

Sharon DeAngelis, Business Administrator, Department of Education, presented the request and responded to questions of the Committee.

On a motion by Representative Danielson, seconded by Senator Boutin, that the Committee approve the request of the Department of Education, Bureau of Vocational

Rehabilitation, Division of Career Technology and Adult Learning, of a ten-year lease agreement, effective December 16, 2015, with Brady Sullivan Keene Properties, LLC, 670 Commercial Street, Manchester, N.H. 03101, for 3,536 square feet of space to be provided in an existing building located at 149 Emerald Street, Keene, N.H., with occupancy and rental payments commencing on March 1, 2016, providing time for fit-up, with an end date of February 28, 2026, for a total lease cost of \$671,840.00, for the schedule of annual rent as specified in the request dated November 3, 2015. MOTION ADOPTED.

RSA 4:40 DISPOSAL OF REAL ESTATE:

LRCP 15-035 Department of Resources and Economic Development – On a motion by Senator Boutin, seconded by Representative Cloutier, that the item be removed from the table. MOTION ADOPTED.

William Carpenter, Administrator, Land Management Bureau, Division of Forest and Lands, Department of Resources and Economic Development, presented the request and responded to questions of the Committee. Deb Buxton, New England Forest Products, was also present.

On a motion by Senator Boutin, seconded by Representative Danielson, that the Committee approve the request of the Department of Resources and Economic Development, Division of Forests and Lands, to surplus an undeveloped 1.5 acre parcel of “Greenfield State Park” in the Town of Greenfield to Vestige Properties Inc. dba New England Forest Products (NEFP), in exchange for an undeveloped 1.5 acre parcel from Barbara C. Harris Camp (BCHC), also in the Town of Greenfield, at no cost, and authorization to accept the \$1,100 Administrative Fee for deposit into the Forest Improvement Fund, subject to the conditions as specified in the request dated October 19, 2015. MOTION ADOPTED.

NEW BUSINESS:

RSA 4:39-b APPROVAL OF STATE AGENCY LEASES EXCEEDING 5 YEARS:

LRCP 15-040 Department of Health and Human Services – David Clapp, Director of Facilities, Department of Health and Human Services, presented the request and responded to questions of the Committee. Nicholas Toumpas, Commissioner, Department of Health and Human Services was also present.

On a motion by Senator Boutin, seconded by Representative McConkey, that the Committee approve the request of the Department of Health and Human Services, Office of Business Operations, Bureau of Facilities and Assets Management, for approval of a ten-year lease agreement, effective January 15, 2016, with Airtight IV, LLC, 670 Commercial Street, Manchester, N.H. 03101, for approximately 29,802 square feet of space to be provided in an existing facility located at 1050 Perimeter Road, Manchester, N.H., with occupancy and rental

payments commencing on April 1, 2016, following completion of all construction as specified, with an end date of March 31, 2026, for a total lease cost of \$5,960,400.00, for the schedule of annual rent and subject to the conditions as specified in the request dated November 23, 2015. MOTION ADOPTED.

LRCP 15-041 Department of Health and Human Services – David Clapp, Director of Facilities, Department of Health and Human Services, presented the request and responded to questions of the Committee. Nicholas Toumpas, Commissioner, Department of Health and Human Services was also present.

On a motion by Senator Boutin, seconded by Senator Feltes, that the Committee approve the request of the Department of Health and Human Services, Office of Business Operations, Bureau of Facilities and Assets Management, a ten-year renewal lease agreement, effective January 1, 2016, with Forty Terrill Park Drive, LLC c/o CPManagement, Inc., Eleven Court Street, Exeter, N.H. 03833, for approximately 25,588 square feet of space to be provided in an existing building located at 40 Terrill Park Drive, Concord, N.H., with occupancy and rental payments commencing on January 1, 2016, with an end date of December 31, 2025, for a total lease cost of \$5,851,207.96, for the schedule of annual rent and subject to the conditions as specified in the request dated November 23, 2015. MOTION ADOPTED.

DATE OF NEXT MEETING AND ADJOURNMENT:

The next regular meeting of the Long Range Capital Planning and Utilization Committee is at the Call of The Chair. (Whereupon the meeting adjourned at 9:42 a.m.)

Representative John R. Cloutier, Clerk

STATE OF NEW HAMPSHIRE
INTER-DEPARTMENT COMMUNICATION

LRCP 16-002

FROM: Charles R. Schmidt, PE
Administrator



DATE: January 11, 2016

AT: Dept. of Transportation
Bureau of Right-of-Way

SUBJECT: Sale of State Owned Land in Seabrook
RSA 4:39-c

TO: Representative Gene Chandler, Chairman
Long Range Capital Planning and Utilization Committee

REQUESTED ACTION

The Department of Transportation, pursuant to RSA 4:39-c, requests authorization to sell a parcel of State owned land consisting of 1.12 +/- acres, located on the southerly side of NH Route 286 (aka Black Water Road) in the Town of Seabrook by a sealed bid process with a minimum bid of \$7,100.00 which includes a \$1,100.00 Administrative Fee, subject to the conditions as specified in this request.

EXPLANATION

The Department has received a request from the abutter concerning the opportunity to purchase a parcel of State owned vacant land located on the southerly side of NH Route 286 in the Town of Seabrook.

The parcel, consisting of approximately 1.12 acres, is two (2) contiguous parcels that are the remainders of six (6) parcels acquired by the Department in 1955 in conjunction with the construction of NH Route 286 through this area.

No access will be provided to NH Route 286 from this parcel.

This request has been reviewed by this Department and it has been determined that the requested area is surplus to our operational needs and interest.

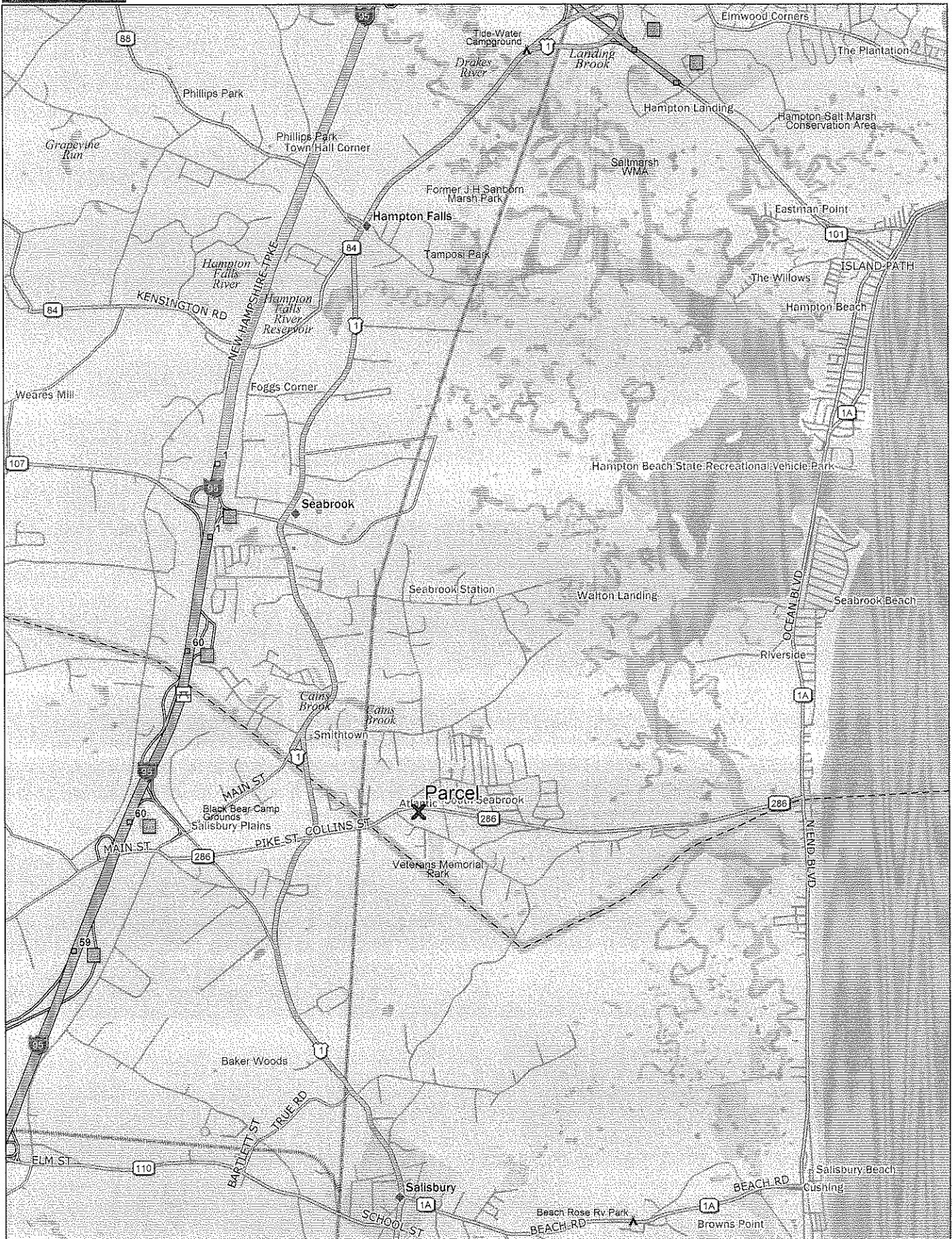
An appraiser from the Department completed an opinion of value for the subject property to determine its contributory value to an abutting property owner. The appraiser used three sales in the surrounding area as comparables. Based upon the analysis and adjustments of those sales, it was felt that a reasonable contributory value for the subject as of October 29, 2015 is \$6,000.00.

Whereas this parcel is a non-conforming lot and the highest and best use of the subject is to an abutter, the Department proposes to offer the sale of this parcel to the abutters by a sealed bid process with a minimum bid price of \$7,100.00, which will include an Administrative Fee of \$1,100.00.

Prior to the property being advertised for sale by a sealed bid process, the Department proposes to offer this parcel to the NH Housing Finance Authority and the Town of Seabrook as part of the sale process.

Authorization is requested to sell the subject parcel as outlined above.

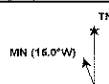
CRS/PJM/jl
Attachments



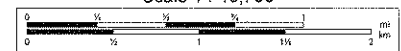
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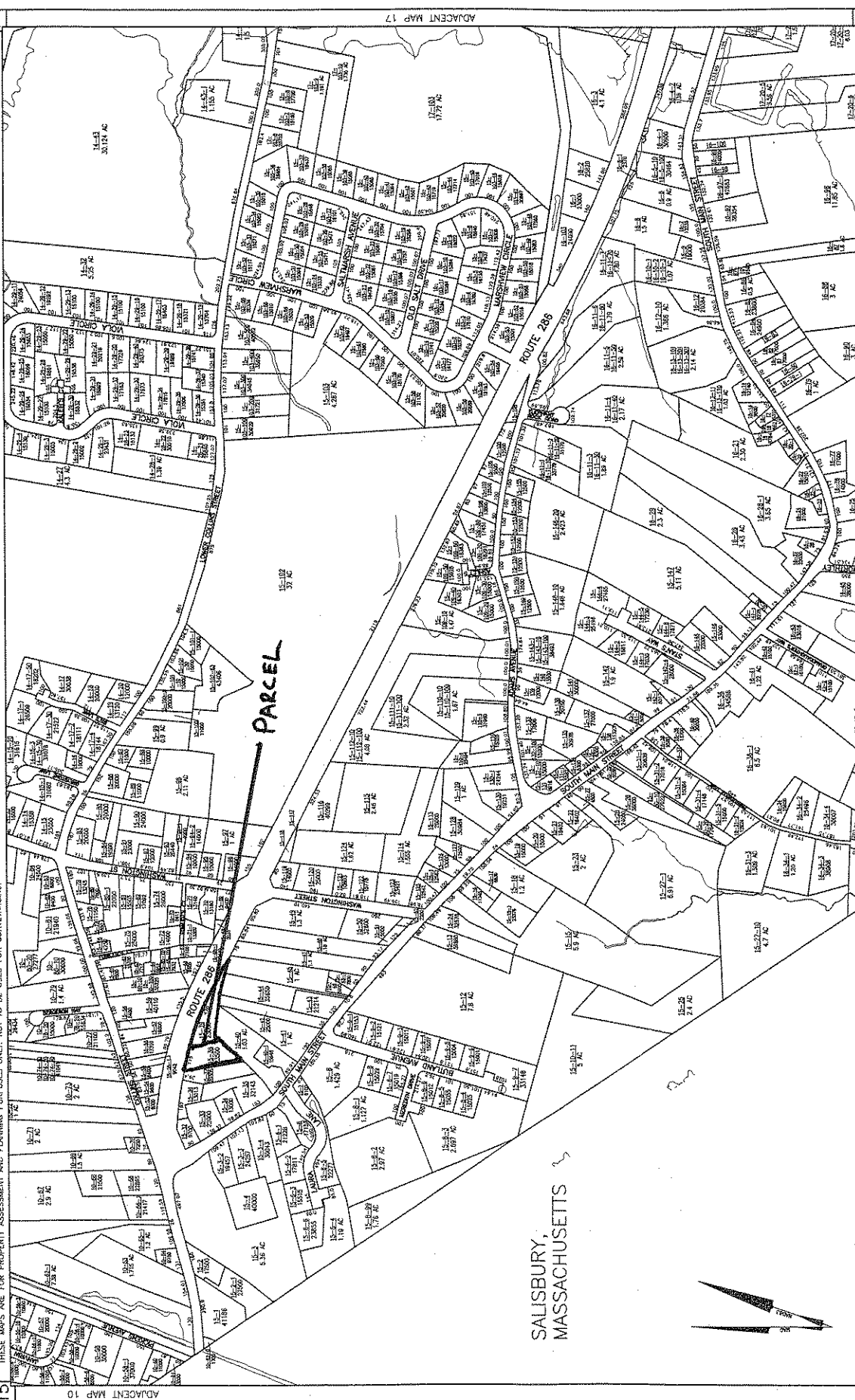
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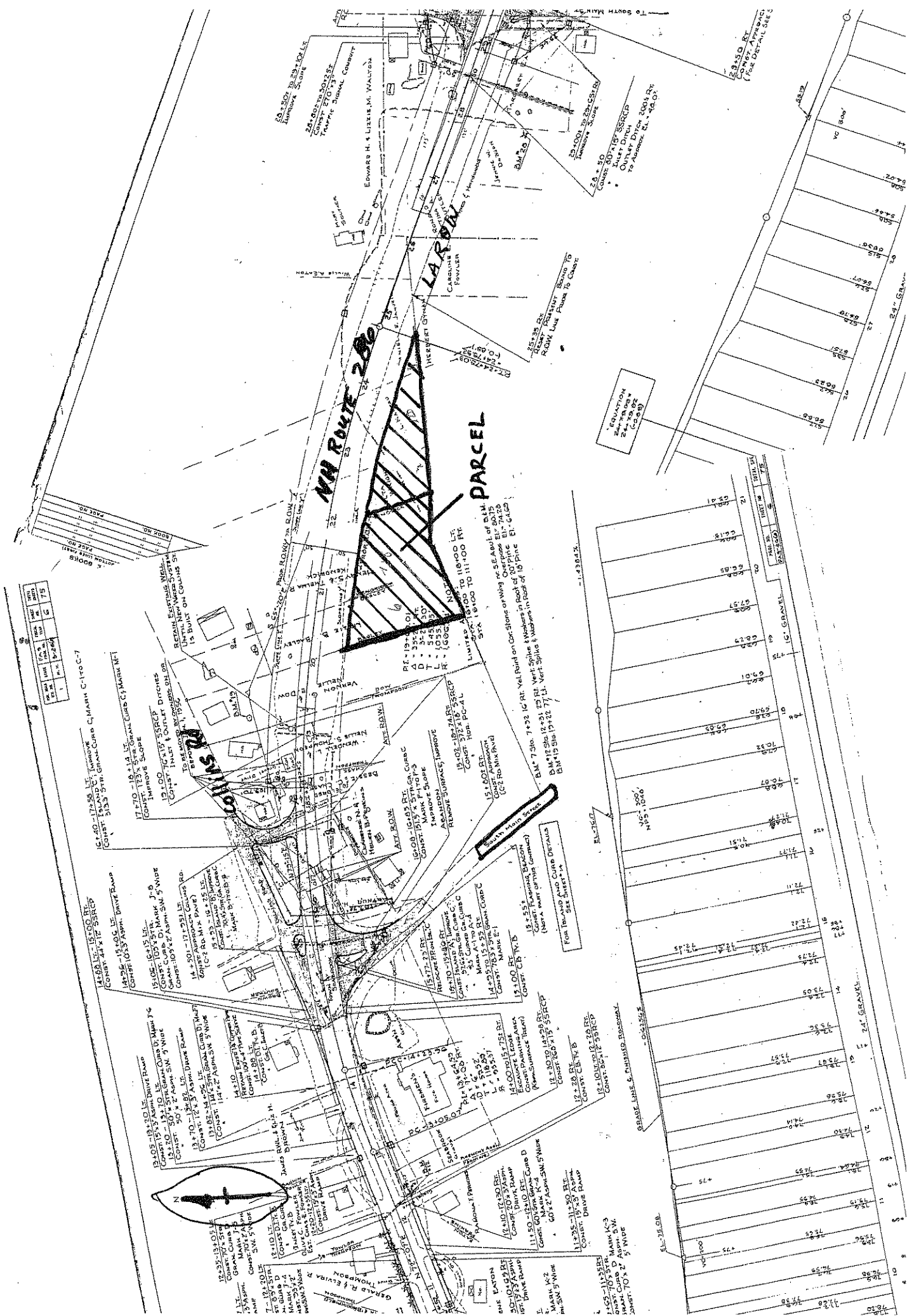
www.delorme.com

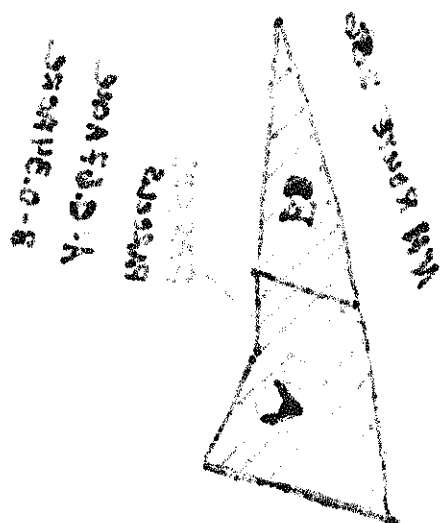


Scale 1 : 43,750









2011/10/2



**-Appraisal Report-
of
Surplus 1.12 Acres Vacant Parcel of Land**

Located on:

Tax Map 15 Lots 38 and 39

Southerly side of NH Route 286
Seabrook, New Hampshire

Property Owner:

State of New Hampshire

As of:

October 29, 2015

Prepared For:

Mr. Phillip J. Miles
Chief of Property Management
Bureau of Right-of-Way
State of New Hampshire
Department of Transportation
7 Hazen Drive, Concord, NH 03302-0483

Prepared By:

Carol Pittman, Staff Appraiser
Department of Transportation
7 Hazen Drive, Concord, NH 03302-0483

From: Carol A. Pittman

November 30, 2015

ROW Appraiser II

TO: Phillip J. Miles, Chief of Property Management

THROUGH: Stephen Bernard, Chief Appraiser

THROUGH: Charles R. Schmidt, Bureau Administrator

SUBJECT: Surplus Property – Value Estimate of
a 1.12 +/- acre parcel located on tax map 15 lots 38 and 39, southerly side of Route 286
with no access.
Seabrook, NH

OWNER: State of New Hampshire

Appraisal Problem: This memo constitutes an appraisal report on the above referenced subject property. The intended recipients and those requesting this report are officials, employees and agents of the Department of Transportation, Bureau of Right of Way.

The purpose of this appraisal is to estimate the value of the fee simple interest in the surplus property owned by the State of New Hampshire, located on the Southerly side of Route 286 in Seabrook, NH.

The appraised property consists of 2 abutting state owned parcels of land which are to be combined together into 1 lot for a total of 1.12+/- acres. The property is bounded along its entire northerly border by the Route 286 Limited Access Right of Way for a distance of approximately 585' feet, and is bounded by 5 individually owned parcels of land along its westerly, southerly and southeasterly border. The subject property has no access due to the fact that its only road frontage is Route 286, a Limited Access highway, and there is no other road access or right-of-way to the subject property. The parcel is being valued for a potential sale to the abutter located along the subject property's westerly border.

The effective date of value is October 29, 2015, the date of my on-site inspection.

The attached report summarizes the basis of the value conclusions and provides definitions to specific terms. It also defines the Limiting Conditions, Hypothetical Conditions or Extraordinary Assumptions on which this valuation is based. Based on the data collected and analyzed, in my opinion the contributory value of the fee simple interest of the property as of October 29, 2015 is:

Value of Surplus Parcel: \$6,000

5

The subject parcel is located Southerly of the Route 286 LAROW



Tax Map of Subject Property



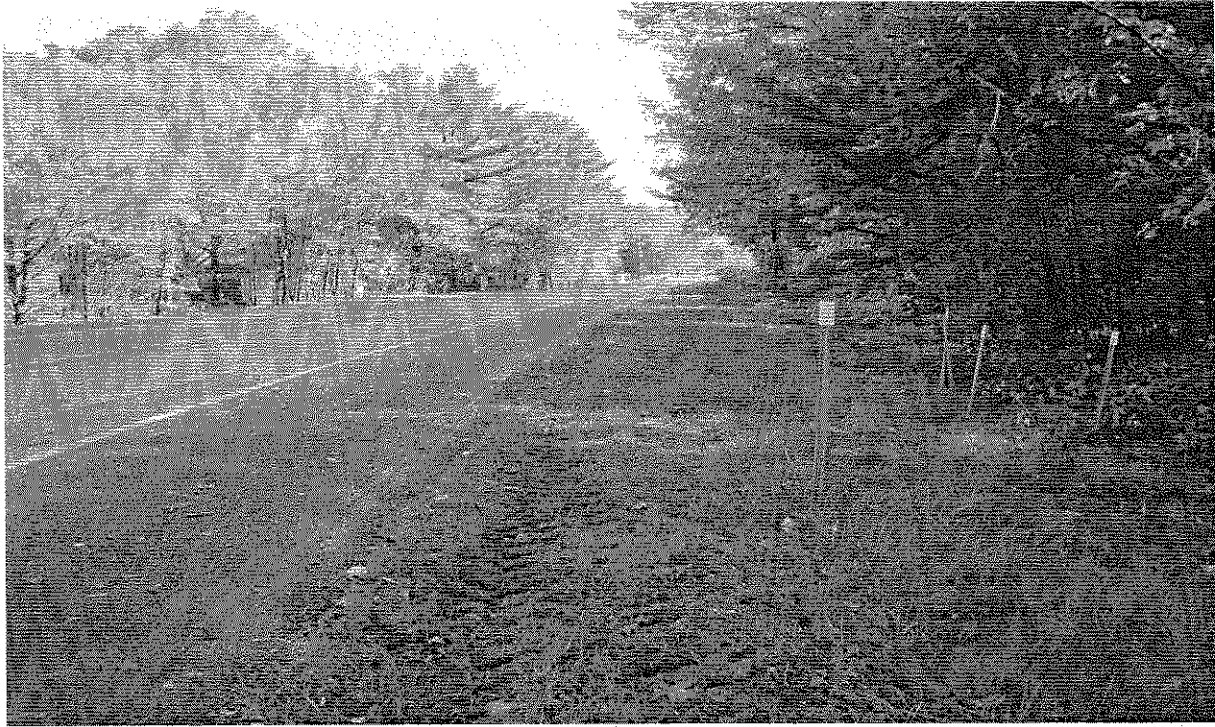
Photographs of the Subject Property
Taken October 29, 2015 by Carol Pittman



Photo taken of the subject property from the NH Route 286 LAROW.



View of NH Route 286 Westbound LAROW from the subject



View of NH Route 286 Eastbound LAROW from the subject



Interior view of the subject property.



View from subject property toward NH Route 286 LAROW



Photo taken from South Main Street at the subject parcels westerly abutter,
Tax map 15, Lot 37.

General Assumptions:

For this report I have also assumed that:

All maps, plans, and photographs I used are reliable and correct;

The legal interpretations and decisions of others are correct and valid;

The parcel area given to me has been properly calculated;

Broker and assessor information is reliable and correct;

The abstracts of title and other legal information available are accurate;

There are no encumbrances or mortgages other than those reported in the abstracts;

Information from all sources is reliable and correct unless otherwise stated;

There are no hidden or unapparent conditions on the property, in the subsoil (including hazardous waste or ground water contamination), or within any of the structures, which would render the property more or less valuable; and

All personal property is excluded.

Extraordinary Assumptions:

This analysis is based on the assumption that the following restriction applies to the subject parcel: The parcel has no access from either Route 286 or South Main Street. If the extraordinary assumption is found to be false, the value of opinion may be affected.

I have appraised the subject as if clean and free of contamination. If any contamination is found on the subject, this report becomes null and void.

Limiting Conditions :

This report is bound by the following limiting conditions:

Sketches and photographs in this report are included to assist the reader in visualizing the property. I have not performed a survey of the property or any of the sales, and do not assume responsibility in these matters;

I assume no responsibility for any hidden or unapparent conditions on the property, in the subsoil (including hazardous waste or ground water contamination), or within any of the structures, or the engineering that may be required to discover or correct them;

Possession of this report or possession of a copy of this report does not carry with it the right of publication. It may not be used for any purpose other than by the party to whom it is addressed without the written consent of the State of New Hampshire and in any event only with the proper written qualification and only in its entirety. Neither all nor any part of the contents (or copy) shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the State of New Hampshire.

Acceptance and / or use of this report constitutes acceptance of the foregoing underlying limiting conditions and underlying assumptions.

Purpose of Appraisal:

The purpose of the appraisal is to estimate the market value of a state owned parcel of surplus land "as is", as of October 29, 2015, the date of my on-site inspection.

Market Value:

- defined by the Uniform Appraisal Standards for Federal Land Acquisitions, (UASFLA) 2000, A-9, as:

"Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal."

Property Rights Appraised:

The unencumbered fee simple interest in the property has been appraised. Fee Simple is defined in the Dictionary of Real Estate Appraisal, 5th edition, (The Appraisal Institute, 2010), as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by governmental powers of taxation, eminent domain, police power, and escheat."

Date of Inspection: October 29, 2015

Effective Date of Value: October 29, 2015

Date of Report: November 30, 2015

Property Identification:

According to the Town of Seabrook's Tax Assessor, the combined total area of the 2 parcels which make up the subject parcel is 1.12+/- acres, however the tax map identifies the combined lots as having 1.07+/- acres. For the purposes of this appraisal, I will appraise one contiguous parcel measuring a total of 1.12+/- acres.

The surplus property is identified as a 1.12+/- acre parcel of land located on the southwesterly side NH Route 286, approximately 350 feet east of the intersection between Route 286, Collins Road and South Main Street. It is further identified by the Seabrook Tax Assessor as Tax Map 15, lots 38 and 39. It is owned by the State of New Hampshire.

Client:

The State of New Hampshire Department of Transportation (NHDOT).

Purpose:

To estimate the market value of a surplus parcel owned by the State of NH as of the effective date. The effective date of value is the date of my on-site inspection, October 29, 2015.

Intended Use and User:

The intended use of this report is to assist the client, the New Hampshire Department of Transportation (NHDOT) in providing a reasonable fee simple market value estimate for the subject parcel as of the date of value for a potential sale to the abutting property owner.

Scope of Work:

The scope of work identifies the type and extent of research and analysis in an assignment. My investigations and research included an on-site inspection and photographing of the subject property on October 29, 2015. I examined town and county property records including assessment data, files and zoning regulations. I reviewed the plans for the Seabrook road construction project, S-2903 (1955) on file in the records department of the NHDOT. I formed an opinion of the sites' highest and best use based on the legal factors, physical features and neighborhood land use characteristics. I compiled comparable land sales data, verified and analyzed the data, estimated the value of the subject site, and prepared this Appraisal Report to convey my findings, including the market data and the analysis used. I prepared this Appraisal Report in compliance with USPAP's Standard Rule 2-2(a) governing Appraisal Reports.

Property data was collected and compiled from several sources, including the Town of Seabrook, surrounding towns, the Rockingham County Registry of Deeds, the Northern New England Real Estate Network site (NNEREN), Real Data Corporation and the NH Department of Transportation.

Listing, Transfer, and Ownership History:

Sales / Transfer History

Book / Page	Grantor	Grantee	Price	Date	Notes
1372/383	Lizzie B. Bagley	State of NH	\$1000.00	October 15, 1955	Commissioners' Return of Layout
1372/393	Henry S. Kendrick Thelma P. Kendrick	State of NH	\$1000.00	October 15, 1955	Commissioners' Return of Layout
1372/396	Mary L. Nedean	State of NH	\$170.00	October 15, 1955	Commissioners' Return of Layout
1372/404	Alta Wright	State of NH	\$120.00	October 15, 1955	Commissioners' Return of Layout
1380/038	Daniel E. Janvrin	State of NH	\$250.00	December 16, 1955	Commissioners' Return of Layout

The State of New Hampshire currently owns the subject parcel. The state acquired the property for the Layout of the Commissioners' Return of Seabrook, S-26(2) S-2902, recorded at the RCRD on October 14, 1955, Book 1372, Page 341. The parcel is an assemblage of 6 separate parcels, 5 different owners. The property consists of 1.12+/- acres.

The subject property is not currently listed for sale, has not been listed for sale in the past 12 months and is not under contract or option. The abutting property owner has expressed interest in the property. The abutting property owner has driveway access via a ROW from South Main Street.

Present Use:

The subject property is unimproved. The plan provided to the appraiser indicates that the property is a landlocked piece of land located along the easterly LAROW for NH Route 286. The northerly portion of the subject land is located in Seabrook's Commercial Zone (2) where it abuts Route 286, and the southerly portion of the subject land is located in Seabrook's Residential Zone (2R). The land area is slightly below the grade of Route 286.

Real Estate Tax Data:

Property Assessment

Town Property ID	Land	Building	Total
Tax Map 15, Lot 38	\$34,500	\$0	\$34,500
Tax Map 15, Lot 39	\$29,200	\$0	\$29,200

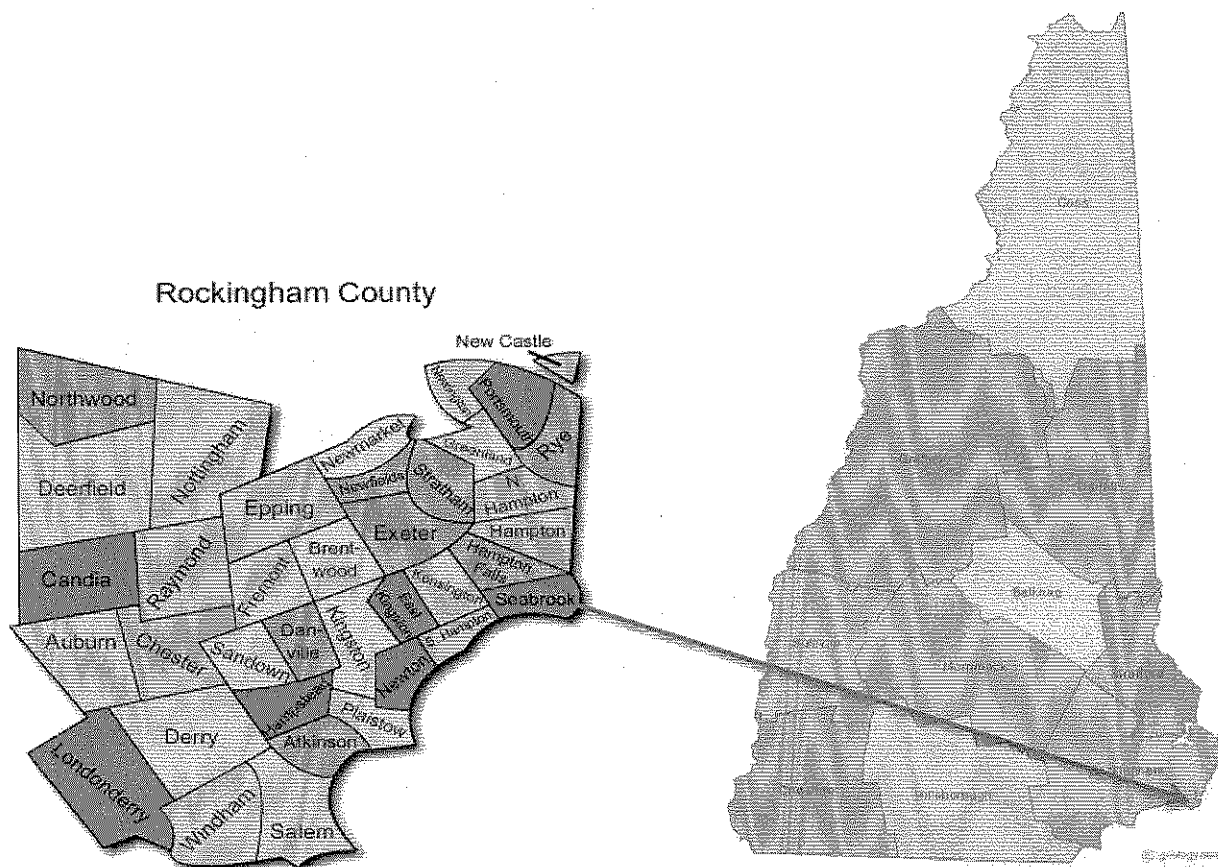
Assessed Value	Tax rate/\$1,000	Real Estate Taxes
\$63,700	\$15.72	Exempt

Comments

The State of New Hampshire is the owner of the subject property, so for that reason is exempt from paying property taxes.

Town Description

The town of Seabrook is located in the southern portion of New Hampshire, along the states eastern coastline. Directly south of Seabrook is the town of Salisbury, Massachusetts, directly north are the towns of Hampton Falls and Hampton Beach and to the west, Kensington and South Hampton. According to the Economic & Labor Market Information Bureau, Seabrook has a total area of 9.0 square miles, of which 0.6 square miles is land and 0.2 square miles of inland water. Seabrook contains 2 miles of the 13 miles of NH shoreline.



According to the United States Census Bureau, the 2013 population of Seabrook was 8,711, giving it a population density of 967.9 people per square mile of land area.

Seabrook's Labor Market is part of the Haverhill-Newburyport-Amesbury Town, MA-NH NECTA Division. Seabrook's largest employer is Next Era (Seabrook Power station), a private company providing electric utility services. Next Era employs approximately 1,000 people.

The town of Seabrook is easily accessed by several major routes. The primary thoroughfare, Interstate 95, extends from Boston, passing through Seabrook, Hampton, Portsmouth and on into Maine. US Route 1 travels north to south through the seacoast area in a somewhat more local fashion, allowing access to shopping, restaurants and seacoast activities. US Route 1A travels through Seabrook in a north to south direction along the Atlantic shoreline. NH Route 107 is located a short distance from the subject property allowing commuters the ability to travel west through the neighboring towns of South Hampton, Kensington and East Kingston where it then connects to NH Route 125 and Route 101.

Town of Seabrook



Neighborhood Description:

The subject property consists of 2 contiguous surplus parcels, parcel "A" (Tax Map 15, Lot 38) and parcel "B" (Tax Map 15, Lot 39), both owned by the State of NH. Combined, the subject land is comprised of approximately 1.12 +/- acres.

The northerly portion of the subject land is located in Seabrook's Commercial Zone (2) where it abuts Route 286, and the southerly portion of the subject land is located in Seabrook's Residential Zone (2R). The plan provided to the appraiser indicates that Route 286 is a Limited Access Highway in this area. The only access to these parcels would be through an abutting property via South Main Street.

The immediate neighborhood is a mix of residential and commercial properties. Tattoo America tattoo studio has frontage on both Route 286 and South Main Street and is located approximately 600 hundred feet to the west of the subject. Located across from Tattoo America in a residential area on Route 286 is N.E. Paving. On the corner opposite Tattoo America is an office/light industrial building housing Coastal Hydraulics with 2 garage bays, Old Fire Barn diner serving breakfast and lunch, and a Bingo hall. Located off of South Main Street is a Town of Seabrook water tower, and approximately ½ mile south of Route 286 on South Main Street

is a town recreation/ball field. The center of Seabrook is located about 1.2 miles to the Northwest and Seabrook Beach is located approximately 2 miles to the east of the subject site.

Aerial Photo of Subject Neighborhood



The subject has five abutters located to the south and west. Due to the deed restrictions or zoning restrictions affecting each of the individual abutters, in addition to the subject lands' lack of road access, the abutting property owners and the State are the only likely parties for whom the parcels hold any value as they could be considered to support their adjacent holdings.

Market Conditions:

According to the US Census Bureau, Seabrook is considered a high density area ranking ninth among NH cities and towns. An analysis of sales data taken from the local multiple listing service (MLS) indicated that over the 5 years prior to the effective date of this report, Seabrook's commercial market activity was relatively non-existent when compared to the residential market activity, limited to only 10 sales. Data indicates that annual sales of residential properties have continually increased over the past 5 year period a total of 25%, with the exception of a slight 1.5% decrease over the most recent time period.

10/29/2010-10/29/2015	Vacant Land Sales	Residential Sales	Commercial Sales
10/29/2010-10/29/2011	3	55	2
10/29/2011-10/29/2012	4	60	1
10/29/2012-10/29/2013	4	61	2
10/29/2013-10/29/2014	9	74	1
10/29/2014-10/29/2015	1	73	4
Total	21	323	10

During the same 5 year period, land sales in Seabrook were less ambitious, with an average of 4.25 sales annually. MLS queries indicated that as of the effective date, there were 5 active listings for unimproved land.

Current Listings per MLS	Vacant Land	Residential	Commercial
0-100 Days on Market	1	17	6
101-200	2	14	5
201-300	1	4	2
301-400		0	4
401	1	4	2
Active with a contract	0	10	1
Total	5	49	20

The resulting analysis of the data indicates that Seabrook's real estate market is almost exclusively residential, with commercial activity being a small factor. The trend of few annual land sales and the slight oversupply of available unimproved residential land are indicators that Seabrook's residential land market remains slow. Land sales activity did follow the upturn of the single-family residential market between 2013 – 2014, however land sales activity showed a large decrease of almost 90% the following year.

As noted in the Market Conditions section, in the three years prior to the effective date of this report, the average price per acre of vacant residential land, in the Town of Seabrook, did not follow a definitive trend and was

somewhat volatile. The market values of residential land and low-utility unbuildable land have distinctly separate markets. The market for small unbuildable parcels is always quite limited, usually restricted to abutting property owners for a variety of uses, such as additional buffer or to keep another party from acquiring the parcel. These low utility parcels are less sensitive to the market fluctuations and volatility that affect residential land. The lack of recent market data for low-utility land in Seabrook prevents any type of meaningful analysis of this sub-market.

<u>Time period/number of residential land sales</u>	<u>Average price per acre</u>	<u>Recreational / low utility land sales</u>
2012-2013 (4)	\$38,433.33	(0)
2013-2014 (8)	\$12,437.65	(0)
2014-2015 (0)	\$ 0	(0)

Zoning and Other Land Use Regulations

The town of Seabrook is divided into eleven zoning districts. The districts are Rural 1, Commercial 2, Residential 2R, Industrial 3, Conservation 4, Harbor Commercial 5, Smithtown Village-Mixed Use 6M, Smithtown Village Residential 6R, Beach Residential B21, Beach Commercial B22, Beach Conservation B23.

The subject is located in District 2 and 2R. The Town of Seabrook has the following rule regarding a lot that is divided by 2 zoning districts:

3.200 Lots Divided by Zoning Boundaries: When a boundary between two zoning districts divides a lot, the Planning Board may, upon application of the lot owner, grant a Conditional Use Permit in order to permit a use that would be permitted in either zoning district. The Conditional Use Permit shall only be granted following a Planning Board finding that the proposed use will cause no substantial increase in motor vehicle traffic, or such increase will be mitigated to the Planning Board's satisfaction.

The following Permitted Uses are allowed in both District 2 (commercial) and District 2R (residential):

- Accessory Buildings not for human habitation/incidental for permitted principal use
- Agricultural
- Churches, Day Care, Schools
- Guest Houses, Home occupations
- Offices incidental to the residence and conform in design to structures in the area and only 1 per single family house
- Recreation: non-commercial, passive recreation, swimming pools
- Single Family, 2 family, mixed use with no more than 5 residences
- Retail and Service Businesses-floor area less than 1,000 sq ft
- Public Utility Buildings

Special Exception allowed in both districts 2 and 2R

- School Bus Shelters
- Residential Uses other than those already permitted

Permitted Uses in District 2 only:

- Gasoline Stations-subject to limitations
- Hotels and Motels
- Manufacturing-as a Subordinate Use, and clearly subordinate and incidental to the permitted principal use of the premises. (This is a conditional use for District 2R)
- Fish and shellfish: wholesale and retail
- Marinas and Related Services
- Nursing or Convalescent homes
- All other offices including banks
- Recreation-Commercial amusements and entertainment conducted within the confines of the building, Theaters and Halls
- Retail and Service Businesses with a floor area of 1,000+, Wholesale
- Sexually Oriented Businesses as regulated and restricted by this ordinance
- Travel Trailer Parks

Special Exceptions exclusive to District 2:

- Motor Vehicle Re-Manufacturing
- Outside Commercial Amusements and Entertainment

Conditional Use in both Districts 2 and 2R:

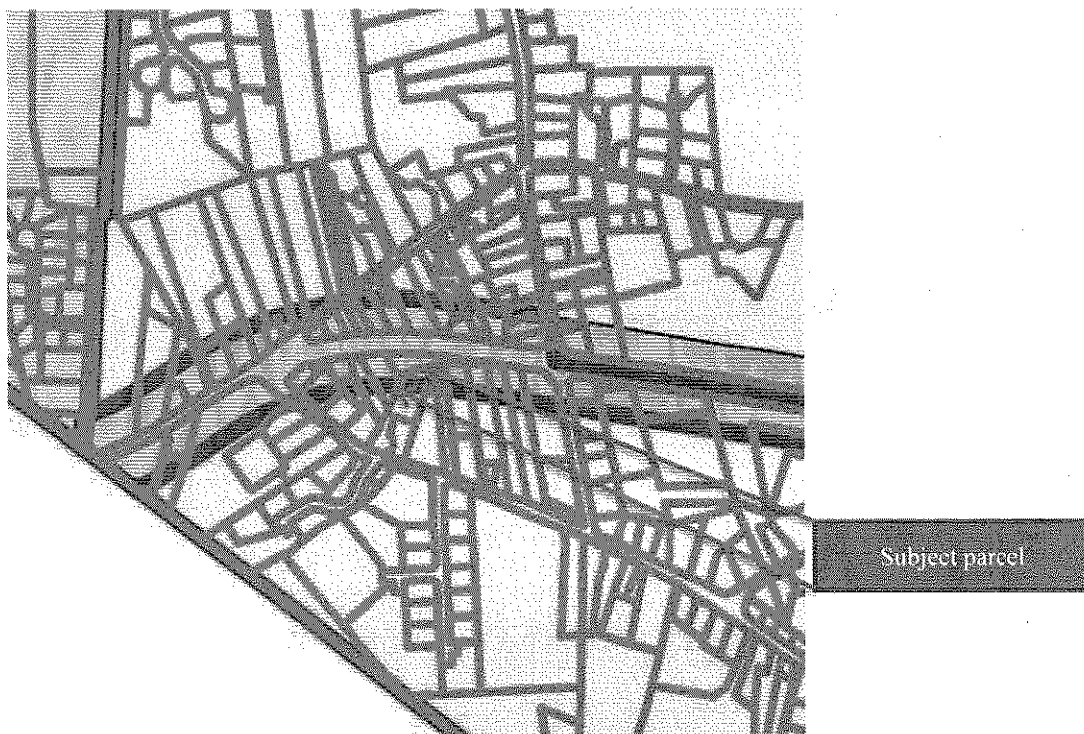
- Mixed Use

Dimensional Requirements: Zoning Districts 2 and 2R

	2	2R
Minimum Lot Area in thousands of sq ft		
With Municipal Sewer	30	15
No Municipal Sewer	30	30
For 2 dwelling Units	30	30
Maximum # of Primary Structures		
(residential) Buildings per lot	1	1
(residential) Units per lot	2	2
Mixed Use (maximum dwelling units per building)	-----	-----
Minimum Lot Dimensions		
Continuous Road Frontage	125'	100'
Depth and Width	125'	100'
Minimum Setbacks		
Front	30'	20'
Frontage abutting Route 1	30'	30'
Side and Rear	15'	10'
Side and Rear for sheds less than 100 sq ft	2'	2'
From Ponds and Streams	50'	50'
Bus and Transit Shelters		
setback from roadway pavement	8'	8'
setback from roadway intersections	20'	20'
Side and Rear setbacks for non-residential uses from land zoned Residential	30'	30'

Conclusion: The subject parcel is non-conforming due to lack of road frontage.

Seabrook Zoning Map



The gold area represents the commercially zoned district. The red represents the residentially zoned district.

Site Description

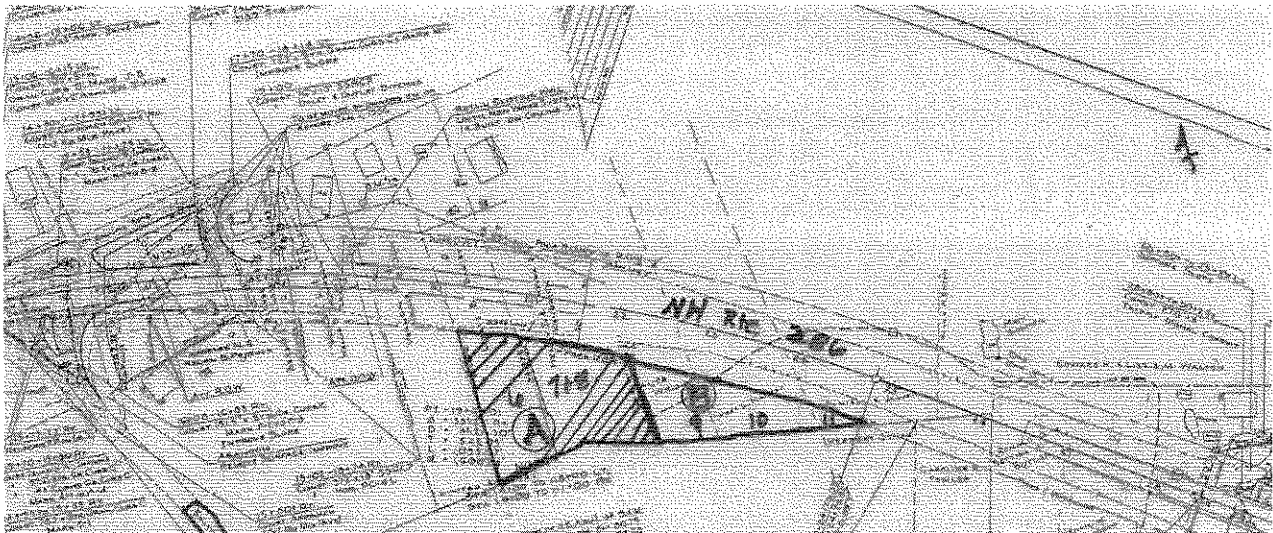
The subject consists of (2) contiguous surplus parcels of land owned by the State of NH. According to the Town of Seabrook Assessing Office, Parcel "A" (Tax Map 15 Lot 38), is a .69 +/- acre parcel, and parcel "B" (Tax Map 15 Lot 39), is a .43 acre parcel. Combined, the 2 parcels form a 1.12 +/- acre irregular shaped parcel bounded along its entire northerly border a distance of approximately 585' feet by the NH Route 286 eastbound LAROW, bound along its southwesterly border by tax map 15, lot 37, and bound on its southern border by Tax Map 15, Lot 40, Tax Map 15, Lot 42, Tax Map 15, Lot 44 and Tax Map 15, Lot 45. The subject parcel has no access due to the fact that the subject parcel's only road frontage is along NH Route 286, a Limited Access Highway.

The only means of obtaining access to the subject property would be via obtaining a right of way over an abutting property.

The subject land has five abutters located to the south and west. The Town of Seabrook's Dimensional Requirements in zone (2R) require a minimum road frontage of 100' feet. The only lot that meets this requirement is Tax Map 15, Lot 40. The Dimensional Requirements also state; "A second dwelling building, containing one dwelling unit, may be placed on a lot in Zone 2R, providing that the lot is 45,000 square feet or larger; and the number of dwelling units on the lot does not exceed two." Again, the abutting lots located on Tax Map 15, lots 37, 40-1, 42 and 44 do not meet the required 100 feet of road frontage, so are non-conforming. A Special Exception would be required from the town to add a second dwelling on those lots. Parcel 15- 40 currently has the required 45,000 square feet, therefore already has the ability to add one dwelling unit. Obtaining the subject parcel would not further benefit parcel 15-40.

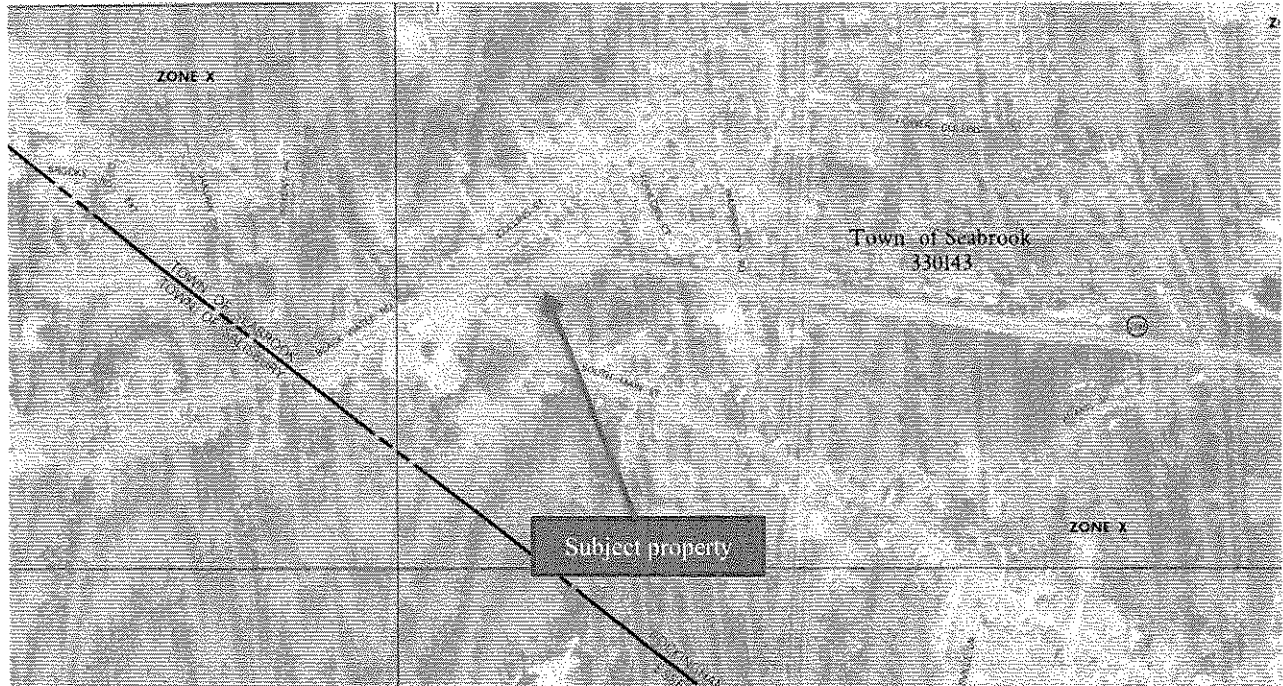
Due to the zoning restrictions affecting each of the individual abutters, in addition to the subject lands' lack of road access, the abutting property owners and the State of NH are the only likely parties for whom the subject parcel holds any value.

The acquisition of the subject property by any abutter would not change the acquiring lots highest and best use, or intensity of use, but merely add additional land.



The subject parcel as depicted on the plan for Seabrook S-2902, NH Route 286 construction project. The remainder of parcels 6, 7, 8, 9, 10 and 11 make up the subject parcel.

FEMA Flood Insurance Rate Map (FIRM) number 33015C0626E.



The subject property is wooded and is slightly below grade of NH Route 286. The subject parcel was created as a result of the Seabrook project S-2902 (1955) when NH Route 286 was constructed, connecting I-95 to Seabrook and Salisbury Beaches. According to the Federal Emergency Management Agency, the subject parcel is located in zone "X", described as "Areas determined to be outside the 0.2% annual chance floodplain."

Highest and Best Use

Highest and Best Use is defined as the reasonably probable use of property that results in the highest value. The analysis of Highest and Best Use is at the heart of appraisals of the market value of real property. To determine Highest and Best Use, an appraiser considers the following tests: *physically possible, legally permissible, and financially feasible*. Uses that meet these three criteria are then tested for maximum productivity.

Legally permissible: Private restrictions, zoning, building codes, historic district controls, and environmental regulations govern the uses to which land can be put, and those restrictions may preclude many potential land uses. To apply the test of legal permissibility, an appraiser determines which uses are permitted by current zoning, which use could be permitted if a zoning change were reasonably probable, and which uses are precluded by private restrictions on the site. Private restrictions, deed restrictions, and long-term leases are typically registered on the title, and those legal characteristics of the property may prohibit certain uses or specify building setbacks, heights, and types of materials. If deed restrictions conflict with zoning laws or building codes, the more restrictive guidelines usually prevail.

The southern portion of the subject is located in the district that is zoned for Residential use, and the northern portion of the subject is located in the district that is zoned for Commercial use. The portion of the subject that is located in the commercial zone abuts NH Route 286. NH Route 286 is a Limited Access Highway, so no access to NH Route 286 is allowed from the subject property. Each of the five abutters to the subject parcel are also divided between the 2 zoning districts, however their uses are consistent with the uses allowed in the Residential zone. The permitted uses in the Residential zone include one family, two family and multi-unit buildings. Also allowed are home occupations, agricultural uses, retail service businesses as long as the floor area is less than 1000 square feet, churches and daycares. Any uses beyond this would require either a Special Exception which would need to be granted by the Seabrook Zoning Board of Adjustment, or a Conditional Use permit, granted by the Planning Board.

Physically possible: A parcel of vacant land (or an improved site analyzed as though vacant) is the metaphorical blank canvas on which a real estate developer paints any number of pictures. The physical possibilities of the vacant land are quickly constrained by factors such as: site size, shape, frontage, availability of utilities and other support services, topography, soil composition, and other site conditions and environmental factors. As a simple example, an irregularly shaped parcel can cost more to develop and, after development, may have less utility than a regularly shaped parcel of the same size.

According to the Town of Seabrook's Tax assessor, the subject site is 1.12 acres in size, however the town's tax map shows an area of 1.07 acres. For this report I will rely on the tax assessor's estimate of 1.12+/- acres. It is long and irregular in shape. The subject has approximately 585+/- feet of frontage along the NH Route 286 LAROW, and abuts residential properties all along its remainder, making the subject site landlocked.

The subject parcel has five abutters located to the South and West. Due to the deed restrictions and/or zoning restrictions affecting each of the individual abutters, in addition to the subject lands' lack of road access, the abutting property owners and the State of NH are the only likely parties for whom the subject parcel holds any value.

Financially feasible: An appraiser eliminates uses that are not legally permissible and physically possible before analyzing the financial feasibility of the remaining alternative uses of land as though vacant. Only those uses that meet the first two criteria are analyzed further. For a use to be financially feasible, it must be able to produce a positive return to the land after considering risk and all costs to create and maintain the use. The level of analysis may vary with assignments, but economic demand for the subject property is a prerequisite to the financial testing of alternatives. Analysis of supply and demand and of location is needed to identify the uses that are financially feasible. The desire for a particular use in a particular location is essential. Clues that supply and demand may not support a particular use include vacancy throughout the market area or no new construction when land is available.

The subject site is a landlocked parcel of land located between the NH Route 286 Limited Access Highway and residentially zoned properties. Driveway access is not allowed onto a Limited Access Highway. The absence of driveway access to a town or state maintained road will diminish the potential for development therefore it would restrict the ability to generate income. At this time there is no market for strictly low utility parcels of land in Seabrook. In my opinion the subject parcel would be beneficial only to the abutting property owners and the State.

Maximum productivity: Of the financially feasible uses of the land as though vacant, the Highest and Best Use is the use that produces the highest residual land value, all else being equal. The comparison of the financially feasible uses is usually straightforward. If an appraiser determines that a building improvement is appropriate for the Highest and Best Use of a parcel of vacant land, the appraiser then determines and describes the type and characteristics of the ideal improvement to be constructed.

In Seabrook, the demand for recreational properties and properties for low utility/accessory use is very low. In addition, the subject properties financially feasible uses are severely limited by the parcels lack of reasonable access, making the demand for such a property negligible.

It is my conclusion that the Highest and Best use of the subject site is determined to be for assemblage with one of its abutters for use as additional buffer to NH Route 286. The market for small unbuildable parcels is always quite limited, usually restricted to abutting property owners for a variety of uses, such as additional buffer or to keep another party from acquiring a parcel. This parcel has little or no utility to the State for right-of-way purposes.

Valuation Premises

There are three basic approaches to valuing real estate. Each approach relies on available market research and data. Each approach will be briefly described below as it pertains to the subject property.

The Cost Approach is based upon the cost of reproduction or replacement of the improvements less any accrued depreciation, plus the site value contribution and entrepreneurial, or developer's profit. This valuation technique is only applicable to properties that have improvements. Since the subject is vacant land, the cost approach is not considered applicable in this appraisal and as such it was not developed.

The Income Approach is based upon the premise that an informed buyer will pay a certain price based upon the return from a certain income stream produced by the property's actual income. The income approach is not considered applicable in this appraisal due to the fact that the subject is not income-producing and does not appear to have the potential to produce income.

The Sales Comparison Approach is based upon the premise that an informed buyer would not pay more for a property than the cost of another property with the same or similar utility. In this approach, adjustments are made for the areas in which the comparable sales differ from the subject property. Since the appraiser was able to find an adequate number of comparable sales that can be used for comparison to the subject property, the Sales Comparison Approach is considered applicable for the appraisal.

In Summary, the Sales Comparison Approach is the only applicable approach to value and was utilized, as sufficient comparable sales were available.

Value Estimate By Sales Comparison Approach

When applying the Comparison Approach, the sales analysis is based on the elements of comparison. The adjustments in this analysis are intended to reflect those conditions which the buyers and sellers consider important and are present in various degrees between the subject and one or more of the comparables. The comparable sales I have selected were the most similar, verifiable sales known to me at the time of this appraisal, as well as being the most reliable indicators of market value for the subject parcel.

For this report the appraiser chose to use the whole to whole unit of value as the basis for comparison. The market for small unbuildable parcels is always quite limited. They are not typically offered in the open market, or affected by market conditions. They are usually private sales restricted to abutting property owners for a variety of uses, such as additional buffer or to keep another party from acquiring a parcel.

Comments On the Comparable Sales

Due to the unique attributes of the subject property, as well as the limited number of vacant lot sales in Seabrook within the past few years, it was necessary to expand the search for comparable sales in both time and distance. After researching and analyzing the search results it was determined that the sales used in this approach were the best available and most appropriate comparable sales. All 3 sales are non-conforming, un-buildable lots and their highest and best use is determined to be for assemblage with one of its abutters.

Three un-buildable land sales between January 2011 and August 2014 located in the towns of South Hampton, Newton and Dover produced a range of \$5,000 to \$10,000 on a whole to whole basis. All were purchased by abutters and all have similar utility to the subject parcel.

Sale 1 is located in South Hampton, NH. South Hampton is a scenic, rural community located just north of the Massachusetts border with a population of approximately 814 as of the 2010 census. South Hampton abuts Seabrook along Seabrook's western border. Sale 1 is a landlocked, therefore unbuildable 2.5 acre parcel of backland zoned 1-F Residential. It is located in a rural, scenic, low density area. Sale 1 was purchased by the abutter and is similar to the subject parcel because of its lack of access except to the abutter whom acquired it. Backland in residentially zoned areas, such as this, add minimal value to the abutting property.

Sale 2 is located in Newton, NH. Newton is located 2 towns to the west of Seabrook, and similar to the subject and Sale 1, is also located along the Massachusetts/NH border. Sale 2 is a .33 acre non-conforming lot, located on a public road. It is located in a residentially zoned area. It was purchased by the abutter in order to merge the .33 acre parcel with his 3.7 acre parcel. The town stated in the Planning Board meeting minutes, that this merger did not create an additional buildable lot. Sale 2, similar to Sale 3, has road frontage along a town maintained road.

Sale 3 is located in the City of Dover, and is located the farthest from the subject. It is zoned R-12 Medium Density. The city's assessor notes on the tax card state that the lot is non-buildable. It is a .52 acre non-conforming remnant parcel, located on a public road and sold to the abutter by the original owner/developer of the Canterbury Park II subdivision. It is located in an older subdivision of smaller cape style homes, with good access to Route 16. According to the purchaser, the \$9,000 value of the parcel was determined by its contributory value to his abutting property. Similar to Sale 2, Sale 3 has road frontage on a town maintained road.

Comparable Sales Map



Basis of Adjustments

As detailed above, the major differences between the subject site and the comparable sales are market conditions or time of sale, access, amenities and lot size. Market data was researched and analyzed in order to determine the appropriate adjustments that were necessary to equalize these differences.

As noted in the Market Conditions section, in the three years prior to the effective date of this report, the average price per acre of vacant residential land in the Town of Seabrook did not follow a definitive trend and was somewhat volatile. The market for small unbuildable parcels is always quite limited, usually restricted to abutting property owners for a variety of uses, such as additional buffer or to keep another party from acquiring the parcel. These low utility parcels are less sensitive to the market fluctuations and volatility that affect residential land. Therefore given that the comparable sales all occurred within 24 to 50 months of the effective date, it was not considered necessary to apply market condition adjustments.

The location of Sales 1, 2 and 3 are roughly similar to the Subject property regarding distance to major commuter routes. No adjustments were made.

The Subject property has 585' feet of frontage along NH Route 286, however because Route 286 is a limited access highway, the subject property is not allowed access. Sale 1 is similar to the subject property due to its lack of road frontage and access. Sale 2 and Sale 3 are both unbuildable; however they both have road frontage and access, allowing the potential for increased exposure and utility. For example, if the owner of Sale 2 was not a direct abutter, that owner could still potentially access the parcel from the road by vehicle or by foot, for temporary storage or other use allowed by the town. Sale 2 and Sale 3 are superior to Sale 1 and the subject parcel for access and road frontage. A match pair analysis between Sale 1, which is most similar to the subject, and the average of Sales 2 and 3 (\$9,500), show a 47% difference. This difference is attributed entirely to the differences in access and frontage. The 47% difference will be rounded down to 45%. Sale 2 and 3 will be adjusted down by -45% to reflect their superior access and frontage over the Subject property and Sale 1.

Sales Grid

The three comparable properties shown in the following grid were the most comparable sales known to me. The descriptions include adjustments, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject site, a negative (-) adjustment is made, thus reducing the indicated value for the subject; if a significant item in the comparable property is inferior to, or less favorable than, the subject site, a positive (+) adjustment is made, thus increasing the indicated value for the subject.

Land Value Appraisal Sales Comparison Grid						
Item	Subject Property	Comparable Sale 1	Comparable Sale 2	Comparable Sale 3		
Address	Seabrook Surplus Seabrook, NH	B L Chase Road, South Hampton, NH	17 Gale Village Road, Newton, NH	Cranbrook Lane, Dover, NH		
Grantor	Lizzie B. Bagley, Henry S. Kendrick, Thelma P. Kendrick, Mary L. Nedean, Alta Wright, Daniel E. Jarvin	Dixon Realty Trust, Nancy F. Dixon, Trustee	Susan Babcock	Walter W. Fischer, Trustees of the Walter W. Fischer 1993 Trust		
Grantee	State of New Hampshire	Nancy A. Bunet	Wesley W. Gundersen, Debra J. Blumling	Andrew D. Hessong		
Recorded Book/Page	RCRD-1372/383, 1372/395, 1372/396, 1372/404, 1380/038	RCRD-5472/2477	RCRD-3553/0739	SCRD-3898/0314		
Effective Sale Price	\$2,540,000	\$3,000	\$10,000	\$9,000		
Data Source	NH DOT Files, RCRD	Real Data, Grantor, RCRD	Real Data, Town records	Real Data, Municipal Records		
Sale Concessions	Not applicable		None	None		
Date of Sale & Market Conditions Adj.		Description	Description	Description	Adjustment	Adjustment
Location	Good	8/22/2013	8/15/2014	8/30/2011		
Road Frontage/Access	Route 286 with no access	Roughly similar	Similar	Similar		
Site Area (Acres)	1.12 acres	None/none	\$8.0 frontage w/access	76.36 frontage w/access	-45%	-45%
Physical Characteristics	level wooded, dry	2.50	0.53	0.52		
Net Adj. (Total)		wooded, open level	hilly, wooded	Level, subdivision		
Indicated Value Per Acre		-0%	-45%	-45%	\$5,500	\$4,950

Final Value Conclusion

Three land sales between January 2011 and August 2014 located in the towns of South Hampton, Newton and the City of Dover produced a range of \$5,000 to \$10,000 on a whole to whole basis. All three parcels sold as non-buildable, low utility properties. Sale 1, located in South Hampton, is a 2.5+/- acre backland parcel similar to the subject parcel due to lack of road frontage and access. Sale 2, located in Newton, is a .33 +/- acre non-conforming lot also purchased by its abutter. Sale 3, located in Dover, is a .52+/- acre non-conforming remnant parcel, located on a public road and sold to the abutter by the original owner/developer of the Canterbury Park II subdivision. Sale 2 and Sale 3 are superior to the Subject and Sale 1 due to their frontage and access.

The subject parcel warrants a value estimate in the low end of the range presented due to lack of road frontage and accessibility from the road.

Based on the preceding research and analysis, it is concluded that the subject property warrants a value opinion via the sales comparison approach of \$5,000 per acre, as follows:

$\$5,000 \text{ per acre} \times 1.12 \text{ +/- acres} = \$5,600$

Rounded = \$6,000

Summary of Comparable Land Sale 1

Location/Address: Map 04-36-02 B/L Chase Road, South Hampton, NH

Grantor > Grantee: Dixon Realty Trust, Nancy F. Dixon > Nancy A. Brunet

Date of Sale: August 22, 2013

Sale Price: \$5,000

Registry Reference: Rockingham County - Book 5472, Page 2477

Site Area: 2.5 +/- acres

Available Utilities: N/A

Zoning: 1-F Residential

Source/Confirmed By: Grantee, Real-Data, RCRD

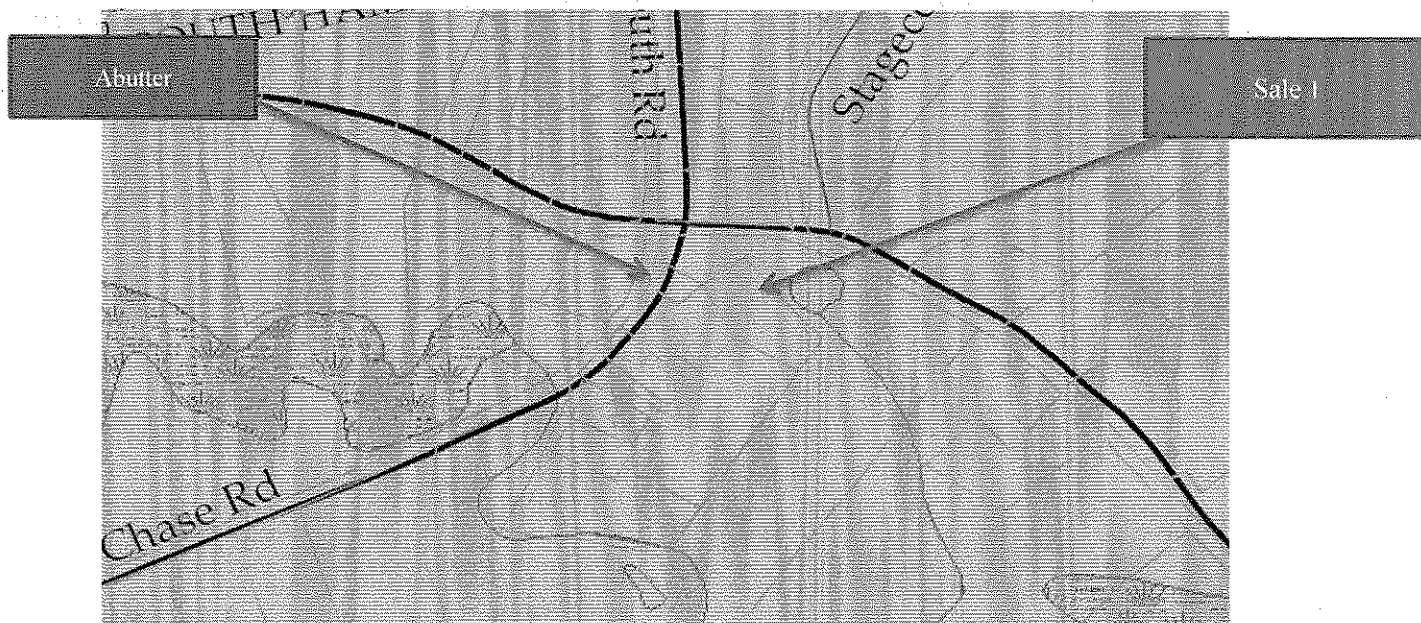
H & B Use at Sale: Low utility/assemblage/accessory

Comments:

Sale 1 is located in South Hampton off of Chase Road, in a rural, scenic residential area. The parcel is landlocked and was purchased by an abutter in order to add a buffer onto the back of her property. The surrounding area is partially wooded and partially open farm land. The homes in the area are typically older farmhouses and colonials.

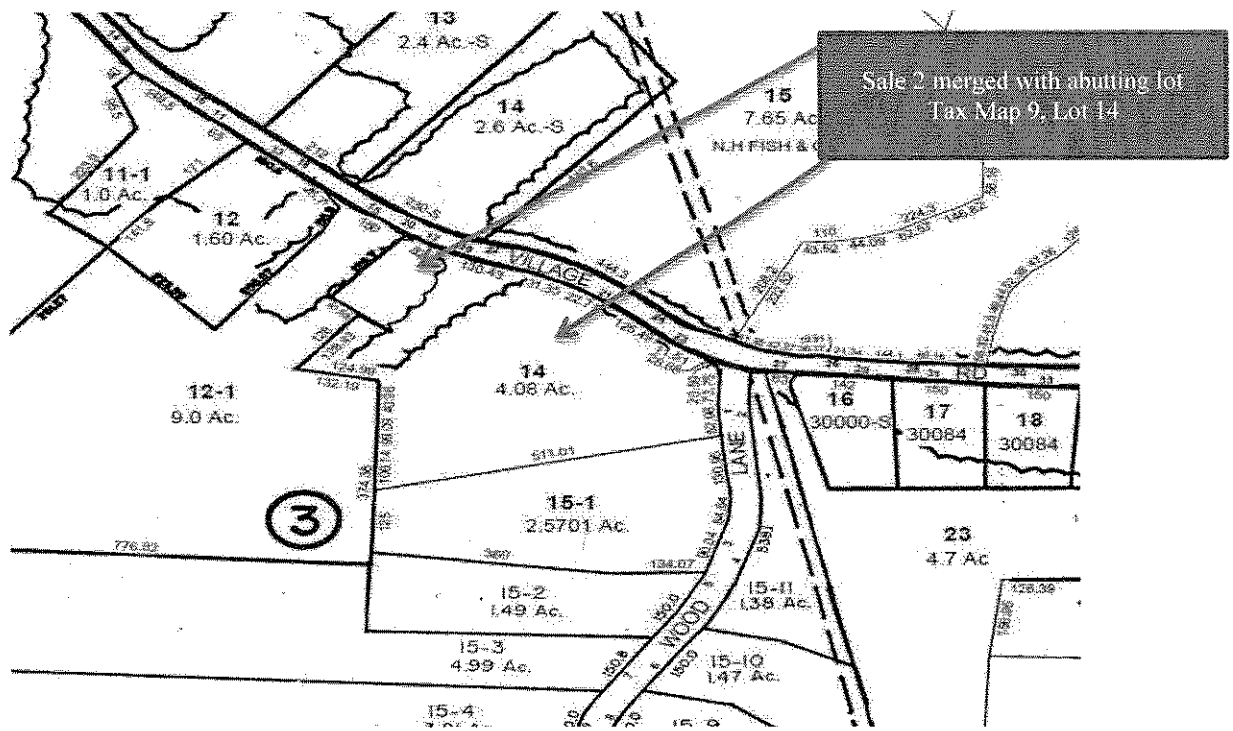
Purchaser (Abutter)

Sale 1 Aerial Photo



Summary of Comparable Land Sale 2

Location/Address:	17 Gale Village Road, Newton, NH
Grantor > Grantee:	Susan Babcock>Wesley W. Gundersen, Debra J. Bunting
Date of Sale:	August 15, 2014
Sale Price:	\$10,000
Registry Reference:	Rockingham County - Book 5553, Page 0739
Site Area:	.33 +/- acres
Available Utilities:	at street
Zoning	Residential
Source/Confirmed By:	Real Data, RCRD
H & B Use at Sale:	Accessory/assemblage/low utility
Comments:	Sale 2 is located in Newton, NH, in a residential zoned area on a paved, town maintained road. The surrounding area is rural with older homes, both wooded and open fields. It was sold to the abutter. According to the Town of Newton Planning Board meeting minutes dated 9/23/2014, the merger of Sale 2 and the abutting property did not create an additional buildable lot.



Sale 2 Aerial View



Summary of Comparable Land Sale 3

Location/Address: Cranbrook Lane, Dover, NH

Grantor > Grantee: Walter W. Fischer, Trustee if the Walter W. Fischer 1993 Trust>Andrew D. Hessong

Date of Sale: August 30, 2011

Sale Price: \$9,000

Registry Reference: SCRD 3898/0314

Site Area: 0.52+/- acres

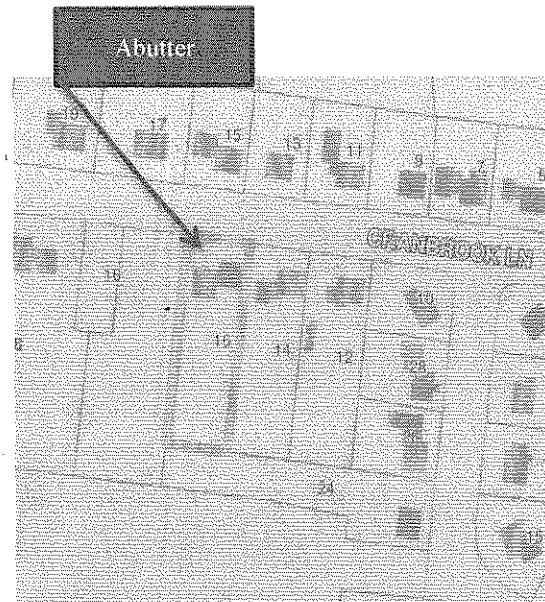
Available Utilities: N/A

Zoning / Map Ref: Medium Density Residential

Source/Confirmed By: Real Data, town records, Keith Madden NH GC # 370

H & B Use at Sale: Low utility/assemblage

Comments: Sale 3 is located in an older subdivision with good access to Route 16 at exit 9. It is level and lightly wooded, located in zone R-12 (Medium Density Residential). According to the city's tax card the parcel is non-buildable. It was purchased by the abutter as additional buffer.



City of Dover Zoning Map

Sale 3 Aerial Photo



Appraiser's 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 general assumptions, extraordinary assumptions, hypothetical conditions, limiting conditions and legal instructions;

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 appraised the property that is the subject of this report, once within the three-year period immediately preceding acceptance of this assignment;

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;

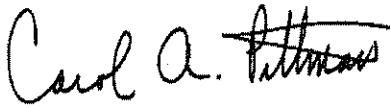
My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the

attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;

My analyses, opinions, and conclusions were developed in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions, the Uniform Standards of Professional Appraisal Practice and in conformity with the appropriate State laws, regulations, policies, and procedures applicable to appraisal of right of way for these purposes;

I have made a visual inspection of the property that is the subject of this report;

No one provided significant real property appraisal assistance to me;



Carol A. Pittman
Staff Appraiser, NHDOT

November 30, 2015
Date

Legal Description

The 6 parcels of land that comprise the 1.12 +/- acre subject property was acquired between 10/15/1955 and 12/16/1955 by the NHDOT. The state acquired the property for the NH Route 286 construction project, S-2903 (1955). The transfers are recorded in the Rockingham County Registry of Deeds, Book 1372/393, Book 1372/393, Book 1372/396, Book 1372/404, and Book 1380/038. The legal description of each parcel is shown below.

DEED OF MORTGAGE

THAT, I, LIZIE B. BAGLEY, widow,

of SEABROOK, ROCKINGHAM

County, State of New Hampshire, for consideration paid, grant to The State of New Hampshire, with WARRANTY hereinafter,

A certain parcel of land in the Town of Seabrook, County of Rockingham, State of New Hampshire, situated on the Southern side of Collins Road as called, bounded and described as follows:

Being all of the land owned by the Grantor that lies Southerly of a line that is fifty (50) feet distant measured Northerly from and parallel to the center line as shown on a plan of Seabrook S-25(2) S-2901 Project on file in the Records of the New Hampshire Department of Public Works and Highways, and is so recorded in the Rockingham County Registry of Deeds; being bounded on the West by land now or formerly of Nellie E. and Vernon G. Law near Station 15 + 30 of center line, and bounded on the East by land now or formerly of Henry E. and Thelma F. Kendrick.

Containing approximately (0.6) of an acre more or less.

AND the Grantor does hereby convey to the State of New Hampshire all rights of access, air, view, and light pertaining to the remainder of abutting lands, belonging to the Grantor, her heirs, assigns, executors, and administrators, as defined in Part 7, Chapter 50 of the Revised Laws as amended by Chapter 125, Laws of 1954 entitled "Limited Access Highways".

AND the Grantor does hereby convey to the State of New Hampshire the right to extend and maintain such slopes and embankments beyond the limits of the land hereby conveyed as may be necessary to construct slopes and embankments at such as grade as will hold the material of said slope in place against ordinary erosion together with the right to construct and maintain on other land of the Grantor pipes or ditches incidental to the construction.

Witness my hand and seal this 3rd day of October, A. D. 1955.

WITNESS:

Forest E. Kendrick

Lizzie B. Bagley

STATE OF NEW HAMPSHIRE

County of ROCKINGHAM

On this the 3rd day of October, 1955, before me,

Lizzie B. Bagley, the undersigned officer, personally appeared,

in the presence where name is stated, who acknowledged to me as an

in witness where name is stated, and acknowledged the purpose therein contained.

In witness where name is stated, and acknowledged the purpose therein contained.

Received and recorded: 11/30/2015 Final - Owned by the State of NH

1380 038

Book 1380 Page 038

DEED BY WARRANT

I, Daniel E. Janvin of Seabrook,

of Brockingham County, State of New Hampshire, for consideration paid, grant to The State of New Hampshire, with WARRANTY covenants,

A certain parcel of land in the Town of Seabrook, County and State as aforesaid, situated on the southerly side of Collins Road bounded and described as follows:-

Being all of the land owned by the Grantor that lies southerly of a line that is fifty (50) feet distance measured northerly from and parallel to the center line of the Seabrook P.A. 5-28(4) Project on file in the Records of the N.H. Dept. of Public Works & Highways and to be filed in the Brockingham County Registry bounded EAST of Deeds, and being on the westerly end now or formerly of Williams' Eaten. Containing one-half (1/2) acre, more or less.

AND the Grantor does hereby conveyed to The State of N. H. all rights of access, air, view, and light pertaining to the remainder of abutting lands, belonging to the Grantor, his heirs, assigns, executors and administrators, as defined in Part 2, Chapter 90 of the Revised Laws as amended by Chapter 168, Laws of 1945, entitled "Limited Access Highways."

AND the Grantor does hereby convey to The State of New Hampshire the right to erect and maintain upon slopes and embankments beyond the limits of the land hereby conveyed as may be necessary to construct slopes and embankments at such an angle as will hold the material of said slope in place against ordinary erosion together with the right to construct and maintain on other land of the Grantor pipes or ditches incidental to the construction.

I, Dora E. Janvin, wife (married), release to the said Grantor all rights of dower (survivor), and Homestead and other interests therein.

WITNESS OUR hands and seals this 14th day of December A. D. 1955.

WITNESS:

Loren A. Mitchell
to State

Daniel E. Janvin
Dora E. Janvin

State of New Hampshire
County of Brockingham

On this the 14th day of December, 1955, before us, the undersigned officer, personally appeared, Loren A. Mitchell, Daniel E. Janvin and Dora E. Janvin, known to us to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand

Loren A. Mitchell
Justice of the Peace - Jackson-Parker

Received and recorded Dec. 16, 4:40 P.M., 1955.

STATE OF NEW HAMPSHIRE

THAT, WE, KENNETH S. KENDRICK AND THELMA P. KENDRICK

of SEABROOK, ROCKINGHAM County, State of New Hampshire, for consideration paid, grant to The State of New Hampshire, with WARRANTY covenants,

A certain parcel of land in the Town of Seabrook, County of Rockingham, State of New Hampshire, situated on the southerly side of Collins Road as called, bounded and described as follows:

Being all of the land owned by the Grantors that lies southerly of a line that is fifty (50) feet distant measured northerly from and parallel to the center line as shown on a Plan of Seabrook S-26(2) S-2902 Project on file in the Records of the New Hampshire Department of Public Works and Highways, and to be recorded in the Rockingham County Registry of Deeds; being bounded on the West by land now or formerly of Dixie B. Bagley near Station 20 + 75 at center line, and bounded on the East by land now or formerly of Alta Wright. Containing three-quarters (3/4) of an acre more or less.

AND the Grantors do hereby convey to the State of New Hampshire all rights of access, air, view, and light pertaining to the remainder of abutting lands, belonging to the Grantors, their heirs, assigns, executors and administrators, as defined in Part 2 Chapter 90 of the Revised Laws as amended by Chapter 188, Laws of 1948 entitled "Limited Access Highways".

The undersigned, Newmarket National Bank, hereby releases and discharges a certain mortgage of Henry S. Kendrick and Thelma P. Kendrick to Newmarket National Bank recorded in the Rockingham County Registry of Deeds, Vol. 1296, Page 226, so far as said mortgage pertains to the above-described premises, and no further.

Oct 19, 1955
(Date)

NEWMARKET NATIONAL BANK
By: *Arthur W. B...*

The undersigned, Newmarket National Bank, hereby releases and discharges a certain mortgage of Henry S. Kendrick and Thelma P. Kendrick to Newmarket National Bank recorded in the Rockingham County Registry of Deeds, Vol. 1296, Page 226, so far as said mortgage pertains to the above-described premises, and no further.

NEWMARKET NATIONAL BANK
By: *Arthur W. B...*

Oct 19, 1955
(Date)

By: *Arthur W. B...*

AND the Grantor does hereby convey to The State of New Hampshire the right to extend and maintain such slopes and embankments beyond the limits of the land hereby conveyed as may be necessary to construct slopes and embankments at such as shall be will hold the material of said slope in place against ordinary erosion together with the right to construct and maintain on other land of the Grantor pipes or ditches incidental to the construction.

Thelma P. Kendrick
We, Henry S. Kendrick and / wife (husband), release to the said Grantor all rights of dower (curtesy) and Homestead and other interests therein.

WITNESS, our hand and seal this 19th day of October, A.D. 1955

WITNESS:
Forrest E. Harwood
Wm. L. Holt
Henry S. Kendrick
Thelma P. Kendrick

STATE OF NEW HAMPSHIRE
County of ROCKINGHAM

Loren A. Mitchell this 19th day of October, 1955, before me, Henry S. Kendrick and Thelma P. Kendrick, known to me as the persons whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand
Loren A. Mitchell
Judge of the Peace NOTARY PUBLIC

Received and recorded: Oct. 19, 9:50 AM, 1955.

1372 404

Book 1372 Page 0404

DEED OF WARRANTY

THAT, I, AILE WRIGHT,

of SEABROOK, ROCKINGHAM County, State of New Hampshire, for consideration paid, great to The State of New Hampshire, with WARRANTY covenants,

A certain parcel of land in the Town of Seabrook, County of Rockingham, State of New Hampshire, situated on the southerly side of Collins Road as called, bounded and described as follows:-

Being all of the land owned by the Grantor that lies southerly of a line that is fifty (50) feet distant measured northerly from and parallel to the center line as shown on a plan of Seabrook S.25(2) S-2902 Project on file in the records of the New Hampshire Department of Public Works and Highways, and to be recorded in the Rockingham County Registry of Deeds; being bounded on the West by land now or formerly of Henry S. and Thelma P. Kendrick near Station 21 + 90 at center line, and bounded on the East by land now or formerly of Mary L. Sedra near Station 22 + 60 at center line.

Containing twenty-eight hundredths (0.28) of an acre more or less.

AND the Grantor does hereby convey to the State of New Hampshire all rights of access, air, view, and light pertaining to the remainder of abutting lands, belonging to the Grantor, the heirs, assigns, executors and administrators, as defined in Part 7 Chapter 32 of the Revised Laws as amended by Chapter 128, Laws of 1945 entitled "Limited Access Highways".

AND the Grantor does hereby convey to The State of New Hampshire the right to extend and maintain such slopes and embankments beyond the limits of the land hereby conveyed as may be necessary to construct slopes and embankments at such an angle as will hold the material of said slopes in respect against ordinary erosion together with the right to construct and maintain on other land of the Grantor pipes or ditches incidental to the construction.

I, Charles D. Wright, WITNESS (husband), witness to the said Grantor all rights of WRIGHT (caveat) and Homestead and other interests therein.

WITNESS our hands and seal this 24th day of Sept, 1955 A. D. (1955)

WITNESS:

Forrest C. Kendrick
his seal

Aile Wright
Charles D. Wright

STATE OF NEW HAMPSHIRE

County of ROCKINGHAM

On this the 24th day of Sept, 1955, before me, the undersigned officer, personally appeared, Aile Wright and Charles D. Wright, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

In witness whereof I have set my hand.

Not'd & Recorded:

Oct. 19, 9:50 AM, 1955.

Forrest C. Kendrick
Justice of the Peace, Notary Public

My Comm. Expires June 8, 1956

1372 396

Book 1372 Page 0396

DEED OF WARRANTY

WAS, I, HENRY L. MEDDA, King,

of SEABROOK, ROCKINGHAM County, State of New Hampshire, for consideration paid, grant to The State of New Hampshire, with WARRANTY covenants,

A certain parcel of land in the Town of Seabrook, County of Rockingham, State of New Hampshire, situated on the southerly side of Collins Road so-called, bounded and described as follows:

Being all of the land owned by the Grantor that lies southerly of a line that is fifty (50') feet distant measured northerly from and parallel to the center line as shown on a Plan of Seabrook S-26(2) S-2902 Project on file in the Records of the New Hampshire Department of Public Works and Highways, and to be recorded in the Rockingham County Registry of Deeds; being bounded on the West by land now or formerly of Alta Wright near Station 22 + 00 at center line, and bounded on the East by land now or formerly of Daniel E. Janvin near Station 23 + 00 at center line.

Containing thirty-nine hundredths (0.39) of an acre more or less.

AND the Grantor does hereby convey to the State of New Hampshire all rights of access, air, view, and light pertaining to the remainder of abutting lands, belonging to the Grantor, her heirs, assigns, executors and administrators, as defined in Part 7 Chapter 90 of the Revised Laws as amended by Chapter 156, Laws of 1945 entitled "Limited Access Highways".

AND the Grantor does hereby convey to The State of New Hampshire the right to extend and maintain such slopes and embankments beyond the limits of the land hereby conveyed as may be necessary to construct slopes and embankments at such an angle as will hold the material of said slopes in repose against ordinary erosion together with the right to construct and maintain on other land of the Grantor pipes or ditches incidental to the construction.

WITNESS my hand and seal this 24th day of Sept. A. D. 1955

WITNESS:

Laura A. Mitchell Mary L. Medda

STATE OF NEW HAMPSHIRE

County of ROCKINGHAM

Laura A. Mitchell on this 24th day of Sept. 1955 before me, the undersigned officer, personally appeared Henry L. Medda known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

Laura A. Mitchell
Justice of the Peace - Seabrook

Received and recorded: Oct. 15, 9:50 AM, 1955.

Qualifications

Carol A. Pittman – Appraiser II

Experience:

September 2014-Present	NH Department of Transportation, Bureau of Right- of-Way Appraiser II
March 2007 – September 2014	NH Department of Transportation, Bureau of Right-of- Way, ROW Agent II
August 2003-MARCH 2007	The Gove Group Real Estate, Stratham, NH New Construction and Land Development Specialist
August 1995-August 2003	Carlson GMAC Real Estate, NH Licensed Real Estate Agent

Education:

Westfield State College, Westfield, MA – B.A. History

JMB Real Estate Academy-Principles of Real Estate Appraisal-2015

JMB Real Estate Academy-Basic Appraisal Procedures-2015

JMB Real Estate Academy-USPAP-2015

IRWA-304-When Public Agencies Collide-2013

Nat'l Business Institute- Title Law in New Hampshire-2011

IRWA – Ethics and the Right of Way Profession-2011

FHWA-NHI-141030-Advanced Relocation Under the Uniform Act-2009

FHWA-NHI-141031-Business Relocation Under the Uniform Act-2009

IRWA- 401 Appraisal of Partial Acquisitions-2008

FHWA-NHI-141043 Appraisal for Federal Aid Highway Programs-2007

FHWA-NHI-Basic Relocation Under the Uniform Act-2007

Charlene Mason, School of Real Estate- 1997 and 2007

Professional Affiliations:

IRWA Member # 7896515

NH Licensed Real Estate Broker #046961

STATE OF NEW HAMPSHIRE INTER-DEPARTMENT COMMUNICATION

FROM:

Charles R. Schmidt, PE
Administrator



DATE: January 26, 2016

AT: Dept. of Transportation
Bureau of Right-of-Way

SUBJECT:

**Leasing of State Owned Land in Dover
RSA 4:39-c**

TO:

Representative Gene Chandler, Chairman
Long Range Capital Planning and Utilization Committee

REQUESTED ACTION

The Department of Transportation, pursuant to RSA 4:39-c, requests authorization to lease a parcel of State owned land consisting of 2,760 square feet, located at the corner of Indian Brook Drive and Central Avenue in the City of Dover to Prime Circle, LLC for five (5) years at two thousand one (\$2,100.00) dollars per year plus a one-time Administrative Fee of one thousand one hundred (\$1,100.00) dollars with an option for an additional five (5) years at a renegotiated value, subject to the conditions as specified in this request.

EXPLANATION

The Department has received a request from the abutter Prime Circle LLC concerning the opportunity to lease a parcel of State owned land located at the southerly corner of Indian Brook Drive and Central Avenue in the City of Dover.

Prime Circle LLC is interested in leasing this area to incorporate it into their adjoining parking lot for parking and traffic flow for the strip mail located on their property.

The parcel, acquired by the Department in 1954 is a portion of the LAROW acquired in connection with the Construction of the Weeks Circle. In the 1990's, the Weeks Circle was reconfigured into its current alignment.

The Department will place a thirty (30) day cancellation clause in the lease if the parcel is needed by the Department in the future.

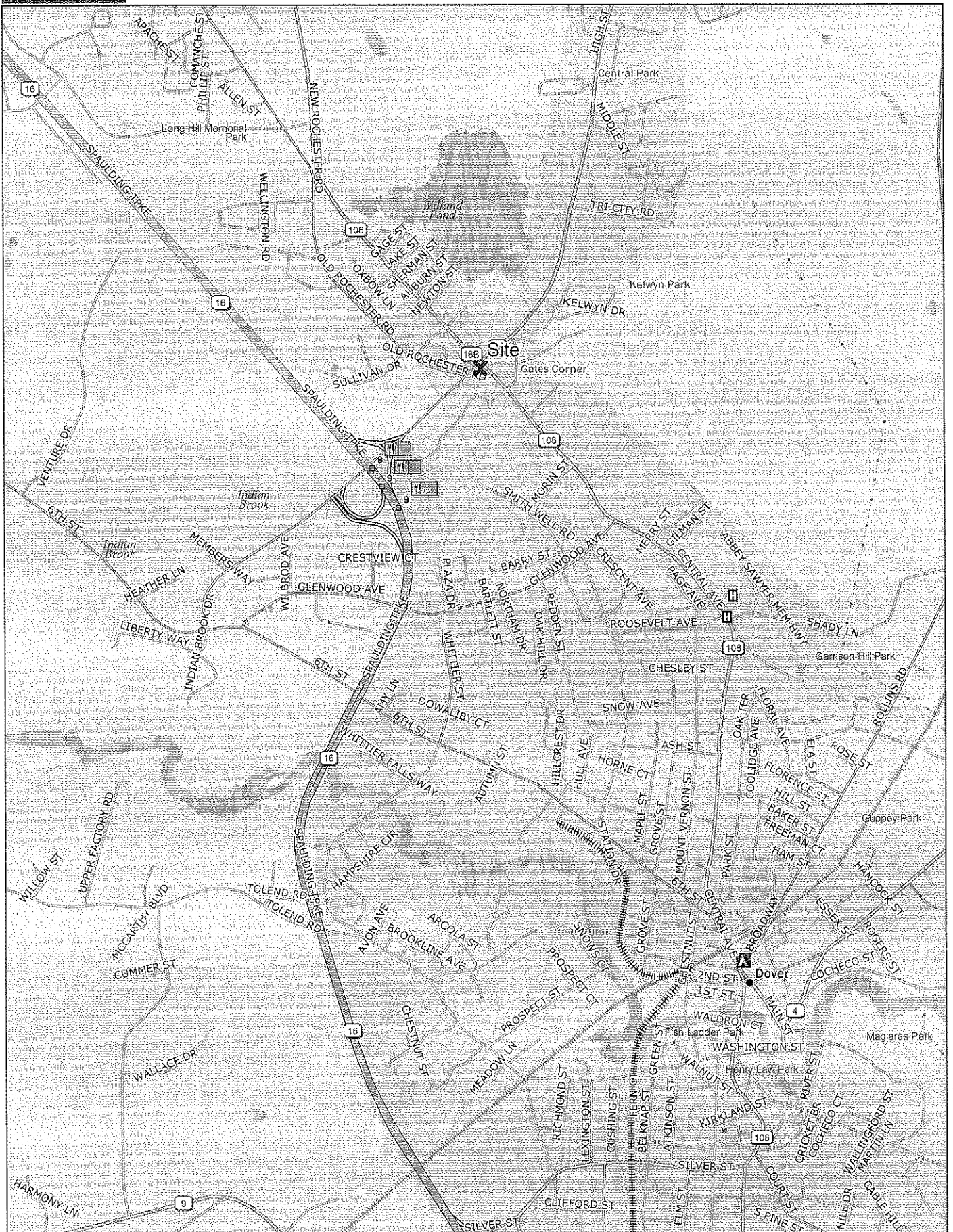
This request has been reviewed by this Department and it has been determined that the requested area is surplus to our operational needs and interest for the purpose of leasing.

An appraiser from the Department completed an opinion of value for the subject property to determine an estimated ground lease value for this parcel. The appraiser used three (3) sales in Rochester and Dover as comparables. Based upon the analysis and adjustments of those sales, it was felt that a reasonable estimated ground lease value for the subject as of December 30, 2015 is \$2,100.00.

The Department respectfully requests authorization to enter into a five year lease at \$2,100.00 per year with an option for an additional five years of the then established fair market value. In addition, the Department will assess an Administrative Fee of \$1,100.00

Authorization is requested to lease the subject parcel as outlined above.

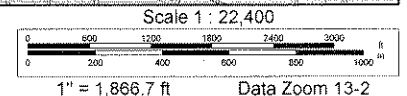
CRS/PJM/jl
Attachments

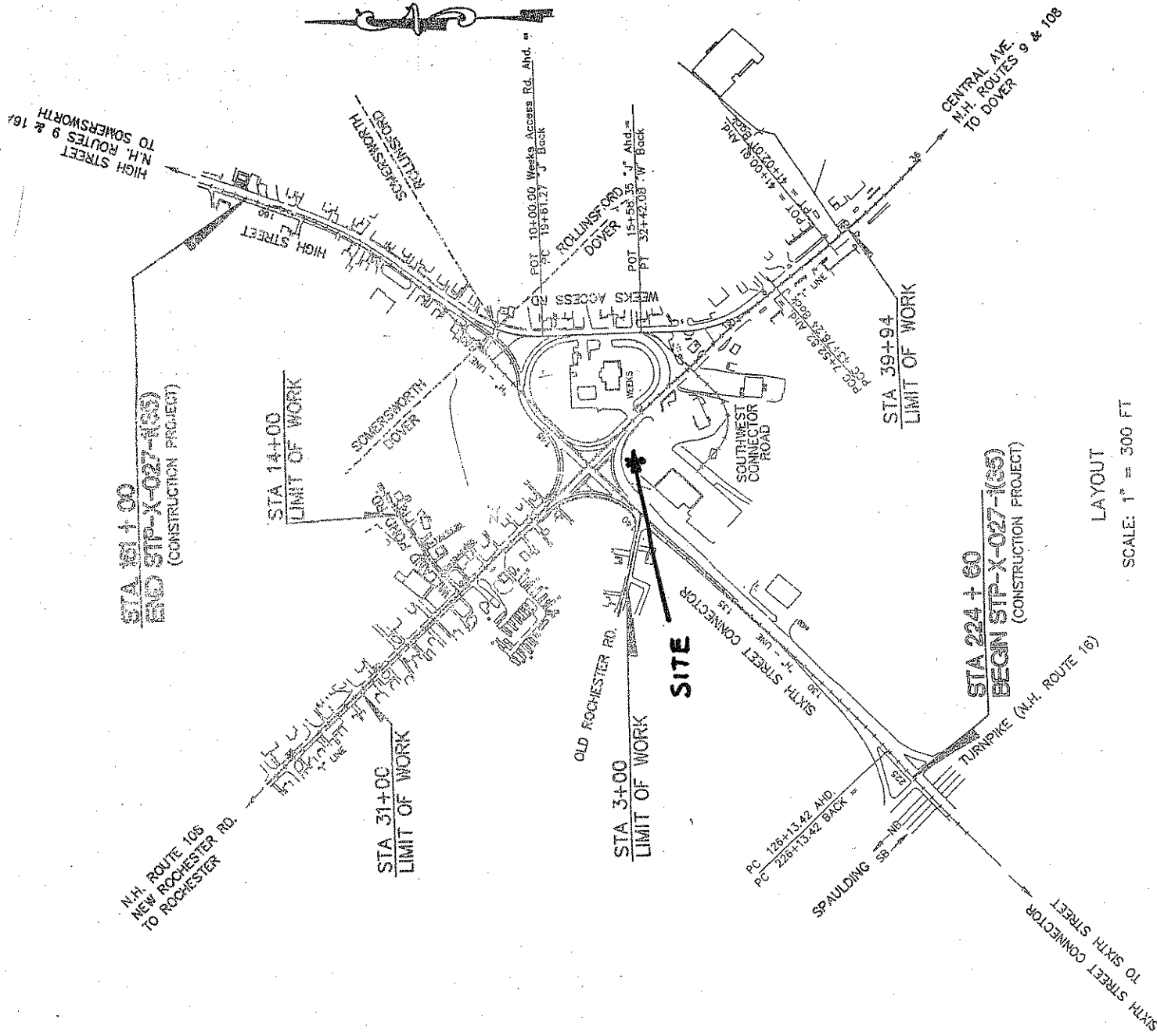


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www.delorme.com

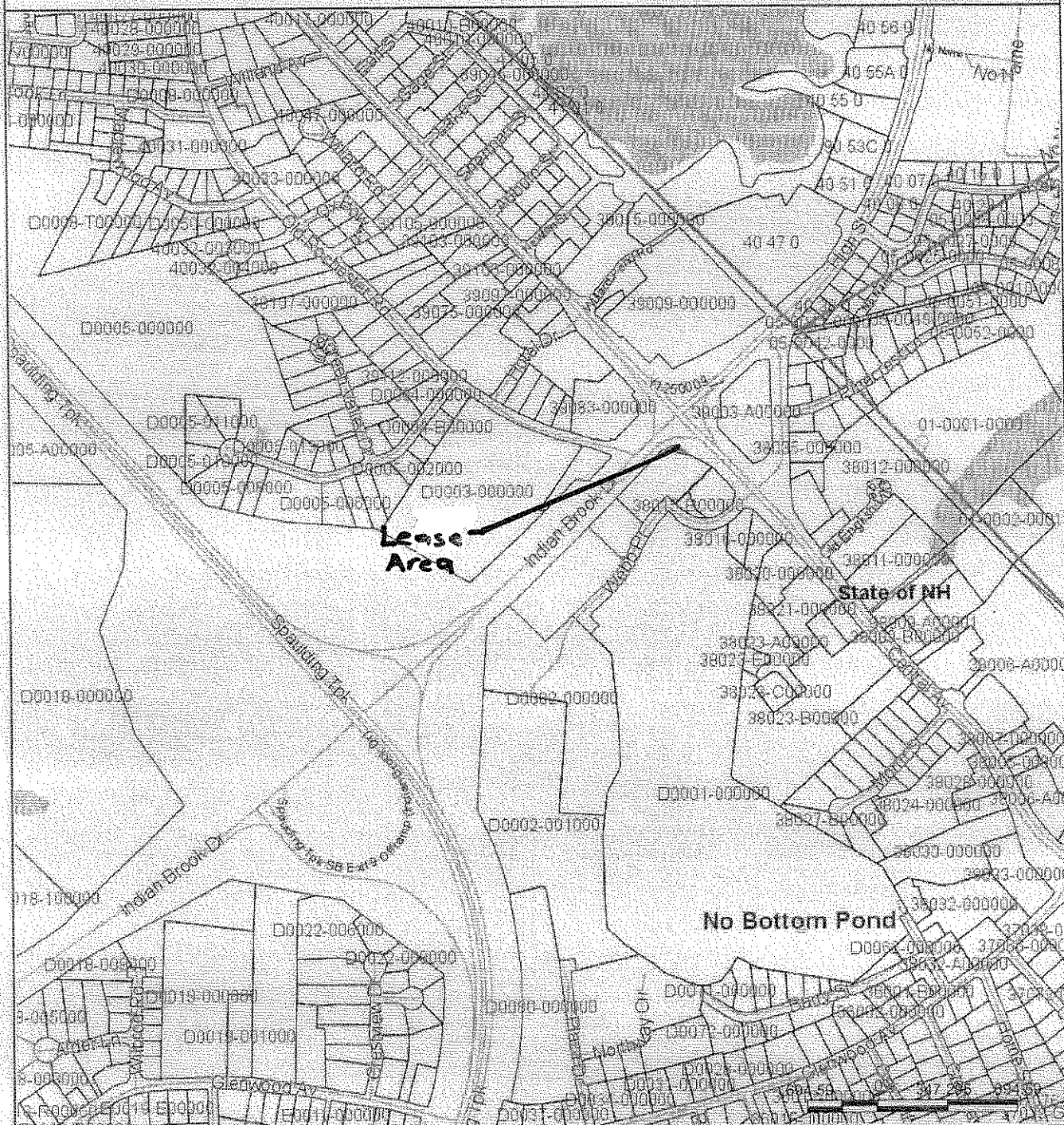




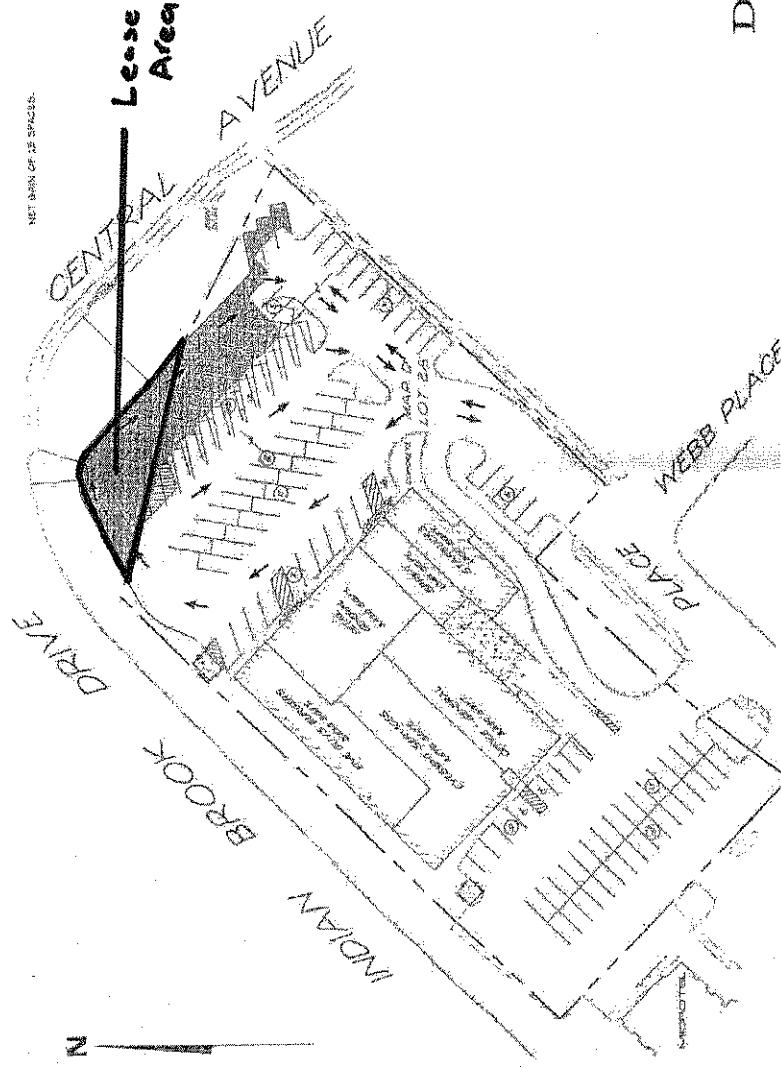
CITIES OF DOVER AND SOMERSWORTH

STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE
ADMINISTRATION

MOSAIC PARCEL
MAP SHARING
POOL



This map was compiled using data believed to be accurate; however, a degree of error is inherent in all maps. This map was distributed "AS-IS" without warranties of any kind, either expressed or implied, including but not limited to warranties of suitability to a particular purpose or use. No attempt has been made in either the design or production of the maps to define the limits or jurisdiction of any federal, state, or local government. Detailed on-the-ground surveys and historical analyses of sites may differ from the maps.



SITE SKETCH
WEBB PLACE
DOVER, NH
PREPARED FOR
THE KANE COMPANY
1"=30' JUNE 2014



FILE NO. 243
PLAN NO. 100
DATE 06/10/14
BY J. D.

NORWAY PLAINS ASSOCIATES, INC.

- STATE OF NEW HAMPSHIRE -
-- BUREAU OF RIGHT-OF- WAY MEMORANDUM--

TO: Phillip J. Miles, Chief Property Management
THRU: Charles R. Schmidt, P.E., ROW Bureau Administrator
FROM: Steve Bernard, NHCG # 654, Chief ROW Appraiser
DATE: December 30, 2015
RE: 2,760 Square Foot Land Lease, Central Avenue, Dover, NH

As requested, the purpose of this memorandum is to provide the Department with an opinion as to the validity of the estimated value of a potential ground lease for the subject parcel based upon a review of an analysis and subsequent summary report completed by former staff appraiser Jessie Tichko. Ms. Tichko's report was written on January 13, 2015 with an effective date of December 16, 2014. Ms. Tichko concluded in her appraisal that it was her opinion that the market value for a ground lease of the subject property was \$2,100 per year.

The purpose of my review of Ms. Tichko's appraisal is to provide an opinion as to whether the estimated land lease value established in her report would be valid as of December 30, 2015, taking into consideration the somewhat dated estimate of value. This internal memo is not to be construed as an appraisal of the subject property, as it does not conform to USPAP requirements, and is not written as such. My scope of work involved research into the subject market, including comparable land sales, existing market conditions and research into other factors that may have an impact on the value which is the subject of this memo.

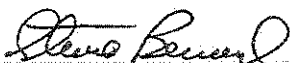
The subject of this memo is a 2,760 square foot parcel of vacant land which is a portion of the Limited Access Right of Way at the corner of Central Avenue and Indian Brook Road in Dover, NH. The subject 2,760 square feet of LAROW land abuts improved land on lot A on tax map D0002 in the City of Dover assessor's records. The abutting parcel is known as 11-17 Webb Plaza, owned by Prime Circle LLC. The subject land is located within the B-3, Thoroughfare Business zoning district; a commercial business zone.

After reviewing Ms. Tichko's report, my initial research was to collect information on potential comparable land sales since the effective date of his report to the present time. Research included collecting data from the Multiple Listing Service (MLS), Real Data, CIBOR, NH Department of Revenue and local market participants. In addition to potential comparable land sales, I researched the subject market for information regarding current rental rates of improved commercial properties.

Based on my research, the current market data seems to indicate a rather stable market has existed from December 16, 2014 in Dover. Although the data that was available was limited in the amount of market activity, the information that was reported did not indicate a measurable increase in values over the past 12 months. Research into the commercial leases contracted over the past 12 months, also did not illustrate or support a clear trend in either direction. The general consensus of participants in the market that it has remained relatively stable over the past 12 months is supported by the information that is available at this time.

In summary, the 2014 appraisal by Ms. Tichko concluded a ground rent value of \$2,100 per year for the subject 2,760 square feet of vacant land. I would also conclude that an estimated ground rent value of \$2,100 per year for the subject property would be reasonable and appropriate.

Respectfully submitted,



Steve Bernard, NHCG #654
Chief Right of Way Appraiser
Bureau of Right of Way

- Appraisal Report -

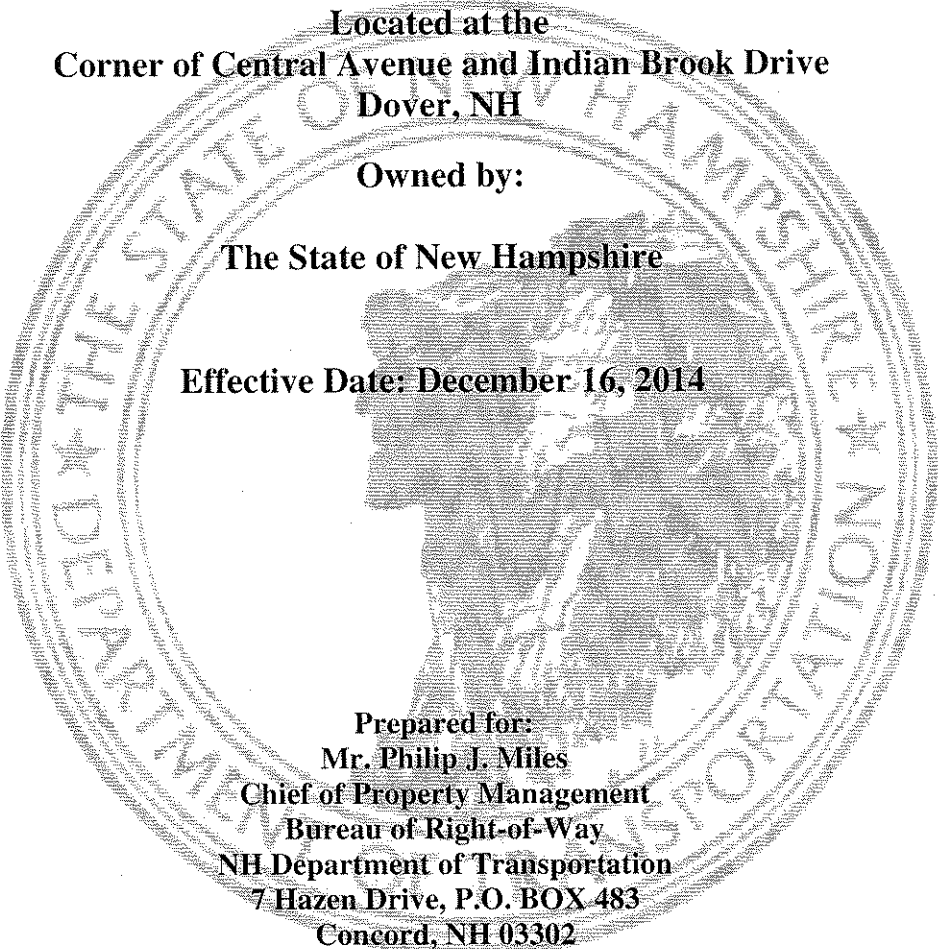
Valuation of 2,760 Square Foot Parcel

**Located at the
Corner of Central Avenue and Indian Brook Drive
Dover, NH**

Owned by:

The State of New Hampshire

Effective Date: December 16, 2014

The seal of the New Hampshire Department of Transportation is a large, circular, faded watermark in the background. It features a profile of a Native American figure holding a bow and arrow, surrounded by the text "THE STATE OF NEW HAMPSHIRE" and "DEPARTMENT OF TRANSPORTATION".

**Prepared for:
Mr. Philip J. Miles
Chief of Property Management
Bureau of Right-of-Way
NH Department of Transportation
7 Hazen Drive, P.O. BOX 483
Concord, NH 03302**

**Prepared By:
Jessie C. Tichko, NHCG #662
Staff Appraiser
Bureau of Right-of-Way
NH Department of Transportation
7 Hazen Drive, P.O. BOX 483
Concord, NH 03302**

Summary of Salient Facts and Conclusions

Location of Subject Project: Corner of Central Avenue and Indian Brook Drive, Dover, NH

Tax Map and Lot Number The State of NH LAROW is adjacent to 11-17 Webb Plaza
(Map D0002 Lot A).

Owner of Record: The State of New Hampshire
The adjacent lot is owned by Prime Circle LLC

Contact Person: Phil Miles
NH Department of Transportation
Bureau of Right-of-Way
7 Hazen Drive
Concord, NH 03302
Telephone: (603) 271-3222

Inspection Date: I inspected the property on December 16, 2014.

Report Date: January 13, 2015

Effective Date of the Appraisal: December 16, 2014, last date of inspection

Land Area

"As If Assembled": 1.93 acres+/- (State owned LAROW 0.06 acre parcel +
abutting 1.87 acre parcel)

"As is": 1.87 acres

Highest and Best Use:

"As If Assembled":

Site Only: 1.93 acres commercial site

"As is" Valuation:

Site Only: 1.87 acre commercial site

Indicated Values as of December 16, 2014

"As If Assembled" 1.93 acre Parcel: \$1,095,000

"As Is" 1.87 acre Parcel: \$1,060,000

Contributory Value of the 0.06 acre State owned parcel: \$ 35,000

Annual Ground Rent \$ 2,100

Underlying Assumptions and Limiting Conditions

Underlying Assumptions

- all maps, plans, and photographs used are reliable and correct.
- the Parcel area given to me has been properly calculated;
- broker and assessor information is reliable and correct;
- there are no encumbrances or mortgages other than those reported in the abstracts;
- information from all sources is reliable and correct unless otherwise stated;
- all personal property is excluded;
- all non-compensable items are excluded.

Limiting Conditions

I have relied upon the legal interpretations of others and have assumed their decisions are correct and valid. I have also relied upon the abstracts of title and other legal information available and take no responsibility for their correctness.

- Sketches in this report are included to assist the reader in visualizing the property. I have not performed a survey of the property or any of the sales, and do not assume responsibility in these matters.
- There are no hidden or unapparent conditions on the property, in the subsoil (including hazardous waste or ground water contamination), or within any of the structures that would render the property more or less valuable. I assume no responsibility for any of these conditions or the engineering that may be required to discover or correct them. If any contamination is found on the subject, this report becomes null and void.
- This appraisal is made based on plans prepared by Norway Plains Associates, Inc. dated June 2014 and NH DOT ROW plans, and additional NH DOT ROW information. Any changes, additions, discrepancies, and / or revisions to any of the information provided to me subsequent to the date of this appraisal, may require an updated or new appraisal report.
- Possession of this report (or a copy) does not carry with it the right of publication. It may not be used for any purpose other than by the party to whom it is addressed without the written consent of the State of New Hampshire and in any event only with the proper, written qualification and only in its entirety. Neither all nor any part of the contents (or copy) shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the State of New Hampshire.
- Acceptance and / or use of this report constitutes acceptance of the foregoing underlying assumptions and limiting conditions.
- Descriptions pertaining to the physical attributes of the subject parcel outlined herein are based upon visual inspection and sources readily available. No liability is assumed for any hazardous materials found on site. This property was appraised as a "clean" site.

Hypothetical Condition

This analysis includes an "As If Assembled" valuation based on a hypothetical scenario where the abutting property is assembled with the subject property in order to arrive at the contributory value for the subject.

Extraordinary Assumptions

This analysis is based on the assumption that the following restriction will apply to the subject parcel: the parcel is offered solely to the only one abutter for lease.

Overall Appraisal Problem

The NH Department of Transportation has obtained a request by the abutter, Prime Circle LLC, to lease 2,760 square feet located in the existing LAROW at the corner of Central Avenue and Indian Brook Drive in Dover, NH. The abutter is interested in leasing the State owned LAROW area for the purpose of creating 15 more parking spaces, allowing a reconfiguration of the lot to improve the interior parking lot traffic flow pattern.

Therefore, this appraisal report will first estimate the contributory value of the 2,760 square foot parcel and then develop an annual ground rent based on an overall capitalization rate.

Purpose and Function of the Appraisal Report

The purpose of this appraisal is to estimate the contributory value of the fee simple interest of the State owned 2,760 square foot area and then develop the annual ground rent as of December 16, 2014, the effective date of value.

The function of the appraisal is to assist the NH Department of Transportation: Bureau of Right-of-Way: Property Management Section in providing an estimated annual ground rent of the State owned 2,760 square foot area.

Client, Intended User, and Intended Use

Client:	The NH Department of Transportation (NHDOT)
Intended User:	Agents and officials of the NH Department of Transportation
Intended Use:	This appraisal report will be used by the NHDOT, Bureau of ROW, Property Management Section as a basis in leasing the State owned parcel to the interested party.

Present Use

The 2,760 square foot State owned area is a section of the LAROW at the intersection of Central Avenue and Indian Brook Drive in Dover, NH. It is an area that is primarily lawn.

The abutting 1.87 acre parcel is an improved parcel located on the south side of Indian Brook Drive and the north end of Webb Place in Dover, NH. The improvement is 1960-built one story multi-tenant retail and office building. It is the old NH Employment Security building

Scope of Work

According to the 2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP), the scope of work is defined as "the type and extent of research and analyses in an appraisal." The collection process begins with researching information on the subject property. Information concerning the neighborhood and market area was collected.

I have made a number of investigations and analyses for this appraisal. I have incorporated details about the type and extent of research and analysis performed with the discussion for each step in the appraisal process. The balance of this section provides an overview of work performed for this assignment.

After determining the nature of this assignment, I reviewed available information about the State owned LA ROW area and the abutting property owned by Prime Circle LLC. I personally inspected and photographed the properties, noting any significant characteristics. I have relied on and examined city and county property records including assessment data and taxes, zoning regulations, access, and the available plans provided to me by the NH Department of Transportation, Bureau of Right-of-Way and by Prime Circle LLC. I concluded the site's highest and best use based on legal, physical, and neighborhood land use characteristics, compiled comparable land sales data, verified and analyzed the data, and prepared this appraisal report. This appraisal report is prepared to convey my findings, summarize the market data, analyze the data, and to estimate the contributory value and the annual rent for the State owned LAROW 2,760 square feet.

Property data was collected and compiled from several sources, including the city of Dover and surrounding communities, Strafford and Rockingham County Registry of Deeds, Northern New England Real Estate Network site (MLS), CIBOR, Real Data, NH Department of Revenue, and local real estate professionals and assessors. After an investigation of the 2,760 square foot State owned LAROW area, and the various sources of market information, the methods of valuation were selected and this report was prepared. The Sales Comparison Approach was determined to be the most applicable approach. Finally, I prepared this Appraisal Report in compliance with USPAP #2-2(a) governing appraisal reports.

Listing, Transfer, and Ownership History

The State of New Hampshire owns the subject parcel as it is LAROW at the intersection of Indian Brook Road and Central Avenue in Dover, NH. The State acquired the LAROW in the 1950's in conjunction with a road project. No additional title work has been performed.

Abutting property: Map D2-A

The abutting property is an improved 1.87 acre parcel.

Grantor: Samuel A. and James N. Tamposi, Gerald Q. Nash

Grantee: Prime Circle LLC

Book/Page: 1772/217 **Recorded Date:** 10/7/1994 **Deed:** Warranty.

Price based on Stamps: \$750,000

Definition of Market Value

The term "Market Value" is referenced in Section A-9 of the Uniform Appraisal Standards for Federal Land Acquisitions, 2000 Edition, and defined as:

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

Definition of Contributory Value

The term Contributory Value as provided by the client, is defined as: The contributory value of a property is the incremental increase in market value expected to occur for another property as a consequence of assembling the subject property to it.

Exposure Time

According to the 2014-2015 Uniform Standards of Professional Appraisal Practice Definitions on Page U-2, exposure time is "estimated length of time that 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."

It is my opinion based on an analysis of the current market, the estimated exposure time for the abutting 1.84 acres parcel is 12-24 months.

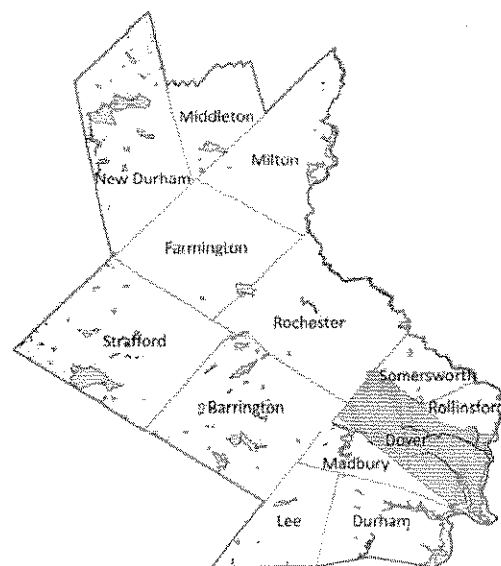
Property Rights Appraised

The abutting property and the State owned 2,760 square foot area are owned in fee simple interest, and will be appraised "as-is, in fee simple". Fee simple estate is defined in the fifth edition of the Appraisal Institute "The Dictionary of Real Estate Appraisal" as "absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." For the basis of this appraisal report, the State owned 2,760 square foot area is a vacant site.

Area, Municipal, and Neighborhood Data Dover, NH

Area and Municipal Data:

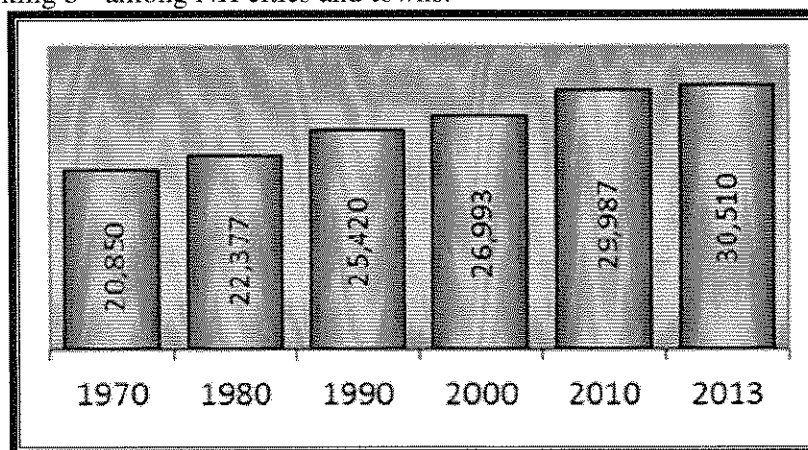
Dover is located in the southeast portion of the State of New Hampshire and is located in Rockingham County. The city of Dover encompasses a total of 26.7 square miles of land area and 2.3 square miles of inland water area. Dover is bounded on the north by Rochester and Somersworth, east by Rollinsford, the Piscataqua River and the State of Maine, south by Newington and Madbury, and west by Barrington. Dover lies seven miles inland from the Atlantic Ocean, 50 miles north of Boston, Massachusetts, 50 miles south of Portland, Maine and 40 miles east of Concord, NH, the state capital.



Primary access is provided by I-95 which runs from Boston, Massachusetts north into the State of Maine. Dover is crossed by NH Routes 4, 9 and 16 (Spaulding Turnpike), 16B, 108 and 155, and 28. The community is south of Manchester, the largest city in the State of NH, and Concord, the State's capital.

Air transportation is provided by Skyhaven Airport in Rochester, NH and Pease International Tradeport in Portsmouth, NH. Regional airports include airports in Manchester, NH, Portland, Maine and Boston, NH. The Cooperative Alliance for Seacoast Transportation (COAST) operates a publicly funded bus network in Dover and surrounding communities in New Hampshire and Maine. C&J Trailways is a private intercity bus carrier connecting Dover with other coastal New Hampshire and Massachusetts cities, including Boston. Amtrak's Downeaster train service stops at Dover station with service to the Portland Transportation Center and Boston's North Station.

The first population census in Dover was taken in 1790 with 1,998 residents. The U.S. Census indicated the largest decennial percent change was 14% between 1980 and 1990 and the population has grown less than 15% each decade since. The 2012 Census estimate for Dover was 30,220 residents, ranking 5th among NH cities and towns.



As of the 2012, Dover had 13,252 housing units with 6,704 units representing detached single-family dwellings. Dover has 6,181 multi-family units and 367 manufactured housing units. Dover's median household income was \$55,890 ranking 95th out of 248 towns. The median age of Dover residents is 35.6 years. Dover functions as a bedroom community with 54% commuting to another NH community for employment, 37.1% work in Dover and 8.9% commute out of state for employment.

The largest employers in Dover are as follows:

LARGEST BUSINESSES	PRODUCT/SERVICE	EMPLOYEES
Shaw's Supermarket	Supermarket	139
Cyr Lumber	Wood, lumber	80
Windham Terrace Communities	Assisted living facility	80
Warde Supported Residential Care	Assisted living	50-99
Castleton Banquet & conference Center	Receptions & conferences	50-99
George R Cairns & Sons Inc	Construction	50-99
Fences Unlimited Inc	Fencing	50-99
AJ Letizio Foods	Meat distribution	40
AP Daily	Woodworking	40
Park Place Lanes	Bowling alley	35

Dover is located in the Portsmouth-Rochester Labor Market Area. According to the CBRE Market Outlook report and my market research, there are signs of a turnaround from the recession years of 2008-2011 with office vacancy rates falling about 2% this past year. Recently there has been a migration by office tenants relocation or expanding to the Seacoast/I-95 corridor from surrounding areas in southern Maine and northern Massachusetts. The Pease Tradeport, the third largest office submarket in the Seacoast area, continues to see activity and has begun to show signs of absorption with only seven land lots available for office development. Dover and surrounding communities should benefit from the limited office supply in Portsmouth as companies are forced to expand their search for availability. The industrial market locally in Dover has seen some significant transactions with Sig Sauer expanding with an additional 60,000 square feet and FW Webb relocated into a new 68,000 square foot building on Knox Marsh Road in Dover.

According to the Northern New England Real Estate Network, since 2011, Dover's residential market is showing an increase in residential sales with a decrease of days on the market. In 2011, there were 231 residential sales with an average selling price of \$261,636 and 106 days on the market. In 2014, there were 315 residential sales with an average selling price of \$300,875 and 75 days on the market supporting a 15% value increase in 3 years and 36% increase in the number of sales.

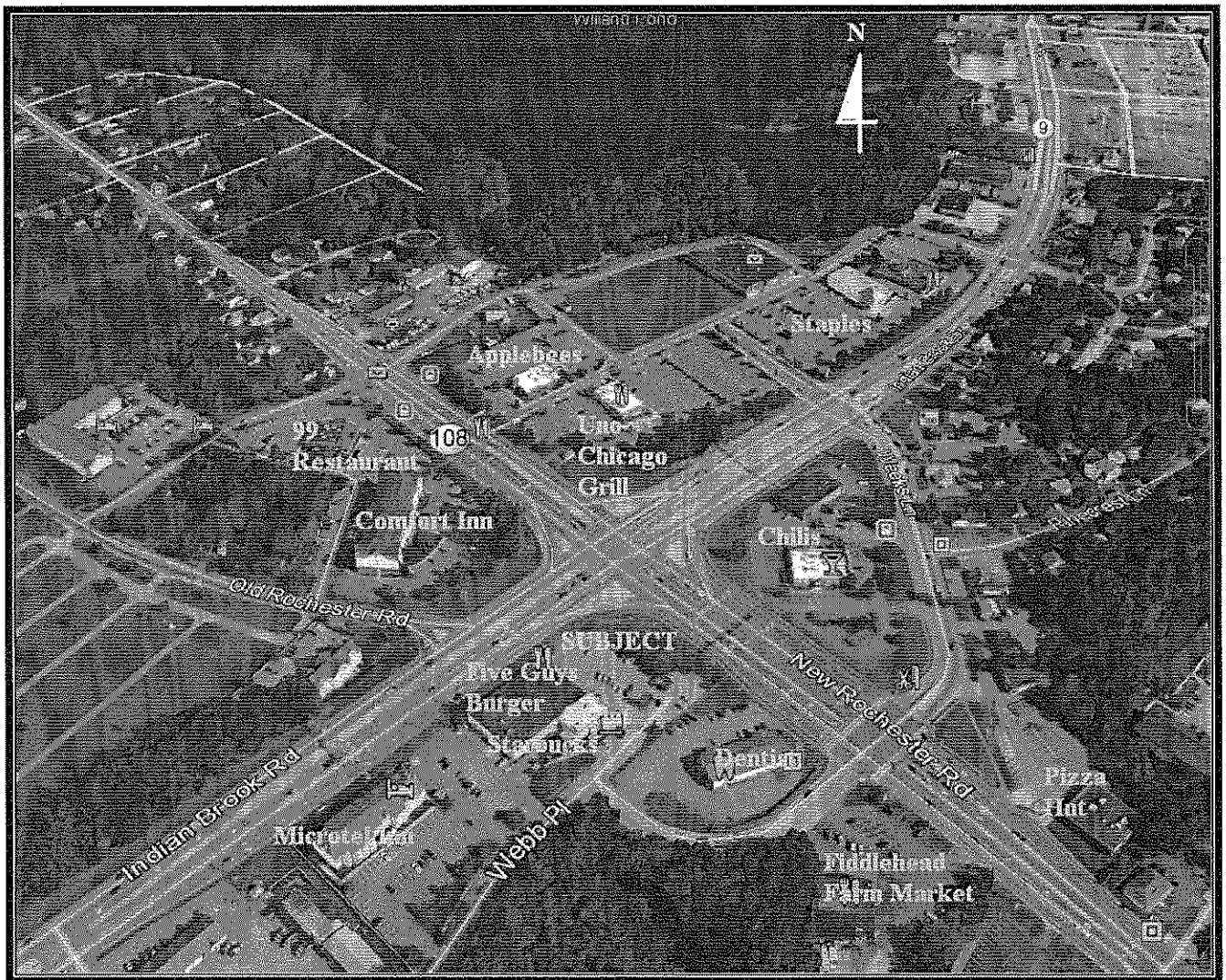
Overall, the city of Dover is rebounding back from the recession. According to 2014 Money Magazine, "Dover is the fastest-growing city in NH and is ranked as one of the top 100 communities to live in." Dover is an attractive city for families with easy access to major transportation routes, employment and recreational facilities. With a decline in unemployment rates, low interest rates and a diverse economic base, Dover will continue to grow and become a desirable city to live in.

Neighborhood

According to the fifth edition of The Dictionary of Real Estate Appraisal, the definition of a neighborhood is: "A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."

The subject's neighborhood is defined as the commercial area surrounding the major intersection of Indian Brook Drive, Central Avenue (NH Route 9/108), High Street (NH Route 9/16A) and New Rochester Road (NH Route 108). This intersection is locally known as Weeks Crossing. The properties within this neighborhood consist of restaurants, hotels, office and retail. This commercial neighborhood has a high traffic pattern due to the close proximity to the Spaulding Turnpike/NH Route 16 and due to state routes running north and west towards Somersworth and Rochester, NH. The annual traffic volume along Indian Brook Road, east of the Spaulding Turnpike, is 31,000 vehicles (2013).

Neighborhood Map



Property Description-Subject

Introduction:

The property descriptions are based upon:

- A field inspection of the 0.06 acre (2,760 SF) State owned LAROW and the abutting 1.87 acre parcel (Tax Map D2-A) was performed on December 17, 2014.
- A review of the Dover Tax Maps and assessment cards.
- A review of the Norway Plains Associates, Inc. plans and NHDOT ROW plans

Subject: State Owned LAROW

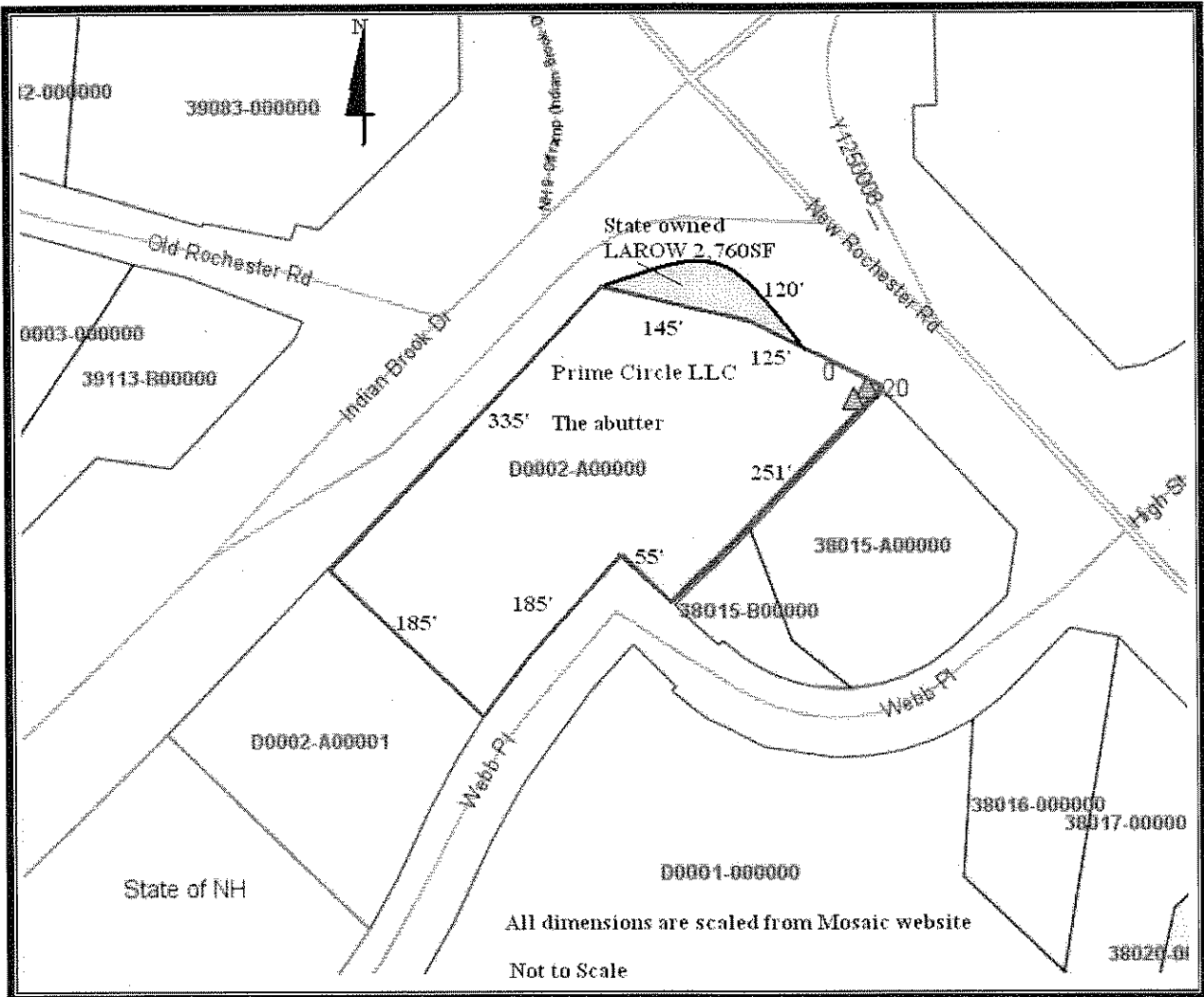
The State owned LAROW parcel is 2,760 square feet (0.06 acre) located at the signalized intersection of Indian Brook Drive and Central Avenue in Dover, NH. The subject site area is too small to support any building development but has excellent visibility and good frontage in a neighborhood of high commercial land values. The parcel has approximately 120' +/- of road frontage and a maximum depth of 30 feet +/- . The area gently slopes down from the roadway and levels off. It is a mowed lawn area. The property is not located in a flood zone and consists of urban-made soils. Utilities available at the street include electricity, natural gas, telephone, cable TV, municipal water and sewer.

Property Description-Abutting Property, Prime Care, LLC

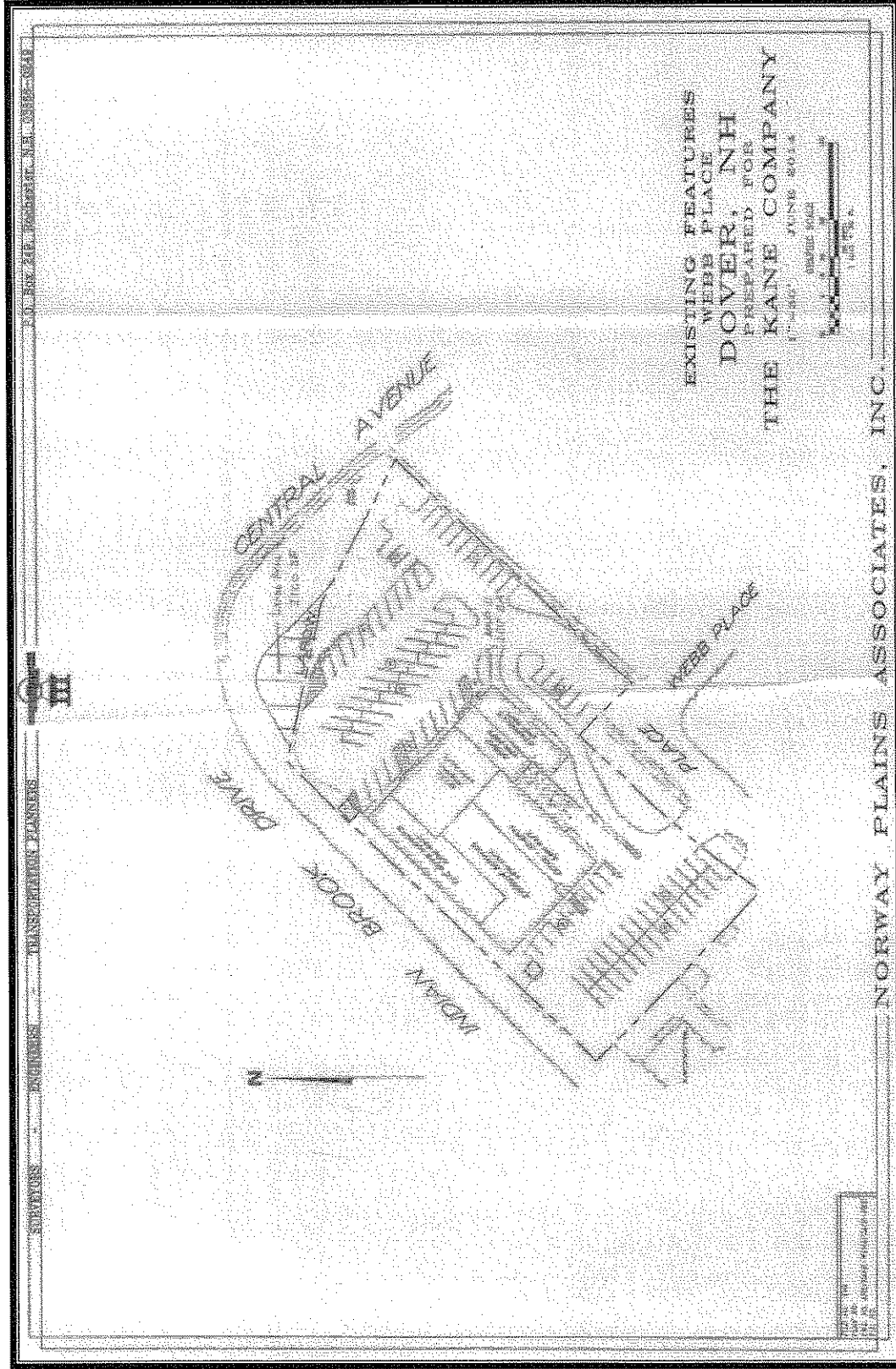
The abutting 1.87 acre parcel has 335' +/- of road frontage on the southeast side of paved, State maintained Indian Brook Road and 270' +/- of road frontage along paved State maintained Central Avenue in Dover, NH. The parcel's access is off of Webb Place. The terrain is at road grade and gently slopes down to a level area. The property is developed with a 17,968 square foot multi-tenant retail building and a parking lot located in the Business-3 zoning district. The property is not located in a flood zone and consists of urban-made soils. Utilities available at the street include electricity, natural gas, telephone, cable TV, municipal water and sewer.

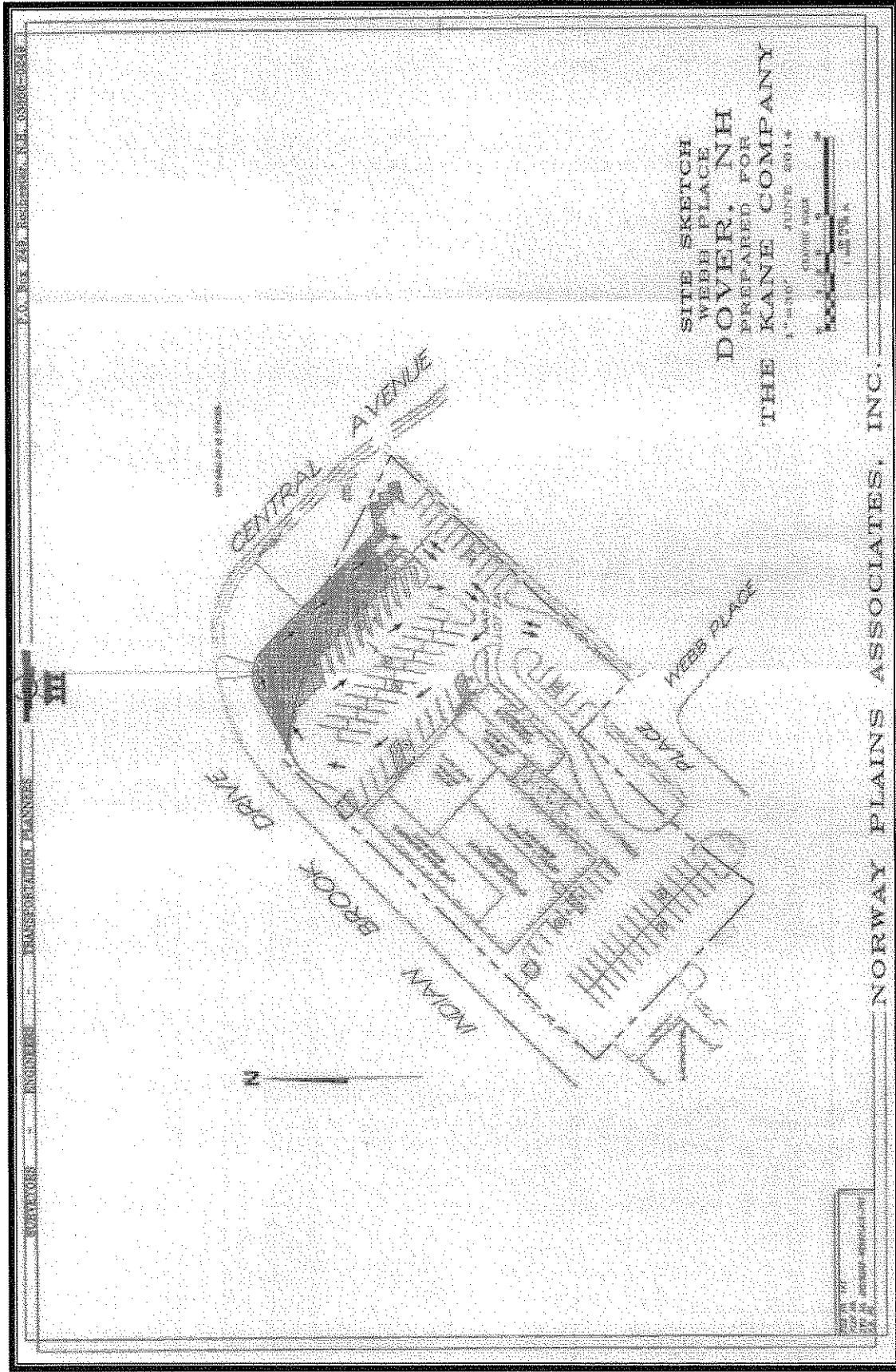
The assemblage of the State owned 0.06 acre (2,760 SF) parcel and the abutting 1.87 acre parcel results in a larger parcel of 1.93 acres.

Tax Map



Existing Features: Site Sketch prepared for The Kane Company by Norway Plains Associates, Inc. June 2014





Photographs of the State owned LAROW and the Abutting Property
 Photographs are taken by Jessie C. Tichko on December 16, 2014
 Panoramic View

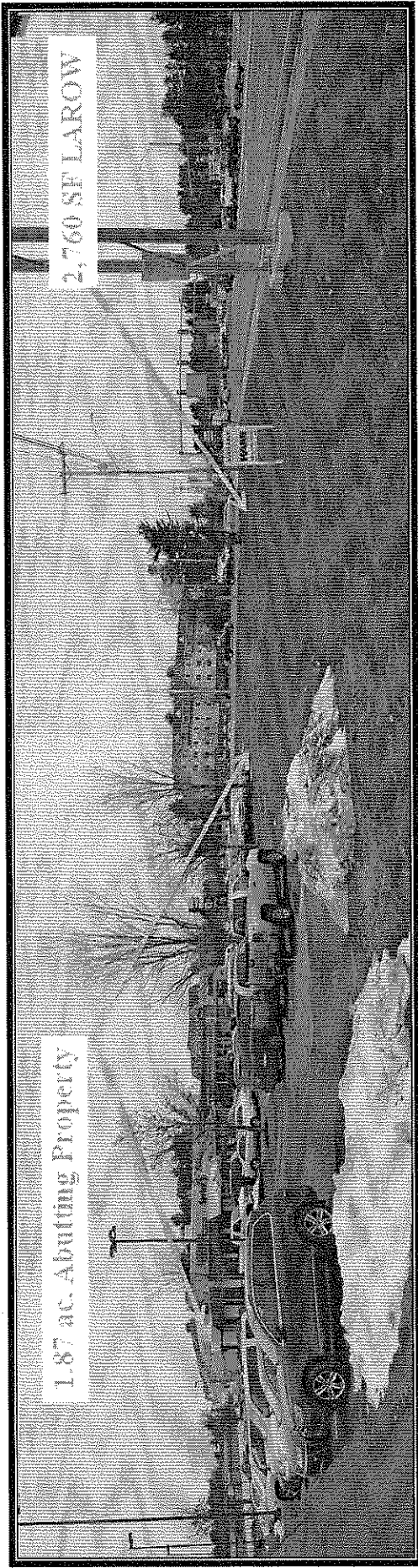


Photo #1: Looking northwesterly at the State owned LAROW and the abutting property along Central Avenue, Dover, NH

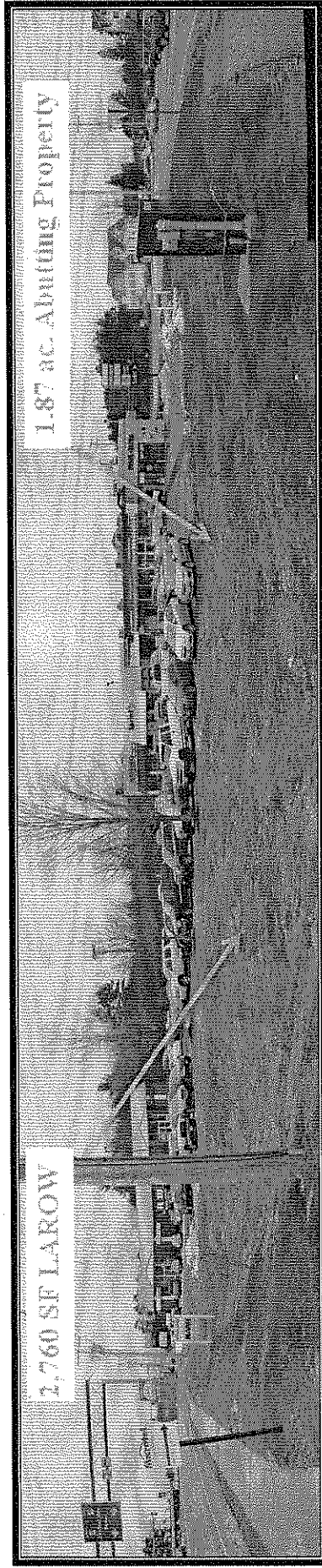
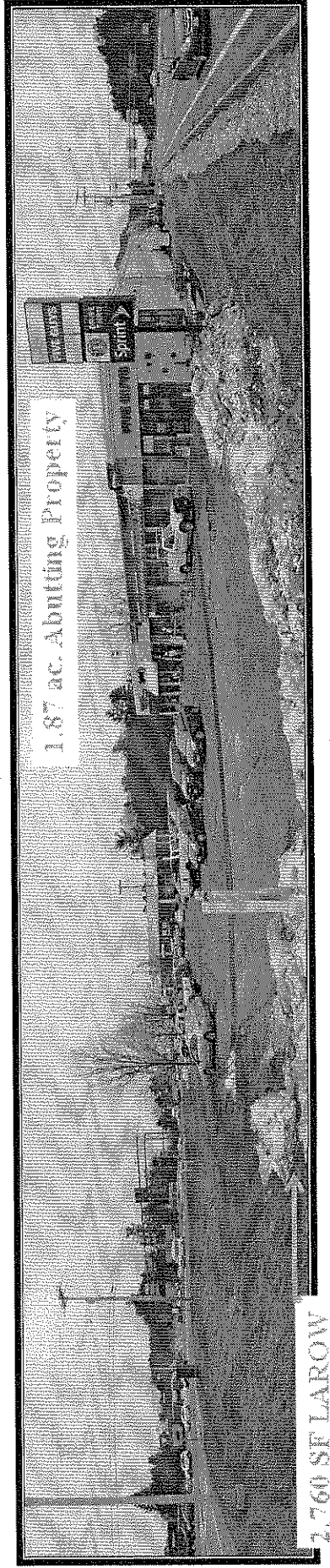


Photo #2: Looking southwesterly at the State owned LAROW and the abutting property from the intersection of Central Avenue and Indian Brook Drive, Dover, NH

Photographs of the State owned LAROW and the Abutting Property
Photographs of the Subject Property

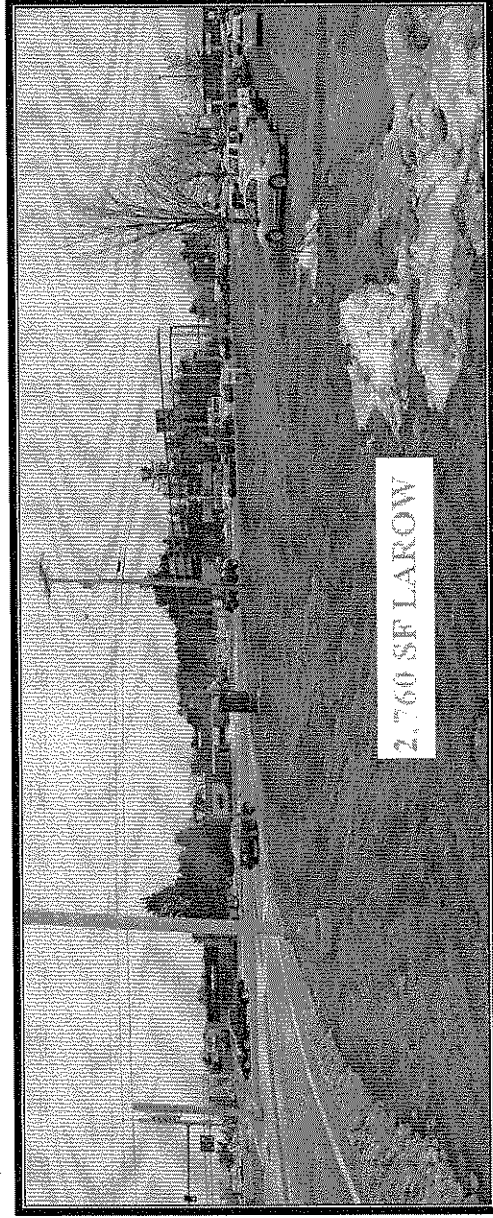
Photographs are taken by Jessie C. Tichko on December 16, 2014

Panoramic View



2,760 SF LAROW

Photo #3: Panoramic View: Looking westerly at the abutting 2.48 acre parcel along Lamson Road, Windham, NH



2,760 SF LAROW

Photo #4: Looking at the State owned parcel from discontinued old Lamson Road, Windham, NH

Assessment Information

The Dover, NH Assessor's Office has provided the following information. There is no assessment information for the State owned LAROW; however the assessment information for the abutting property is described below.

➤ -The abutter: Prime Circle LLC

Map: D-2-A-0

Address: 11 17 Webb Plaza, Dover, NH

2014 Assessed Values

Building	\$1,730,100
Land	<u>\$431,700</u>
Total Assessment	\$2,161,800

Annual Real Estate Taxes: \$25.97 per thousand **Property in Current Use:** No

Assessed values have been estimated by the NH Department of Revenue Administration to be approximately 95.6% of market value for 2013 resulting in an equalized assessed value of \$2,182,467.

Copies of the assessment cards are included in this report in the addendum.

Zoning

The subject property and the abutting property are located in Dover's B-3, Thoroughfare Business District as shown on the following zoning map.

Minimum Lot Areas: minimum lot area shall be 20,000 square feet

Minimum Road Frontage: 125 feet

Setbacks:

Front: 50 feet

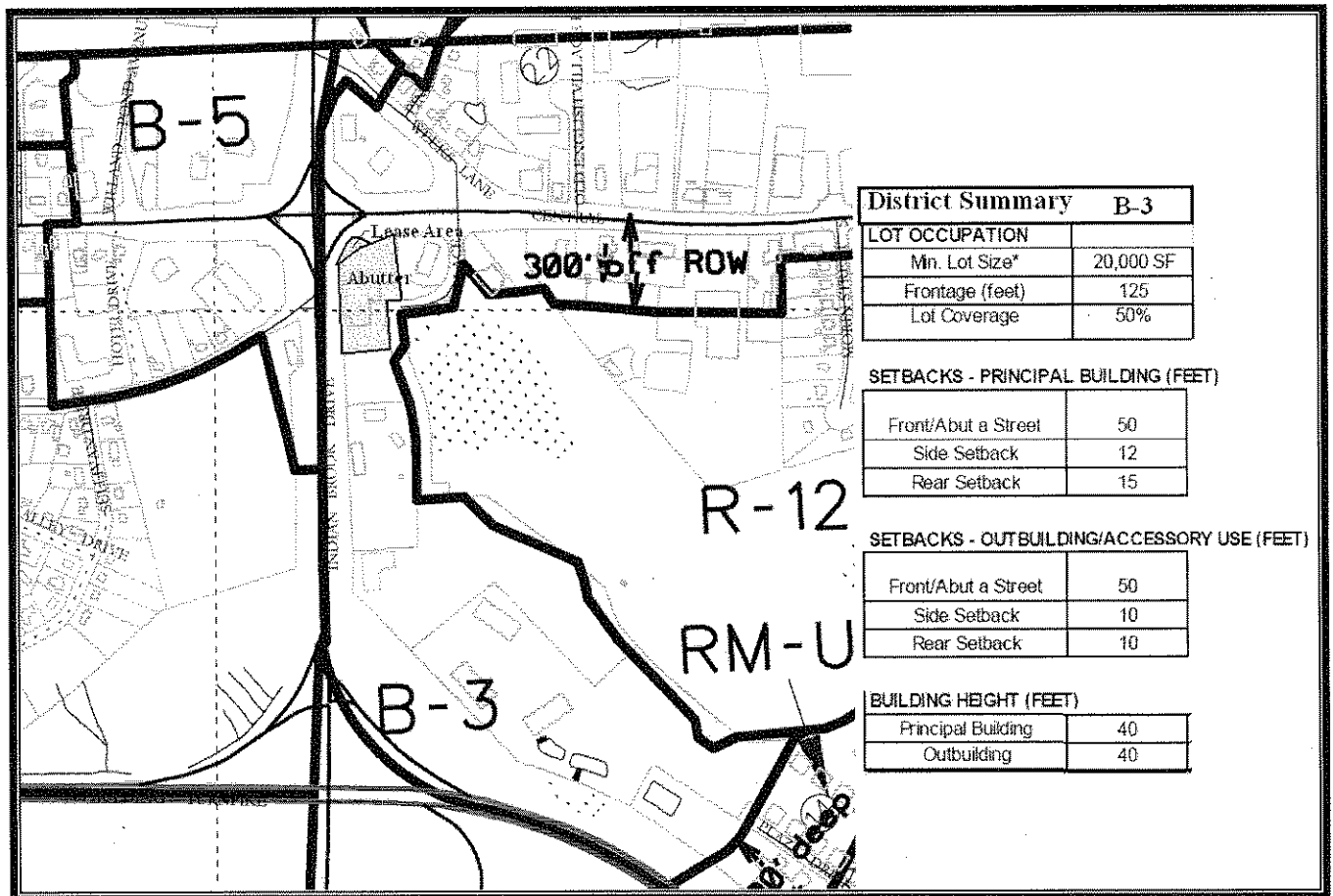
Side: 12 feet

Rear: 15 feet

Maximum: % Building Coverage of Lot: 50%

Permitted Uses: retail sales, personal services, restaurants, automobile sales, hotels, offices, banks, and theaters.

Zoning Map



The State's 2,760 SF is located in the existing LAROW and does not comply to the zoning regulations as it does not have sufficient size, depth or road frontage. The abutting property, Prime Circle LLC, as vacant, does comply to the current zoning regulations.

Highest and Best Use

The Highest and Best Use of a property is considered to be that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal. For a use to be considered the highest and best use, it must be physically possible, legally permissible, economically feasible, and maximally productive.

The subject is the State owned 2,760 SF (0.06 acre) parcel located in the existing LAROW. It is not a conforming lot of record. The size and configuration of this parcel limits itself to a nonbuildable parcel. The subject abuts only one property, a 1.87 acre parcel owned by Prime Care LLC. Prime Care LLC is currently improved with a multi-tenant building and a parking lot. The subject would yield the highest return if it is merged with the only abutter as it offers utility to the abutter's parking lot and interior traffic flow. Therefore, based on the above analysis, the highest and best use of the subject is concluded to be assemblage with the abutting property located at 3 Plaza Drive.

The abutting property is owned by Prime Care, LLC with a legal address of 3 Plaza Drive. It is 1.87 acre parcel located in Dover's B-3, Thoroughfare Business District. The permitted uses include retail, restaurants, automobile sales, hotels, offices, banks, and theaters. The site has excellent visibility on two high traffic volume roads with good access. The site's terrain is mostly level and just slightly below road grade and is serviced by municipal water and sewer, electricity and telephone. The neighborhood has been intensively developed with the permitted commercial uses through the past decade. Based on the neighborhood uses, the highest and best use of the abutting site, as vacant, is concluded to be for commercial development.

Valuation Premises

“As Is”

There are three traditional approaches to valuing real estate are the Income Approach, the Cost Approach, and the Sales Comparison Approach. This appraisal assignment is to estimate the contributory value of the fee simple interest “As Is” and “As If Assembled” with a final step to estimate the annual ground rent of the 2,760 square foot LAROW subject area based on an overall capitalization rate. There were a sufficient number of available commercial land sales to develop the Sales Comparison Approach. The Cost Approach is not applicable to a land only and was not used in this report. The Income Approach was used to estimate the annual ground rent of the 2,760 SF State owned LAROW.

Sale Comparison Approach

In the Sales Comparison Approach, recent sales of similar properties are used in a comparative analysis to derive a value of the subject property. By applying the Sales Comparison Approach, the sales analysis is based on the elements of comparison. The adjustments in this analysis are intended to reflect those conditions, which the buyers and sellers consider important and are present in various degrees between the subject and one or more of the comparables. The sales are summarized in a grid to allow side-by-side comparisons for use in estimating the relative economic impact of their differences. Based on the differences, each sale is adjusted to reflect market reaction to each significant feature. Conceptually, adding to the sales price for a deficiency in the comparable property as compared to the subject and deducting from the sales price for elements in a comparable, which are superior to the subject, will result in the adjusted sales price approaching the market value of the subject. Adjustments may be made on a dollar or percentage basis. It must be noted that some types of real estate are sold on a per unit basis such as land (per acre), subdivisions (per lot), commercial stores (per square foot), and so on.

In this case, the abutting property, Prime Care, LLC is valued “As Is” and “As If Assembled” with the State’s 2,760 SF LAROW in order to derive at a contributory value for the State owned LAROW parcel. A sufficient number of available commercial land transactions were found in the Dover and Rochester, NH market to develop this approach. My research consisted of gathering information of comparable properties from Real Data Research Service, NNEREN (MLS), Dover and Rochester town offices, Strafford County Registries of Deeds. The comparable sales were confirmed through the buyers, real estate brokers or when not possible I relied on the Department of Revenue Form PA-34. Of all the data there were three most comparable commercial land sales used in the following analysis. Each sale is detailed on the following pages.

Land Sale #1

Assemblage of two separate lots as described below

Address	122 Washington Street aka US Route 202, Rochester, NH		
Grantor	Greendeck LLC		
Grantee	McGroen Partners LLC		
Condition of	arm's-length		
Sales Price	\$500,000	Date of Sale	12/28/2012
Financing	None recorded		
Confirmation	Steven Groen, Grantee, public records 2014		
Date Recorded	12/28/2012	Book/Page	4085/38
County	Rockingham	Deed Type	Warranty
Tax Stamps	\$7,500	Lot Size (ac)	1.50 acres

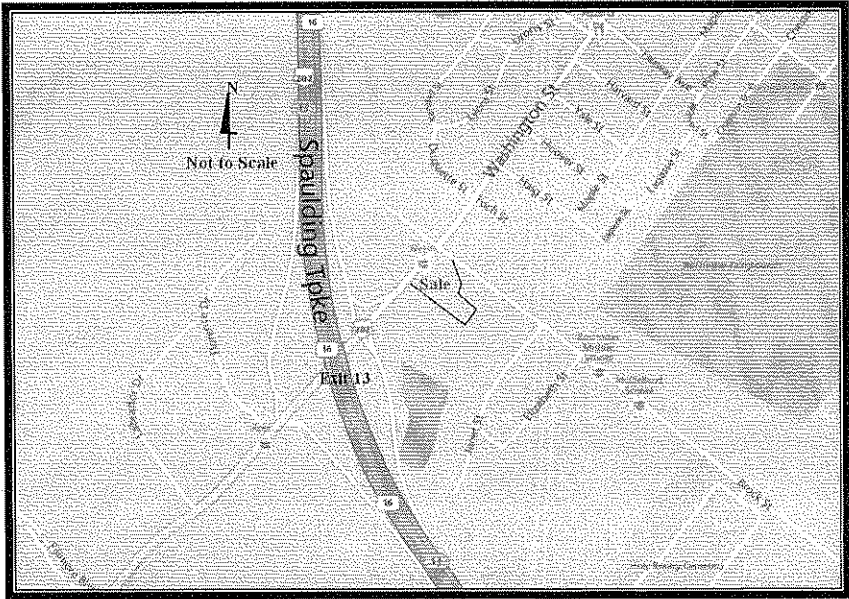
Address	120 Washington Street aka US Route 202, Rochester, NH		
Grantor	Nyberg Revocable Trust, James J.		
Grantee	ESD LLC		
Condition of	arm's-length		
Sales Price	\$188,200	Date of Sale	8/20/2012
Financing	Centrix Bank and Trust \$188,250		
Confirmation	Steven Groen, Grantee, public records 2014		
Date Recorded	8/28/2012	Book/Page	4048/142
County	Rockingham	Deed Type	Warranty
Tax Stamps	\$2,824	Lot Size (ac)	0.18 acre

The two parcels assembled total 1.68 acres or 73,181 square feet with 307' on Washington Street and 100' on Brook Street. The parcel is generally level and has the availability of municipal water and sewer, electricity, telephone and cable. It is located in the Highway Commercial district.

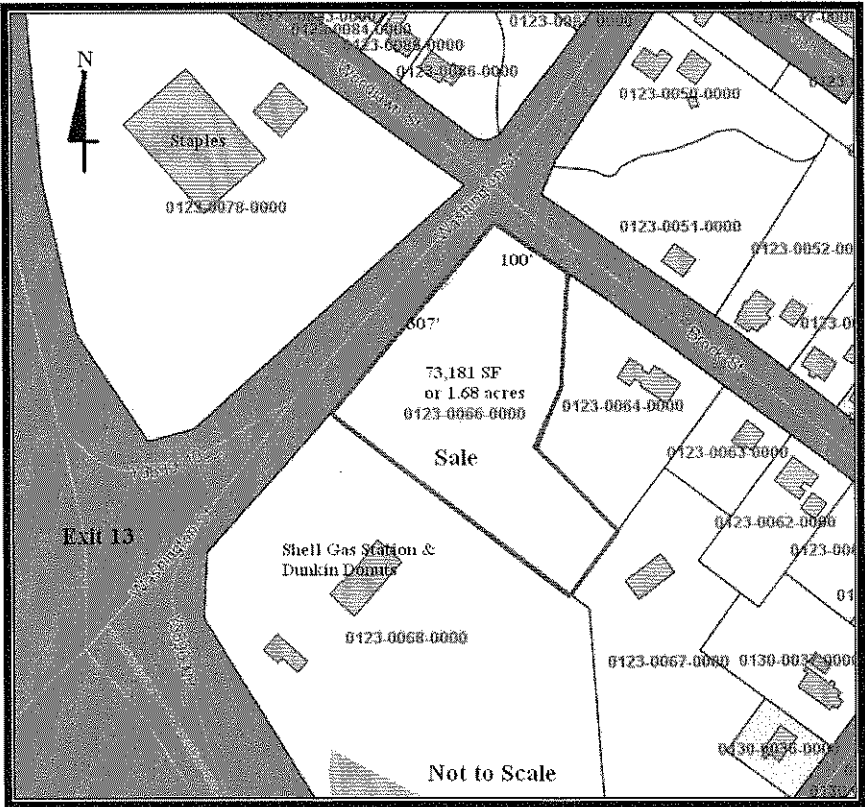
Comments: Tax Map: 123 lots: 65 and 66

This property is located at a signalized intersection in close proximity to exit 13 along the Spaulding Turnpike. Both properties were improved with single family residences. The buyer reported spending an additional \$120,000 for a retaining wall with a guardrail by the brook and additional \$10,000 in engineering costs to reduce the loss of space by combining the wall and guardrail. The demolition costs of the residences were estimated at \$25,000. The effective sales price is $\$500,000 + \$188,200 + \$120,000 + \$10,000 + \$25,000 = \$900,000$. The site has been improved with a three story office, retail and medical building.

Location Map



Tax Map
Map 123 Lots 65 & 66 Assembled



**Photograph of Sale #1
120-122 Washington Street, Rochester, NH
December 16, 2014**



Looking northeasterly at sale from Washington Street, Rochester, NH

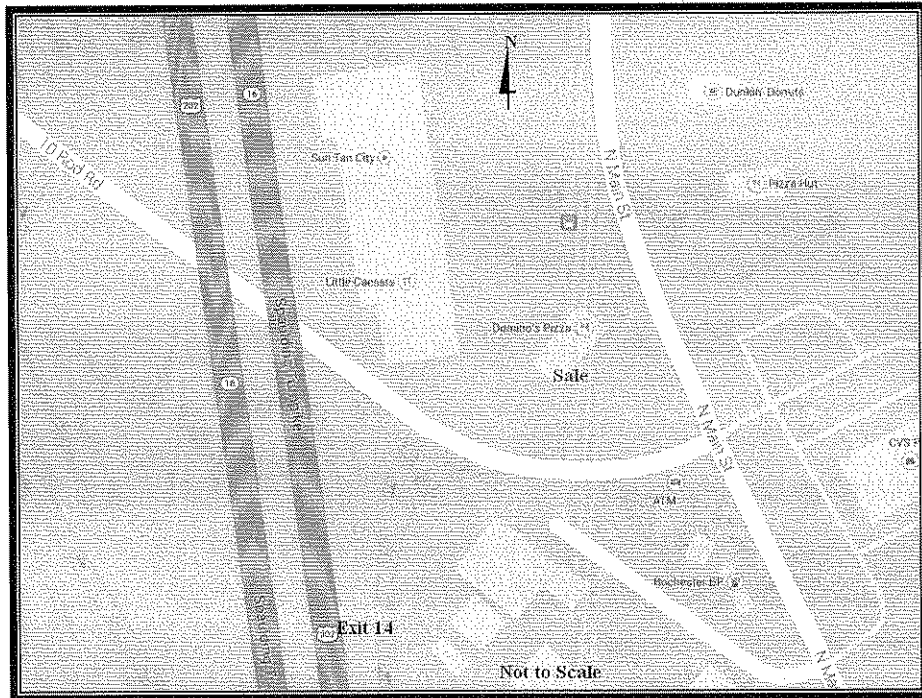
Land Sale #2

Address	300 N. Main Street aka NH Route 11, Rochester, NH		
Grantor	Melody Viel		
Grantee	Rochersterdom LLC		
Condition of	arm's-length		
Sales Price	\$400,000	Date of Sale	3/8/2012
Financing	Newburyport Five Cent Savings \$900,000, Granite State Econ. \$411,000		
Confirmation	Grantee, David Jenks, Public Records 2014		
Date Recorded	3/13/2012	Unit Price	\$17.66/SF
County	Strafford	Deed Type	Warranty
Tax Stamps	\$6,000	Book/Page	4000/56
Lot Size (ac)	22,651 SF or 0.52 acre	Shape of Lot	irregular
Frontage (ft)	151.6', 120', 54.6'	Road Grade	at road
Topography	level to rolling	Landscaping	open
Road Surface	paved State maintained	Soils	sandy loam
Electric	Available at road	Gas	propane
Water	Municipal	Sewer	Municipal
Easements	None known	Zoning	Highway Commercial
Highest and Best	commercial development	Present Use	3 unit retail building

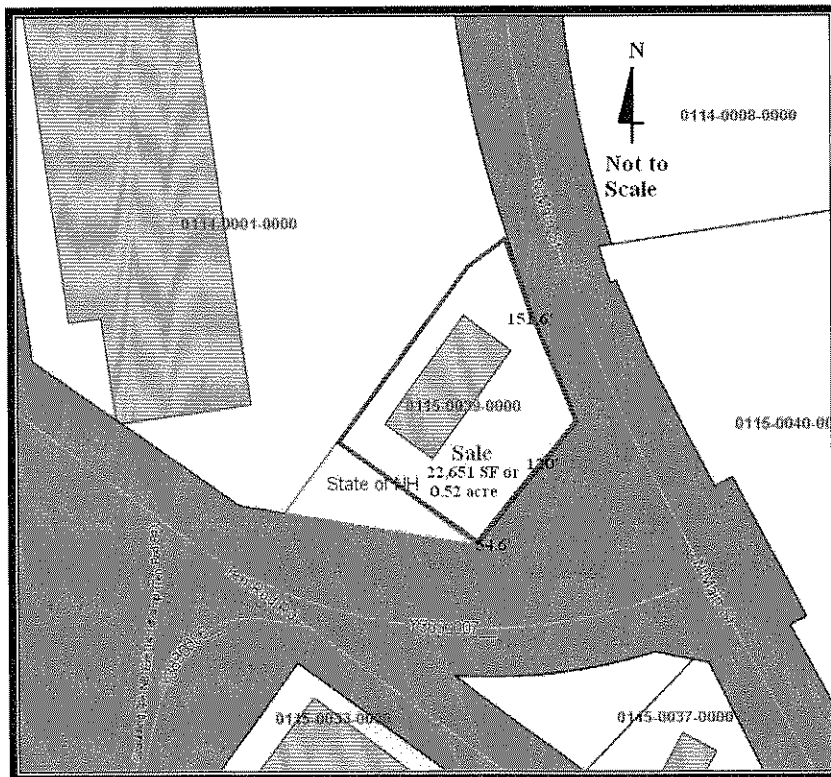
Comments: Tax Map: 115 lot: 39

This sale is located across the road from the Exit 14 ramp along the Spaulding Turnpike. This parcel was created when the new alignment of the intersection was constructed. The neighborhood has been commercially developed in the last several years, i.e. CVS Pharmacy, Bank of NH, Pizza Hut, Dunkin Donuts, Dodge dealership, Planet Fitness, office, retail, etc. This sale has been improved with a 4,000 SF, 3-unit retail building. Domino's Pizza currently leases one of the units. The buyer estimated the demolition costs at \$10,000 for the auto repair building on site.

Location Map



Tax Map Map 115 Lot 39



**Photograph of Sale #2
300 North Main, Rochester, NH
December 16, 2014**



Looking northerly at sale from N. Main Street, Rochester, NH

Land Sale #3

This sale is the assemblage of four parcels. Each transaction will be described individually below.

Address	6 Central Avenue, Dover, NH		
Grantor	Shenandoah and Edward J. Crook		
Grantee	7 South LLC	Condition of	arm's-length
Sales Price	\$168,800	Date of Sale	12/14/2012
Financing	Centrix Bank & Trust \$127,000		
Date Recorded	12/14/2012	County	Strafford
Deed Type	Warranty	Tax Stamps	\$2,532
Book/Page	4080/571		
Lot Size (ac)	0.22 acre	Shape of Lot	rectangular
Frontage (ft)	75', 130'	Road Grade	above road
Topography	level to sloping	Landscaping	open, lightly wooded
Road Surface	paved State maintained	Soils	sandy loam
Electric	Available at road	Gas	propane
Water	Municipal	Sewer	Municipal
Zoning	B-5, Gateway Business	Present Use	vacant
Highest and Best	commercial development	Comments:	Tax Map: 15 lot: 2A

Address	8 Central Avenue, Dover, NH		
Grantor	Cruden Bay LLC		
Grantee	7 South LLC	Condition of	arm's-length
Sales Price	\$250,000	Date of Sale	12/14/2012
Financing	Centrix Bank & Trust \$248,625		
Date Recorded	12/14/2012	County	Strafford
Deed Type	Warranty	Tax Stamps	\$3,750
Book/Page	4080/594		
Lot Size (ac)	0.69 acre	Shape of Lot	irregular
Frontage (ft)	75', 107'	Road Grade	above road
Topography	level to sloping	Landscaping	open, lightly wooded
Road Surface	paved State maintained	Soils	sandy loam
Electric	Available at road	Gas	propane
Water	Municipal	Sewer	Municipal
Zoning	B-5, Gateway Business	Present Use	vacant

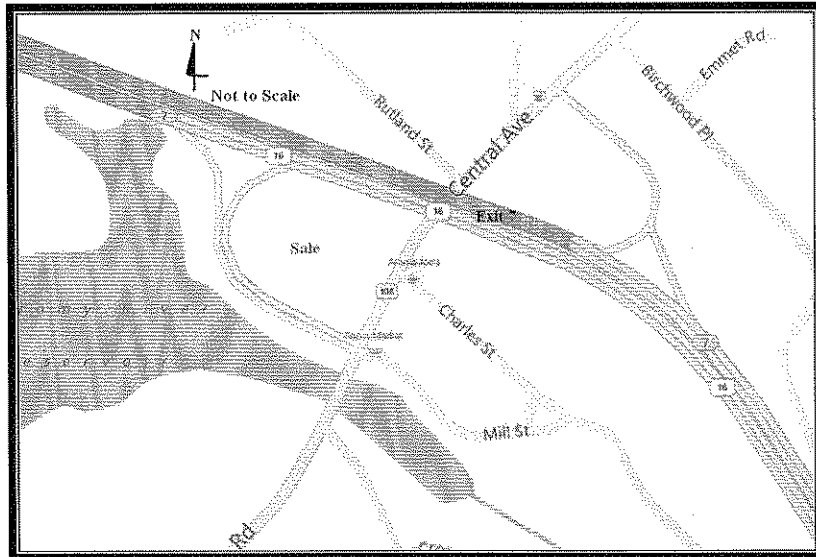
Highest and Best	commercial development	Comments:	Tax Map: 15 lot: 3
Address	14 Central Avenue, Dover, NH		
Grantor	Charles P. Kageleiry		
Grantee	7 South LLC	Condition of	arm's-length
Sales Price	\$150,000	Date of Sale	10/3/2012
Financing	Centrix Bank & Trust \$135,000		
Date Recorded	10/3/2012	County	Strafford
Deed Type	Warranty	Tax Stamps	\$2,250
Book/Page	4059/248		
Lot Size (ac)	0.92 acre	Shape of Lot	irregular
Frontage (ft)	90', 117'	Road Grade	above road
Topography	level to sloping	Landscaping	open, lightly wooded
Road Surface	paved State maintained	Soils	sandy loam
Electric	Available at road	Gas	propane
Water	Municipal	Sewer	Municipal
Zoning	B-5, Gateway Business	Present Use	vacant
Highest and Best	commercial development	Comments:	Tax Map: 15 lot: 4

Address	18 Central Avenue, Dover, NH		
Grantor	Julia R. Hill		
Grantee	7 South LLC	Condition of	arm's-length
Sales Price	\$320,000	Date of Sale	10/3/2012
Financing	Centrix Bank & Trust \$248,625		
Date Recorded	10/3/2012	County	Strafford
Deed Type	Warranty	Tax Stamps	\$4,800
Book/Page	4059/225		
Lot Size (ac)	0.77 acre	Shape of Lot	irregular
Frontage (ft)	10', 137', 200', 100'	Road Grade	above road
Topography	level to sloping	Landscaping	open, lightly wooded
Road Surface	paved State maintained	Soils	sandy loam
Electric	Available at road	Gas	propane
Water	Municipal	Sewer	Municipal
Zoning	B-5, Gateway Business	Present Use	vacant
Highest and Best	commercial development	Comments:	Tax Map: 15 lot: 6

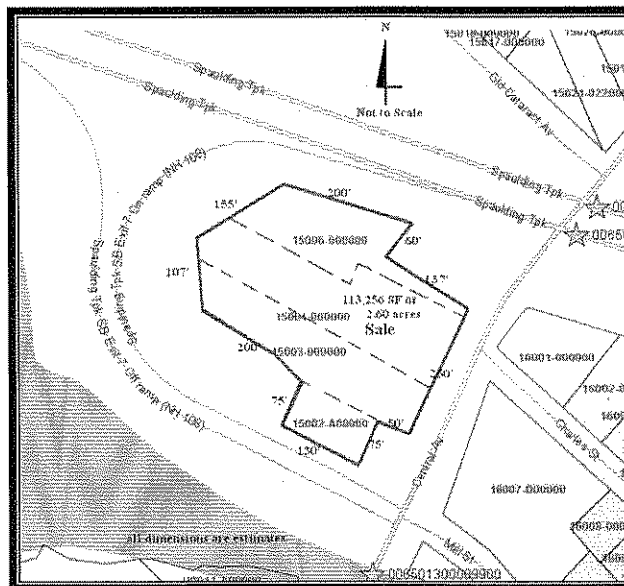
Confirmation Grantee, Public Records 2014

Comments: This sale is located within the curvature of the Exit 7 ramp along the Spaulding Turnpike. It is an assemblage of four improved residential lots. Additional expenditures included \$30,000 second mortgage that was paid off by the buyer and \$100,000 in demolition costs for the residences including removal of asbestos.

Location Map



Tax Map Map 15 Lots 2A,3,4, & 5



**Photograph of Sale #3
6-18 Central Avenue, Dover NH
December 16, 2014**

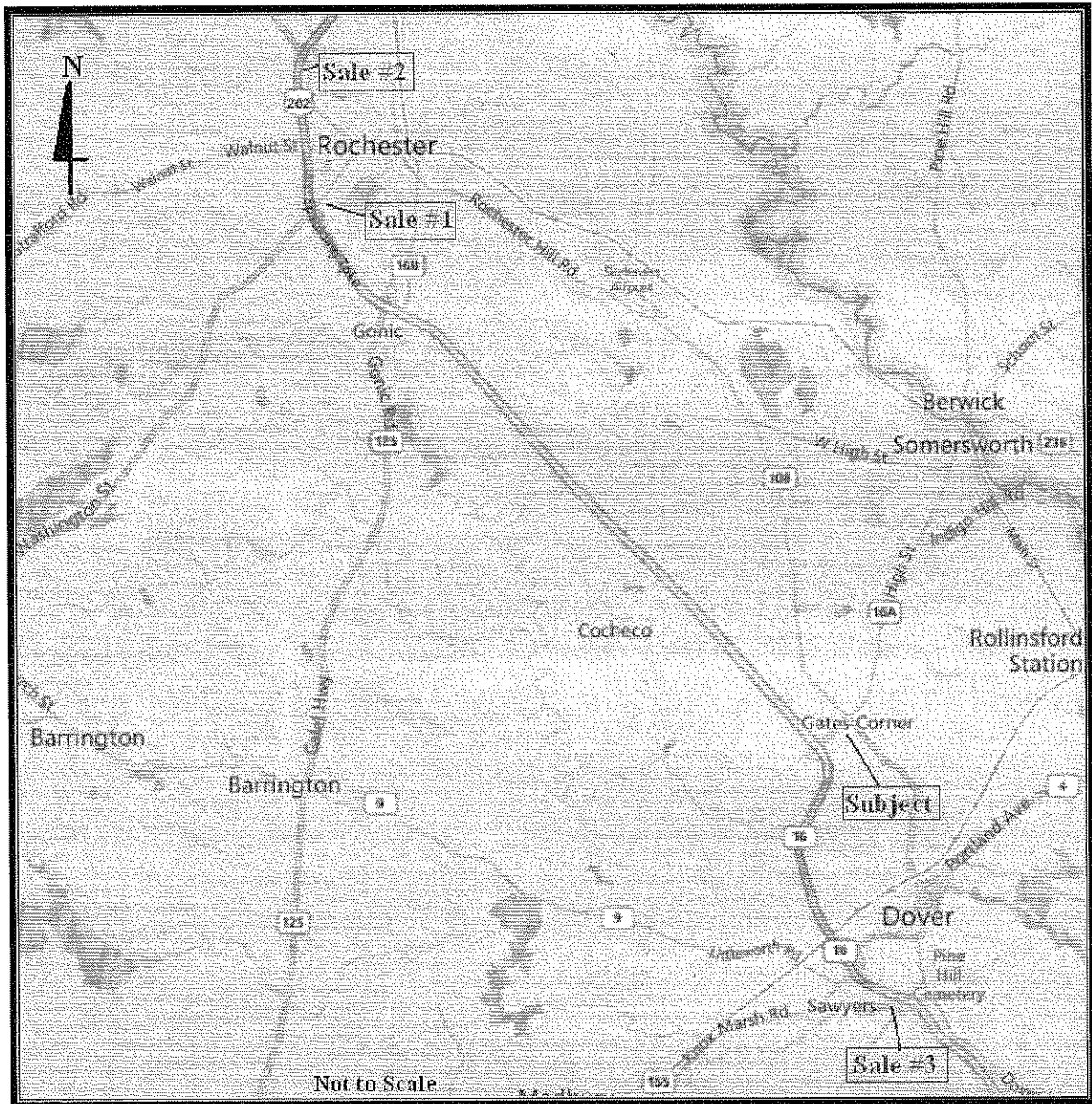


Looking northerly at sale from Central Avenue, Dover, NH

Subject and Sales Location Map

These maps are provided to assist the reader in locating the subject and comparable properties in the field, and clarify their relationships to each other.

Land Sales



Commercial Land Sales Analysis

Basis of Adjustments:

The three comparable sales are good indicators of commercial sites in Rochester and Dover, NH. To the best of my knowledge, the sales reflect arm's length transactions. The sales involved the transfer of the fee simple interests and involved conventional financing or cash transactions. Sales #1 and #3 had conventional financing. Sale #2's financing included costs for the proposed retail building.

It is typical of the commercial sites to be sold based on a price per square foot as the recognized unit. In this report the State owned LAROW parcel, the abutting parcel and the three comparable sales will be analyzed on a price per square foot unit.

Additional Expenditures Made Immediately After Purchase:

A knowledgeable buyer will normally adjust the purchase price for costs that will have to be incurred immediately after the purchase to make the property useable. All three comparable sales had additional expenditures, which will be applied to the recorded sales price to calculate the adjusted effective sales prices.

Sale #1 is the assemblage of two improved residential properties. The buyer demolished the buildings at an estimated \$25,000. The buyer also reported spending an additional \$120,000 for a retaining wall with a guardrail and an extra \$10,000 in engineering costs to reduce the loss of space by combining the wall and the guardrail. These additional costs will be applied to the recorded sales price of \$745,000 with an effective sales price of \$900,000.

Sale #2 was originally improved with an auto repair facility and the buyer demolished the building at an additional cost of \$10,000. The demolition cost of \$10,000 will be applied to the recorded sales price of \$400,000 with an effective sales price of \$410,000.

Sale #3 is an assemblage of four improved residential parcels. The buyer reported paying off a \$30,000 second mortgage and spending an additional \$100,000 in demolition costs including asbestos removal. These additional costs will be applied to the recorded total sales price of \$878,800 with an effective sales price of \$1,108,800.

Market Conditions:

The sales presented occurred between March 2012 through December 2012. There has been little recent market activity in the subject's immediate market and surrounding areas due to the 2008-2011 recession. The market data available indicates that the market has remained stable throughout the recent past; however the data is so limited that no trend can be observed or relied upon. Research did indicate that economic conditions in the Dover and the Seacoast NH areas strengthened in the years following the economic downturn that began in 2008. In order to recognize the change in market conditions, a nominal appreciation adjustment of 3% per year or 0.25% per month is applied for the time period between January 2013 and the effective date of this report. The three sales were adjusted respectively.

Due to the similarities of the sales to the subject property, only an adjustment for size was applied to bring the sales in line to the subject.

Size:

The three comparable sales vary in lot sizes with Sale #1 being the closest in size to the subject property. Sale #2 is the smallest in size offering less utility as a commercial site. Sale #3 is about 40% larger, offering more potential for development. It is a typical trend in the real estate market that the smaller the lot the greater the unit value and the larger the lot the smaller the unit value. In this appraisal report, the unit value is based on a price per square foot. A size adjustment analysis was developed based on comparing adjusted Sale #1 to Sales #2 and #3 indicating a range of 25.6%-32.1%. Based on this information, a reasonable 30% size adjustment will be applied to as a downward adjustment to Sale #2 and as an upward adjustment to Sale #3.

The sales analysis on the previous grid shows slight differences in several categories. Based on the current real estate market in the State, and similar highest and best use as commercial land, these characteristics do not seem to be individually recognized differences in the overall price.

“As Is” Sales Grid

The comparables shown in the following grid were the most comparable sales known to me. The description includes a percentage adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject site, a negative (-) adjustment is made, thus reducing the indicated value for the subject; if a significant item in the comparable property is inferior to, or less favorable than, the subject site, a positive (+) adjustment is made, thus increasing the indicated value for the subject. The unit of comparison on the following grid is per square foot unit price.

-“As Is” Analysis Grid-

Item	Abutting Property	Comparable Sale #1	Comparable Sale #2	Comparable Sale #3
Address	3 Plaza Drive, Dover, NH	120-122 Washington Street (US Rte. 202, Rochester, NH	300 N. Main Street, Rochester, NH	6-18 Central Avenue, Dover, NH
Book/Page		4085/38 & 4084/886	4000/56	3250/358, 3962/599, 4059/225, 4080/571
Sales Price		\$745,000	\$400,000	\$978,800
Price per Square Foot		\$10.18/SF	\$17.66/SF	\$8.64/SF
Motivation		Arm's Length	Arm's Length	Arm's Length
Expenditures After Sale		Demo & site work +\$155,000	Demo costs +\$10,000	2 nd Mtg paid off demo costs +\$130,000
Adjusted Sales Price With added expenditures		\$900,000	\$410,000	\$1,108,800
Date of Sale	12/16/2014	8/20/12 & 12/28/12	3/8/12	10/3/12-12/14/12
Market Conditions Adjust.		+6%	+6%	+6%
Adjusted \$/SF		\$13.04/SF	\$19.19/SF	\$10.38/SF
Location	Signalized corner	Signalized corner	Signalized corner	Signalized corner
Physical Charact. Size	81,457 SF	73,181 SF	22,651 SF	113,256 SF
Road Frontage	335', 270', 240'	407'	151.6', 120', & 54.6'	210', 200', 750'
Terrain	Level-rolling	Level	Level	Level to sloping
Net Adjusted Total (excl. Time)		-0-	-30%	+30%
Indicated Value Per SF		\$13.04/SF	\$13.43/SF	\$13.49/SF

Low: \$13.04/SF

High: \$13.54/SF

Mean: \$13.32/SF

Reconciliation “As Is” Valuation

The land sales analysis results in adjusted per square foot unit values from \$13.04 to \$13.54 or a difference of 3.83% from low to high. This represents a tight range. All three comparable sales are reliable indicators of value for the abutting 1.87 acre commercial site. I placed the most weight on Sale #1 due to its similar size and proximity to the Spaulding Turnpike. Sales #2 and #3 were given the least weight due to their differences in size and their varying development potential and utility. Based on my research and analysis, it is concluded that the abutting 1.87 acre site warrants a value opinion via the sales comparison approach of \$13.00 per square foot as of December 16, 2015.

$$\begin{aligned} \$13.00 \times 81,457 \text{ SF (1.87 ac.)} &= \$1,058,941 \\ \text{Rounded} &= \$1,060,000 \end{aligned}$$

“As If Assembled” Valuation

In the hypothetical “As If Assembled” scenario, the abutting site of 81,457 SF (1.87 acres) + 2,760 SF State owned LAROW = 84,217 SF or 1.93 acres. The abutting site currently supports a multi-tenant office and retail facility. The highest and best use remains the same as in the “As Is” scenario.

-“As If Assembled” Analysis Grid-

Item	Abutting Property	Comparable Sale #1	Comparable Sale #2	Comparable Sale #3
Address	3 Plaza Drive, Dover, NH	120-122 Washington Street (US Rte. 202, Rochester, NH	300 N. Main Street, Rochester, NH	6-18 Central Avenue, Dover, NH
Book/Page		4085/38 & 4084/886	4000/56	3250/358, 3962/599, 4059/225, 4080/571
Sales Price		\$745,000	\$400,000	\$978,800
Price per Square Foot		\$10.18/SF	\$17.66/SF	\$8.64/SF
Motivation		Arm's Length	Arm's Length	Arm's Length
Expenditures After Sale		Demo & site work +\$155,000	Demo costs +\$10,000	2 nd Mtg paid off demo costs +\$130,000
Adjusted Sales Price With added expenditures		\$900,000	\$410,000	\$1,108,800
Date of Sale	12/16/2014	8/20/12 & 12/28/12	3/8/12	10/3/12-12/14/12
Market Conditions Adjust.		+6%	+6%	+6%
Adjusted \$/SF		\$13.04/SF	\$19.19/SF	\$10.38/SF
Location	Signalized corner	Signalized corner	Signalized corner	Signalized corner
Physical Charact. Size Road Frontage Terrain	84,217 SF 335',270',240' Level-rolling	73,181 SF 407' Level	22,651 SF 151.6',120', & 54.6' Level	113,256 SF 210', 200', 750' Level to sloping
Net Adjusted Total (excl. Time)		-0-	-30%	+30%
Indicated Value Per SF		\$13.04/SF	\$13.43/SF	\$13.49/SF

Low: \$13.04/SF

High: \$13.54/SF

Mean: \$13.32/SF

Reconciliation “As If Assembled” Valuation

The land sales analysis results in adjusted per square foot unit values from \$13.04 to \$13.54 or a difference of 3.83% from low to high. This represents a tight range. All three comparable sales are reliable indicators of value for the abutting 1.87 acre commercial site. I placed the most weight on Sale #1 due to its similar size and proximity to the Spaulding Turnpike. Sales #2 and #3 were given the least weight due to their differences in size and their varying development potential and utility. Based on my research and analysis, it is concluded that the abutting 1.87 acre site warrants a value opinion via the sales comparison approach of \$13.00 per square foot as of December 16, 2015.

$$\begin{aligned} \$13.00 \times 84,217 \text{ SF (1.87 ac.)} &= \$1,094,821 \\ \text{Rounded} &= \$1,095,000 \end{aligned}$$

Contributory Value

Based on the analysis of the best available comparable sales and other factors affecting the contributory value of the 0.06 acre(2,760 SF) State owned LAROW parcel, the estimated contributory value in fee simple interest as of December 16, 2014 is:

"As If Assembled" 1.93 acre Parcel: **\$1,095,000**

"As Is" 1.87 acre Parcel: **\$1,060,000**

Contributory Value of the 2,760 SF (0.06 acre) State owned parcel:\$ **35,000**

Annual Ground Rental Calculation

The second step of this assignment is to estimate the annual ground rent of the 2,760 SF State owned LAROW. According to The Appraisal of Real Estate 14th Edition, "ground rent is the amount paid for the right to use and occupy the land according to terms of a ground lease." A market derived capitalization rate will be estimated from ground lease information and site valuations researched in Strafford, Rockingham and Merrimack Counties. My generalized research concluded a fairly tight range of \$0.34-\$0.76 per square foot for commercial ground rents varying in size from 1.77 acres to 3.00 acres. It is typical in the real estate market that the larger the site the smaller the unit value and the smaller the site the greater the unit value. The lower end of this range supports the larger sites and the higher end of this range supports the smaller sites. Although the subject falls in the middle of the range due to the site's size "As If Assembled", the extra 2,760 SF area offers the abutter a gain of 15 parking spaces, according to the plan on page 14 of this report. I leaned toward the higher end of the range to support the contribution of the increased number of parking spaces and the prime location in Weeks Crossing with excellent exposure on two major roads. Therefore, I concluded a reasonable per square foot rent of \$0.75 for the "As If Assembled" 1.93 acre site.

The next step is to apply the direct capitalization formula by dividing the site's income by the "As If Assembled" site value to estimate a capitalization rate. The site's income is estimated by multiplying the square foot rental value by the site's size resulting in the estimated annual rental income of the site.

$$\$0.75 \text{ SF} \times 84,071 \text{ SF} = \$63,053 \text{ income.}$$

The income is now divided by the estimated "As If Assembled" site value resulting in the capitalization rate.

$$\$63,053 / \$1,095,000 = 0.06 \text{ cap rate.}$$

The last step is to multiply the estimated capitalization rate by the contributory value of the 2,760 SF State owned parcel to estimate the annual ground rent.

$$0.06 \times \$35,000 = \$2,100 \text{ annual ground rent}$$

Appraiser Qualifications
JESSIE C. TICHKO
NHCG #662

Appraisal Experience	2005 to present time Real Estate Appraiser/Reviewer IV 2001-2005 Real Estate Appraiser III Bureau of Right-of-Way NH Department of Transportation Concord, NH
Education	1979 B.A. Wittenberg University Springfield, Ohio triple major: Science, Geography, & Education
Special Licenses	Certified General with the NH Real Estate Appraiser Board NHCG #662
Appraisal Courses	Society of Real Estate Appraiser Courses 101 and 102, <i>completed & passed</i> J.M.B. Realty Course: Appraising Income Properties, <i>completed and passed</i> M.R.E.B. Course: Advance Income Capitalization <i>completed and passed</i> International Right-of-Way Association Course 401 (Partial Takes), <i>completed & passed</i> I.R.O.W.A. Course 214 Expert Testimony <i>completed & passed</i> Appraisal Institute Course 430 Standards of Professional Practice <i>completed & passed</i> Uniform Standards of Professional Appraisal Practice 3 day class: <i>completed & passed</i> Appraisal Institute Course 710 Condemnation Appraising Principles & Applications <i>completed & passed</i> Appraisal Institute Course 720 Condemnation Appraising Advanced Topics & Applications <i>completed & passed</i> NH Certified Public Supervisory Program: 2 year program <i>Completed in 1 year</i>
Court Testimony	NH Board of Land and Tax Appeals, Superior Court

Property Location:		Parcel ID: D0002-A00000		Map Block No. D-2-A-0		Class: C		Use: 340 Card 1 of 1	
Commercial Property Record Card - Dover, New Hampshire									
Current Owner		Previous Owner History		Miscellaneous		Assessment Information			
Prime Circle Llc 210 Commerces Way Ste #100 Portsmouth Nh 03801		Name: Temposi James & Sam & Nash Date: 010600822		Deed Info: 1772217 10071994 Zoning: B-3 Neighborhood: 398 Units: 8		Assessed Value: Inc: 431,700 Land: 1,730,100 Bldg: 1,743,900 Total: 2,161,800 Assessed Information: 2,161,800 Value: 2,161,800			
Notes		Entrance Information		Effective DOV: 4/1/2014		Value Flag: COST VALUE			
Sprnt & Starbcks & A Guys Rest Endocrinology & Eyesight Optimize		Date: 06/27/2013 Time: 02/24/2006 Date: 07/10/2014		ID: P RD: C TC: P RD: P		Entrance Code: Entry Gained Entry Gained Not At Home Est-See Note			
Sales History		Furnit Information		Land Information					
Book/Page	Date	Price	Type	Permit #	Price	Purpose	% Comp		
3339/442	12/13/2005	15,296	1	45	04/01/2015	FLAG	Check For Vacan	0	
1772217	10/07/1994	750,000	2	9	12/02/2013	13-388	Roof Repairs	100	
Type	Area	Grade	Influence Factor	1, 2 and 3	Value				
Primary	A	1,876	0	Location	-20	431,700			
Total Acres for this Parcel		1.876		Total Land Value		431,700			

Commercial Property Record Card - Dover, New Hampshire

Property Location:
11 17 Webb Pl

Parcel ID: D0002-A0000

Map Block No. D-2-A-0

Class: C

Use:

340

Card 1 of 1

Exterior/Interior Information

Spec Levels	Size	Parameter	Use Type	Height	Exterior Walls	Construction Type	Finish	Partitions	Heating	A/C	Plumbing	Physical Condition	Functional Utility	% Good	Unadjusted RCNLD
1	01-01	1x4050	15' Retail Store	10	BR/Conc Bk	Fire Resist	100	Normal	Hot Air	Central	Normal	Good	Normal	0%	268,940
1	01-01	1x7304	32' Medical Center	10	BR/Conc Bk	Fire Resist	100	Normal	Hot Air	Central	Normal	Good	Normal	0%	732,160
1	01-01	1x3390	225' Fast Food	10	BR/Conc Bk	Fire Resist	100	Normal	Hot Air	Central	Normal	Good	Normal	0%	317,170
2	01-01	1x1263	108' Retail Store	10	Frame	Wood Joist	100	Normal	Hot Air	Central	Normal	Good	Normal	0%	56,630
2	01-01	1x1810	181' Fast Food	10	Frame	Wood Joist	100	Normal	Hot Air	Central	Normal	Good	Normal	0%	154,530
0	-	0x0	0	0	0	0	0	0	0	0	0	0	0	0%	0
0	-	0x0	0	0	0	0	0	0	0	0	0	0	0	0%	0
0	-	0x0	0	0	0	0	0	0	0	0	0	0	0	0%	0

Building Information

Building No:	1
Year Built:	1960
No of Units:	5
Structure Type:	Retail - Single Occupancy
Grade:	Q+
Identical Units:	1
Efficiencies:	0
1 Bedroom Apts:	0
2 Bedroom Apts:	0
3 Bedroom Apts:	0
Covered Park:	0
Uncovered Park:	250
Notes:	1843T St Gla

Building Summary

Total Unadjusted RCN:	1,937,100
Average Percent Good:	79
Total Unadj. RCNLD:	1,529,430
Grade Factor:	1.08
No of Identical Units:	1
Economic Cond Factor:	1.00
RCNLD:	1,551,800

Income Approach Summary

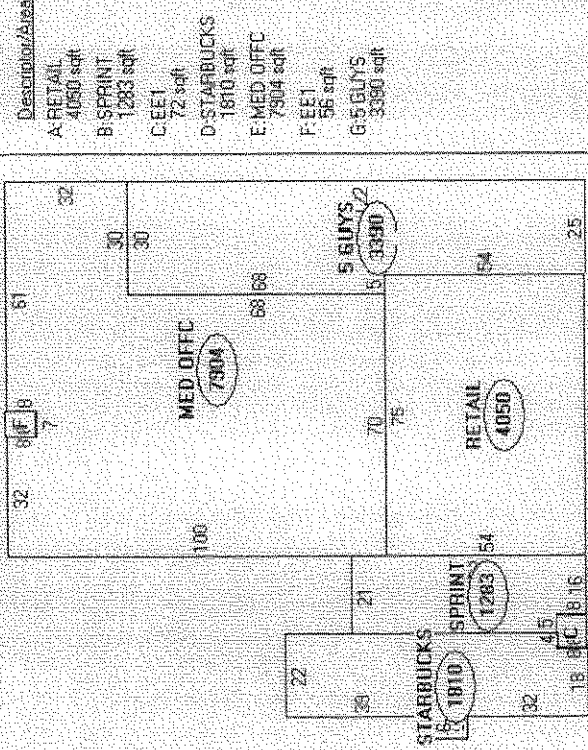
Net Rentable Area:	
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Other Improvements

Description	Tr	RCNLD
		0

Building Other Information

Line	Structure Code	% Measure 1	Measure 2	Identical Units
1	Sprinkler - Wet	18395	1	1
1	Enclosed Entry	6	1	8
1	Enclosed Entry	8	1	7
1	Cooler Chiller	10	1	8
1	Bank Drive In Window	1	1	1
1	Patio - Concrete	20	1	10
1	Patio - Concrete	25	1	16
0		0	0	0
Total Other Features				83,170



Descriptor/Room	Area
A: RETAIL	4050 sqft
B: SPRINT	1283 sqft
C: EE1	72 sqft
D: STARBUCKS	1810 sqft
E: MED OFFC	7904 sqft
F: EE1	56 sqft
G: 5 GLYS	3390 sqft

**STATE OF NEW HAMPSHIRE
INTER-DEPARTMENT COMMUNICATION****FROM:**Charles R. Schmidt, PE
Administrator**DATE:** January 27, 2016**AT:** Dept. of Transportation
Bureau of Right-of-Way**SUBJECT:****Sale of Waterline Easement in Errol
RSA 4:39-c****TO:**Representative Gene Chandler, Chairman
Long Range Capital Planning and Utilization Committee**REQUESTED ACTION**

Pursuant to RSA 4:39-c, the Department of Transportation requests authorization to transfer a 0.30 +/- of an acre permanent waterline easement over a parcel of State owned property located on the westerly side of NH Route 16 in Errol to Dixville Capital, LLC by amending Item 15-033 (which was previously approved by the Long Range Capital Planning and Utilization Committee on November 17, 2015). In exchange Dixville Capital, LLC will decrease the area to be transfer from 4.28 +/- acres along with a 50 foot wide Right of way access over additional property owned by them to a 3.52 +/- acre parcel along with a Right-of-Way access over additional property owned by them totaling one (1) +/- acre. This parcel and access easement is located on the northerly side of NH Route 26 located in the Unincorporated Place of Dixville and the Town of Colebrook. This is a no cost exchange and the Department is requesting a waiver of the Administrative Fee of \$1,100.00, subject to the conditions as specified in this request.

EXPLANATION

The Department of Transportation has been working with Dixville Capital, LLC concerning the redevelopment and expansion of the Balsams Resort. Dixville Capital, LLC has signed a Purchase and Sales Agreement to purchase the Balsams Resort property. For many years, an arrangement has existed with the Balsams to allow the Department to occupy a salt shed and garage on their property for Highway Maintenance.

The proposed redevelopment of the Balsams requires this area and therefore necessitates relocation of the shed. The Department has offered to reconstruct a new shed if land can be provided in the immediate area.

Dixville Capital, LLC had originally proposed to deed the Department a 4.28 +/- acre parcel of land to relocate this substandard Maintenance Patrol Shed Facility. This will include an access easement over a private road (Valley Road) owned by them to access the property located on the northerly side of NH Route 26 located as noted above.

In exchange for the land, the Department would grant Dixville Capital, LLC a 0.30 +/- of an acre permanent waterline easement over a parcel of State land owned by the Department of Transportation located in Errol which is used by the Department as a Patrol Shed Facility. The easement would provide property rights for a waterline that will support the snowmaking system for the Balsams redevelopment. The snowmaking pipeline will be approximately 8 miles long and this easement is one of many that the developer will need to secure. The functionality of the Errol Patrol Shed does not change as a result of the granting of this easement.

This request has been reviewed by this Department and it has been determined that this exchange is surplus to our operational needs and interest. This exchange of land rights will help support the Balsams redevelopment project by providing an easement for the snowmaking pipeline as well as assisting the Department by relocating the existing Patrol Shed from private property to State property.

The Committee at their November 17, 2015 meeting (LCIP15-033) approved the requests authorization to transfer a 0.30 +/- of an acre permanent waterline easement over a parcel of State owned property located on the westerly side NH Route 16 in Errol to Dixville Capital, LLC in exchange for Dixville Capital, LLC transferring to the Department of Transportation a 4.28 +/- acre parcel along with a 50 foot wide right of way access over additional property owned by them located on the northerly side of NH Route 26 located in the Unincorporated Place of Dixville and the Town of Colebrook. This is a no cost exchange and the Department is requesting a waiver of the Administrative Fee of \$1,100.00,

As the survey plan was being created for the property to be transferred to the State, it was determined that since the portion of the proposed parcel was located in Dixville, which is an unincorporated place, the approvals needed to include this area into the parcel would be very difficult and time consuming to obtain. With the proposed design of an access easement to the remaining portion of the property, the Department has determined that the smaller parcel will suffice for its operational and maintenance needs

For the Committee's information the Department also had a staff appraiser complete an opinion of value for the subject parcels for the purpose of establishing a market value for these areas. Based upon the analysis and adjustments of sales found in the surrounding towns, it was felt that reasonable values for the subject parcels as of January 22, 2016 are as follows:

3.52 +/- acre parcel along with a Right-of-Way access over additional property owned by them totaling 1 acre to be transferred to the State of New Hampshire:	\$13,200.00
---	-------------

0.30 +/- of an acre permanent waterline easement to be transferred to Dixville Capital, LLC:	\$950.00
--	----------

The value of the 3.52 +/- acre parcel of land in Dixville the Department will be receiving is still greater value than the 0.30 +/- of an acre permanent waterline easement that the State will be conveying to Dixville Capital, LLC. The exchange of property rights will help support the Balsams redevelopment project by providing an easement for the snowmaking pipeline and will also relocate the existing Dixville Patrol Shed from private property to State owned property. With this, the Department of Transportation requests authorization to transfer a 0.30 +/- of an acre permanent waterline easement over a parcel of State owned property located on the westerly side of NH Route 16 in Errol to Dixville Capital, LLC in exchange for Dixville Capital, LLC transferring to the Department of Transportation a 3.54 +/- acre parcel along with a Right-of-Way access over additional property owned by them totaling one (1) +/- acre located on the northerly side of NH Route 26 located in the Unincorporated Place of Dixville and the Town of Colebrook. This is a no cost exchange and the Department is requesting to waive the Administrative Fee of \$1,100.00.

Authorization is requested to exchange the subject property rights as outlined above.

CRS/PJM/jl
Attachments

Joyce, please format & place in system.

(820-12, 0-121)

STATE OF NEW HAMPSHIRE INTER-DEPARTMENT COMMUNICATION

FROM: Charles R. Schmidt, PE
Administrator

DATE: January 20, 2016

AT: Dept. of Transportation
Bureau of Right-of-Way

SUBJECT: Sale of Waterline Easement in Errol
RSA 4:39-c

TO: Representative Gene Chandler, Chairman
Long Range Capital Planning and Utilization Committee

REQUESTED ACTION

Pursuant to RSA 4:39-c, the Department of Transportation requests authorization to transfer a 0.30 +/- of an acre permanent waterline easement over a parcel of State owned property located on the westerly side of NH Route 16 in Errol to Dixville Capital, LLC by amending Item 15-033 (which was previously approved by the Long Range Capital Planning and Utilization Committee on November 17, 2015). In exchange Dixville Capital, LLC will decrease the area to be transfer from 4.28 +/- Ac along with a 50 foot wide Right of way access over additional property owned by them to a 3.52 +/- acre parcel along with a Right-of-Way access over additional property owned by them totaling one (1) +/- acre. This parcel and access easement is located on the northerly side of NH Route 26 located in the Unincorporated Place of Dixville and the Town of Colebrook. This is a no cost exchange and the Department is requesting a waiver of the Administrative Fee of \$1,100.00, subject to the conditions as specified in this request.

EXPLANATION

The Department of Transportation has been working with Dixville Capital, LLC concerning the redevelopment and expansion of the Balsams Resort. Dixville Capital, LLC has signed a Purchase and Sales Agreement to purchase the Balsams Resort property. For many years, an arrangement has existed with the Balsams to allow the Department to occupy a salt shed and garage on their property for Highway Maintenance.

The proposed redevelopment of the Balsams requires this area and therefore necessitates relocation of the shed. The Department has offered to reconstruct a new shed if land can be provided in the immediate area.

Dixville Capital, LLC had originally proposed to deed the Department a 4.28 +/- acre ~~S~~ parcel of land to relocate this substandard Maintenance Patrol Shed Facility. This will include an access easement over a private road (Valley Road) owned by them to access the property located on the northerly side of NH Route 26 located as noted above.

In exchange for the land, the Department would grant Dixville Capital, LLC a 0.30 +/- of an acre permanent waterline easement over a parcel of State land owned by the Department of Transportation located in Errol which is used by the Department as a Patrol Shed Facility. The easement would provide property rights for a waterline that will support the snowmaking system for the Balsams redevelopment. The snowmaking pipeline will be approximately 8 miles long and this easement is one of many that the developer will need to secure. The functionality of the Errol Patrol Shed does not change as a result of the granting of this easement.

This request has been reviewed by this Department and it has been determined that this exchange is surplus to our operational needs and interest. This exchange of land rights will help support the Balsams redevelopment project by providing an easement for the snowmaking pipeline as well as assisting the Department by relocating the existing Patrol Shed from private property to State property.

The Committee at their November 17, 2015 meeting (LCIP15-033) approved the requests authorization to transfer a 0.30 +/- of an acre permanent waterline easement over a parcel of State owned property located on the westerly side NH Route 16 in Errol to Dixville Capital, LLC in exchange for Dixville Capital LLC transferring to the Department of Transportation a 4.28 +/- acre parcel along with a 50 foot wide right of way access over additional property owned by them located on the northerly side of NH Route 26 located in the Unincorporated Place of Dixville and the Town of Colebrook. This is a no cost exchange and the Department is requesting a waiver of the Administrative Fee of \$1,100.00,

As the survey plan was being created for the property to be transferred to the State, it was determined that since the portion of the proposed parcel was located in Dixville, which is an unincorporated place, the approvals needed to include this area into the parcel would be very difficult and time consuming to obtain. With the proposed design of an access easement to the remaining portion of the property, the Department has determined that the smaller parcel will suffice for its operational and maintenance needs

For the Committee's information the Department also had a staff appraiser complete an opinion of value for the subject parcels for the purpose of establishing a market value for these areas. Based upon the analysis and adjustments of sales found in the surrounding towns, it was felt that reasonable values for the subject parcels as of January 22, 2016 are as follows:

3.52 +/- acre parcel along with a Right-of-Way access over additional property owned by them totaling 1 acre to be transferred to the State of New Hampshire: \$13,200.00

0.30 +/- of an acre permanent waterline easement to be transferred to Dixville Capital, LLC: \$950.00

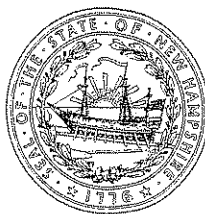
The value of the 3.52 +/- acre parcel of land in Dixville the Department will be receiving is still greater value than the 0.30 +/- of an acre permanent waterline easement that the State will be conveying to Dixville Capital, LLC. The exchange of property rights will help support the Balsams redevelopment project by providing an easement for the snowmaking pipeline and will also relocate the existing Dixville Patrol Shed from private property to State owned property. With this, the Department of Transportation requests authorization to transfer a 0.30 +/- of an acre permanent waterline easement over a parcel of State owned property located on the westerly side of NH Route 16 in Errol to Dixville Capital, LLC in exchange for Dixville Capital, LLC transferring to the Department of Transportation a 3.54 +/- acre parcel along with a Right-of-Way access over additional property owned by them totaling one (1) +/- acre located on the northerly side of NH Route 26 located in the Unincorporated Place of Dixville and the Town of Colebrook. This is a no cost exchange and the Department is requesting to waive the Administrative Fee of \$1,100.00.

Authorization is requested to exchange the subject property rights as outlined above.

CRS/PJM/dd
Attachments

NOV 19 2015

RECEIVED



LRCP 15-033

MICHAEL W. KANE, MPA
Legislative Budget Assistant
(603) 271-3161

CHRISTOPHER M. SHEA, MPA
Deputy Legislative Budget Assistant
(603) 271-3161

State of New Hampshire
OFFICE OF LEGISLATIVE BUDGET ASSISTANT
State House, Room 102
Concord, New Hampshire 03301

STEPHEN C. SMITH, CPA
Director, Audit Division
(603) 271-2785

November 17, 2015

Charles R. Schmidt, P.E., Administrator
Department of Transportation
Bureau of Right-of-Way
John O. Morton Building
Concord, New Hampshire 03301

Dear Mr. Schmidt,

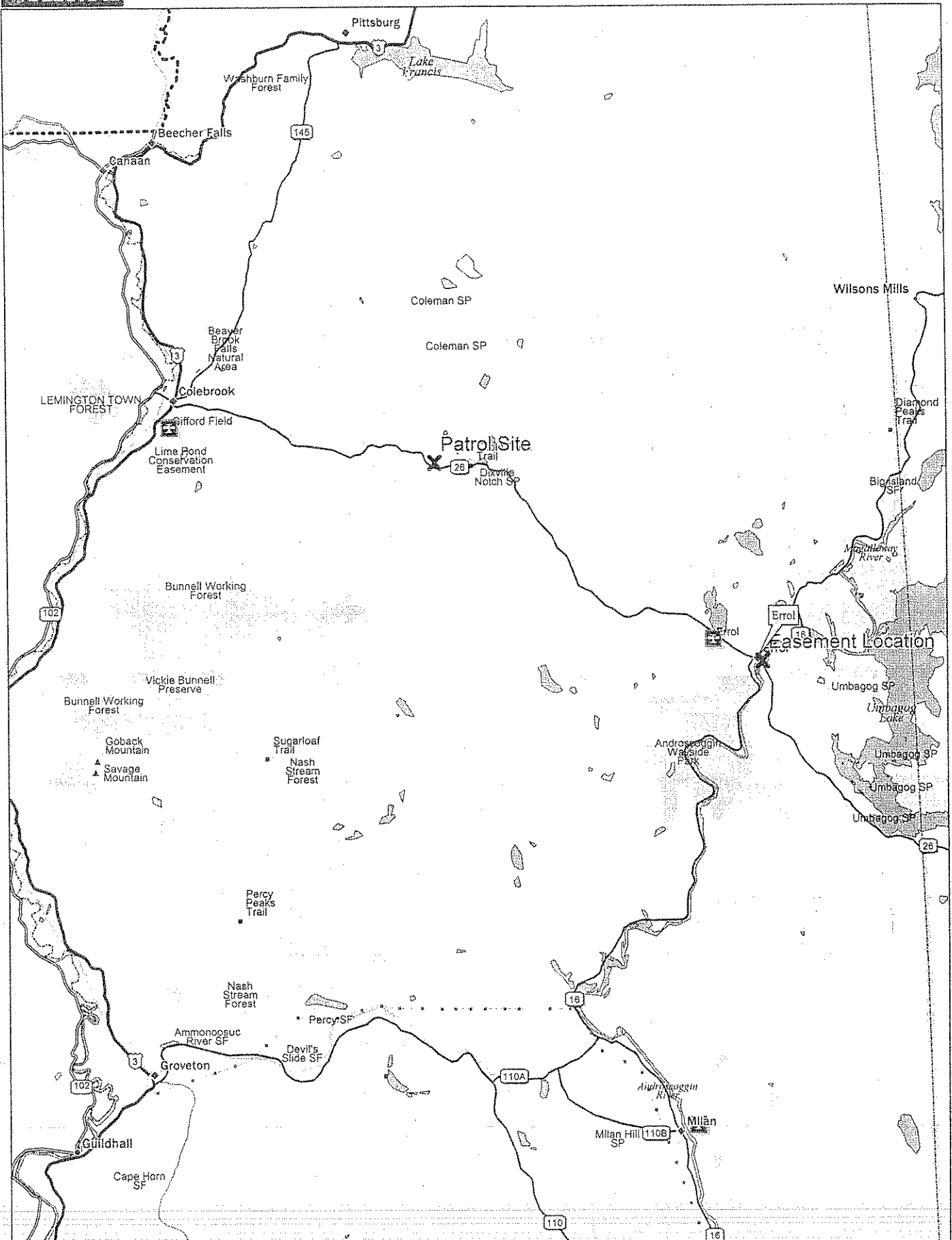
The Long Range Capital Planning and Utilization Committee, pursuant to the provisions of RSA 4:39-c, on November 17, 2015, approved the request of the Department of Transportation, Bureau of Right-of-Way, to transfer a 0.30 +/- of an acre permanent waterline easement over a parcel of State owned property located on the westerly side of NH Route 16 in Errol to Dixville Capital, LLC in exchange for a 4.28 +/- acre parcel along with a 50 foot wide Right-of-Way access to the Department of Transportation over additional property owned by Dixville Capital, LLC located on the northerly side of NH Route 26 in the Unincorporated Place of Dixville and the Town of Colebrook, at no cost, and waive the \$1,100 Administrative Fee, subject to the conditions as specified in the request dated August 21, 2015.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael W. Kane".

Michael W. Kane
Legislative Budget Assistant

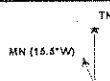
MWK/pe
Attachment



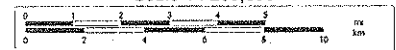
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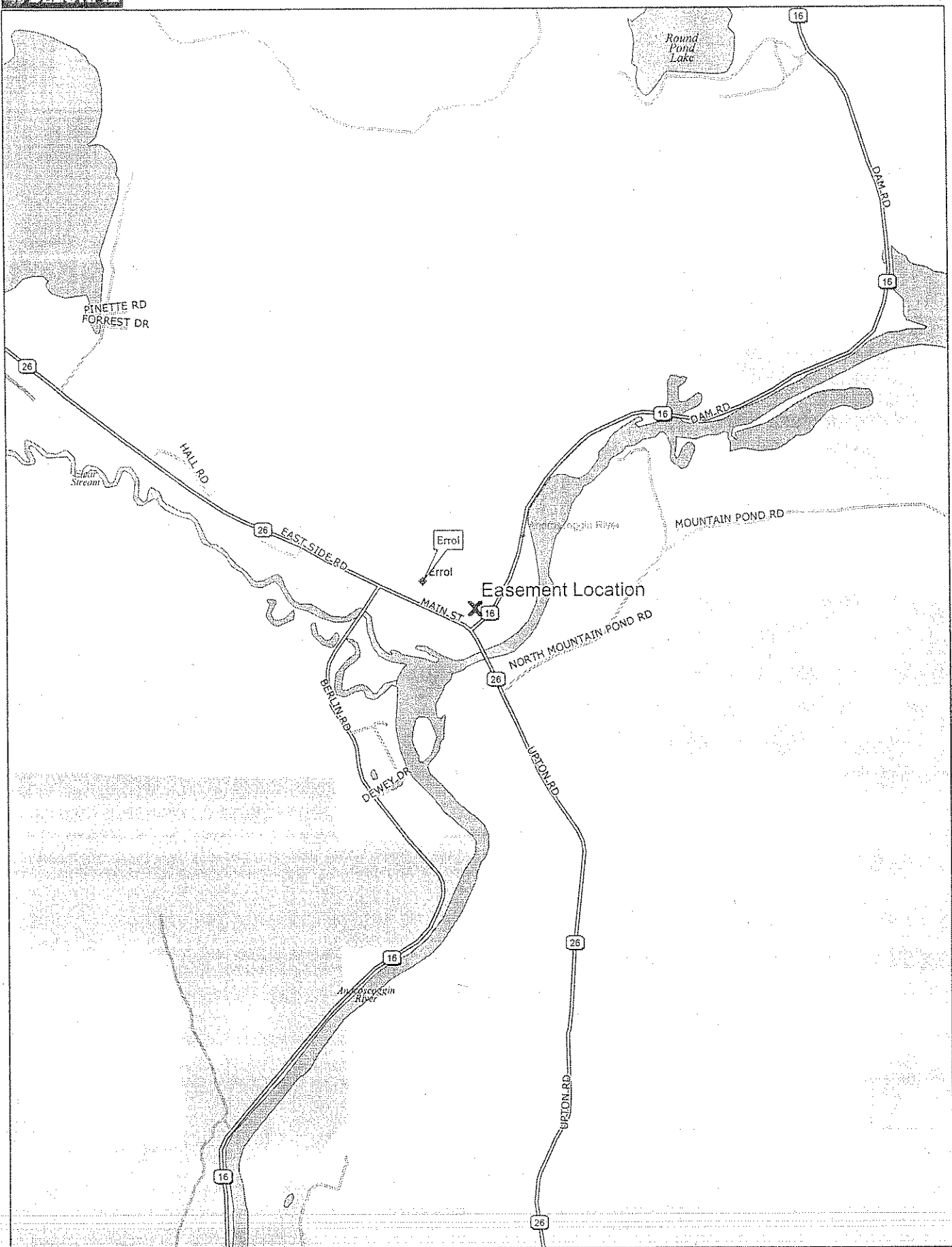


Scale 1 : 250,000



1" = 3.95 mi

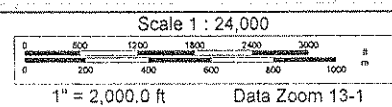
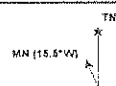
Data Zoom 9-6

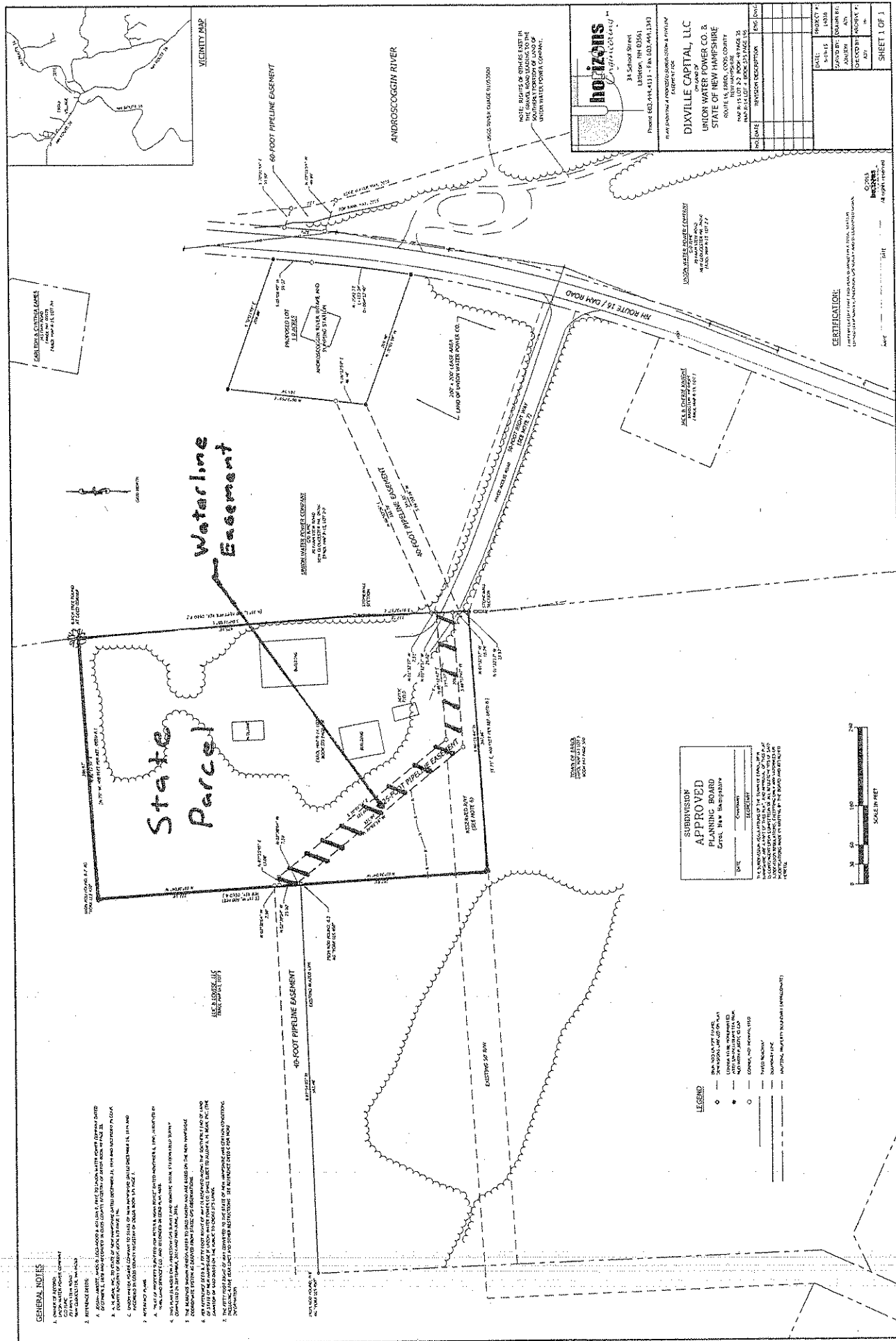


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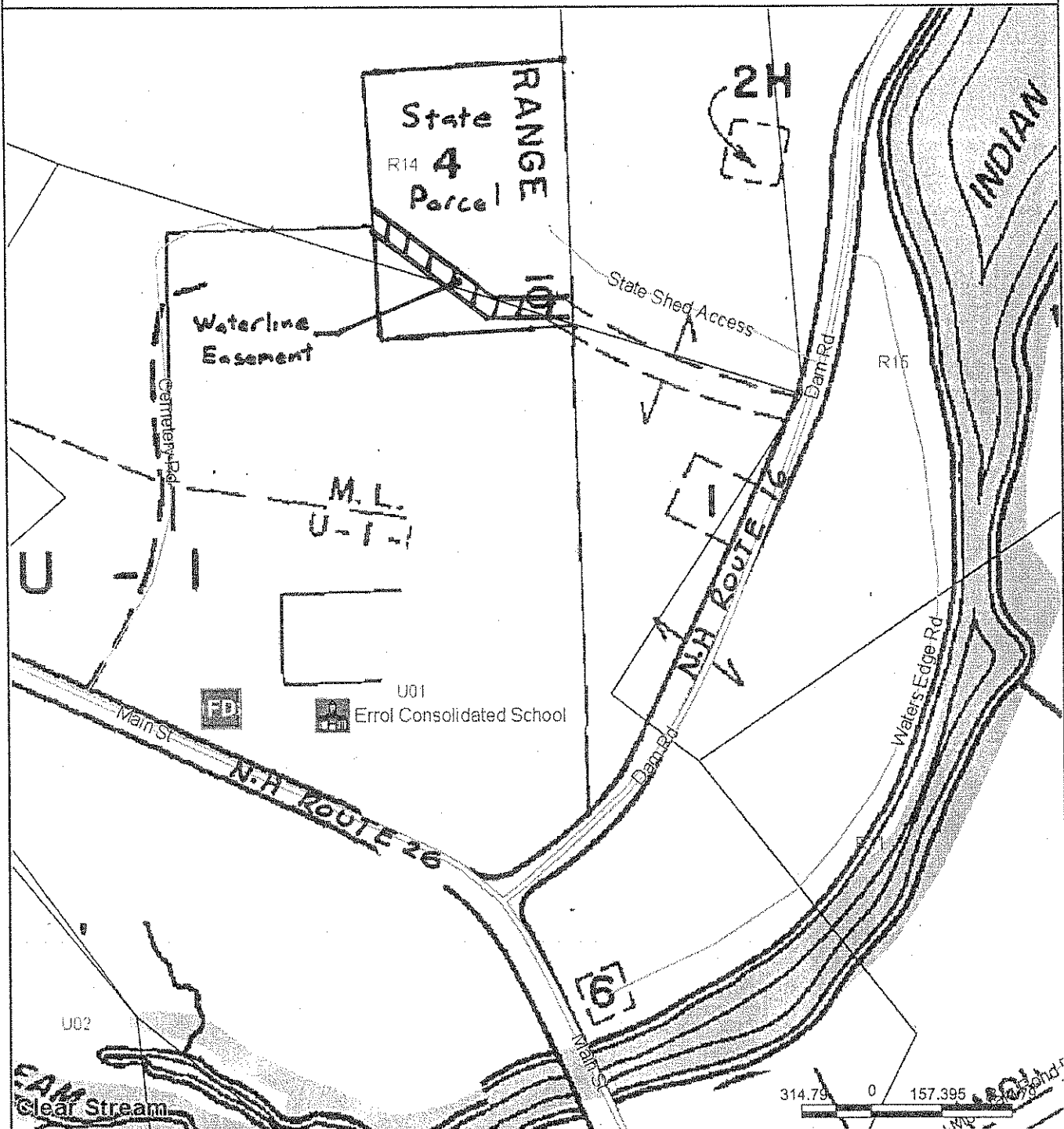




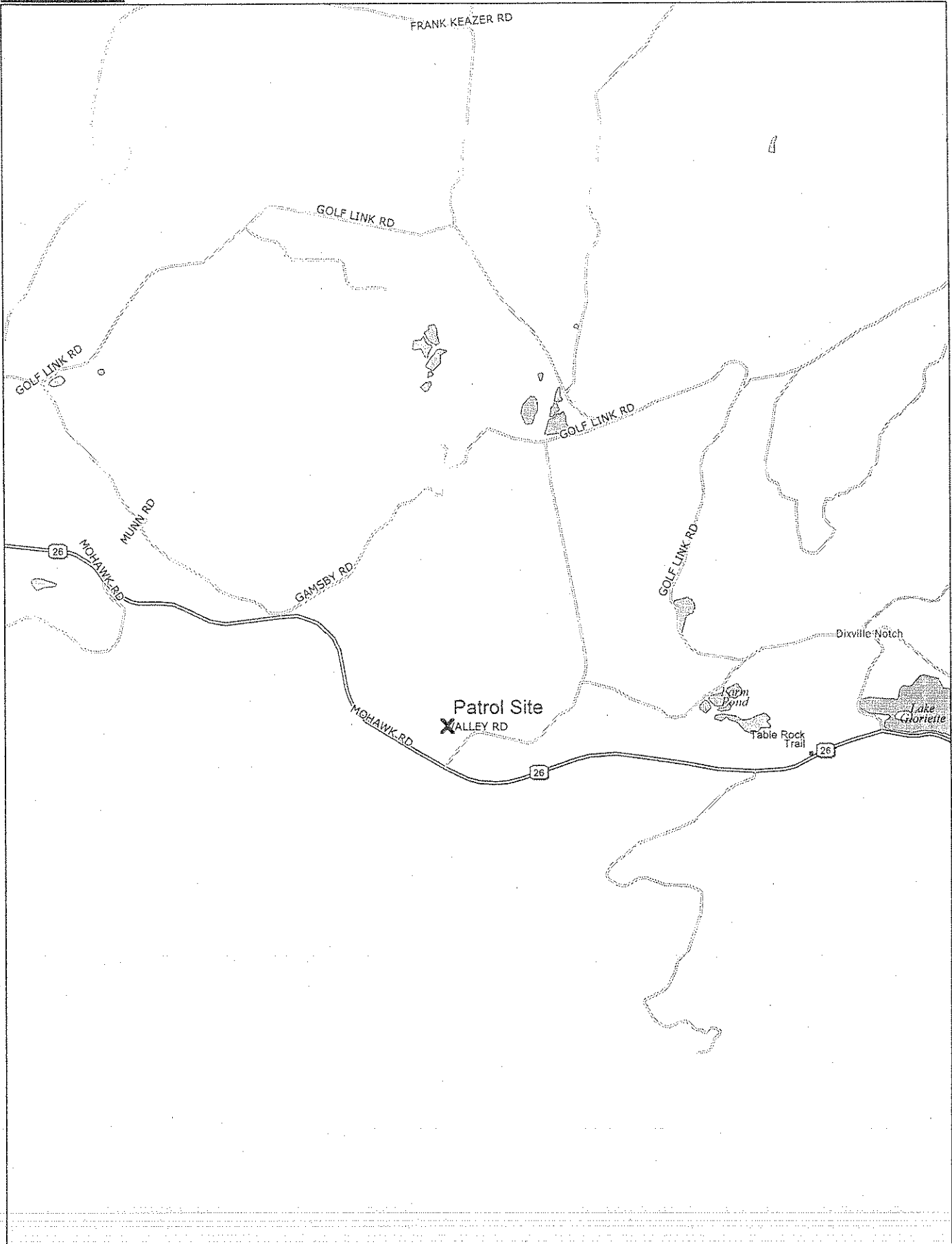
LAND IN ERROL

STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE
ADMINISTRATION

MOSAIC PARCEL
MAP SHARING
POOL



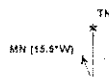
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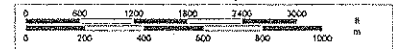
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Scale 1 : 25,000

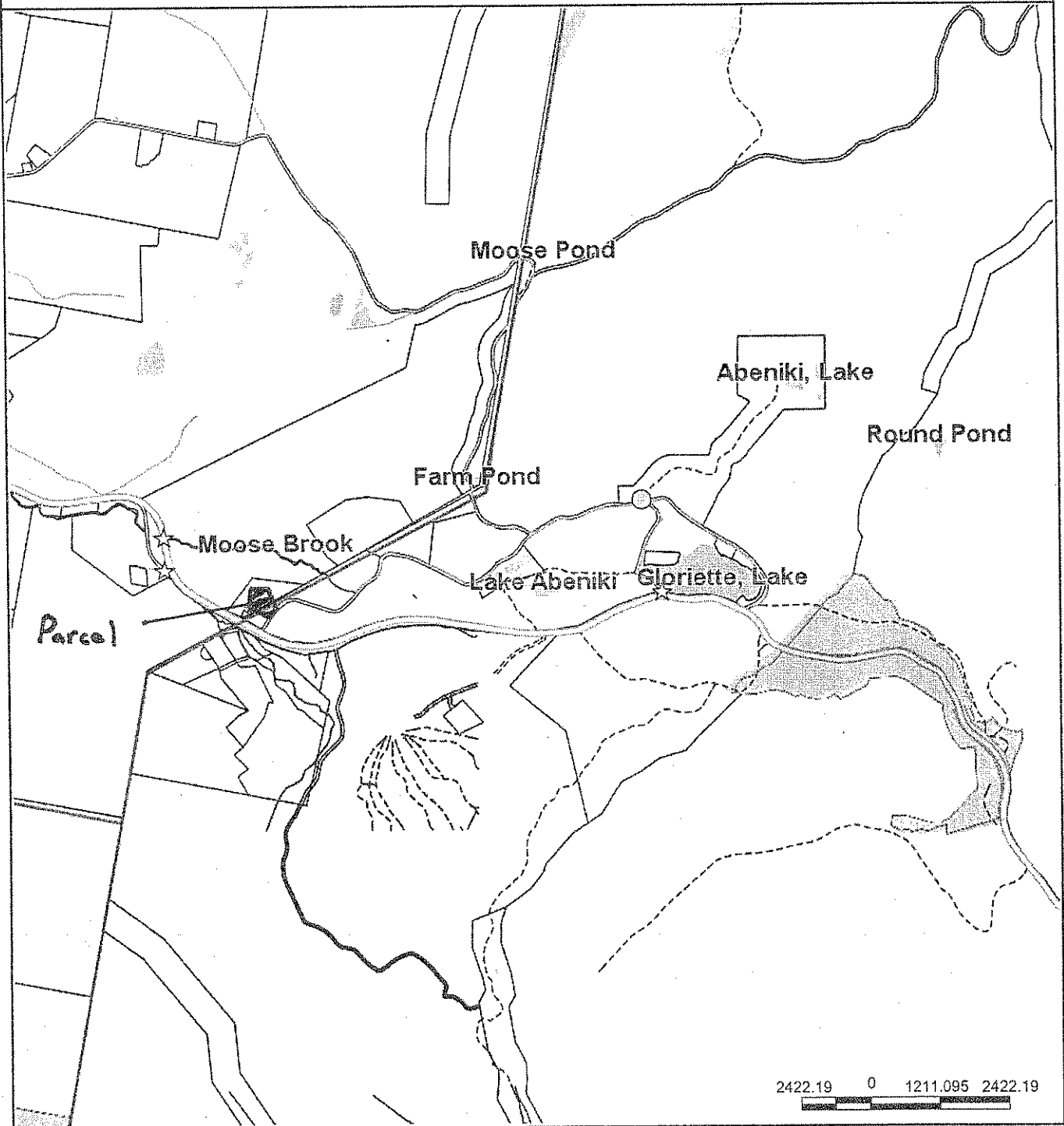


1" = 2,083.3 ft

Data Zoom 13-0

STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE
ADMINISTRATION

MOSAIC PARCEL
MAP SHARING
POOL



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- STATE OF NEW HAMPSHIRE -

- BUREAU OF RIGHT-OF-WAY MEMORANDUM -

TO: Christopher M. Waszczuk, Director of Operations
FROM: Steve Bernard, Chief ROW Appraiser
THROUGH: Charles R. Schmidt, Bureau Administrator
Phillip J. Miles, Chief of Property Management
DATE: January 22, 2016
RE: Proposed "land swap" NHDOT and Balsams Resort

At your request, the purpose of this memorandum is to provide a comparative value analysis of the components of the potential land swap between the State of New Hampshire Department of Transportation and the Balsams Resort in Dixville and Errol, NH. This memorandum is prepared as a Restricted Use Report in accordance with USPAP (Uniform Standards for Professional Appraisal Practice, Standard Rule #2-2(b)).

This restricted report is intended for use by those requesting this report, officials, employees and agents of the Department of Transportation. The opinions and conclusions set forth in this report may not be properly understood without additional information located in my work file. The intended use of this report is to provide a comparative analysis of the market value of the components of the proposed land swap in order to assist in the feasibility of the proposed agreement.

Background Information

The NHDOT currently utilizes two facilities for highway maintenance in the Dixville – Errol region of NH Route 26. One facility is located off NH Route 26 in Errol. This facility is the primary patrol shed for the local area. The second facility is located on property owned by the Balsams Resort and consists primarily of a salt shed and garage. There has been an agreement for years between the Balsams and the NHDOT to operate the salt shed and garage on the Balsams property in order to provide optimum winter maintenance in the Dixville area.

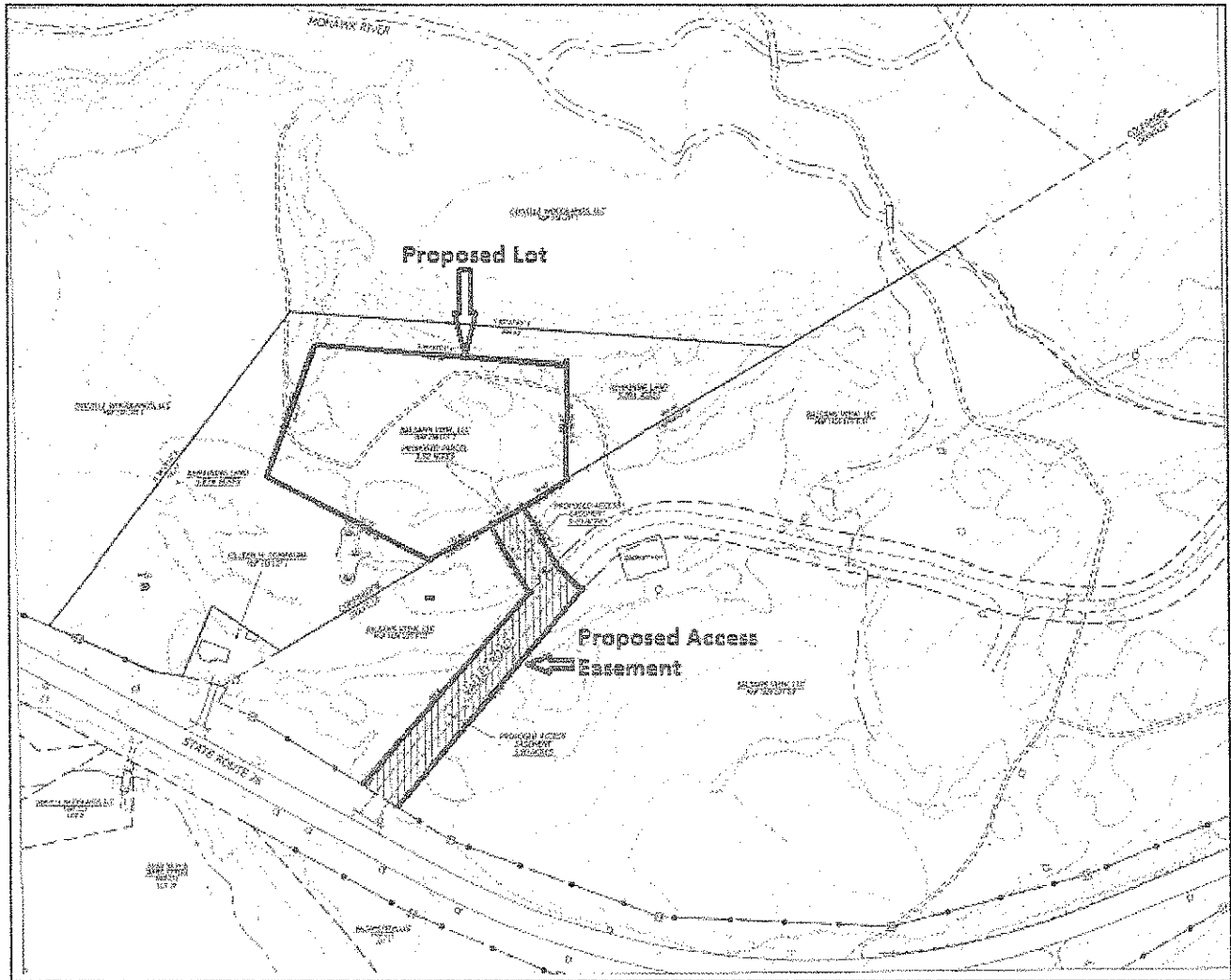
Recent plans to re-develop the Balsams Resort will impact the use of the salt shed and garage on the Balsams property. Due to the re-development plans, the area currently supporting the salt shed and garage will no longer be available for that purpose. The NHDOT is willing to construct a new shed in order to support the roadway maintenance efforts if land can be provided in the immediate area. Also as part of the re-development plans, the Balsams will be constructing a new snow making waterline that is projected to traverse the land where the Errol patrol shed owned by the NHDOT is located.

In order to accommodate the re-development plans of the Balsams Resort and retain the roadway maintenance efforts supported by the existing salt shed and garage; there is a proposed land swap between the Balsams and the NHDOT. This land swap consists of providing the NHDOT with a 3.52-acre parcel of land in Colebrook. The 3.52-acre parcel of land is located along the Colebrook – Dixville town line. Access to NH Route 26 will be provided by an access easement granted to the State, along Valley Road in Dixville in exchange for a permanent water line easement over the existing patrol shed land in Errol. The access easement is approximately 1.0-acre in area. The water line easement would be approximately 0.30-acres in area and would not impact the functionality of the patrol shed.

[illegible]

[illegible]

Proposed Location of New Highway Garage



Scope of Work

In order to complete this assignment, I considered the highest and best use of the subject property, considered the appropriate approach to value, researched potential comparable sales, and performed data collection on the subject property and comparable sales in the town of Errol, the township of Dixville and surrounding communities within Coos County. The search for comparable sales was conducted through the MLS, and Real Data websites. Information collected has been retained in my work file for future reference. Should it become necessary in the future to present a more complete report, the information in the work file will be the basis of that report. Due to the nature of the original request for this assignment, I did not inspect the subject or comparable sales.

The purpose of the research is to arrive at an estimated value for the proposed 3.52-acre lot and 1.0-acre access easement on land owned by Balsams View, LLC and the value of the proposed 0.30-acre water line easement that is to be located on the land in Errol owned by the NHDOT.

Highest and Best Use

In order to arrive at the highest and best use of the subject parcel, I considered the legal, physical, economical and maximally productive uses that the subject could be potentially utilized for. After weighing all the factors relative to the subject's potential, I concluded that the highest and best use of the subject would be for single-family residential development. Although the current uses and intended future uses are not residential, to consider those uses as the highest and best use would be contrary to the local market as being a "value in use", rather than what the market indicates as being for residential use.

Approach to Value

Taking into consideration the three methods of valuation; the sales comparison approach was the one approach that was appropriate to use in arriving at an estimated market value for the proposed 4.28-acre lot and 0.30-acre easement. All supporting documentation regarding the comparison of the sales and adjustments and analysis is available in the work file.

In order to provide an estimate of value for the 3.52-acre parcel of land and the 1.0-acre access easement off Valley Road, I compared sales of residential land in the subject market. The estimated value of the proposed 0.30-acre water line easement was based on the impacts to the NHDOT parcel in Errol and the value of that parcel, as though vacant. The value of the parcel, as though vacant was applied because the easement has no impact on the value of the property as improved.

Comparable Sales – 3.52-acre Lot

The following sales were considered to be appropriate for this assignment:

Location	Acres	Sale Price	Sale Date	Price/Acre	Comments
Woods Circle, Stratford	3.68	\$18,000	7/14/14	\$4,891	views, trails, private road
Birch Dr., Stratford	5.01	\$16,000	7/24/14	\$3,194	res. Lot
off Route 26, Errol	5.61	\$23,000	4/28/15	\$4,100	Hamp. Woods Assoc.
Route 3, Pittsburgh	5.0	\$20,000	2/28/14	\$4,000	private road, row
Baldwin Rd, Clarksville	5.0	\$15,000	9/5/14	\$3,000	seasonal private road
Hampshire Woods, Errol	5.47	\$22,000	5/14/15	\$4,022	res. lot, private road
Mean Sales Price \$18,571		Mean Lot Size 4.97 acres		Mean Price Per Acre \$3,315	

The comparable sales presented in the above chart indicate a mean price per acre of \$3,300 with a lower range parameter of \$3,000 per acre and an upper range of \$4,900 per acre, rounded. Based on the research conducted into the subject market, it would be reasonable to conclude that for the most part, the parcels that have direct access to public roads tend to sell for slightly more than those that are located on private roads, or other rights of way. This would result in a final indicated value for the potential 3.52-acre lot being \$3,500 per acre, or \$12,500, rounded.

Proposed Access Easement:

The estimated value of the access easement along Valley Road can be compared to the land value of the proposed 3.52-acre lot previously described above. The unit value associated with that parcel was estimated to be \$3,500 per acre, or approximately \$0.080 per square foot of land. Considering the area of the proposed 1.0-acre easement is located on an existing road, it would be reasonable to conclude that the impact to the land under the easement would be minimal. As such, an impact factor of say, 20% would be reasonable to apply to the area proposed to be encumbered by the

easement. This would result in an estimated value of \$700 for the permanent access easement along Valley Road.

Proposed Water Line Easement:

The proposed 0.30-acre water line easement will encumber the NHDOT property located off NH Route 16 in Errol. The 5.5-acre parcel is presently improved with a patrol station and is accessed via an existing easement off Route 16. According to plans submitted for consideration, the water line easement will begin at the southerly side of the access road and travel interior in a westerly direction for approximately 209 feet before turning in a slight northwest direction and terminating about halfway along the DOT western property line. The easement will have a width of approximately 40 feet over its entire length.

The 5.5-acre parcel that is currently serving the Errol patrol shed is located on the west side of NH Route 16. It has access to Route 16 via an access easement, which is similar to the proposed site for the new highway maintenance facility located on the Balsams property off NH Route 26. The sales cited in the previous value estimate for the proposed 3.52-acre site would also be appropriate for comparison to this site. Since the proposed 3.52-acre site and the 5.5-acre site of the existing patrol shed are so similar in access, use and size (as measured in the market), it would be reasonable to conclude that the unit value of \$3,500 per acre estimated for the proposed site, would also be applicable to the existing 5.5-acre site to be encumbered by the water line easement. An impact factor of 90% of fee value will be used for the easement as it is expected the water line will preclude a majority of the potential uses in those locations. Based on this, the estimated value of the proposed permanent water line easement would be as follows:

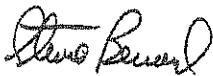
0.30-acres x \$3,500 per acre x 0.90 (90% impact) = \$950, rounded

Conclusion

Based on the information presented above, it would be reasonable, to conclude that the estimated market value of the proposed land areas, as of January 22, 2016 is as follows:

3.52-acre lot:	\$12,500
1.0-acre access easement:	\$700
0.30-acre water line easement:	\$950

Respectfully submitted,



Steve Bernard,
Chief ROW Appraiser
Bureau of Right of Way

General Assumptions And Limiting Conditions:

- ♦ all maps, plans, and photographs used are reliable and correct.
- ♦ the Parcel area given to me has been properly calculated;
- ♦ broker and assessor information is reliable and correct;
- ♦ there are no encumbrances or mortgages other than those reported in the abstracts;
- ♦ information from all sources is reliable and correct unless otherwise stated;

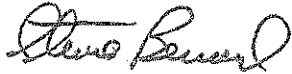
Limiting Conditions

- ♦ I have relied upon the legal interpretations of others and have assumed their decisions are correct and valid. I have also relied upon the abstracts of title and other legal information available and take no responsibility for their correctness.
- ♦ Sketches in this report are included to assist the reader in visualizing the property. I have not performed a survey of the property or any of the sales, and do not assume responsibility in these matters.
- ♦ There are no hidden or unapparent conditions on the property, in the subsoil (including hazardous waste or ground water contamination), or within any of the structures that would render the property more or less valuable. I assume no responsibility for any of these conditions or the engineering that may be required to discover or correct them. If any contamination is found on the subject, this report becomes null and void.
- ♦ Possession of this report (or a copy) does not carry with it the right of publication. It may not be used for any purpose other than by the party to whom it is addressed without the written consent of the State of New Hampshire and/or Department of Transportation and in any event only with the proper, written qualification and only in its entirety. Neither all nor any part of the contents (or copy) shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the State of New Hampshire.
- ♦ Acceptance and / or use of this report constitutes acceptance of the foregoing underlying limiting conditions and underlying assumptions.

Appraisal 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have not made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to me.
- I have not appraised the subject property in the past three years.



NHCG #654

January 22, 2016

Date



State of New Hampshire
DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
25 Capitol Street – Room 120
Concord, New Hampshire 03301

LRCP 16-001

VICKI V. QUIRAM
Commissioner
(603)-271-3201

JOSEPH B. BOUCHARD
Assistant Commissioner
(603)-271-3204

January 19, 2016

The Honorable Gene Chandler, Chairman
Long Range Capital Planning and Utilization Committee
Legislative Office Building – Room 201
Concord, New Hampshire 03301

REQUESTED ACTION

In accordance with RSA 4:40, authorize the Department of Administrative Services, Bureau of Court Facilities, to enter into a three (3) year Use of Premises Agreement with the County of Rockingham, with a mailing address of 119 North Road, Brentwood, NH 03833 ("County") for state owned property located in the Rockingham County Courthouse, #10 Route 25, Brentwood, NH. During the term of May 1, 2016 to April 30, 2019, the County shall pay the State \$549,204 for the leased office space located in the courthouse. **100% Agency Income**

EXPLANATION

The County wishes to enter into a Use of Premises Agreement for state owned property comprised of approximately 18,053 square feet of office space located in the Rockingham County Courthouse, #10 Route 25, Brentwood, NH. The Department of Administrative Services, Bureau of Court Facilities, has no need for the space and will fiscally benefit from the lease agreement, while the County will benefit from close adjacency to daily court business. The rental rate has been calculated to cover the cost of operations and any amortized capital expenses.

The rental income to the State shall be as follows during the three (3) year term:

<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>Total</u>
\$30,208	\$181,550	\$183,366	\$154,080	\$549,204

The NH Council on Resources and Development ("CORD") committee met on November 3, 2004 and granted the request made by the Department of Administrative Services for blanket approval to enter into this type of agreement within state owned courthouses. A copy of this letter is attached.

The office of the Attorney General has reviewed and approved this agreement.

Respectfully Submitted,

Vicki V. Quiram
Vicki V. Quiram
Commissioner

New Hampshire Council on Resources and Development

Office of Energy and Planning
1 Regional Drive, Concord, NH 03301
Phone: 603-271-2155 | Fax: 603-271-2615



TDD Access: Relay NH
1-800-735-3964

November 29, 2004

Donald S. Hill, Commissioner
Department of Administrative Services
State House Annex, Room 120
25 Capitol Street
Concord, NH 03301

Dear Commissioner Hill:

The Council on Resources and Development (CORD) met on November 3, 2004 and considered the request of the Department of Administrative Services for a blanket approval pursuant to RSA 4:40 to permit the Department to lease space within state owned courthouses. CORD agreed to grant this request, subject to the condition that such leases should be limited to county and municipal entities that contribute to the efficient operation of the courts.

If you have any questions about this matter, please feel free to call me at 271-2155.

Sincerely,

A handwritten signature in cursive script, reading "MaryAnn Manoogian".

MaryAnn Manoogian
Chairman

cc: Peter Goodwin

AGREEMENT FOR USE OF PREMISES
At Rockingham County Courthouse, #10, Route 125, Brentwood NH

This Agreement is made this 16 day of December, 2015, by and between the State of New Hampshire, Department of Administrative Services ("Department"), Bureau of Court Facilities, located at 25 Capitol Street, Room 115, Concord, New Hampshire 03301 and the **County of Rockingham** ("County"), acting by and through its Board of Commissioners ("County"), with a mailing address of 119 North Road, Brentwood, New Hampshire 03833.

The Department of Administrative Services hereby grants to the County, for a period of three (3) years, the right to use and occupy approximately **18,053 square feet of office space** (the "Premises") located on the lower level of the Rockingham County Courthouse, #10 Route 25, Brentwood, New Hampshire. The 18,053 square feet of the Premises is comprised of: 6,809 square feet of office space allocated to the County Attorney's Office, 10,341 square feet of office space allocated to the Register of Deeds, and 903 square feet of the undivided lower level floor Common Area allocable to the County. Demise documentation has been provided (**Exhibit A** - Demise of space rented to Rockingham County) which includes a floor plan depicting the Premises showing the extent of the space for the County's exclusive use and all areas to be used in common with others; these documents have been reviewed, accepted, and agreed-to and signed by both parties and placed on file and shall be deemed as part of this Agreement. The County may use the Premises only for the purpose of providing the office space for the County Attorney's Office and Registry of Deeds as herein described and such other lawful uses incident thereto. The County shall have the right to use in common, with others entitled thereto, the parking areas, hallways, stairways, and elevators that may be necessary for access to the Premises and the lavatories appurtenant to the Premises. The County shall have the right to access and occupy the Premises prior to, during, and after the close of the Court's regular business hours. The County shall have no right to access restricted areas in the courthouse.

The use and occupancy by the County pursuant to this Agreement is granted subject to the following conditions:

1. **Term:** Subject to the provisions of Section 26 herein, the term of this Agreement shall be three (3) years, commencing on May 1, 2016 and continuing through the 30th day of April 2019 unless terminated earlier by either party as provided hereunder.
2. **Rent:** The County agrees to pay rent, which is due without demand to the Department on the first day of each month in accordance with the following schedule of annual rent*:

*Annual rent has been rounded to the nearest whole number divisible and payable by twelve equal monthly payments.

- 2.1 May 1, 2016 through April 30, 2017: approximately \$10.04 per square foot, which is \$15,104.00 per month, \$181,248.00 annually.
- 2.2 May 1, 2017 through April 30, 2018: approximately \$10.14 per square foot, which is \$15,255.00 per month, \$183,060.00 annually.

2.3 May 1, 2018 through April 30, 2019: approximately \$10.24 per square foot, which is \$15,408.00 per month, \$184,896.00 annually.

Total Rent Due for the three-year Term: \$549,204.00

3. Condition of Leased Premises: The County has inspected and knows the condition of the Leased Premises. It is understood that the Premises is in "as is" condition without any representation or obligation on the part of the Department to make any alterations, repairs, or improvements.
4. Utilities: The Department shall be responsible for arranging for and making payment directly to the provider of all utility services required for the Leased Premises, except for telephone and computer networking services. The County will pay directly to the provider all costs associated with their telephone services and Computer networking services. The Department shall not be responsible for any claims or damages arising from interruption in utility services.
5. Maintenance by the Department: The Department shall provide maintenance to the Leased Premises, repairing and maintaining the building and grounds to which the Premises are a part at its own expense. The Department shall provide snowplowing or snow removal services for the parking areas and building entrances.
6. Janitorial Services by the County: The County shall provide janitorial services to the Leased Premises at its own expense, with the exception of the 903 square feet of Common Area located on the lower level of the courthouse. The Department shall provide janitorial services in the specified Common Area. Daily janitorial services shall conclude by 8:00 pm.
7. Maintenance by the County: The County shall maintain their own equipment, such as computer servers, back-up generators, copiers and other equipment at their sole expense. The County will exercise due diligence in protecting the Leased Premises against damage or destruction by fire, vandalism, theft, weather or other causes and maintain them in good order and condition.
8. Recycling: The County shall participate in the Department's recycling program. The Department shall provide the necessary containers to be strategically located throughout the facility and the County will partake and dispose of recyclable materials at the designated areas.
9. Repair of Damages to the Leased Premises: The County shall, at its own expense, promptly repair or replace to the satisfaction of the Department any property damaged or destroyed by the County, its employees or agents, incident to its exercise of the privileges granted herein. Alternatively, if required by the Department or requested by the County and agreed to by the Department, the County shall pay the Department money in an amount sufficient to compensate for the loss sustained by the Department for said damage to or destruction of the property. When requesting payment for loss or damage the Department shall submit an itemized invoice to the County documenting all costs.
10. Improvements and Renovations: No addition to or alterations or improvement of the Leased Premises shall be made without prior written consent of the Department, which consent shall not be unreasonably withheld.

11. Compliance with Laws: The County will at all times during the existence of this Agreement, promptly observe and comply with, at its sole cost and expense, the provisions applicable to the Leased Premises of all applicable federal, state and local laws, rules, regulations, and standards.
12. Quiet Enjoyment: The Department covenants and agrees the County's quiet and peaceful enjoyment of the Premises shall not be disturbed or interfered with by the Department, or any person claiming by, through or under the Department. Routine maintenance or inspection of the Premises shall be scheduled with the County in advance, to occur during a mutually agreeable time frame, and to be negotiated in good faith by both parties. Notwithstanding the provisions of this section, the County agrees and covenants that in the event of an emergency requiring the Department to gain immediate access to the Premises, access shall not be denied.
13. Insurance by the County: During the period this Agreement is in effect, the County shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor to obtain and maintain in force, both for the benefit of the State, with respect to the Premises and the property of which the Premises are a part, comprehensive general liability insurance against all claims of bodily injury, death, or property damage, occurring on, in, or about the premises. Such insurance or pooled risk coverage shall provide minimum protection limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. The policies shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State and authorized to do business in the State of New Hampshire. Each insurance policy shall contain a clause prohibiting cancellation or modifications of the policy earlier than ten (10) days after written notice has been received by the State. Each insurance policy shall name the Department as additional insured.
14. Self-insurance by the Department: The Department is an administrative unit of the State of New Hampshire, which is self-insured.
15. Indemnification: The County will defend, indemnify and hold harmless the Department from and against any and all losses suffered by the Department, and from and against any and all claims, liabilities or penalties asserted by, or on behalf of, any person, firm, corporation, or public authority:
 - 15.1 Acts or Omissions of County: On account of, or based upon, any injury to a person or loss or damage to property, sustained or occurring, or which is claimed to have been sustained or to have occurred on or about the Leased Premises, on account of or based upon the act, omission, fault, negligence or misconduct of the County, its agents, servants, contractors, or employees.
 - 15.2 County's Failure to Perform Obligations: On account of or resulting from, the failure of the County to perform and discharge any of its covenants and obligations under this Agreement and, in respect to the foregoing from and against all costs, expenses (including reasonable attorney's fees) and liabilities incurred in, or in connection with, any such claim, or any action or proceeding brought thereon; and in the case of any action or proceeding being brought against the Department by reason of any such claim, the County, upon notice from Department shall at County's expense resist or defend such action or proceeding.
 - 15.3 Departments Acts or Omissions Excepted: Notwithstanding the foregoing, nothing contained in

this section shall be construed to require the County to indemnify the Department for any loss or damage resulting from the acts, omissions, fault, negligence or misconduct of the Department or its agents, servants, contractors and employees. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State of New Hampshire, which immunity is hereby reserved to the State.

16. Fire and Casualty: Should a substantial portion of the Premises, or of the property of which they are a part, be substantially damaged by fire or other causality, the Department or the County may elect to terminate this Agreement. When such fire or causality renders the Premises substantially unsuitable for their intended use, a just and proportionate abatement of the rent shall be made as of the date of such fire or causality, until such time as the Department repairs the Premises, provided however, that the County may elect to terminate this Agreement if:

- a. Department's Failure to Provide: The Department fails to provide written notice within thirty (30) days of the causal event of their intention to restore the Premises or:
- b. Department's Failure to Repair: The Department fails to restore the Premises to a condition that is substantially suitable for their intended use within ninety (90) days of said fire, or causality. The Department reserves, and the County grants to the Department, all rights which the Department may have for damages or injury to the Premises, except for damage to the County's fixtures, property, or equipment or any award for the County's moving expenses.

17. Event of Default; Termination by the Department and the County:

a. Event of Default; Department's Termination: In the event that:

- i. County's Failure to Pay Rent: The County shall default in the payment of any installment of the rent, or any other sum herein specified, and such default shall continue for thirty (30) days after written notice thereof; or:
 - ii. County's Breach of Covenants, etc.: The County shall default in the observation of or performance of any other of the County's covenants, agreements, or obligations hereunder and such default is not corrected within thirty (30) days of written notice by the Department to the County specifying such default and requiring it to be remedied then: The Department may serve ten (10) days written notice of cancellation of this Agreement upon the County, and upon the expiration of such ten days, this Agreement and the Term hereunder shall terminate. Upon such termination the Department may immediately or any time thereafter, without demand or notice, enter into or upon the Premises (or any part thereon) and repossess the same.
- b. Department's Default; County's Remedies: In the event that the Department defaults in the observance of any of the Department's covenants, agreements and obligations hereunder, and such default shall materially impair the habitability and use of the Premises by the County, and is not corrected within thirty (30) days of written notice by the County to the Landlord specifying such default and requiring it to be remedied, then the County at its option, may serve a written ten (10) day notice of cancellation of this Agreement upon the Department, and upon

the expiration of such a ten day period the Agreement shall terminate. If any such default of the Landlord does not materially impair the habitability and use of the Premises by the County, the Department shall cure such default within thirty (30) days of written notice or within a reasonable alternative amount of time agreed upon in writing by County, failing which, the County may terminate this Agreement upon ten (10) days written notice to Department.

- c. Rights Hereunder: The rights granted under this Section are in addition to, and not in substitution for, any rights or remedies granted herein to the parties, or any rights or remedies at law, or in equity.

18. Termination by the Department or the County: Either party may terminate this Agreement upon one hundred-eight (180) days prior written notice to the other.

19. Surrender of Leased Premises: No later than ninety (90) days prior to the expiration of the term herein, the County shall give notice to the Department of its intention to either vacate the Premises at the end of the term, or to enter into negotiations with the Department for a renewal agreement. On or before the date of expiration of this Agreement, the County shall vacate the premises, remove its personal property there from and quit and surrender the Leased Premises restored to good condition, reasonable use and wear thereof excepted. If the County shall fail to remove its personal property and so restore the premises, then at the option of the Department, such property shall either become property of the State without compensation therefore, or the Department may cause the property to be removed and the premises to be restored at the expense of the County and no claim of damage against the Department, the State, or its officers, employees, or agents, shall be created by or made on account of such removal and restoration work.

20. Assignment: This Agreement shall not be transferred or assigned.

21. Amendment: This Agreement may only be modified or amended by mutual agreement in writing and signed by the parties and approved by Governor and Council.

22. Sovereign Immunity: No provision of this agreement is intended to be, nor shall it be, interpreted by either party to be a waiver of sovereign immunity.

23. Enforcement: No failure by the State to enforce any provisions hereof after any default shall be deemed a waiver of its rights with regard to that event or any subsequent event.

24. Governing Law: This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns.

25. Third Parties: The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

26. Effective Date of Agreement; Approval Contingency: This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings. EFFECTIVE DATE OF AGREEMENT: This Agreement shall not become effective until it

is approved by all parties having authority on behalf of the State of New Hampshire, including the Long Range Capital Planning & Utilization Committee and the Governor and Executive Council on the behalf of the Department, and by the County of Rockingham acting through its Board of Commissioners on behalf of the County and funded by the Rockingham County Delegation. In the event that said approval and funding requests are denied, then this Agreement shall thereupon immediately terminate, and all obligations hereunder of the parties hereto shall cease.

IN WITNESS WHEREOF, the parties have hereunto set their hands this 16 day of December 2015.

**The State of New Hampshire
Department of Administrative Services**

By: Joseph Boulevard, Asst. Comm.
Vicki V. Quiram, Commissioner

**Rockingham County, New Hampshire, by its
Board of Commissioners**

By: [Signature]
Title: Chairman

By:
Title: Vice Chairman

By: [Signature]
Title: Clerk

NOTARY STATEMENT: As Notary Public and/or Justice of the Peace, REGISTERED IN THE STATE OF NEW HAMPSHIRE

Personally appeared before me the undersigned officers, the above named Thomas Tombarello and Kevin St. James, known or satisfied to be the person whose names are signed above, and acknowledged that s/he executed this document in the capacity indicated above on this 16 day of December 2015.

[Signature]
Justice of the Peace/Notary Public



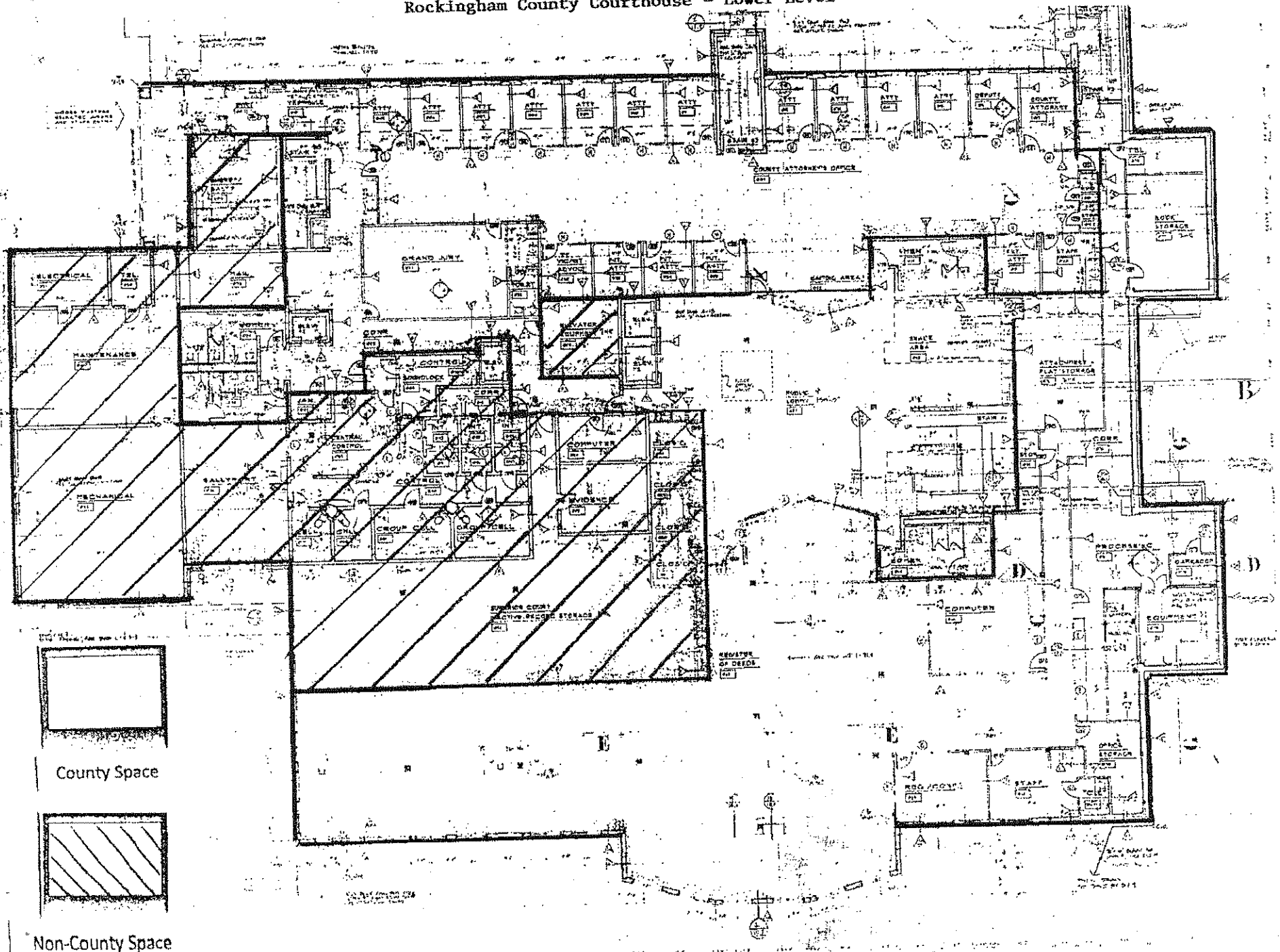
This Is To Certify that the above Agreement has been reviewed by the Office of the Attorney General and approved as to form, substance, and execution this 1st day of February 2016.

[Signature]
Signature

Approved by Governor and Council this _____ day of _____, 201____.
Agenda Item No: _____.

Initials: [Signature]
Date: 12/16/15

Exhibit A - Demise Documentation
Rockingham County Courthouse - Lower Level



CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only. Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

Participating Member:		Member Number:	Company Affording Coverage:	
Rockingham County 111 North Road Brentwood, NH 03833		609	NH Public Risk Management Exchange - Primex ³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624	

Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply	
<input checked="" type="checkbox"/> General Liability (Occurrence Form) Professional Liability (describe) <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence	1/1/2015	1/1/2016	Each Occurrence	\$ 1,000,000
	1/1/2016	1/1/2017	General Aggregate	\$ 2,000,000
			Fire Damage (Any one fire)	\$
			Med Exp (Any one person)	
<input type="checkbox"/> Automobile Liability Deductible Comp and Coll: <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	
			Aggregate	
<input type="checkbox"/> Workers' Compensation & Employers' Liability			Statutory	
			Each Accident	
			Disease -- Each Employee	
			Disease -- Policy Limit	\$
<input type="checkbox"/> Property (Special Risk includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	Deductible:

Description: Relative to the Brentwood Courthouse Lease Extension, the certificate holder is named as Additional Covered Party, but only to the extent liability is based on the negligence or wrongful acts of the member, its employees, agents, officials or volunteers. This coverage does not extend to others. Any liability resulting from the negligence or wrongful acts of the Additional Covered Party, or their employees, agents, contractors, members, officers, directors or affiliates is not covered. The Participating Member will advise of cancellation no less than 10 days notice prior to cancellation.

CERTIFICATE HOLDER:	<input checked="" type="checkbox"/>	Additional Covered Party	<input type="checkbox"/>	Loss Payee	Primex ³ - NH Public Risk Management Exchange
State of NH - Dept of Administrative Services Bureau of Court Facilities State House Annex 25 Capitol St Concord, NH 03301					By: <i>Tammy Denver</i>
					Date: 12/21/2015 tdenver@nhprimex.org
					Please direct inquiries to: Primex ³ Claims/Coverage Services 603-225-2841 phone 603-228-3833 fax

CERTIFICATE FOR MUNICIPALITIES

I, (insert name) KEVIN ST. JAMES, of (insert Municipality name)
COUNTY OF ROCKINGHAM, do hereby certify to the following assertions:

1. I am a duly elected and acting Clerk/Secretary for the Municipality documented above, which is in the State of (insert name of State) NEW HAMPSHIRE
2. I maintain and have custody of, and am familiar with, the minute books of the Municipality;
3. I am duly authorized to issue certificates with respect to the contents of such books;
4. The following are true, accurate and complete copies of the resolutions adopted during an official meeting of the Municipality. Said meeting was held in accordance with the laws and by-laws of the State, upon the following date: (insert meeting date) 12/16/2015.

RESOLVED: That this Municipality shall enter into a contract with the State of New Hampshire, acting by and through the ROCKINGHAM COUNTY BOARD OF COMMISSIONERS

_____ providing for the performance by this Municipality of certain services as documented within the foregoing Lease, and that the official listed, (document the title of the official authorizing the contract, and document the name of the individual filling that THOMAS

TOMBARELLO, CHAIR, on behalf of this Municipality, is authorized and directed to enter the said lease contract with the State of New Hampshire, and that they are to take any and all such actions that may be deemed necessary, desirable or appropriate in order to execute, seal, acknowledge and deliver any and all documents, agreements and other instruments on behalf of this Municipality in order to accomplish the same.

RESOLVED: That the signature of the above authorized party or parties of this Municipality, when affixed to any instrument of document described in, or contemplated by, these resolution, shall be conclusive evidence of the authority of said parties to bind this Municipality, thereby:

5. The foregoing resolutions have not been revoked, annulled, or amended in any manner what so ever, and remain in full force and effect as of the date hereof;
6. The following person or persons have been duly elected to, and now occupy, the Office or Offices indicated: (fill the appropriate names of individuals for each titled position)

Municipality Mayor: CHAIR: THOMAS TOMBARELLO

Municipality Clerk: KEVIN ST. JAMES

Municipality Treasurer: EDWARD R. BUCK

IN WITNESS WHEREOF: As the Clerk/Secretary of this municipality, I sign below upon this date: (insert date of signing) DECEMBER 16, 2015

Clerk/Secretary (signature) _____

In the State and County of: (State and County names) NEW HAMPSHIRE – ROCKINGHAM COUNTY

NOTARY STATEMENT: As Notary Public and/or Justice of the Peace, REGISTERED IN THE STATE NEW HAMPSHIRE, COUNTY OF: ROCKINGHAM UPON THIS DATE (insert full date) 12/16/2015, appeared before me (print full name of notary) LAURA L. COLLINS

_____, the undersigned officer personally appeared (insert officer's name) _____

KEVIN ST. JAMES

who acknowledged him/herself to be (insert title, and the name of municipality) _____

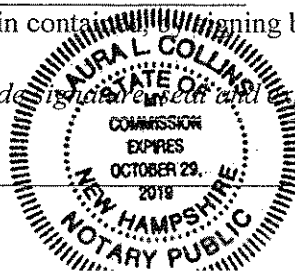
BOARD OF COMMISSIONERS – ROCKINGHAM COUNTY

CLERK,

and that being authorized to do so, he/she executed the foregoing instrument for the purposes therein contained, by signing by him/herself in the of the Municipality.

In witness whereof I hereunto set my hand and official seal. (Provide signature, seal and expiration of commission)

Laura L. Collins
MY COMMISSION EXPIRES OCTOBER 29, 2019.





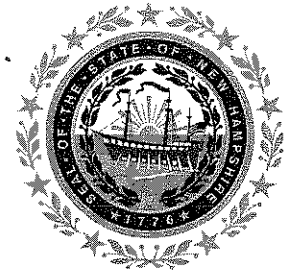
**New Hampshire
Employment
Security**

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"We're working to keep New Hampshire working"

ADMINISTRATIVE OFFICE

45 SOUTH FRUIT STREET
CONCORD, NH 03301-4857



LRCP 16-005

GEORGE N. COPADIS, COMMISSIONER

RICHARD J. LAVERS, DEPUTY COMMISSIONER

January 29, 2016

The Honorable Gene Chandler, Chairman
Long Range Capital Planning and Utilization Committee
Legislative Office Building, Room 201
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 4:40, New Hampshire Department of Employment Security (NHES) respectfully requests the approval of the Long Range Capital Planning and Utilization Committee to enter into a listing agreement with NAI Norwood Group, 116 South River Road, Bedford, NH, for a term of up to fifteen (15) months, to sell the below listed properties:

- **436 Maple Street, Manchester, NH**, an unimproved parcel of 0.16± acres, currently utilized as a parking lot, for a price at or above \$95,000, assess an administrative fee of \$1,100, and allow negotiations within the Committee's current policy guidelines and that the right of first refusal be treated in the customary manner.
- **300 Hanover Street, Manchester, NH**, containing four (4) parcels of land totaling 1.18± acres, improved with one building comprising approximately 20,360 square feet, and including a mix of offices, conference rooms, utility spaces and parking, for a price at or above \$1,425,000, assess an administrative fee of \$1,100, and allow negotiations within the Committee's current policy guidelines and that the right of first refusal be treated in the customary manner.

On September 18, 2012, the Committee voted to approve NHES' previous request to sell the above-listed properties for the then current market value with the stipulations listed above. On November 14, 2012, the Committee voted to approve an amended request to permit the sale of the above-listed properties without the services of a real estate broker. Also included in the prior request to the Committee were properties located at 32-34 South Main Street, Concord, NH and 10 West Street, Concord, NH. The two Concord properties have been sold during the last year and a half for \$1,575,000 and \$1,300,001, respectively, without the use of a broker.

NHES is now requesting the Committee to amend its prior approval and allow NHES to utilize the services of NAI Norwood Group to market and sell the Manchester properties as described above.

NHES is a proud member of America's Workforce Network and NH Works. NHES is an Equal Opportunity Employer and complies with the Americans with Disabilities Act. Auxiliary aids and services are available upon request of individuals with disabilities

Telephone (603) 224-3311 Fax (603) 228-4145 TDD/ TTY Access: Relay NH 1-800-735-2964 Web site: www.nhes.nh.gov

EXPLANATION

On June 22, 2011, the House and Senate voted to adopt the Committee of Conference Report (2011-2429) on HB 25; an act making appropriations for capital improvements. The bill included the Department's request that capital budget projects include the renovation of the Tobey Building and the construction of an adjoining parking garage. The bill also provided for the consolidation of four (4) NHES offices. No general funds were used for the Tobey renovation project and parking garage.

NHES began the process of gaining formal approval for the sale of the four surplus properties in 2011. In connection with the previous submissions, the unimproved 436 Maple Street property was combined, for appraisal and other purposes, with an improved property located at 298 Hanover Street. Results of the approval processes are summarized below:

436 Maple Street/298 Hanover Street, Manchester NH

DHR provided a letter dated December 2, 2011 stating that while the property is a contributing element to the Janesville area, a potential historic district in the City of Manchester, disposal of the property would not have the potential to impact the qualities of the district that make it significant.

On September 18, 2012, the Committee voted to approve NHES' request to sell this property for the current market value, allow negotiations within the Committee's current policy guidelines, assess an \$1,100 Administrative Fee and that the right of first refusal be treated in the customary manner. On October 17, 2012, the Governor and Executive Council voted to authorize NHES to sell the property pursuant to RSA 4:40, as detailed in an NHES request dated October 9, 2012. On November 14, 2012, this Committee voted to approve NHES' amended request to allow the sale of this property without the services of a real estate broker.

NHES is now seeking approval to use a real estate broker to market and sell 436 Maple Street. The request to use such services for 298 Hanover Street will be submitted as a separate item.

300 Hanover Street, Manchester NH

A 2011 Request for Project Review by the New Hampshire Division of Historical Resources (DHR) resulted in DHR indicating that there was no potential to cause affects.

Effective January 5, 2012, CORD voted to recommend NHES' request to sell or lease the property located at 300 Hanover Street. During the waiting period, no state agency came forward to express interest in the property. On September 18, 2012, the Committee voted to approve NHES' request to sell this property for the current market value, allowing negotiations

within the Committee's current policy guidelines, assess an \$1,100 Administrative Fee and that the right of first refusal be treated in the customary manner. On October 17, 2012, the Governor and Executive Council voted to authorize NHES to sell the properties pursuant to RSA 4:40, as detailed in an NHES request dated October 9, 2012.

NHES is now seeking approval to use a real estate broker to market and sell 300 Hanover Street as described more fully below.

PROPERTY DESCRIPTIONS AND ACQUISITION COSTS

Given the historical use of 300 Hanover Street as administrative office space, NHES believes the property could be marketed and sold as a commercial office building. However, NHES is seeking to utilize the services of NAI Norwood to explore the possibility of other uses, including retail commercial uses. NHES is also seeking to unbundle 436 Maple Street from 298 Hanover Street in the marketing process to allow the possibility of the parking lot being used, in whole or in part, in connection with the marketing of either 300 Hanover Street or 298 Hanover Street.

Per HB-25-FN-A subparagraph V, A, proceeds from the sale of these remaining properties shall be applied 100% to the outstanding bonds and notes on the Tobey Building and parking garage.

436 Maple Street, Manchester, NH

This parcel, located on the corner of Hanover Street and Maple Street, contains 0.16± acres and has been utilized as a parking lot in conjunction with an NHES owned office building located at 298 Hanover Street. The building previously housed the Department's Unemployment Insurance Appeals Unit. The Appeals Unit has moved to the Tobey Building located at 45 South Fruit Street in Concord, NH and the building is currently vacant.

NHES purchased the 436 Maple Street and 298 Hanover Street properties on March 29, 2001 for a combined total of \$366,500, and financed the purchase exclusively (100%) from the NHES Administrative Contribution Fund.

436 Maple Street/298 Hanover Street Manchester, NH Original Fund Sources

Federal Funds	\$0	0.00%
Administrative Contribution	\$364,500	100.00%
Total	\$364,500	100.00%

300 Hanover Street, Manchester, NH

The property contains four (4) parcels of land totaling 1.18± acres. The first parcel contains 0.65± acres of land and includes one building comprising approximately 20,360 square feet. The property encompasses a mix of office space, conference rooms, and utility spaces. The other three parcels contain 0.22± acres, 0.14± acres, and 0.17± acres, and are used collectively as a parking lot in conjunction with the office building. The building currently houses the Department's Manchester Local Office, which may either stay as a lease back option or move to a location to be determined in the greater Manchester area when the property is sold.

NHES purchased 300 Hanover Street from Jason E. Treisman on July 27, 1998, for a total amount of \$1,342,559.63. This represents a purchase price of \$1,300,000.00, prorated costs of improvements in accordance with the original lease in the amount of \$34,781.31, and prorated taxes for the first half of the 1998 – 1999 tax year in the amount of \$7,778.32. NHES purchased the property by exercising an option in its existing lease and the purchase was financed exclusively (100%) from the Administrative Contribution Fund.

300 Hanover Street
Manchester, NH
Original Fund Sources

Federal Funds	\$0	0.00%
Administrative Contribution	\$1,342,560	100.00%
Total	\$1,342,560	100.00%

PROPERTY APPRAISALS

Capital Appraisal Associates, Inc. of Concord, New Hampshire provided opinions of market value for 300 Hanover Street in reports originally published on July 21, 2011 and updated as of December 12, 2012. The "as is" fee simple unencumbered market value of the property as of December 12, 2012 was \$1,400,000.

Given the passage of time, and in order to determine an appropriate asking price for 300 Hanover Street, NHES requested an updated appraisal from Capital Appraisal Associates. As of January 14, 2016, the market value of the property was provided as follows:

Property	Current Appraised Value
300 Hanover Street, Manchester, NH	\$1,420,000

Capital Appraisal had not previously provided a stand-alone market value for 436 Maple Street. In connection with this process, and in order to maximize its options in marketing the properties, NHES requested a stand-alone appraisal for the lot located at 436 Maple Street. Based upon an income approach, the market value of the property was provided as follows:

Property	Current Appraised Value
436 Maple Street, Manchester, NH	\$95,000

RFP PROCESS

On September 10, 2015, the Department issued a Request for Proposal for Real Estate Brokerage Services (RFP). The RFP was posted on the Administrative Services Current Bidding Opportunities web site and was advertised in the Manchester Union Leader on September 8, September 10 and September 13, 2015. It was also advertised on the NHES web site and was sent out as a direct mail solicitation to thirty-five (35) real estate brokers. In response to the RFP, the Department received one (1) conforming proposal from NAI Norwood Group in Bedford, New Hampshire. The listing brokers will be Chris Norwood and Judy Niles-Simmons. Norwood's proposed commission rate is 6.00%. NAI Norwood has performed real estate brokerage services for the State of New Hampshire previously and is considered highly qualified for this engagement.

NHES is seeking approval to enter into an agreement with NAI Norwood in order to obtain the best price possible for the Manchester properties. Based upon the updated appraisals and preliminary opinions of market value expressed by NAI Norwood, the Department is seeking approval of a \$1,425,000 sale price for 300 Hanover Street. The Department is seeking approval of a sale price of \$95,000 for 436 Maple Street. This approach will allow flexibility to bundle this unimproved parcel with either of the improved parcels or to sell it on its own. (A separate request to approve brokerage services for 298 Hanover Street will follow.)

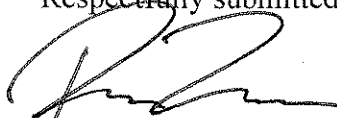
The proposed listing agreement anticipates that the Department is required to offer the Properties to the City of Manchester at the contract price(s) reached with any potential buyer(s) as part of the statutory disposal process, and that the real estate broker will not receive any commission for a sale to the City of Manchester should that occur.

Authorization is hereby requested: to enter into an exclusive listing agreement with NAI Norwood Group for a maximum term of fifteen (15) months that will be subject to final approval by the Governor and Executive Council. A copy of the proposed "Exclusive Listing Agreement" is attached hereto as Exhibit #1. Copies of company and broker profiles are attached as Exhibit #2. The updated appraisals for 300 Hanover Street and 436 Maple Street are attached as Exhibits #3 and #4.

Long Range Capital Planning and Utilization Committee
Request for Approval
Page 6 of 6

Authorization is further requested: (1) for the sale of 300 Hanover Street at or above the proposed sale price of \$1,425,000 and subject to the conditions outlined above; and (2) for the sale of 436 Maple Street at or above the proposed sale price of \$95,000 and subject to conditions outlined above; (3) to pay from the proceeds of any such sale a commission to the selected broker at the rate of six percent (6%) of the sale price¹; and 4) to retain for the State of New Hampshire an administrative fee of \$1,100 or such larger amount as the Committee may deem appropriate in accordance with RSA 4:40, III-a.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Richard J. Lavers', written over a horizontal line.

Richard J. Lavers,
Deputy Commissioner

Exhibits Attached

¹ As of the date of this request, a potential buyer has expressed interest in the 300 Hanover Street property. Because the expression of interest occurred prior to Long Range Approval of the Brokerage Agreement, NAI Norwood has agreed to accept a reduced commission in the amount of 3% if the property is sold to that potential buyer.

EXHIBITS

1. Proposed Brokerage Agreement with NAI Norwood;
2. Profiles of NAI Norwood Group, Chris Norwood and Judy Niles-Simmons;
3. Appraisal of 300 Hanover Street, Manchester, NH dated January 14, 2016;
4. Appraisal of 436 Maple Street, Manchester, NH dated January 14, 2016.

EXHIBIT 1

Proposed Brokerage Agreement with NAI Norwood

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EMPLOYMENT SECURITY

NAI NORWOOD GROUP

EXCLUSIVE LISTING AGREEMENT

1. THE STATE OF NEW HAMPSHIRE, acting by and through its Department of Employment Security, located at 45 South Fruit Street, Concord, NH 03301 ("Seller"), hereby grants to the undersigned NAI Norwood Group, located at 116 South River Road, Bedford, New Hampshire 03110 ("Agent"), the rights described in Paragraph 2 below, effective as of the date upon which both parties have executed this Agreement (the "Effective Date") and as further provided herein, in consideration of Agent's agreement to undertake the listing, marketing, and promotion for sale of real property (the "Properties") owned by the Seller as follows:

A. **300 Hanover Street, Manchester, New Hampshire**, consisting of a 1.18± acre site improved with a 20,360± square foot building and an 86 space surface parking lot (Tax Map 93, Lots 0005, 0008, 0009, and 0010), as more particularly described in the Deed of Jason Treisman to the State of New Hampshire dated July 23, 1998, and recorded in the Hillsborough County Registry of Deeds at Book 5972, Page 1084-1085, and including any other property, real or personal, subsequently added thereto;

B. **436 Maple Street, Manchester, New Hampshire**, consisting of 0.16± acres of land and configured as a parking lot (Tax Map 93, Lot 0029), as more particularly described in the Deed of Jason Treisman to the State of New Hampshire dated March 26, 2001, recorded in the Hillsborough County Registry of Deeds at Book 6381, Page 1777.

2. Agent is being granted the exclusive right to market, list, and solicit offers to purchase said Properties at minimum prices of: **A. 300 Hanover Street:** One million four hundred twenty-five thousand dollars (\$1,425,000), and **B. 436 Maple Street:** Ninety-five thousand dollars (\$95,000), on the terms herein stated, or at any other price and terms which Seller may authorize and to which it consents. If, during the term of this Agreement, an individual or entity is procured by Agent who is ready, willing and able to purchase one or more Properties at or above the stated prices on such terms and conditions as are acceptable to Seller, or based upon other prices and terms to which Seller may agree, then Seller agrees to pay Agent a commission of six percent (6%) of the contract sale price. The only exception to this commission structure will be if the Potential Buyer¹ for 300 Hanover Street, as defined in Footnote 1 of this Agreement, purchases 300 Hanover Street, in which case Agent will receive a reduced commission equal to three percent (3%) of the contract sale price. Any commission due under this Agreement shall be paid out of the sale proceeds following the closing.

¹ "Potential Buyer" shall mean the individual/entity that expressed interest in buying 300 Hanover Street on November 13, 2015.

AGENT'S initials _____

3. THIS AGREEMENT SHALL BE IN EFFECT for nine (9) months, commencing on the Effective Date and ending on the date nine (9) months thereafter, and, unless terminated on said ending date by the Department acting in its sole discretion, shall be automatically renewed for six (6) consecutive additional months upon the same terms and conditions (except that the minimum price established in this Agreement may be adjusted at the discretion of Department) for a total contract period not to exceed one (1) year, three (3) months. Upon full execution of a contract for sale and purchase of all or any of the Properties, all of the terms and provisions of this Agreement shall extend through the date of closing as specified in such purchase and sale agreement. The commission(s) as provided above shall also be due if a Property is contracted to be or has been sold, leased, conveyed, exchanged or otherwise transferred within six (6) months after the expiration or rescission of this Agreement to anyone whom Agent has procured, unless the Property or Properties have been listed with another licensed broker on an exclusive basis. "Procurement" shall include, but not be limited to, providing information about the Properties, showing the Properties, or presenting offers on the Properties, provided that anyone so procured must be identified to Seller by Agent in writing not later than fifteen (15) days after the termination of this Agreement.

4. DUTIES OF AGENT. Agent owes Seller the fiduciary duties of loyalty, obedience, disclosure, confidentiality, reasonable care, diligence, and accounting.

5. DUTIES OF SELLER. Seller acknowledges a duty to disclose to Agent all known pertinent information about the Properties, adverse or otherwise, upon request, and Seller understands that all such information will be disclosed by Agent to potential purchasers. If any pertinent fact, event or information about the Properties comes to Seller's attention between signing this Exclusive Marketing Agreement and the Property Disclosure and the closing, then Seller will immediately notify the potential purchaser and Agent of the same in writing. Seller agrees to cooperate with Agent in effecting the sale of the Properties and to immediately refer to Agent all inquiries of interested parties. Unless otherwise directed by Seller, Agent shall be the default point of contact for all inquiries, negotiations, or offers regarding the Properties.

6. COOPERATION WITH OTHER BROKERS. Seller authorizes the following forms of cooperation:

- (a) Agent may cooperate with other brokers or other real estate firms who will represent the interest of the buyer(s). In the case of the Potential Buyer for 300 Hanover Street, Agent's 3% commission will not be subject to dilution.
- (b) Agent may cooperate with other brokers or other real estate firms who are not acting on behalf of a client or customer either as a seller agent or buyer agent.

7. SPECIAL CONDITIONS. Seller and Agent hereby agree that:

- (a) The Properties will be advertised at Agent's discretion in a manner consistent with its successful proposal to market the Properties as submitted to Seller. This may include marketing the Properties through a call for offers and/or more traditional marketing approaches. Agent will be responsible for advertising the

AGENT'S initials _____

properties through MLS, Commercial MLS, print, e-mails to the brokerage community and other methods as may be appropriate selected by Agent. Once a Buyer has been selected for a particular Property, Agent will work with the Buyer through the due diligence period and will assist in negotiating sales terms.

- (b) Seller may provide keys to any building(s) to Agent. If keys are provided, then Agent has permission to access such building(s) for the purpose of showing the Properties to potential purchasers or their agents. Otherwise, access to such building(s) must be arranged with Seller in advance. Either Agent or a principal or employee of Agent holding a current "Broker" or "Salesperson" license issued by the New Hampshire Real Estate Commission shall be personally present at every showing of the Properties, regardless of whether any buyer's broker or employee of Seller may be present.
- (c) Exterior pictures of the Properties may be taken.
- (d) Interior pictures of the Properties may be taken under the supervision of the Seller. Any and all such pictures to be approved by Seller prior to use by the Agent at Seller's sole and absolute discretion.
- (e) Video/virtual tour photography is allowed at Agent's discretion under the supervision of the Seller. Any and all such video and/or photography to be approved by Seller prior to use by the Agent at Seller's sole and absolute discretion.
- (f) Agent may disclose the existence of other offers.
- (g) As noted above, the Properties' listing data may be submitted to MLS and may be used for comparables.
- (h) The Properties' addresses and information may be displayed on public web sites.
- (i) Seller's name may be submitted to any electronic database or MLS that may be accessed by persons other than Seller's broker.
- (j) Agent is authorized to accept a deposit with any prospective offer to purchase the Property.

8. ADDITIONAL PROVISIONS.

- (a) Agent acknowledges and agrees that any sale, lease, or exchange of the Property and any payment obligation of Seller under this Agreement shall be conditioned upon and subject to prior approval by the Governor and Executive Council of the State of New Hampshire. Agent further acknowledges and agrees that no commission or fee shall be due under this Agreement for any Property sold to the

AGENT'S initials _____

City of Manchester, New Hampshire under the terms of this Agreement and the applicable terms of the RFP, which are hereby incorporated by reference.

- (b) Agent has obtained a current State Vendor Code from the Division of Procurement & Support Services, Bureau of Purchase & Property and provided it to Seller. If Agent is a corporation, limited liability company, or other business entity required to register with the New Hampshire Secretary of State, then Agent has provided to Seller a current original Certificate of Good Standing issued by the New Hampshire Secretary of State. If Agent is a foreign corporation or other business entity organized under the laws of another state, then Agent has further provided to Seller a current original Certificate of Good Standing issued by Agent's state of organization.
- (c) If Agent is a business entity other than a sole proprietor, then Agent certifies that it has all requisite authority to enter into this Agreement and to perform its obligations thereunder, and that the undersigned officer or agent of Agent is duly authorized to execute this Agreement on behalf of Agent.
- (d) Agent certifies that it is duly licensed to sell real estate by the New Hampshire Real Estate Commission and will comply with all applicable New Hampshire laws and regulations in marketing and selling the subject properties.
- (e) Agent agrees to defend, indemnify, and hold harmless Seller and all of its officers, directors, agents, and employees from and against any and all claims, liabilities, or suits arising from (or which may be claimed to arise from) or in connection with any acts or omissions of Agent or its sub-agent in the performance of Agent's obligations under this Agreement.
- (f) Agent agrees that at all times during the effective term of this Agreement Agent shall maintain the following types and amounts of insurance coverage:
 - (i) Comprehensive general liability coverage against all claims of bodily injury, death, or property damage in amounts not less than \$250,000 per claim and \$2,000,000 per incident, or \$1,000,000 per occurrence and \$1,000,000 umbrella coverage.
 - (ii) Professional liability coverage in an amount not less than \$1,000,000 per occurrence and in the aggregate. If coverage is "claims made," the period to report claims shall extend for not less than three (3) years from the date of substantial completion of the contract. No retention (deductible) shall be more than \$25,000.
 - (iii) Workers' compensation insurance and employers' liability insurance as required by law.

AGENT'S initials _____

- (g) Agent agrees that it will provide all legally required disclosures when marketing the subject properties, including the following:

THIS PROPERTY IS OFFERED PURSUANT TO FAIR HOUSING REGULATIONS, WITHOUT RESPECT TO RACE, COLOR, RELIGION, SEX, MENTAL AND OR PHYSICAL DISABILITY, FAMILIAL STATUS, SEXUAL ORIENTATION, OR NATIONAL ORIGIN. (I) (WE) HEREBY ACKNOWLEDGE RECEIPT OF A COPY OF THIS AGREEMENT.

In witness whereof, the Parties hereto have signed their names on the dates indicated below.

STATE OF NEW HAMPSHIRE ("SELLER")

By and through its
DEPARTMENT OF EMPLOYMENT SECURITY

By: _____
George N. Copadis, Commissioner

Date: _____

NAI NORWOOD GROUP ("AGENT")

By: _____

Date: _____

Name (print): _____

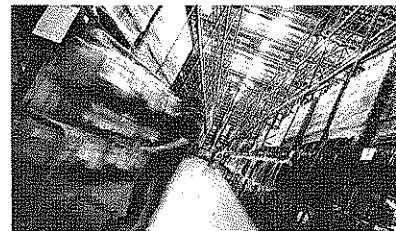
Title (print): _____

AGENT'S initials _____

EXHIBIT 2

Profiles of NAI Norwood Group, Chris Norwood and Judy Niles-Simmons

Company Profile



NAI Norwood Group is an affiliate of NAI Global, the world's leading managed network of independently owned commercial real estate brokerage firms. Through this network of 350 offices in 55 countries, NAI Norwood Group is able to leverage their strong local experience around the world. Whether your commercial real estate needs require local expertise, or you need brokerage consulting around the world, the firm is here to help. With our extensive background and strong local contacts, we are able to assist individual corporations in negotiating leases, sales, business brokerage, investments, relocation, site selection and development.

Founded in 1968 by Karl Norwood, The Norwood Group became one of the largest real estate firms in the State of New Hampshire. The company expanded into residential land development and home construction in the seventies and formed Norwood Group International, focusing on attracting foreign investors to form joint ventures in commercial real estate, primarily in the New England marketplace. In 2008 NAI Norwood Group opened a second location in Portsmouth, NH vastly widening services into the seacoast area. NAI Norwood Group has remained a viable leader in the commercial real estate field and has continued to hone its skills in this evolving world of sophisticated clients who demand services in dealing with the complexity of the current global market.

NAI Norwood Group offers a range of services to clients that include landlord representation, tenant/buyer representation, consulting, and development. NAI Norwood Group's affiliation with NAI Global enhances the services by spanning resources on a worldwide level.

NAI Norwood Group is actively involved in the New Hampshire Association of REALTORS and company members have held numerous leadership positions within the organization. They are Charter Members of NH CIBOR (Commercial Investment Division of the New Hampshire Association of REALTORS), hold membership in CCIM (Certified Commercial Investment Member), SIOR (Society of Industrial and Office REALTORS), NEBBA (New England Business Brokers Association), and CRE (Counselors of Real Estate). In addition the group subscribes to industry specific trade organizations such as the ICSC (International Council of Shopping Centers).

Since 2000, NAI Norwood Group has sold 1,500+ acres of land totaling more than \$58 million. In addition, we've assisted clients in the acquisition and disposition of 3.5+ million square feet valued at \$250 million, in addition to over 1 million square feet of self-storage space valued at more than \$70 million.

It is the goal of our firm to service the requirements of a wide spectrum of the community in which we operate. This is why members of our firm routinely serve on boards and local civic organizations, from Chambers to Non-profits to real estate specific boards. Having been a trademark in the community for 45+ years, the team looks forward to an extraordinary future.

NAI Norwood Group

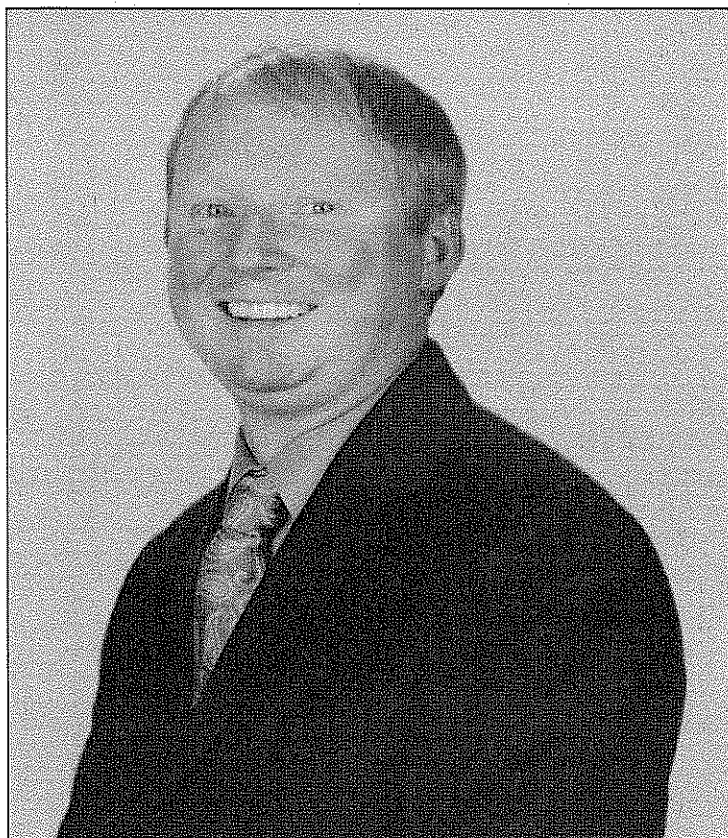
Commercial Real Estate Services, Worldwide.



116 South River Road | Bedford, NH 03110 | 603.668.7000
28 Deer Street | Suite 301 | Portsmouth, NH 03801 | 603.431.3001
nainorwoodgroup.com | info@nainorwoodgroup.com

Chris Norwood

President



Educational Background & Experience

Graduated from Babson College with a Bachelor of Science in Business Management in 2003. Chris Norwood began his real estate brokerage career in 2000 when he became a licensed salesperson in the state of New Hampshire. Since that time he has assisted in closing tens of millions of dollars worth of sale and lease transactions over hundreds of thousands of square feet, as well as aided in consulting and valuation work.

Professional Affiliations & Designations

Member of the ICSC
Member of the NHCIBOR, 2012 President
Member of CCIM, 2008-09 Chapter President
Realtor of The Year, 2007 NH CIBOR
Member of NAI Global Leadership Counsel
Member of GMCC, Government Affairs
Member NHAR, Public Policy

Significant Transactions

- 2011-14 - Tenant Representation for 80,000+/-sf of office space for DYN Inc in Manchester, NH
- 2011 - Tenant Representation for 50,000+/- sf flex space for Resonetic's in Nashua, NH
- 2010 - Landlord Representation and consultation of sales/leasing/condo conversion of industrial space in Bow, NH.
- 2007 - Redevelopment and Seller Representation of a 300,000+/-sf mill in Ashland, NH

Volunteer Work

Member of the Manchester Community College Advisory Counsel

Board Member of Boy Scouts of America Daniel Webster Council

Scope of Service

Chris Norwood's primary focus is the sale and leasing of real estate space in the Southern New Hampshire market. He focuses exclusively on commercial property. Chris is also very involved with the overall strategic growth of the firm.

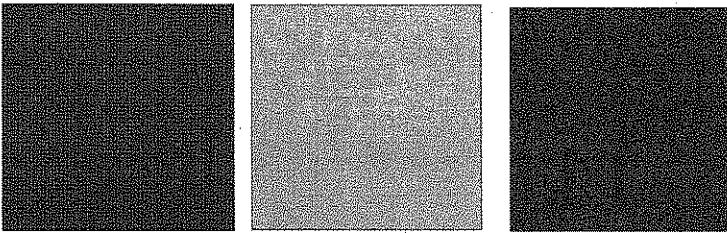
NAI Norwood Group

Commercial Real Estate Services, Worldwide.

Contact Information

Chris Norwood | 603.657.1928 | cnorwood@nainorwoodgroup.com
116 South River Road | Bedford, NH 03110 | Office: 603.668.7000 | nainorwoodgroup.com





Contact information

Judy Niles-Simmons
NAI Norwood Group
direct 603 657 1926
office 603 668 7000
judy@nainorwoodgroup.com
nainorwoodgroup.com
116 South River Road
Bedford, NH 03110

NAI Norwood Group

Commercial Real Estate Services, Worldwide.

Judy Niles-Simmons Commercial Sales & Leasing

Scope of Service

Judy Niles-Simmons began her real estate career more than 20 years ago while working for a large residential developer. She has leasing managerial experience as she worked for large industrial facilities and was a principal in a commercial real estate brokerage firm.

Experience

Judy joined NAI Norwood Group in 1995. She has extensive experience in the development of land and in selling commercial/industrial investment properties. She also has experience in marketing multi-family residential projects in New Hampshire and Massachusetts.

Judy was presented the 2011 Community Service Award by NHCIBOR Cares. She was instrumental in the founding of this non-profit arm for NHCIBOR and served as the first President and as a Director. Judy continues to volunteer at Care-Givers and New Horizon Soup Kitchen.

Professional Affiliations & Designations

Licensed Broker in NH and MA.
Member of the NHCIBOR
Member of GRI

Significant Transactions

J Jill Group: Listing/selling agent, 91,920+/- SF
FCI : Selling agent for 49,000+/- SF/101 E.
Industrial Park Drive, Manchester, NH
Southern NH University: Listing agent for 405 +/-
acres/mixed development
SMC Mgmt: Listing/selling Agent for 3 multi-
family complexes
Home Depot: Joint ventured sale of a 200+/- acre
development
Dajo Realty, LLC: Selling/leasing agent for sale of
21,726+/- SF/111 Zachary Rd, Manchester, NH
State of NH DOT: Listing/selling agent for sale of 11+/-
acres/41 Range Road, Windham, NH
State of NH DOT: Listing/selling agent for sale of .99+/-
Acres/247 Pleasant Street, Concord, NH

EXHIBIT 3

Appraisal of 300 Hanover Street, Manchester, NH

**SUMMARY
APPRAISAL REPORT**
of Real Estate

Located At:
300 Hanover Street in
Manchester, New Hampshire

Current Owner:
State of New Hampshire

As Of:
January 14, 2016

Report Date:
January 21, 2016

Prepared For:
Mr. George N. Copadis, Commissioner
New Hampshire Employment Security
45 South Fruit Street
Concord, NH 03301

Prepared By:
Ernest Toumpas
NH Certified General Appraiser #731
Capital Appraisal Associates, Inc.
128 South Fruit Street
Concord, New Hampshire 03301

Appraisal File No. 16-9
Federal Tax ID 02-0492128

Capital Appraisal Associates, Inc.

Real Estate Appraisers and Consultants

128 S. Fruit Street, Concord, New Hampshire 03301
Telephone (603) 228-9040, Facsimile (603) 228-2072

January 21, 2016

Mr. George N. Copadis, Commissioner
New Hampshire Employment Security
45 South Fruit Street
Concord, New Hampshire 03301

Re: Summary Appraisal Report of land and buildings
Owner: State of New Hampshire
Located at 300 Hanover Street in Manchester, New Hampshire

Dear Mr. Copadis:

As you requested, I have personally made an inspection of the above-captioned property for the purpose of reporting to you my opinion of the subject's "*as is*" fee simple unencumbered *market value* as of **January 14, 2016**. It is my understanding that this report is to be used to assist the client, New Hampshire Employment Security, for potential marketing and/or portfolio management purposes.

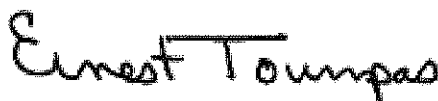
This is a Summary Appraisal Report that is intended to comply with the reporting requirements set forth under the 2016-2017 Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation that is not provided with the report concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for unauthorized use of this report.

It should be noted the final reconciled value estimate does not include any value for any F.F. &E., goodwill or any other intangibles. This value estimate represents only the market value of the real estate. Consequently, no allocation of any additional components was applicable.

I hereby certify that I have made an inspection of the property on **January 14, 2016**, that I have taken into consideration all factors which I felt were pertinent to the value estimate, and that I have not knowingly or intentionally omitted any important data.

I further certify that I have no present or contemplated future interest in the property and that my professional appraisal fee is not dependent upon the value estimate. On the basis of my inspection, investigation, study and analysis, I am of the opinion that the "*as is*" fee simple unencumbered *Market Value* of the subject property as of **January 14, 2016**, is **\$1,420,000**.

Sincerely,

A handwritten signature in black ink that reads "Ernest Toumpas". The signature is written in a cursive, slightly stylized font.

Ernest Toumpas
NH Certified General Appraiser #731

APPRAISAL CERTIFICATION

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

1. The Statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. 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.
4. I or Capital Appraisal Associates performed an appraisal of the property which is the subject of this report, within the three-year period immediately preceding acceptance of this assignment. The effective date of the report was December, 12, 2012.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment is not contingent upon developing or reporting predetermined results.
7. 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
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this certification.
11. On the basis of my inspection, investigation, study and analysis, I am of the opinion that the "as is" fee simple unencumbered *Market Value* of the subject property as of **January 14, 2016**, is **\$1,420,000**.



Ernest Toumpas
NH Certified General Appraiser #731

COMPETENCY STATEMENT

Ernest Toumpas

Title XI of the Federal Financial Institution's Reform, Recovery and Enforcement Act of 1989 requires the Federal Reserve Board and other federal agencies to issue regulations to protect federal financial and public policy interests in real estate transactions requiring the services of an appraiser. Federal law recognizes the Uniform Standards of Professional Appraisal Practice as the current industry standards and identifies the Appraisal Foundation as the authority for professional appraisal standards.

The uniform standards contain three provisions, one of which is the competency provision which requires appraisers to have the knowledge and experience to complete their assignments competently and contains specific requirements for appraisers who do not possess sufficient competence.

As part of the regulatory process, two primary classifications of appraisers have been established by the State of New Hampshire in accordance with the federal regulations in order to gauge education and competence. The classifications are licensed appraiser and certified appraiser. The licensed appraiser classification identifies those individuals possessing the basic educational and experience requirements needed to competently appraise residential properties, while the general appraiser classification identifies those appraisers who are competent to appraise all types of real estate.

With regards to my competency to complete this assignment, I submit the following:

1. I currently hold the general appraiser certification classification as issued by the State of New Hampshire. My certification number is New Hampshire Certified General Appraiser #731.
2. I have completed numerous appraisals on various types of real estate including vacant industrial, commercial, and residential sites, commercial/industrial and residential subdivisions, various commercial and industrial buildings, restaurants, mixed use properties, multifamily residential complexes, neighborhood retail centers, boarding kennels as well as other non-typical and special use properties.
3. In order to familiarize myself with the local market I have conferred with local Realtors, interviewed numerous local municipal officials, property owners, and tenants. I believe that this research and activity has provided additional insight into the market in which the subject exists and the economic conditions prevalent in the community and the region.

Because of my experience, education, and professional recognition, I possess the necessary background and knowledge to competently complete this assignment.

EXECUTIVE SUMMARY

CURRENT OWNER:

State of New Hampshire

ADDRESS:

300 Hanover Street in the City of Manchester, New Hampshire.

SUBJECT:

According to the city assessment records, the subject consists of 4 parcels of land. The main site contains a total of 0.65± acres of land and is improved with a one story office building and parking lot. The other 3 parcels contain 0.22± acres, 0.14± acres and 0.17± acres respectively for a combined total of 0.53± acres of land utilized as a parking lot in conjunction with the office building. For the purposes of this appraisal all 4 parcels and improvements will be considered as one economic unit with a total of 1.18± acres of land.

INTEREST VALUED:

Fee Simple Market Value estimate.

DATE OF APPRAISAL INSPECTION:

January 14, 2016, in the company of the owner's agent, Ms. Karen Levchuk.

DATE OF VALUE OPINION:

January 14, 2016, which in this instance is also the date the subject was inspected.

DATE OF REPORT:

January 21, 2016, is the date in which the appraisal report was transmitted.

INDICATED VALUES BY:

Sales Comparison:	\$1,425,000
Income Approach:	\$1,415,000
Cost Approach:	Not Applicable

RECONCILED VALUE ESTIMATE: \$1,420,000

INTRODUCTION

INTENDED USE:

It is my understanding that this report is to be used to assist the client, New Hampshire Employment Security, for potential marketing and/or portfolio management purposes.

PURPOSE:

The purpose of this appraisal is to estimate "*as is*" market value of the fee simple interest, unencumbered, of the subject property as of January 14, 2016, which is the date of inspection of the subject property. In valuing this property, I have considered the actions of the market and have concluded with a market value in consideration of current economic indicators.

LEGAL DESCRIPTION/HISTORY:

Per the tax records, the latest noted transfer of the subject property occurred on July 23, 1998, which was recorded in Hillsborough County Registry of Deeds Book 5972, Page 1084 and appears to be an arm's length transfer. This transfer was for three tracts of land which include all four of the lots identified by the City of Manchester as Map/Lot 93-5, 93-8, 93-9 and 93-10. The grantor was noted as Jason E. Treisman and the grantee was noted as the State of New Hampshire, c/o New Hampshire Department of Employment Security, the current owner. The improvements appear to have been utilized as State offices since the purchase in 1998. It was reported that at some point in the past the building has been utilized as a car dealership and a fraternal hall.

A title search is beyond the scope of this appraisal. The client is advised to employ a qualified attorney if this is felt to be a major issue. A copy of the legal description is included in the addenda. It was reported that there were two offers and/or agreements to purchase the property during 2014 with the reported contract prices being \$1,400,000 and \$1,510,100 respectively. It was reported that neither of these agreements were executed or consummated for various reasons. To my knowledge the subject is not currently under contract nor being actively marketed. However, it is reported that the purpose of this appraisal is for establishing market value for possible marketing purposes.

SCOPE:

This appraisal is intended to comply with the reporting requirements set forth under the 2016-2017 Uniform Standards of Professional Appraisal Practice for an Appraisal Report. It is my opinion that this appraisal is not so limited as to result in a mislabeled or confusing report.

The scope of this appraisal included an inspection of the subject property on **January 14, 2016**, and investigation and analyses of the market data which may affect and influence the value of the subject property.

The investigation included research of public records through the use of commercial sources of data such as printed comparable sales data services and computerized databases. Search parameters such as dates of sale, leases, locations, sizes, types of properties, and distances from the subject started with relatively narrow constraints and, if necessary, were expanded until, in the appraiser's opinion, sufficient data was retrieved to estimate market value or until the appraiser believed that the available pool of data was reasonably exhausted. Researched sales data was viewed and, if found to be appropriate, efforts were made to verify the data with persons directly involved in the transactions such as buyers, sellers, brokers or agents. At the appraiser's discretion, some data may have been used without personal verification if, in the appraiser's opinion, the data appeared to be correct. In addition, the appraiser considered any appropriate listings or properties found through observation during the data collection process. Only the data deemed to be pertinent to the valuation of the subject property has been reported.

The appraiser also investigated and analyzed any pertinent easements or restrictions on the fee simple ownership of the subject property. It is the client's responsibility to supply the appraiser with a title report. If no title report was provided, the appraiser relied on a visual inspection to identify any readily apparent easements or restrictions.

ENVIRONMENTAL:

I did not observe any ground contaminants or evidence of waste such as sludge, chemical residue or oil spillage on the subject site. To the best of my knowledge, the subject property has not been recently tested for the presence of any hazardous waste. Based on the OneStop web site as prepared by the NH Environmental Services the environmental history of the subject (based on a search of the subject's address), the web site indicates there are no current or past hazardous waste generators.

It should be noted that I am not an expert in determining the presence or absence of hazardous substances. Therefore, I assume no responsibility for studies or analyses which would

be required to conclude the presence or absence of such substances or potential impact as a result of the presence of such substances. This report was prepared under the extraordinary assumption that the subject property is "clean", being free and clear of any hazardous/toxic materials.

SPECIAL ASSUMPTIONS:

Typical limiting conditions and general assumptions are located in the addenda of this report.

DEFINITION OF MARKET VALUE:

Market Value

The term **Market Value** is defined in the 2016-2017 Edition of the Uniform Standards of Professional Practice (Page 180), as *"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:*

- ◆ *Buyer and seller are typically motivated.*
- ◆ *Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- ◆ *A reasonable time is allowed for exposure in the open market;*
- ◆ *Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
- ◆ *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."*

Leased Fee Value

The term **Leased Fee Value** is defined in the Appraisal of Real Estate, Twelfth Edition, published by the Appraisal Institute as *"an ownership interest held by a landlord with the right of use and occupancy transferred by the lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease."*

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser . . .

1. - Inspected the subject property on January 14, 2016;
2. - Researched and collected market data related to market conditions and market activity;
3. - Confirmed and analyzed the data and applied all applicable approaches to value;
4. - Exercised some degree of due diligence to determine the existence of apparent adverse conditions; and
5. - Arrived at a value conclusion, the results of which are reported as a single point value estimate.

It is important to note this summary appraisal report does not include the following:

1. - Full regional, state, and local analysis
2. - Detailed review of the zoning ordinance which governs the subject property
3. - Review of environmental or other survey reports
4. - Full tax and assessment analysis of the subject property
5. - Full site and improvement analysis
6. - In-depth market and highest and best use analysis.

GENERAL REGIONAL AND MUNICIPAL DATA

The following data has been extracted mostly from published studies by the State Occupational Information Coordinating Committee (SOICC) Of New Hampshire. The information is funded through a grant from the New Hampshire Department of Resources and Economic Development, Office of Business and Industrial Development.

Municipality:

City/Town:	City of Manchester
County:	Hillsborough
Labor Market Area:	Manchester NH Metropolitan NECTA
Planning Commission:	Southern NH
Tourism Region:	Manchester Valley
Regional Development:	Capital Region Development Council

Municipal Services:

Type of Government	Mayor and 14 Aldermen
Planning Board:	Appointed
Industrial Plans:	City Planning Board
Zoning:	1927/2012
Master Plan:	2010
Capital Improvement Plan:	Yes
Full Time Police Department:	Yes
Full Time Fire Department:	Yes
Nearest Hospital:	Elliot; Catholic Medical Center, Manchester
Distance to Hospital:	Local
Number of Beds:	296; 240 staffed beds

Available Utilities:

Electric Supplier:	Eversource Energy
Natural Gas Supplier:	Liberty Utilities
Water Supplier:	Manchester Water Works
Sanitation:	Municipal
Telephone Company:	Fairpoint
Cellular Phone Access:	Yes
Cable Television:	Yes

2014 Tax Burden Allocations:

Residential:	62.0%
Commercial:	35.1%
Public Utilities, Current Use, Other:	2.9%

Housing Statistics (ACS 2009-2013):

Total Estimated Housing Units:	49,025
Single Family Units:	20,904
Two to Four Units:	13,301
Five or More Units:	14,684
Manufactured Housing Units:	136

Demographics:

Population	2013	2010	2000	1990	1980	1970
Community	109,942	109,565	107,219	99,426	90,936	87,754
County	402,979	400,721	382,384	336,549	276,608	223,941

Income Estimate (ACS 2009-2013):

Per Capita Income:	\$28,055
Median Family Income:	\$65,892
Median Household Income:	\$54,496
Average Weekly Wage (2014):	\$ 1,024 (Total, private plus government)

The Top Five Major Employers:

Employer	Product/Services	Employees
Elliott Hospital	Health care	3,375
Catholic Medical Center	Health care	2,100
Eversource Energy	Utility	1,500
Fairpoint	Utility	1,300
TD Bank	Banking services	1,100

Transportation:

Road Access: US Routes	3
State Routes	3A, 28, 28A, 101, 114 & 114A
Nearest Interstate Exit:	I-93, Exit 6 - 8; I-293, Exits 1 - 7 / Local access
Railroad:	Guilford Rail Service
Public Transportation:	MTA
Nearest Commercial Airport:	Manchester-Boston Regional - Local

Distance to Major Metropolitan Areas:

Manchester, NH:	0± miles
Portland, ME:	95± miles
Boston, MA:	53± miles
New York, NY:	253± miles
Montreal, Canada:	259± miles

Commuting Patterns (ACS 2009-2013):

Mean Travel Time to Work:	23.1 minutes
Percent of residents:	
working in the community	47.9%
Commuting to NH community	44.3%
Commuting outside of NH	7.8%

Conclusions:

The City of Manchester is New Hampshire's largest commercial center and is home to a concentration of major malls and outlet stores. The city is an attractive location for both residential, commercial, and industrial development, with several easy access roads to major transportation routes, air service at the Manchester-Boston Regional Airport. Manchester's population density is 3,326.5 persons per square mile of land area. Manchester contains 33.1 square miles of land area and 1.9 square miles of inland water area.

In conclusion, the economy appears to have recovered from the recent recession and over the past few years the general area has seen the real estate markets stabilized with some segments of the market experiencing some growth. However, generally speaking, more recently, over the past year or so, most segments of the commercial and industrial market have reached a plateau where no appreciation or depreciation rates appears to be justifiable. The expected trend for the future is slow but steady growth.

NEIGHBORHOOD ANALYSIS

General

A neighborhood is defined as, "A group of complementary land uses; a related grouping of inhabitants, buildings or business enterprises". A neighborhood should be distinguished from a district, which is defined as, "A market area characterized by one predominant land use - e.g., apartment, commercial, industrial, agricultural".¹ A neighborhood will contain land uses, complementary to one another. For example, predominantly residential neighborhoods typically contain some commercial properties that provide services for the local residents. The boundaries of a neighborhood can be physical, such as a lake, stream, or major highway, or they may be less easily discernible such as changes in prevailing land use or occupant characteristics.

Neighborhood Boundaries

The subject property is located on Hanover Street in the City of Manchester, New Hampshire and is in an area zoned for a mix of residential and commercial uses located just a few blocks from the heart of the downtown Manchester area. The immediate boundaries for the subject neighborhood would be most of the commercial and residential uses located along Hanover Street as well as the many intersecting streets with Elm Street. However, economically speaking, the neighborhood would include all those areas with similar characteristics to the subject neighborhood.

Character

Access

Access to the subject's neighborhood is good, with Hanover Street being a two way east and west artery. This neighborhood is within a few blocks from Elm Street which is the main north and south artery in Manchester. The subject neighborhood is also located within 2.0 miles of Interstate 93 which is the main north and south route in the State of New Hampshire.

Uses

Uses in the subject's immediate neighborhood primarily consist of a mix of commercial, retail, along with some mixed use properties having apartments on the upper levels. The subject neighborhood is considered to be approximately 95% built-up with very little in new construction observed, over the past few years. However, there has been several owner occupied properties which have been renovated and/or converted into alternative uses.

¹ The Appraisal of Real Estate (Chicago, Ill: Appraisal Institute, Twelfth Edition, 2001) page 164.

Growth and Development

Life Stage of Neighborhood

A good majority of the commercial structures in the subject neighborhood are either retail or service related uses. There are several mixed use properties having apartment uses above and a few multifamily homes and a few scattered single family homes are also common in the general market area. The actual age of the majority of the buildings in the subject's general market area is over 100 years. However, most have been restored and their effective ages are much lower.

The condition of the subject property is similar to other commercial structures in subject's immediate neighborhood.

The life stage of the neighborhood, based on my observations, appears to be one of stability to very limited amounts of growth.

Conclusions

Overall, the subject property enjoys fairly good exposure because of its location. This neighborhood enjoys good infrastructure of street improvements, easy access to downtown Manchester area, as well as easy access to the major highway systems connecting most of New Hampshire to this area, and adequate public services. Generally, most properties in this neighborhood have been adequately maintained and are of good quality and condition. Vacancies in the immediate neighborhood appear to be fairly stable and there appears to be fewer properties for lease than the last few years. Because of its location, this neighborhood will, in my opinion, continue to be a very desirable location in the foreseeable future.



DESCRIPTION OF THE REAL ESTATE TO BE APPRAISED - SITE

A summary of site characteristics is presented below:

Location: 300 Hanover Street in Manchester, N.H.

Owner of Record: State of New Hampshire

Assessment & Taxes:

Map/Block/Lot			Improvements Value	Yard Items Value	Land Value	Total Assessment
93		5	\$1,188,900	\$8,400	\$110,900	\$1,308,200
93		8	\$0	\$12,500	\$97,700	\$110,200
93		9	\$0	\$9,300	\$92,000	\$101,300
93		10	\$0	\$6,500	\$94,300	\$100,800
Total			\$1,188,900	\$36,700	\$394,900	\$1,620,500
2015 Annual Taxes at		\$23.44	Per \$1,000			\$37,985
2014 Equalized Value at		101.00%				\$1,604,455

*It should be noted that the property is currently State owned and not subject to municipal taxes

Site Description:

According to the city assessment records, the subject consists of 4 parcels of land. The main site contains a total of 0.65± acres of land and is improved with a one story office building and parking lot. The other 3 parcels contain 0.22± acres, 0.14± acres and 0.17± acres respectively for a combined total of 0.53± acres of land utilized as a parking lot in conjunction with the office building. For the purposes of this appraisal all 4 parcels and improvements will be considered as one economic unit with a total of 1.18± acres of land which is rectangular in shape.

Per the tax map the overall site has approximately 409± feet of road frontage along the northerly side of Hanover Street, 125± feet of road frontage along the easterly side of Hanover Court and an additional 409.00± feet of frontage along Derryfield Lane, which is a very small side street or alleyway at the rear of the property.

Access to the site is mainly from Hanover Street which is a paved city maintained two-way roadway. The topography of the site is generally fairly level. The site is mostly covered by the building and the paved parking areas. There is some professional landscaping mainly along the front section of the building and parking lot.

Flood Hazard:

The subject improvements do not appear to be located in a flood hazard zone as referenced by the National Flood Insurance Program/U.S. Department of Housing & Urban Development flood insurance rate map.

It is noted that I am not qualified to make flood plain determinations. If the client is so concerned, an independent analysis and determination should be conducted by a qualified expert. A copy of the national flood hazard map is included.

Zoning:

According to the city assessing department the subject is located in the R-3 (PO) - Urban Multifamily (Professional Office Overlay) Zoning District. The minimum requirements in this zoning district for non-residential uses is a 10,000 square foot site with 75 feet of road frontage. The minimum requirements in this zoning district for residential uses is a 5,000 square foot site with 50 feet of road frontage. Based on the current zoning requirements each of the two individual lots appear to be legal conforming lots of record. Permitted use include most residential uses such as single family, single family attached townhouse dwellings, duplex or two-family, multi-family dwellings, elderly housing or assisted living, elementary or secondary schools, churches, municipal facilities. The Professional Office Overlay District allows for conversion to low-intensity professional office space that are compatible in scale, density and use with the surrounding and adjacent residential neighborhood. The current use predates the current zoning ordinance and based on conversations with the municipal office, it appears that the current use is legal and conforming.

It should be noted the determination of zoning compliance is beyond the scope of this appraisal. If the client determines the zoning is or could be an issue, it is advised that the client hire a qualified zoning expert. The previous analysis and conclusions are based on available data obtained from the municipal offices and general conversations with municipal officials.

Easements & Detrimental Conditions:

I was not made aware of any detrimental conditions, easements, restrictions, or encroachments that exist on the subject property, which I would consider to adversely affect the marketability of the subject property. The research required to determine if additional restrictions exist is beyond the scope of this assignment. Typically, deed restrictions are a legal matter which may only be uncovered via a title abstract completed by a qualified attorney or title company. Therefore, if the client is so concerned, it is recommended that a professional title extract be completed by a qualified expert.

Highest & Best Use – As Vacant:

The Highest and Best Use is defined as “*The reasonably probable and legal use of vacant land or an improvement property that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.*”²

Considering the four criteria above, the conclusion of the highest and best use of the site as if vacant is for some type of commercial or residential development permitted by zoning. The subject consists of 4 parcels of land. The main site contains a total of 0.65± acres of land and is improved with a one story office building and parking lot. The other 3 parcels contain 0.22± acres, 0.14± acres and 0.17± acres respectively for a combined total of 0.53± acres of land utilized as a parking lot in conjunction with the office building. For the purposes of this appraisal all 4 parcels and improvements will be considered as one economic unit with a total of 1.18± acres of land which is rectangular in shape.

² The Appraisal of Real Estate (Chicago, Ill: Appraisal Institute, Twelfth Edition, 2001) page 305

AERIAL VIEW – GOOGLE MAPS



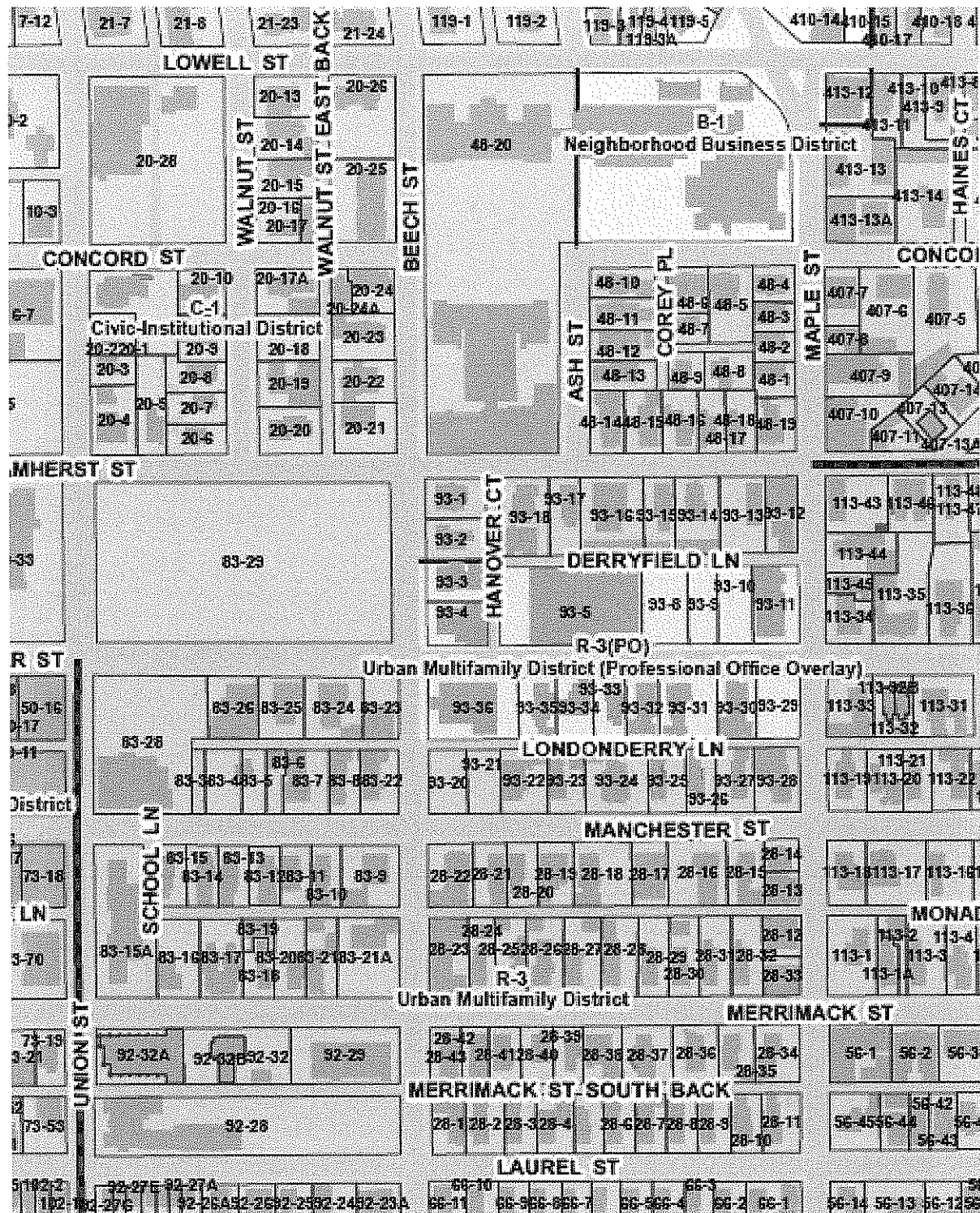
TAX MAP



AERIAL TAX MAP



ZONING MAP



FLOOD MAP



DESCRIPTION OF THE REAL ESTATE TO BE APPRAISED - IMPROVEMENTS

Source (s):

No engineering and/or detailed building plans were provided to the appraiser. Therefore, the following description of the subject improvements is based upon an on-site visual observation of the property, in conjunction with relevant information as furnished by the owner and owner's representatives, as well as information secured from assessment data. The following description of the improvements is actually more of an observation. It should not be regarded as a full property inspection of the type intended to reveal defects in mechanical systems, structural integrity, roofing, exterior or any other structural component. The appraiser claims no special expertise in these areas, nor is the appraiser an expert in issues related to foundation settlement, insect infestation, radon gas, or lead based paint. Unless otherwise stated, the appraiser assumes that the various elements that constitute the subject improvements are fundamentally sound and in working order. This information is assumed to be correct. Any change in building areas could affect the market value estimate contained herein.

Actual/Effective Age:

According to the city tax records, the subject property was built circa 1920 and reportedly has been utilized commercially for several different uses such as a grocery store and car dealership. However, the subject was renovated into its current office configuration over twenty years ago. As such, it is my opinion that the effective age of the subject property is approximately 10 to 15± years, considered to be in average overall condition. It is noted that the large open office space was damaged by water and has been repaired but still requires finished flooring and some sheetrock work along the base of the wall or section dividers.

Foundation:

The foundation of the building is mainly slab foundation with a small unfinished basement area used to house the mechanical systems and offers some storage.

Construction:

The building is mainly constructed of concrete block and brick.

Exterior:

Mainly brick over concrete block.

Roof Structure:

The roof is a flat roof with a reported tar and gravel covering.

Doors & Windows:

Most of the interior doors are heavy solid wood doors with some metal fire rated fire doors also noted. The exterior doors are typical commercial grade doors for a building of this age, type and use. All of the windows appear to be metal framed thermo-pane windows with screens, considered typical for a building of this age, type and use.

Floor Structure:

Mainly wall to wall carpeting with most of the bathrooms having ceramic tile flooring. As previously stated the large open office area requires finish flooring as it is currently unfinished concrete.

Partitioning:

The partitioning appears to be a mix of concrete block and wood frame.

Ceilings:

Mainly suspended acoustical ceilings.

Interior Finish:

Typical painted drywall and movable partitioning throughout.

Use & Size:

According to the tax assessment records the subject property has approximately 20,360 square feet of gross building area. This area does not include any of the below grade basement area. The property has a mix of typical offices, conference rooms, bathrooms, and other office related uses. However, the majority of the property is open, with the office space divided into cubicles via movable partitioning. The entire property has historically been a single tenant building, which is currently owner occupied. The large open office space is currently not utilized by the current owner.

HVAC:

The entire building is serviced by a natural gas fired forced hot water base board system. There are also 6 HVAC units that service the building providing central air conditioning and also provides a backup forced hot air heating system.

Electrical & Lighting:

Reported to be adequate for the current use. It appears the main service consists of a 1,200 Amp entry with several subpanels throughout the building with circuit breaker panels. There is also a large emergency generator located outside by the parking lot. Lighting appears to be either surface mounted fluorescent or recessed can lights.

Additional Comments:

The subject property has a total of approximately 86 onsite parking spaces, 3 of which are designated as ADA spaces. Additionally, on street parking is also available. Overall, the subject appears to have adequate parking for its current use. The property appears to be fully sprinkled and appears to have a full smoke and fire system throughout the entire building which is connected directly to the central fire station. There is also a dedicated fire system to a ADP room for fire protection of computer equipment.

Highest & Best Use - As Improved:

In my opinion, as improved, the subject property has the potential to generate a positive cash flow over the next few years, which would yield a value greater than the estimated value of the vacant site. Therefore, the maximally productive use of the subject property, as improved, would be for the existing commercial use as a professional office building with parking lot. It should also be noted that, in my opinion, as an alternative use, the subject could be divided into several smaller sized commercial office units.

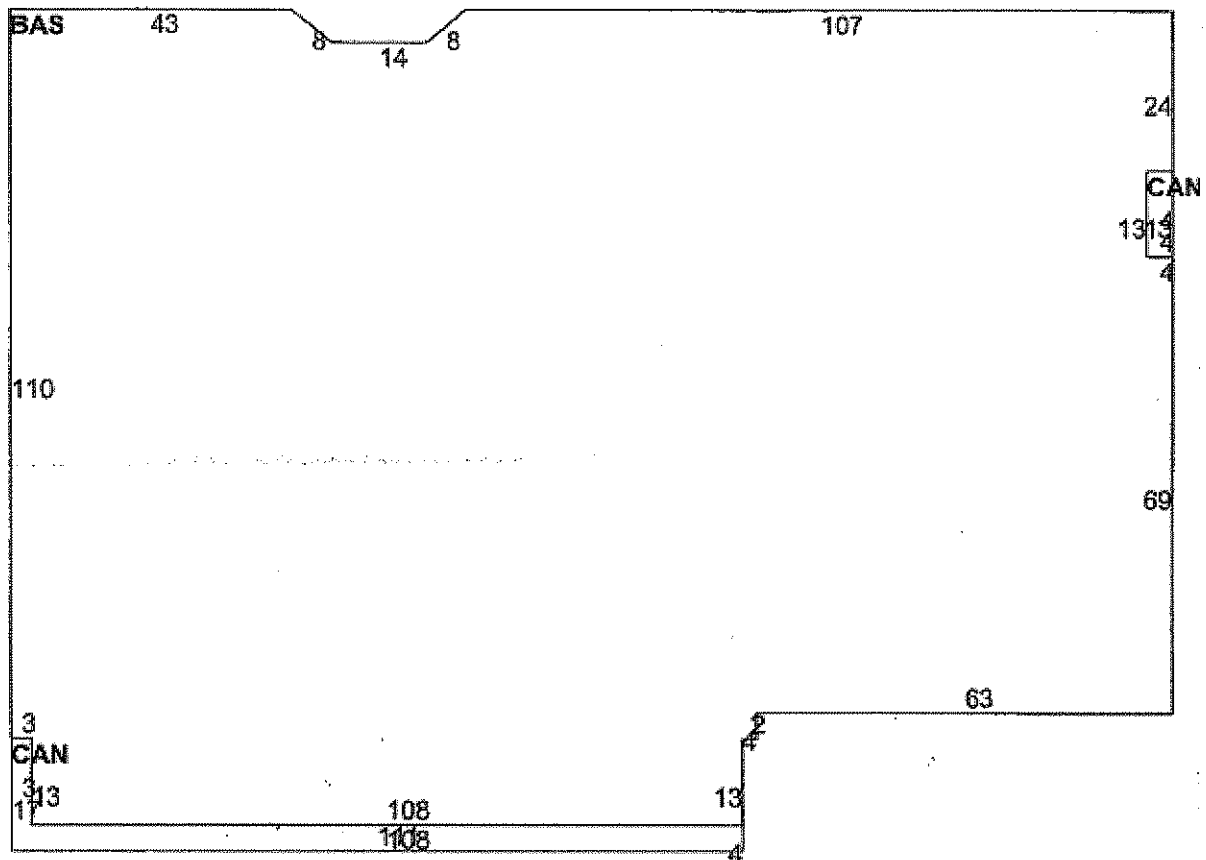
Conclusions:

The subject property is considered to be constructed with average to good quality materials and appears to have been constructed with good quality workmanship. The improvements are fairly typical for the subject's neighborhood and appear to be fairly homogeneous with other uses in the area. Functional utility for the existing use is considered to be good as most industrial and commercial uses are currently in fairly high demand. Therefore, considering the subject's location and overall condition, it is my opinion that the subject property does not suffer from any measurable amounts of external obsolescence.

AERIAL VIEW – GOOGLE MAPS



IMPROVEMENT SKETCH – TAX CARD





VALUATION PREMISES

General Overview

Every estimate of *market value* includes a presumption that the appraiser will consider and judge the applicability of each of the alternative courses of action potentially available to the decision-maker or purchaser. The realistic alternative choices confronting him (ignoring the alternative to do nothing) are three in number.

Sales Comparison Approach

The purchaser-investor can acquire through purchase an existing substitute property with the same apparent utility. The value of the subject property is measured by the price (s) at which effective substitute properties can be or have been purchased, under similar market conditions. Analyzing sales data for competitive substitute properties constitutes what is called the *Sales Comparison Approach* or what is widely termed the *Market Data Approach*.

Income Capitalization Approach

For income-producing real estate, the purchaser-investor has a third possible choice. He can acquire a substitute investment whose forecasted income stream has the same size, duration, timing, stability, and certainty (or risk) as the income stream forecasted for the subject property. The present worth or capitalized value of such an income stream represents the value of the right to receive that income stream. The cost of acquiring a competitive substitute income stream on the market measures the value of the property rights being appraised. This acquisition cost is calculated by what is usually referred to as the *Income Approach*.

Cost Approach

Alternatively, the purchaser-investor may possibly produce or have produced a substitute property with the same perceived utility as the subject property has. The cost of production of this substitute property, provided it is market-determined, represents another measure of the value of the property being appraised. This cost-of-production figure is derived by what is termed the *Cost Approach*.

VALUATION ANALYSIS

These three alternatives provide the conceptual foundation for approaching the valuation of property rights in real estate. They are interdependent and interrelated, and they all require data from the same market. If good market data is available, the value indications of the three approaches should fall within a fairly narrow range. The three value indicators are reconciled, and a final value conclusion is made. All three approaches are always considered, however, depending on the accuracy, reliability, and pertinence of the market data available for each approach, only one or two approaches may be utilized.

In the valuation of the subject property, the *Sales Comparison Approach* has been utilized as there were an adequate number of comparable sales with which to develop a valuation estimate via the *Sales Comparison Approach*. In my opinion, there is sufficient income and expense data available from similar competing properties located in the subject's general market area. The subject is considered to be mainly an owner occupied type of property. However, as an alternative use it could fairly easily be utilized as a multi-tenant type rental property. For this reason, it is my opinion the *Income Approach* should be weighted fairly equally with the *Sales Comparison Approach*. The *Cost Approach* has not been employed due to the actual age of the improvements which are reported to be over 20 years of age. This is due to the possible errors that could result from estimating the amount of accrued depreciation. Typically, the *Cost Approach* is only applicable in estimating a value for a relatively new property having an actual age of less than 20 years.

The steps utilized for each appraisal approach used within this report are summarized in greater detail at the beginning of each approach.

SALES COMPARISON APPROACH - INTRODUCTION

General Overview

This assignment is a summary narrative appraisal, and some of the typical narrative data has been omitted. Due to the lack of comparable data from Manchester, the scope of research was necessarily extended to other similar communities.

Based on an analysis of the real estate market to include both property values in general and lease rates, I am of the opinion that properties similar to the subject property, since approximately the beginning of 2012, appear to have reached a stabilization of values where neither depreciation nor appreciation rates are truly justifiable. Consequently, in the following analysis, noting that the comparable sales occurred after 2012, no adjustments were deemed necessary. All adjustments were made on a unit value and all adjustments were rounded to the nearest 5% to account for market imperfections.

Analysis of the Comparable Sales

The following comparable sales indicate a range of value for the subject property of between \$61.20 per square foot upwards to \$72.22 per square foot of gross building area with a mean indicated sales price of the comparable sales being approximately \$68.50 per square foot of gross building area. The subject property is considered to be in average overall condition, located in a good central location a few blocks from the immediate downtown Manchester area.

The condition of the subject is considered average overall. However, the large open office area that was reportedly damaged by water and still requires finished flooring and some sheetrock work to the lower part of the dividing wall sections. Therefore, a nominal condition adjustment is deemed necessary to the comparable sales to account for the cost to cure.

A building size adjustment is for economies of scale that may exist between a sale and the subject property. The theory behind the economies of scale is based on the premise that a smaller unit or building will typically sell for more per unit value than a larger comparable unit or building and conversely a larger unit or building will typically sell for less per unit value than a smaller comparable unit or building. Based on a paired sales analysis of the sales employed, a percentage adjustment has been applied to comparable B-2 and B-4 to account for differences in building size as compared to the subject. The subject building is fully ADA compliant. All of the comparable sales are also fully ADA compliant with either ground access or via a full service elevator.

Comparable B-1 is located on Maple Street in Manchester which is considered a fairly similar location as compared to the subject. The condition of this sale is considered slightly superior overall to that of the subject due mainly to the required repairs to the large open office

space of the subject and a nominal adjustment is deemed applicable. This property is serviced by a full stop elevator to all floors providing ADA access to the entire building. Most other aspects of this sale is considered to be fairly similar and no further adjustments were felt to be warranted.

Comparable B-2 is the sale of a 57,337 square foot, multi-tenant office and retail building located at 25 Hall Street Concord, NH. The location of this comparable is considered to be slightly superior, noting that it has some direct exposure to Interstate 93. This building is larger than the subject property and as such a nominal positive economies of scale adjustment is applicable. A nominal adjustment is also deemed warranted to account for the larger site as compared to the subject. The condition of this sale is considered slightly superior overall to that of the subject due mainly to the required repairs to the large open office space of the subject and a nominal adjustment is deemed applicable. This property is serviced by a full stop elevator to all floors providing ADA access to the entire building. All of the remaining features of this comparable appear to be fairly similar and no further adjustments were felt to be warranted.

Comparable B-3 is located at 32-34 South Main Street in Concord, NH. This property is a 3 story professional office building with full walkout lower level onto Main Street. The condition of this sale is considered slightly superior overall to that of the subject due mainly to the required repairs to the large open office space of the subject and a nominal adjustment is deemed applicable. The site consists of two lots; lot 2 contains 0.13± acres of land and lot 3 contains 0.61± acres of land. The building is fully sprinkled with fire/smoke alarm to central station. Most of the building is ADA accessible with a four stop elevator which includes the lower level. The property was owner occupied by the State Department of Employment Security who vacated the property in early 2014. According to broker and a local developer there was two pending offers near the full asking price of \$1,750,000 as of 05/13. The second developer noted they were going to renovate the entire property and had a tenant lined up to occupy most of the building. Due to time constraints and other requirements being imposed by the City, the deal (both deals), fell through. According to the grantee representative who was familiar with the transaction, the City ended up buying the property for slightly less than the appraised value, completed for the grantor for marketing purposes. The grantee representative noted in his opinion, the value paid (\$1,575,000) was slightly less than what he felt the market value for the property was. Therefore, in the following analysis, I have first adjusted the sales price upwards slightly by 5.0% to account for the slight discount. Most of the remaining aspects of this comparable appear similar and no further adjustments were felt to be warranted.

Comparable B-4 is the sale of a commercial office building located on Cilley Road in Manchester which is considered a similar overall location. This property required adjustments to account for the smaller building size as compared to the subject. Most other aspects of this sale are considered to be fairly similar and no further adjustments were felt to be warranted.

CORRELATION OF THE SALES COMPARISON APPROACH

All of the comparable sales are considered to be good indicators of the subject's market value, and therefore, no one sale was weighted more heavily than another. Noting the location, overall condition and onsite parking of the subject property, it is my opinion that the middle of the indicated value range best represents the market value of the subject property.

Therefore, based on the foregoing analysis of the comparable sales as well as knowledge of additional sales and listings found in the subject's general market area, it is my opinion that the market value of the subject property, via the *Sales Comparison Approach*, is approximately \$70.00 per square foot of gross living area. This results in an indicated market value for the subject property as of January 14, 2016 as follows:

20,360 s.f. @ \$70.00 per s.f. = \$1,425,200

Rounded Indicated Value = \$1,425,000

GRID ANALYSIS – SALES COMPARISON APPROACH

FACTOR	SUBJECT	COMP. B-1	ADJ.	COMP. B-2	ADJ.	COMP. B-3	ADJ.	COMP. B-4	ADJ.
ADDRESS	300 Hanover St. Manchester, NH	228 Maple St. Manchester, NH		25 Hall St. Concord, NH		32-34 South Main St. Concord, NH		345 Cilley Rd. Manchester, NH	
DATE OF INSP./ SALE	01/05/16	10/22/15		07/28/14		10/30/14		10/14/15	
SALES PRICE	N/A	\$2,050,000		\$4,830,000		\$1,575,000		\$420,000	
PROPERTY RIGHTS	Fee Simple	Fee Simple	0.00%	Fee Simple	0.00%	Fee Simple	0.00%	Fee Simple	0.00%
FINANCING TERMS	Conventional	Conventional	0.00%	Conventional	0.00%	Conventional	0.00%	Conventional	0.00%
SALE CONDITIONS	N/A	Typical	0.00%	Typical	0.00%	Sl. Discount	5.00%	Typical	0.00%
TIME ADJUSTMENT	N/A	Stable	0.00%	Stable	0.00%	Stable	0.00%	Stable	0.00%
TIME ADJ. S.P.	N/A	\$2,050,000		\$4,830,000		\$1,653,750		\$420,000	
TIME ADJ. S.P./S.F.	N/A	\$76.02		\$84.24		\$72.60		\$68.01	
LOCATION	Good	Similar		Sl. Superior	-10%	Similar		Similar	
BUILDING SIZE/S.F.	20,360	26,966		57,337	10%	22,780		6,176	-10%
CONDITION	Average	Sl. Superior	-5%	Sl. Superior	-5%	Sl. Superior	-5%	Similar	
LOT SIZE/ACRE	1.18	0.70 common		2.08	-10%	0.74		0.45	
ZONING	R-3 (PO) Res/Com	RDV - Redevelop		Commercial		Urban		R2-Commercial	
TYPE OF USE	Office	Office		Office		Office		Office	
OVERALL APPEAL	Good	Similar		Similar		Similar		Similar	
PARKING	On site	On site		On site		On site		On site	
OTHER	ADA access	Elevator		Elevator		Elevator		ADA access	
NET ADJUSTMENTS		-5%		-15%		-5%		-10%	
INDICATED VALUE PER S.F.		\$72.22		\$71.60		\$68.97		\$61.20	
No. Sales		3		4					
Average Values		\$70.93		\$68.50					
Indicated Values		\$1,444,137		\$1,394,634					
Low Value		\$61.20		\$1,246,127					
High Value		\$72.22		\$1,470,411					
Most Reasonable		\$70.00		\$1,425,200					
ET 16-9									

INCOME CAPITALIZATION APPROACH

Overview

The *Income Approach* is a "procedure in appraisal analysis which converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate."³

The *Income Approach*, which is related to investor thinking and motivation, is a basic tool for the valuation of income-producing real estate. It is based on the principal of anticipation reflected in the definition of value as the present worth of all the rights to future benefits accruing to ownership. The *Income Approach* is practical only when an income stream attributable to the real estate can be estimated. This income estimate may be developed and supported by comparisons in the local market or, alternatively, by an allocation to the real estate of some portion of the total income derived from the operation of an ongoing commercial use in which the real estate is a contributing component.⁴

The following outline is a step-by-step procedure which is utilized in deriving a value for the subject property.

1. - Estimate market rents to derive Gross Income.
2. - Estimate and deduct the vacancy and credit loss allowance to derive the Effective Gross Income.
3. - Estimate and deduct operating expenses to derive the Net Operating Income for the subject property (before debt service and depreciation).
4. - Select an appropriate capitalization method and develop the Capitalization Rate.
5. - Complete the necessary computations to derive an economic value indication by the *Income Approach*.

The method used for the income approach is the direct capitalization valuation technique, which utilizes capitalization rates derived from market data. The methods employed in the direct capitalization valuation technique are the mortgage equity technique and the debt coverage ratio method.

³ Byrl. N. Boyce, Real Estate Appraisal Terminology, 1984.

⁴ IBID.

Direct Capitalization

Direct capitalization is a method used to convert a single year's income into an indication of value, in one step. Direct capitalization assumes that the income of a property, before any interest or depreciation, can be expressed on a constant dollar or stabilized basis. The following income and expense estimates are based on a stabilized net operating income for the subject property.

Income Analysis

Regardless of the capitalization method employed, it is necessary to estimate, on an annual basis, the potential gross income, vacancy and operating expenses attributable to operation of the real estate as well as the net operating income for the subject property. Contained within the following subsections of this report is the basis for the estimates of the potential gross income as well as the operating expenses for the subject property.

Contract Rents

Currently the subject is mainly owner occupied with some vacant or unused space. Therefore, no income or expenses information was available. Consequently, in the following analysis, only market derived income and expenses will be utilized.

Market Rent

Market rent is the rent that a property should receive based upon conditions in the open market. It is analyzed by comparing the rents being paid for similar and competing rental space. Market rent can vary from contract rent which is the rent being paid for the property as stipulated by a lease contract. The subject has historically been utilized as an owner occupied type of commercial building. However, as an alternative it could fairly easily be utilized as a multi-tenant office building. These types of properties are customarily rented on a triple net basis, with the tenant being responsible for the majority of the property related expenses such as, real estate taxes, heat, water, sewer. The owner of the building would be responsible for such items as management, marketing and advertising, reserves for replacements, exterior maintenance, and any common area expenses.

Although a lease can be drawn to fit any situation, most leases fall into two categories, gross rental lease and net rental lease. In a gross lease, the lessor pays all operating expenses of the real estate and in a net lease, the tenant pays for all of these expenses. In a modified gross lease, the tenant pays for one or two items normally covered under a gross lease. These items can range from utilities, to yard maintenance, but it should be noted that the majority of expenses

are still covered by the lessor. On a triple net lease, the owner of the property typically pays for building insurance, property management, some exterior maintenance, and reserves for replacement, with the tenant paying for the remainder of expenses. For this analysis, I have assumed that the subject property would be leased based on a triple net basis.

A general rental survey of local area rents indicates an adjusted rental range of between \$6.00 upwards to approximately \$14.00 per square foot of gross building area based on various lease agreements. Considering the subject's location, overall building size and condition, it is my opinion that the subject's anticipated rent would be nearest to the lower to middle of the noted rental spectrum, estimated to be \$8.00 per square foot on a triple net basis. Therefore, in the following income analysis, I have used market rents and expenses to estimate the net operating income for the subject property.

It should be noted that typically commercial properties like the subject would have a higher percentage allocated to the management expense. However, noting that the subject has a highest and best use to be at least partially owner occupied, which is typically not leased, I have allocated a nominal expense.

Based on figures extracted from various on-line sources, as well as general conversations with local area real estate appraisers and real estate brokers, it appears a reasonable vacancy rate for the Greater Manchester area is between less than 5% to as high as 15%. Considering that the subject is a good quality office building, it is my opinion that the middle of the range is most applicable. Therefore, in my opinion a 10% vacancy rate for the subject property appears to be reasonable.

The summary of the subject's estimated potential gross income is located on the following pages.

RECONSTRUCTED OPERATING STATEMENT

ESTIMATED OPERATING STATEMENT 300 HANOVER STREET IN MANCHESTER, NEW HAMPSHIRE

				Actual/Projected Rent	
<u>Potential Gross Income</u>				<u>\$-Amount</u>	<u>% Revenue</u>
<u>Area/sf</u>		<u>Rents</u>	<u>TENANT/LOCATION</u>		
20,360	X	\$8.00	Estimated Market Rent - NNN	\$ 162,880	100.0%
Total Potential Gross Income				\$ 162,880	100.0%
Minus	10.00% Vacancy & Collection Loss			\$ (16,288)	-10.0%
<u>Effective Gross Income</u>				\$ 146,592	90.0%
<u>Operating Expenses</u>					
<u>Fixed Expenses</u>					
		Property Taxes (Lessee expense)		\$ -	0.0%
		Insurance (Lessor expense - estimate)		\$ 7,200	4.9%
Total Fixed Expenses				\$ 7,200	4.9%
<u>Variable Expenses</u>					
	4.00%	Management & Administration		\$ 5,864	4.0%
	4.00%	Maintenance & Repairs		\$ 5,864	4.0%
	1.00%	Legal & Accounting		\$ 1,466	1.0%
	3.00%	Reserves for Replacement		\$ 4,398	3.0%
		Utilities (Lessee expense)		\$ -	0.0%
		Plowing and Grounds (Lessee expense)		\$ -	0.0%
	1.00%	Office & Miscellaneous		\$ 1,466	1.0%
Total Variable Expenses				\$ 19,057	13.0%
<u>Total Operating Expenses</u>				\$ 26,257	17.9%
<u>Net Operating Income</u>				\$ 120,335	82.1%

Market Development of Capitalization Rate - Direct Capitalization Method

Any interest in real estate that has an income stream can be valued by the direct capitalization method of valuation. Using this process, the value is estimated by dividing the net operating income by an appropriate overall capitalization rate. The formula for this calculation is as follows:

$$\text{Value (V)} = \text{Net Operating Income (NOI)} \div \text{Overall Capitalization Rate (R}_o\text{)}$$

The development of the capitalization rate has been based on three methods: the mortgage equity technique, the debt coverage ratio technique, and the market extraction method of valuation. In order to properly use these techniques, the appraiser has analyzed several elements of the market, such as current interest rates, loan-to-value ratios, current market rental information on similar comparable properties, equity yield rates of investors, holding periods typically found for investment properties similar to the subject, and the general economic and financial climate for properties similar to the subject property.

Summary of the Capitalization Rate Calculations

In order to estimate the overall capitalization rate via these techniques, I have surveyed local lending institutions to arrive at typical financial parameters. In addition to this bank survey I have also utilized periodicals, such as the Appraiser News in order to extract typical rates used throughout various lending institutions. In the following analysis, utilizing the mortgage equity technique and debt coverage ratio method, I have used the following parameters.

Loan to Value Ratio	70%
Mortgage Interest Rate	5.0%
Amortization Term	20 years
Holding Period	10 years
Equity Yield Rate	15%
Debt Coverage Ratio	1.30
Appreciation Rate	Estimated at 1% per year over the holding period, noting that some appreciation is offset by the subject's physical depreciation.

Capitalization Rate – Mortgage Equity Technique**ESTIMATED RATES**

Mortgage Ratio:	70.00 %
Annual Interest Rate:	5.00 %
Amortization Term:	20.00 Years
Equity Yield Rate:	15.00 %
Holding Period:	10.00 Years
Annual Appreciation / Depreciation Rate:	1.00 % per year

CALCULATED CONSTANTS

Rm = Mortgage Constant =	0.0792
1/Sn = Sinking Fund Factor =	0.0493
P = Contribution Factor =	0.3778

RATE CALCULATIONS

Weighted Rate Calculation:	
Mortgage Ratio x Rm =	0.0554
Equity Ratio x Yield Rate =	0.0450
Discount or Weighted Rate =	0.1004 = Rw
Credit for Equity Buildup Calculation:	
Mortgage Ratio x P x 1/Sn =	0.0130 = Re
Appreciation Calculation:	
Appreciation Rate x (-1/Sn) =	-0.0049 = Ra
Overall Cap Rate = Rw - Re + Ra =	0.0825

DEBT COVERAGE RATIO CALCULATION

Overall Rate / { LTV x Rm } =	1.49
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OVERALL RATE SUMMARY

Discount or Weighted Rate:	10.04%
Overall Capitalization Rate:	8.25%

Capitalization Rate – Debt Coverage Ratio Method

The formula to derive an overall rate via the debt coverage ratio method is as follows:

$$R_o = DC \times R_m \times M$$

Where;

$$R_o = \text{Overall Capitalization Rate}$$

$$DC = \text{Debt coverage Ratio}$$

$$R_m = \text{Mortgage Constant}$$

$$M = \text{the Typical Loan-to-Value Ratio}$$

The mortgage constant is a rate which reflects the relationship between debt service and the total principal amount of the mortgage loan.

The loan-to-value ratio is the ratio of the mortgage amount to the estimated market value of the property.

Utilizing this information, the appraiser has estimated a mortgage constant of 0.0792, based on a loan term of 20 years and a loan interest rate of 5.0%. The debt coverage ratio of 1.30, which seems reasonable and typical for the current economic conditions, has been utilized, as well as a 70% loan-to-value ratio which is somewhat standard throughout the financing industry. When these three factors are multiplied by each other, an overall capitalization rate of 7.20% is indicated.

Inserting these financing terms into the debt coverage ratio formula results in an overall rate as follows:

$$R_o = DC \times R_m \times M$$

$$R_o = 1.30 \times 0.0792 \times 0.70$$

$$R_o = 0.0720 \text{ or } 7.20\%$$

SUMMARY OF THE INCOME APPROACH

In estimating the value of the subject property via the income approach, two direct capitalization valuation techniques have been utilized.

First, utilizing current financing criteria, the mortgage equity technique was employed and an overall capitalization rate of 8.25% was indicated. The second technique used was the debt coverage ratio method which also uses current financing criteria. However, the debt coverage ratio method also utilizes the debt coverage ratio typically used by lending institutions. The indicated capitalization rate based on this technique is 7.20%. These two rates are further supported based on figures extracted from RealtyRates.com - Investor Survey for the third quarter of 2015 periodical "Average of All Property Types". This survey notes a range in overall capitalization rates, based on these two techniques, using actual market derived information from consummated transactions, as reported by respondents based on actual net operating incomes, was between 3.38% to as high as 23.63%, with an average for the DCR Technique of 9.00% and an average of 9.69% via the Band of Investment Technique.

Adding support for the above noted estimated overall capitalization rate is a periodical from the second quarter of 2015, the PwC Real Estate Investor Survey, published by the Appraisal Institute, the noted Overall Capitalization Rates for Office buildings (considered most similar to the subject property) ranges from 3.50% to 9.00% with a national average of 6.07%. Also another study of overall capitalization rates extracted from RealtyRates.com - Investor Survey for the third quarter of 2015 (latest available), for CBD Office Buildings was 8.20% which was basically unchanged from the second quarter rate. Most real estate professionals in New Hampshire who use this study tend to agree that the average discount rates are high for New Hampshire, as well as the available returns in alternative type and risk investments. However, in any case, the rate utilized should also consider the risk involved with vacant space and the quality of existing and prospective tenants suitable for the subject property. Therefore, noting that the subject is suited for either an owner occupied or a multi-tenant office building, the overall condition and fit up, as well as the good overall location of the subject property, it is my opinion a rate nearest to the middle of the indicated rates, estimated to be between 8.00% and 9.00%, is most applicable.

Based on the preceding, it is my opinion an overall capitalization rate of 8.50%, is most applicable. Therefore, based on these assumptions, the direct capitalization valuation technique for the subject property is calculated as follows:

$$\text{Net Operating Income (NOI)} \div \text{Capitalization Rate (R}_o\text{)} = \text{Value (V)}$$

$$\text{NOI} - \$120,335 \div \text{R}_o - 0.085 = \text{V} - \$1,415,705$$

$$\text{Rounded Value Estimate: } \$1,415,000$$

RECONCILIATION OF APPROACHES

"Reconciliation is the process of coordinating and integrating relating facts in order to develop a unified conclusion." In the estimation of Market Value of the subject property, I have considered the *Sales Comparison Approach*, the *Cost Approach* and the *Income Approach*. All of these approaches are established and recognized appraisal techniques used in the valuation of real estate.

The purpose of reconciliation is to develop the most reliable estimate of value based on analysis of the quantity, quality, and durability of all the data developed. Thus, reconciliation is a review of the data and the various procedures in which the data is utilized within this report.

Each of these approaches has been reviewed separately by comparing to the others in terms of adequacy, defensibility and overall reliability. The results of these appraisal methods are as follows:

Sales Comparison Approach:	\$1,425,000
Income Approach:	\$1,415,000
Cost Approach:	Not Applicable

Each of these values are developed through application, interpretation and analysis of market data.

It should be noted that the value established for the subject property, based on these independent but interrelated approaches, is considered to be a good indication of the quality of the data employed and the accuracy of the value conclusion.

In my opinion, the *Sales Comparison Approach* typically gives a good indication of actions of the buyers and sellers of properties similar to the subject property. However, in my opinion, the *Income Approach* is also a very good indicator of value, noting the subject is alternatively considered to be an investment type property. Therefore, it is my opinion that the *Income Approach* should be weighted fairly equally with the *Sales Comparison Approach*. As previously noted the *Cost Approach* has not been utilized due to the actual age of the subject property.

The *Sales Comparison Approach*, in my opinion, gives a good indication of actions of buyers and sellers for properties similar to that of the subject property. Market data is collected, documented and analyzed in direct comparison to the characteristics of the subject property. A composite of each analysis for each comparable sale is then correlated into a meaningful market indication for the subject property. This indication is offered as a price that a potential buyer might pay for the subject property as of the date of the appraisal. Although it does not directly take into consideration the income-generating characteristics of the subject property, it does reflect the income potential of the subject property in an indirect way by comparing the actual sale price of other similar properties that have been purchased for their income-producing potential.

The *Income Approach*, which is related to investor thinking and motivation, is a basic tool for valuation of income-producing real estate. It is based on the principal of anticipation reflected in the definition of value, "*as the present worth of all rights to future benefits accruing to ownership*". The income approach is practical only when an income stream attributable to the real estate can be estimated. This income estimate may be developed and supported by comparisons in the local market or, alternatively, by an allocation to real estate of some portion of the total income derived from operation of an ongoing business in which the real estate is a contributing component. In most instances, investors for properties like the subject, typically put greater emphasis on the existing and potential income that a property can produce. Therefore, it is my opinion, the *Income Approach* should be weighed fairly equally.

Based on the foregoing, with the *Income Approach* and *Sales Comparison Approach* being weighted fairly evenly, it is my opinion that the market value of the subject property as of **January 14, 2016**, is **\$1,420,000**.

EXPOSURE TIME

The subject's exposure time is based on a typical effective marketing period for similar competing properties which have sold. Exposure time is always presumed to occur prior to the effective date of the appraisal.

Exposure time is defined by the Appraisal Foundation, USPAP 2016-2017 edition (page 195), as “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; Exposure time is a retrospective opinion based upon an analysis of past events assuming a competitive and open market.”

Exposure time is different for various types of property and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort. This statement focuses on the time component.

Exposure time is one of a series of conditions in most market value definitions. Exposure time may vary greatly depending upon a number of factors including the motivation of the owner, the reasonableness of the offering price, the different marketing avenues, as well as the amounts and willingness of the local financing markets to name just a few. Because all of these factors greatly affect the exposure period of a property, it is very difficult to accurately measure the exposure time for the subject property.

The two best methods of estimating an exposure time are one, through actual sales, and two, through conversations with local real estate brokers. Conversations with local professional real estate brokers indicated that most properties, if reasonably priced, should sell within a twelve month time frame. Also, a review of the comparable sales utilized in the sales comparison approach, revealed that when the sales were marketed at or near the eventual sales price, the exposure period was typically less than twelve months.

Based upon the preceding, it is my opinion that a reasonable exposure time for the subject property, based on the previously noted reconciled market value conclusion, would be twelve months or less. This assumes that the subject would be actively marketed by a professional real estate broker, at or near the final reconciled value estimate.

EXHIBITS AND ADDENDA

IMPROVED SALES ADDENDA

COMPARABLE IMPROVED SALE B-1

Address:	228 Maple Street in Manchester, New Hampshire		
Property Type:	Office Building, Unit 1 - Stadium Way Condominium		
Grantor:	Maple Valley Manchester Partners, LLC		
Grantee:	Velagala Estates, LLC		
Condition of Sale:	Reported to be an arm's length transaction		
Sales Price:	\$2,050,000.00		
Unit Price:	\$76.02 per sf of GBA		
Sale Date:	10/22/15		
Financing:	\$1,640,000 Northway Bank		
Date Recorded:	10/22/15		
Registry Recorded:	Hillsborough	Deed Type:	Warranty
Book/Page:	8801/1360	Transfer Stamps:	\$30,750.00
Confirmation Source:	Owner/Appraiser	By: ET	Date: 09/15
	Mr. Charles Panasis of Brady Sullivan/Capital Appraisal Associates		
Lot Size:	0.70± acres common	Shape:	Irregular
Frontage:	87± ft Maple St.	Average Depth:	250± ft Valley St.
Topography:	Level	Landscaping:	Typical
Road Grade:	At road grade	Road Surface:	Paved
Electric:	Available	Gas:	Available
Water:	Public	Sewer:	Public
Easements:	None adverse noted	Zoning:	RDV-Redevelopment
Highest & Best Use:	Commercial - Office		
Building Type:	4 Story	Current Use:	Office/College/Retail
Actual Age:	Circa 1890 renovated	Effective Age:	5-10± years
Quality:	Average	Condition:	Good
Foundation:	Poured concrete	Basement:	Full/raised, finished
Ext. Finish:	Brick, masonry	Roof:	Flat/rubber membrane
Framing Type:	Brick/masonry/steel	Insulation:	Unknown, typical
Lighting:	Adequate	Electrical:	Adequate
Plumbing:	Adequate	Heating:	HVAC/gas/full AC
Walls:	Drywall/sheet rock	Ceilings:	Mostly suspended
Flooring:	Mix carpet/vinyl/tile	Bldg. Size:	26,966± square feet
Map/Block/Lot:	107/1	Parking:	Adequate on site

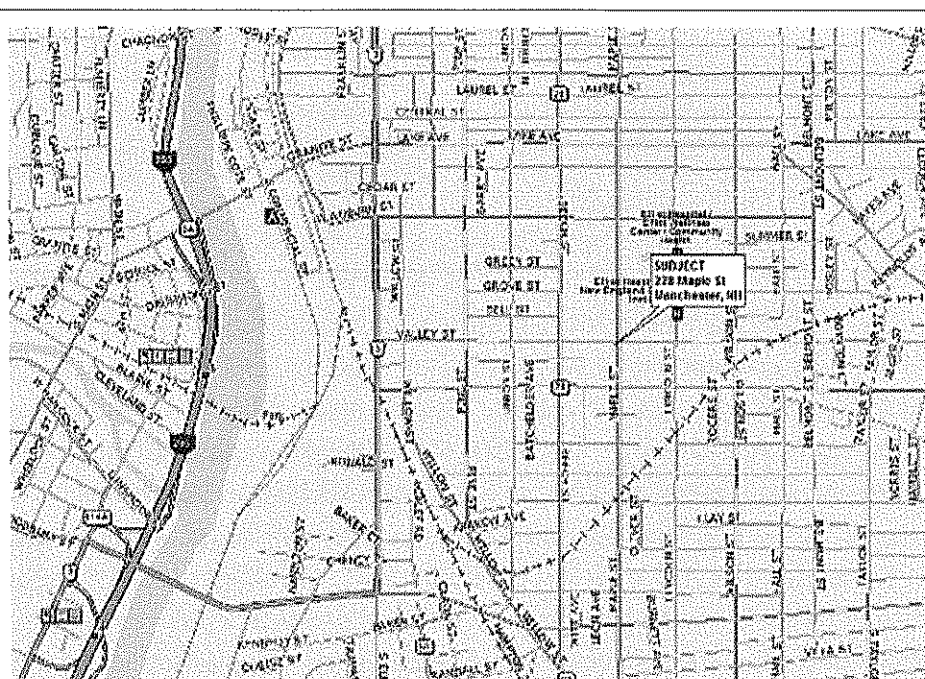
Comments: This sale is of a renovated mill building that has 26,966± s.f. of finished area above grade (5,617± sf on each of the 4 floors), however, the basement area is partially raised out of the ground and consists of an additional 4,498± sf of finished office area. The building has 1 elevator servicing all floors including the lower basement level. There were 3 tenants at the time of sale – with only 2,164 sf of vacant space on the third floor. Overall average lease rate was \$7.49/sf NNN with \$4.25 allocated to CAM expenses. There are 50± parking spaces designated for use by this sale with an estimated total of 220 shared spaces available - the parking is a shared common area with the neighboring bowling alley which mainly uses the parking in the evening. The property had previously transferred in 2004 with a reported sales price of \$2,100,000. Lease rights to the roof top cell antennas and equipment were sold circa 2011-2012 for \$1,200,000. The building unit then sold in June 2013 for \$500,000. The building was then totally renovated at a cost of over \$1,000,000 and leased up prior to the most recent sale.

(C2900D-34A; App. 15-432, Job 16-9)

PHOTOGRAPH AND LOCATION MAP



Identification: 228 Maple Street in Manchester, NH
Photograph Taken by ET circa September 2015



Identification: Location Map of the Comparable Sale

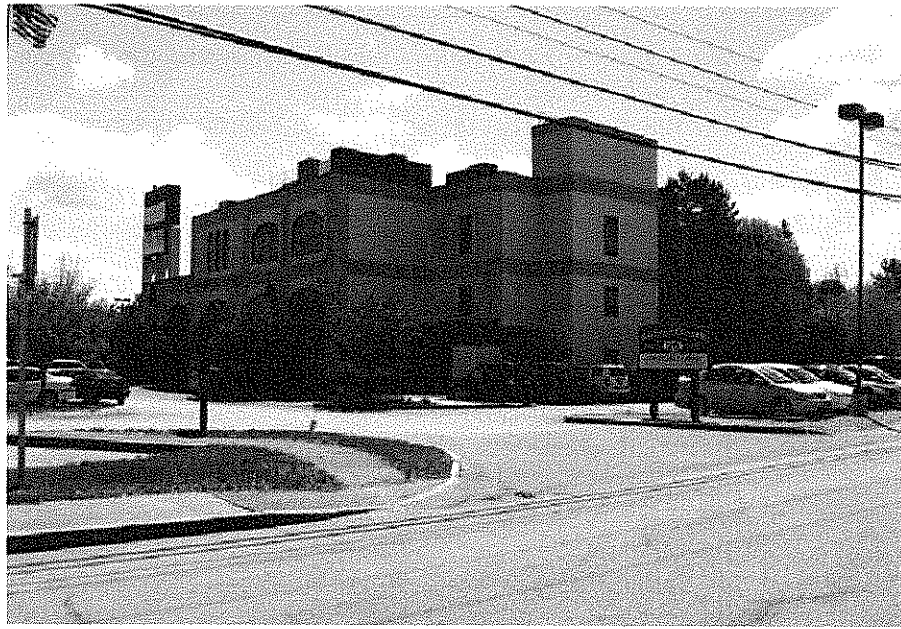
COMPARABLE IMPROVED SALE B-2

Address:	25 Hall Street in Concord, New Hampshire		
Property Type:	Office/Retail Building - Gateway Center		
Grantor:	Concord Gateway Partners, LLC		
Grantee:	Granite State College		
Condition of Sale:	Assumed to be an arm's length transaction		
Sales Price:	\$4,830,000.00 * Reported Contract Price		
Unit Price:	\$84.24 per sf of GBA		
Sale Date:	07/28/14		
Financing:	Cash to seller		
Date Recorded:	07/28/14		
Registry Recorded:	Merrimack	Deed Type:	Warranty
Book/Page:	3449/0957	Transfer Stamps:	\$72,450.00
Confirmation Source:	Manager/Appraiser	By: ET	Date: 05/13
	Mr. Brad Abel of Colliers International/Capital Appraisal Associates		
Lot Size:	2.08± acres	Shape:	Irregular
Frontage:	336± ft.	Average Depth:	Varied
Topography:	Level	Landscaping:	Typical
Road Grade:	At road grade	Road Surface:	Paved
Electric:	Available	Gas:	Available
Water:	Public	Sewer:	Public
Easements:	None adverse noted	Zoning:	Gateway Performance
Highest & Best Use:	Commercial - Office/Retail		
Building Type:	3 Story *	Current Use:	Office/College/Retail
Actual Age:	Circa 1987	Effective Age:	5-10± years
Quality:	Average	Condition:	Average/Good
Foundation:	Poured concrete	Basement:	Full, finished
Ext. Finish:	Brick, masonry, stucco	Roof:	Flat/rubber membrane
Framing Type:	Brick/masonry/steel	Insulation:	Unknown, typical
Lighting:	Adequate	Electrical:	Adequate
Plumbing:	Adequate	Heating:	HVAC/gas/full AC
Walls:	Drywall/sheet rock	Ceilings:	Mostly suspended
Flooring:	Mix carpet/vinyl/tile	Bldg. Size:	57,337± square feet
Map/Block/Lot:	15/2/10	Parking:	Adequate on site

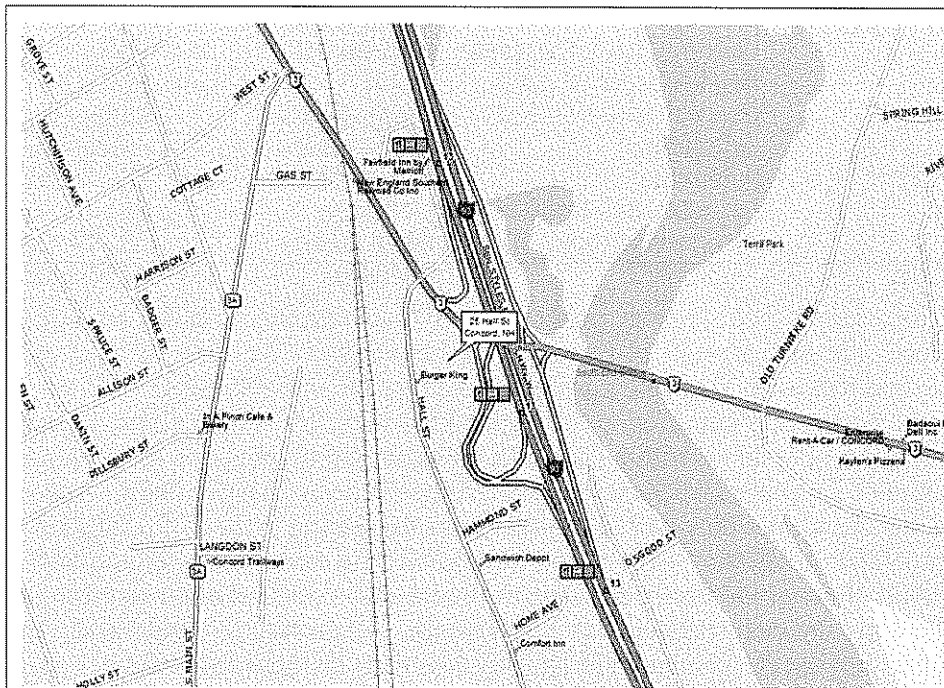
Comments: This property is a three story professional office/retail building with full finished lower level. The buildings main tenant is Granite State College, who purchased the property. The College occupies approximately 72% of the leasable space with the remaining space occupied by a number of smaller retail, service or office tenants, such as Remax, a physical therapist and an investment company. The site has good visibility on Hall Street as well as on Water Street (Route 3) and Interstate 93. The building is fully sprinkled with fire/smoke alarm to central station. The building is ADA accessible with a four stop elevator, which includes the lower level. Uses for the subject may be for the continued use as a college or potentially as a multi-tenant retail/office complex. It was reported the college may expand its use of the space as tenants leases expire. Previous sale 05/10/04 - \$4,300,000, from 17-29 Hall Street, LLC.

(C2900D-33; App. 13-228, Job 15-27)

PHOTOGRAPH AND LOCATION MAP



Identification: 25 Hall Street in Concord, NH
Photograph Taken by ET circa May 2013



Identification: Location Map of the Comparable Sale

COMPARABLE IMPROVED SALE B-3

Address:	32-34 South Main Street in Concord, New Hampshire		
Property Type:	Office Building		
Grantor:	State of New Hampshire - NH Dept. Employment Security		
Grantee:	City of Concord		
Condition of Sale:	Per the grantee rep. the sale was sl. below market value *		
Sales Price:	\$1,575,000.00 *		
Unit Price:	\$69.14 per sf of GBA		
Sale Date:	10/30/14		
Financing:	None noted – City of Concord acquisition		
Date Recorded:	10/31/14		
Registry Recorded:	Merrimack	Deed Type:	Warranty
Book/Page:	3460/0218	Transfer Stamps:	None required
Confirmation Source:	Broker/Appraiser/Grantee By: ET/TRD Date: 05/13 & 02/15 Broker B. Jolicoeur, Cowan & Zellers RE/CAA/M. Walsh - City		
Lot Size:	0.74± acres in total*	Shape:	Fairly rectangular
Frontage:	123± ft.	Average Depth:	Varied
Topography:	Level	Landscaping:	Minimal
Road Grade:	At road grade	Road Surface:	Paved
Electric:	Available	Gas:	Available
Water:	Public	Sewer:	Public
Easements:	None adverse noted	Zoning:	CU Urban
Highest & Best Use:	Commercial - Professional Office		
Building Type:	4 Story *	Current Use:	Office
Actual Age:	Circa 1930	Effective Age:	15-20± years
Quality:	Average	Condition:	Average
Foundation:	Granite/Brick/Concrete	Basement:	Full
Ext. Finish:	Brick veneer & glass	Roof:	Flat/T&G rubber
Framing Type:	Brick/metal/wood	Insulation:	Unknown, typical
Lighting:	Adequate	Electrical:	Adequate
Plumbing:	Adequate	Heating:	HVAC/gas/full AC
Walls:	Drywall/sheetrock/panel	Ceilings:	Mostly suspended
Flooring:	Mix carpet/vinyl	Bldg. Size:	22,780± square feet
Map/Block/Lot:	34/3/3 & 2	Parking:	Adequate/2 lots

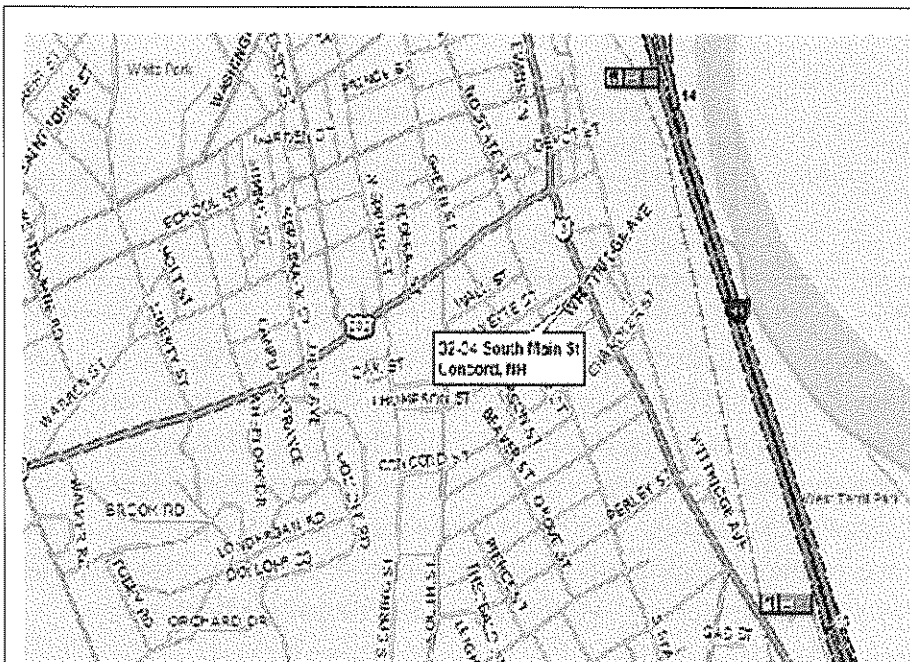
Comments: This property is a 3 story professional office building with full walkout lower level onto Main Street. The site consists of two lots; lot 2 contains 0.13± acres of land and lot 3 contains 0.61± acres of land. The site has good visibility on Main Street as well as on South State and Fayette Street. The building is fully sprinkled with fire/smoke alarm to central station. The building is ADA accessible with a four stop elevator, which includes the lower level. The State Department of Employment Security vacated the property in early 2014. According to the broker and a local developer they had two offers near the asking price of \$1,750,000 as of 05/13. The second developer noted they were going to renovate the entire property and had a tenant lined up to occupy most of the building. Due to time constraints and other requirements being imposed by the City, the deal (both deals), fell through. According to the grantee representative the City ended up buying the property for slightly less than the appraised value, completed for the grantor for marketing purposes. The grantee representative noted in his opinion, the value paid was slightly less than what he felt the market value for the property was. The property was on the market for 180 days.

(C2900C-66; App. 12-704, Job 15-27)

PHOTOGRAPH AND LOCATION MAP



Identification: 32-34 South Main Street in Concord, NH
Photograph Taken by; TRD December 2012



Identification: Location Map of the Comparable Sale

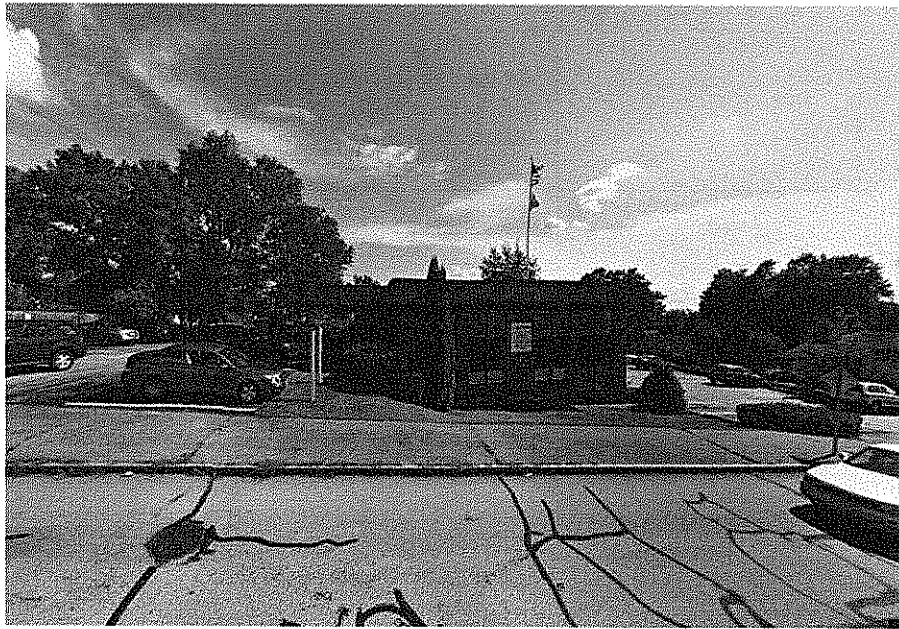
COMPARABLE IMPROVED SALE B-4

Address:	345 Cilley Road in Manchester, New Hampshire		
Property Type:	Office/Medical Building		
Grantor:	Hassells End Properties LLC		
Grantee:	Peerless Properties LLC		
Condition of Sale:	Reported to be an arm's length transaction		
Sales Price:	\$420,000.00		
Unit Price:	\$84.24 per sf of GBA		
Sale Date:	10/14/15		
Financing:	\$336,000 Triangle Credit Union		
Date Recorded:	10/14/15		
Registry Recorded:	Hillsborough	Deed Type:	Warranty
Book/Page:	8798/2302	Transfer Stamps:	\$6,300.00
Confirmation Source:	Broker/Public records	By: ET	Date: 01/16
	CB Richard Ellis/New England, Chris Healey (626-0036)		
Lot Size:	0.45± acres	Shape:	Fairly rectangular
Frontage:	198± feet & 97± feet	Average Depth:	Varied
Topography:	Level/sloping	Landscaping:	Typical
Road Grade:	At road grade	Road Surface:	Paved
Electric:	Available	Gas:	Available
Water:	Public	Sewer:	Public
Easements:	None adverse noted	Zoning:	R2-Res 2 Fam.
Highest & Best Use:	Commercial - Offices		
Building Type:	2 Story	Current Use:	Office
Actual Age:	Circa 1970	Effective Age:	20-25± years
Quality:	Average	Condition:	Average
Foundation:	Poured concrete	Basement:	Slab
Ext. Finish:	Brick, masonry	Roof:	Flat/rubber membrane
Framing Type:	Brick/masonry/steel	Insulation:	Unknown, typical
Lighting:	Adequate	Electrical:	Adequate
Plumbing:	Adequate	Heating:	FHA/gas/elec/full AC
Walls:	Drywall/sheet rock	Ceilings:	Mostly suspended
Flooring:	Mix carpet/vinyl/tile	Bldg. Size:	6,176± sf per tax card
Map/Block/Lot:	370/079	Parking:	36 on site

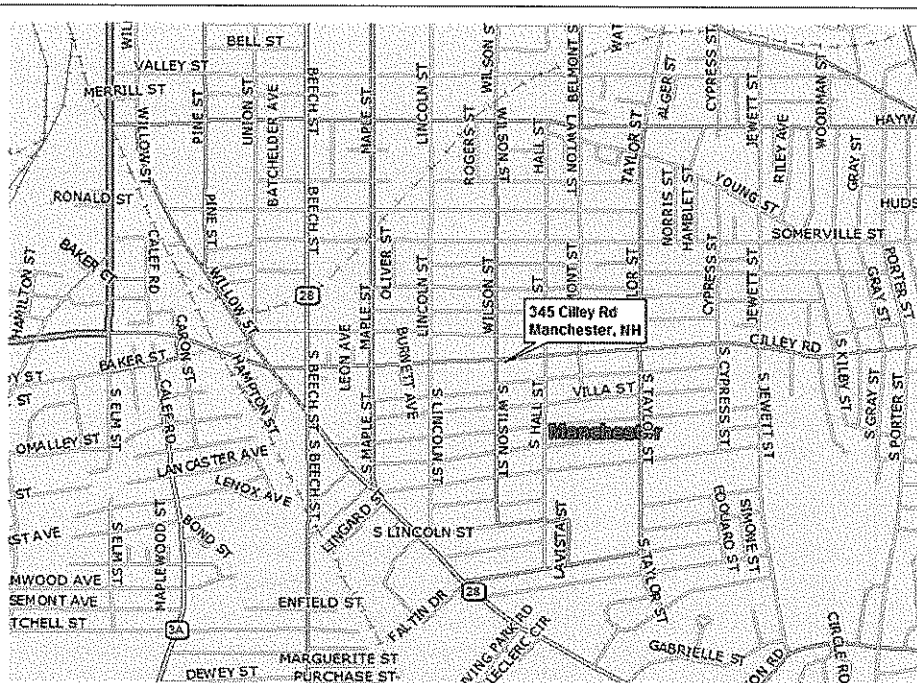
Comments: This is a multi-tenant class B office building with walkup access located on a corner lot at Cilley Road and Wilson Street. Excellent visibility with easy access to the Downtown area as well as the Interstate system. Each floor may be accessed at ground level with separate entrances due to sloping terrain. Fully air conditioned and features 4 separate units and gas heat. Currently two tenants, a dental practice and massage and fitness center. At time of sale there was one vacant space of approximately 3,167± sf available, which was last utilized by Elliot hospital as a pediatrics center. Asking rate of \$14.00 psf modified gross.

(C2904-30A; Job 16-9)

PHOTOGRAPH AND LOCATION MAP



Identification: 345 Cilley Road in Manchester, NH
Photograph Taken by Google Maps



Identification: Location Map of the Comparable Sale

RENTAL SURVEY OF COMPARABLE OFFICE/RETAIL RENTS:

LOCATION	SIZE/TYPE	Rate/Terms	ADDITIONAL COMMENTS
228 Maple St Manchester, NH	5,617 s.f. Office	\$8.75 per s.f. NNN	Leased 03/03/15. Office space in recently renovated 4 story 27,000 SF multi-tenant office building. Overall Tenants pay own heat & electric plus additional CAM charges estimated to be approximately \$4.00 per square foot. Overall, considered fairly similar to the subject.
835 Hanover St. Manchester, NH	1,901 s.f. Office Condo	\$10.00 per s.f. NNN	Leased 05/26/15. Unit in 3 story professional office building. NNN rent plus electricity. CAM (2011) \$3.22 psf, Taxes \$1.99 psf. Overall, considered fairly similar to the subject property.
66 Hanover St. Manchester, NH	1,200 s.f. Office	\$10.00 per s.f. Mod Gross	Leased 10/08/15. Ground floor unit in larger 3 story 82,300± sf office building. Tenant pays utilities. Overall, considered fairly similar to the subject property.
66 Hanover St. Manchester, NH	1,938 s.f. Office	\$12.00 per s.f. Mod Gross	Leased 10/08/15. Third floor office suite in larger 3 story 82,300± sf office building. Tenant pays utilities. Overall, considered fairly similar to the subject property.
1850 Elm St. Manchester, NH	1,800 s.f. Office	\$12.50 per s.f. Gross	Leased 03/12/15. Class A 2 story 21,000 sf office building on Elm Street. Rents are full gross includes everything. ADA accessible units. Overall, considered fairly similar to the subject.
1850 Elm St. Manchester, NH	3,000 s.f. Office	\$12.50 per s.f. Gross	Leased 08/13/14. Class A 2 story 21,000 sf office building on Elm Street. Rents are full gross includes everything. ADA accessible units. Overall, considered fairly similar to the subject.
55 Bridge St. Manchester, NH	1,609 to 10,800 s.f. Office	\$13.00 per s.f. Mod. Gross	Offered for lease, 3 story office building. Various size units or the whole building available. Potential sizes 1,609 sf, 2,091 sf, 3,400 sf, 3,700 sf, 7,101 sf or the entire 10,800 sf building. Space will be renovated to suit the needs of tenant. Overall, considered fairly similar to the subject property.
22 Concord St. Manchester, NH	3,400 s.f. Office	\$12.00 per s.f. NNN	Offered for lease, Class A 4 story bldg, Suite 4, fourth floor available. Tenants pays heat & electric. Overall, considered fairly similar to the subject.
186 Granite St. Manchester, NH	4,000 to 20,000 s.f. Office	\$14.00 per s.f. Mod. Gross	Office space on 1st, 2nd & 3rd floors offered for lease. Overall, considered fairly similar to the subject property.
1230 Elm St. Manchester, NH	3,702, 4,854 & 5,753 s.f. Office	\$8.00 per s.f. NNN	Class A office space offered for lease. Base rent plus CAM. Overall, considered fairly similar to the subject property.
908 Hanover St. Manchester, NH	739 to 1,486 s.f. Office Condos	\$9.00 per s.f. NNN	Offered for lease. Condo Units in 3 story professional office building. NNN rent plus electricity. Cam & Ins \$1.51 psf and \$200/month condo fee. Overall, considered fairly similar to the subject property.
250 Commercial St. Manchester, NH	1,650 to 10,500 s.f. Office	\$6.00 to \$12.00 per s.f. Mod. Gross	Various size units from 2,200 to 8,695 sf of office/retail space on 1st, 2nd & 3rd floors offered for lease in historic Wambec Mill complex. Overall, considered slightly inferior to the subject.
377 Elm St. Manchester, NH	6,000 s.f. Retail/Office	\$11.00 per s.f. Mod. Gross	Offered for lease. Ground floor space in larger 11,000 sf building. Rent includes taxes and insurance. Tenants pay separate utilities plus prorata share of CAM expenses. Overall, considered fairly similar to the subject.

SUBJECT ADDENDA

SUBJECT PHOTOGRAPHS

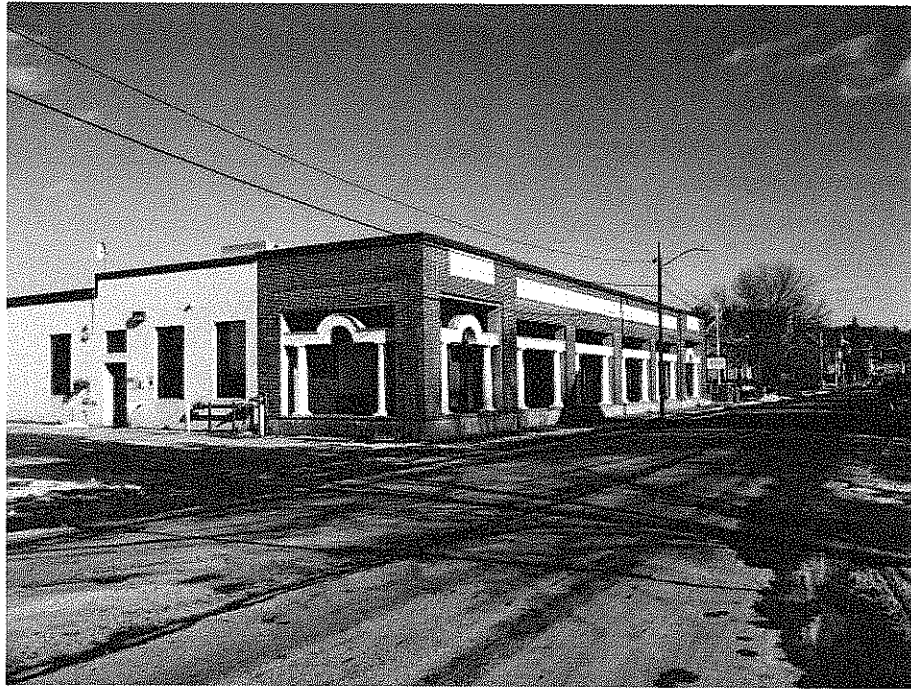


Google Earth - Front of the subject property

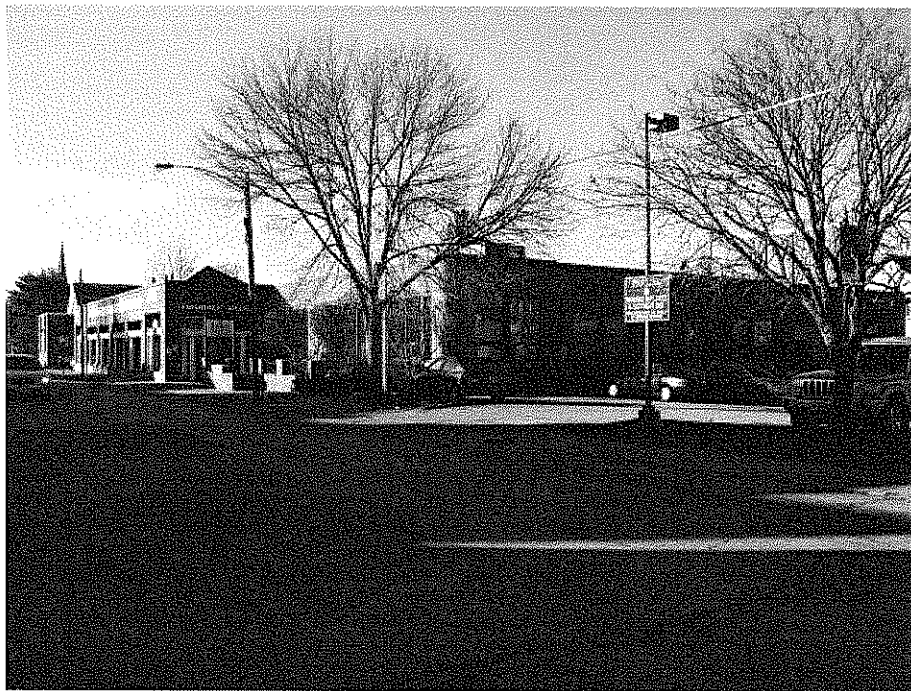


Google Earth - Rear of the subject property

SUBJECT PHOTOGRAPHS

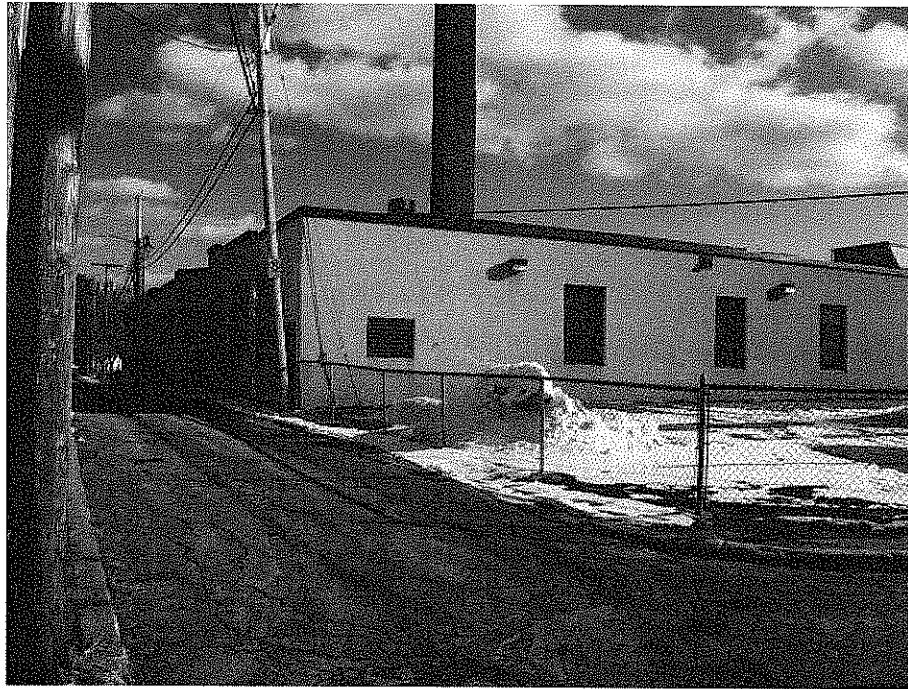


Exterior - Front of the subject property

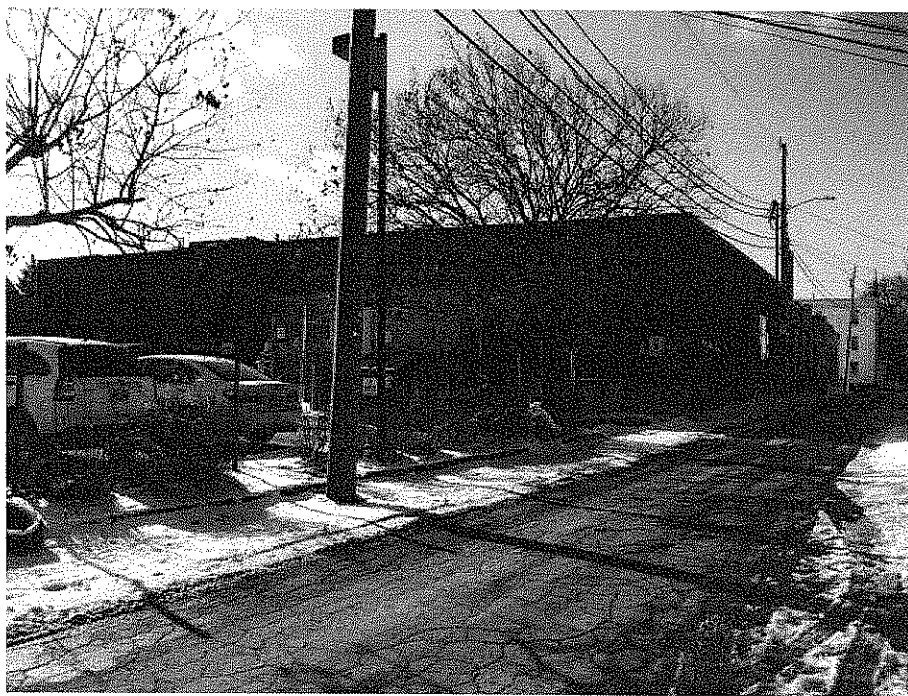


Exterior - Front of the subject property

SUBJECT PHOTOGRAPHS

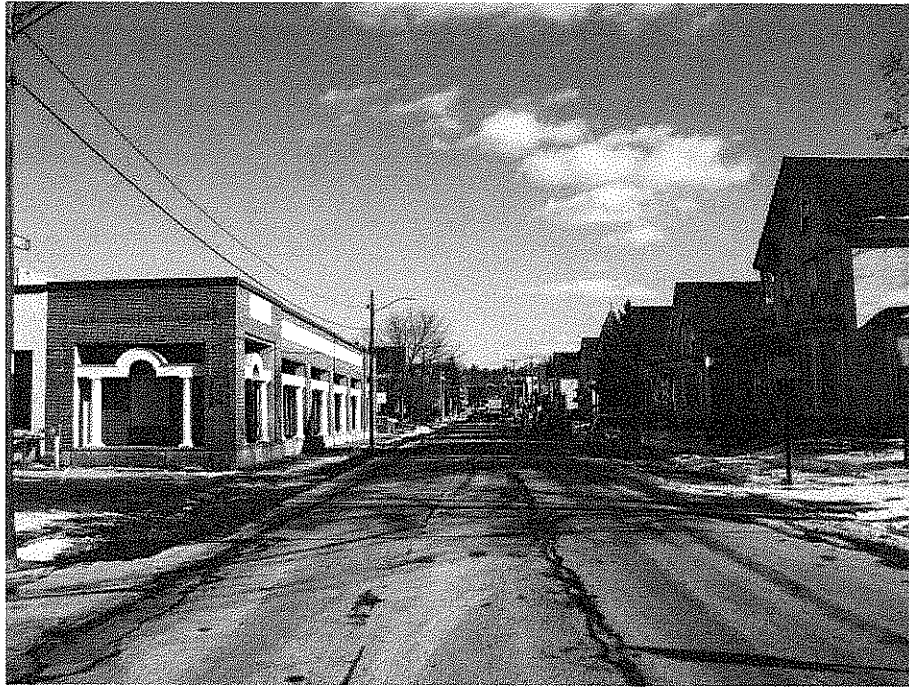


Exterior of the subject property

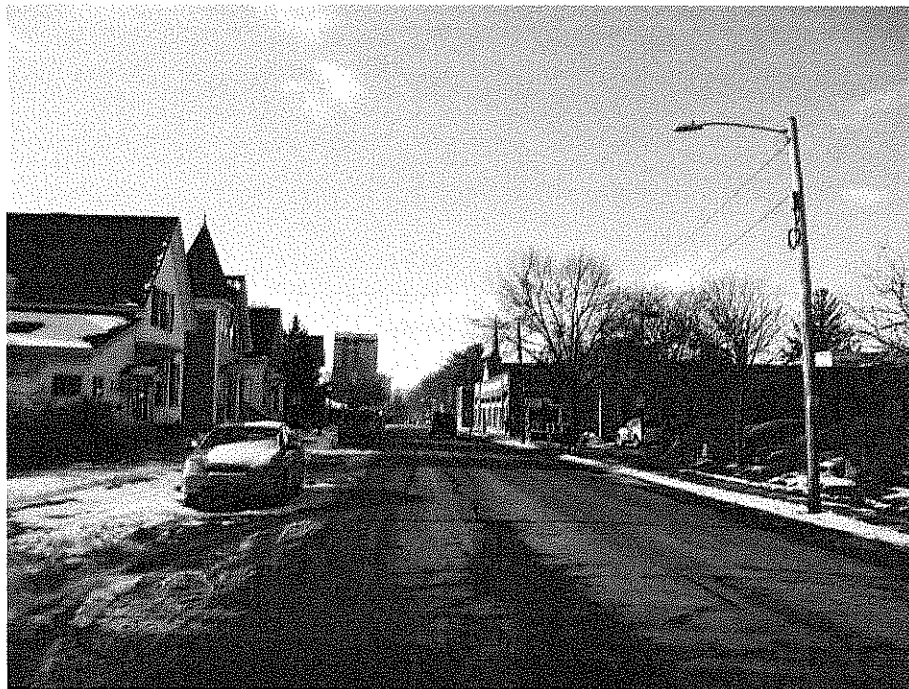


Exterior & parking of the subject property

SUBJECT PHOTOGRAPHS

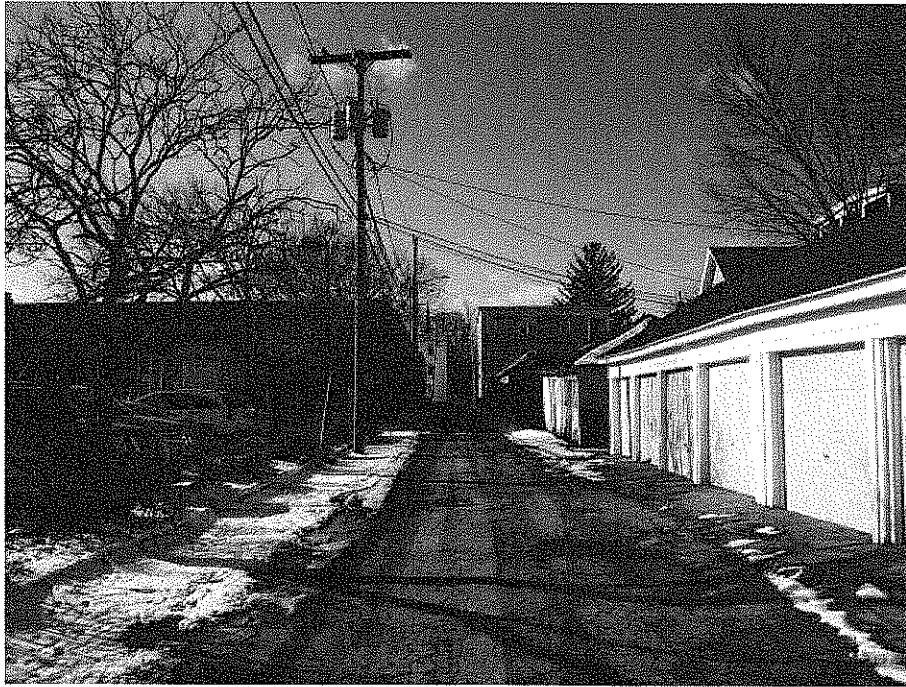


Hanover Street, easterly



Hanover Street, westerly

SUBJECT PHOTOGRAPHS

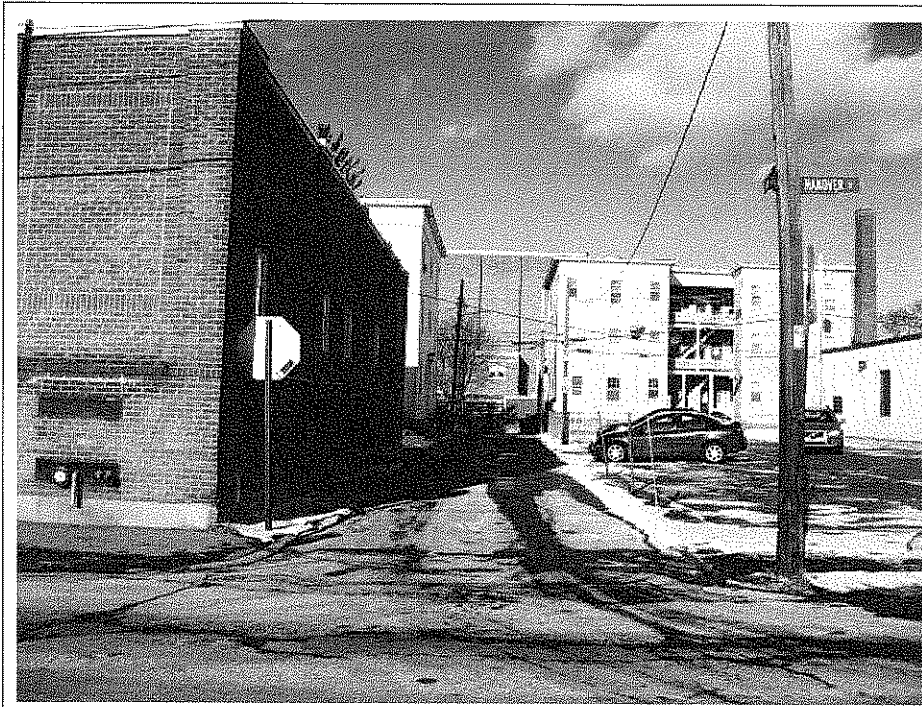


Derryfield Lane, westerly



Derryfield Lane, easterly

SUBJECT PHOTOGRAPHS



Hanover Court, northerly

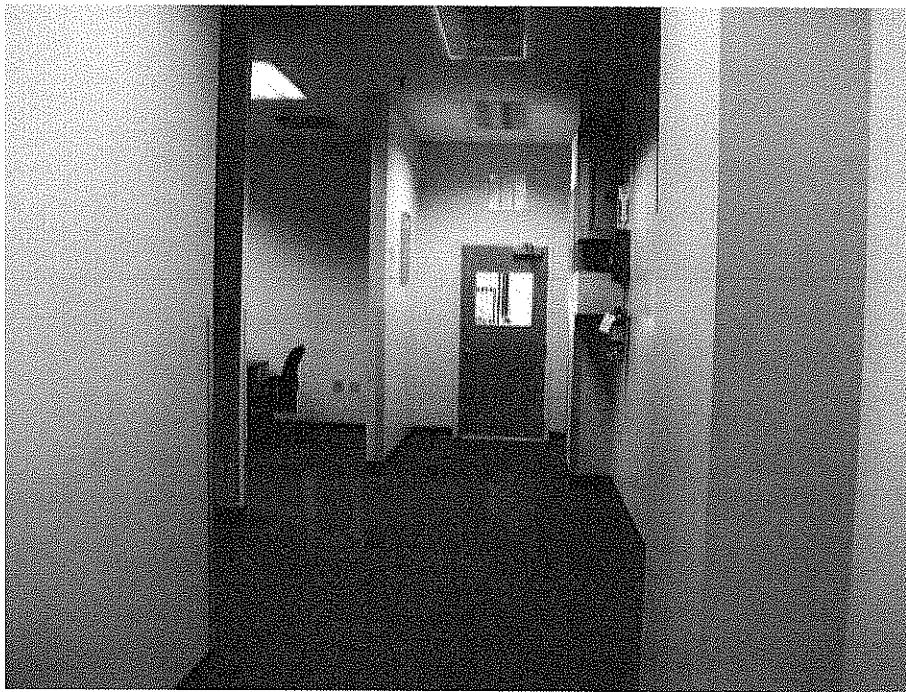


Hanover Court, southerly

SUBJECT PHOTOGRAPHS

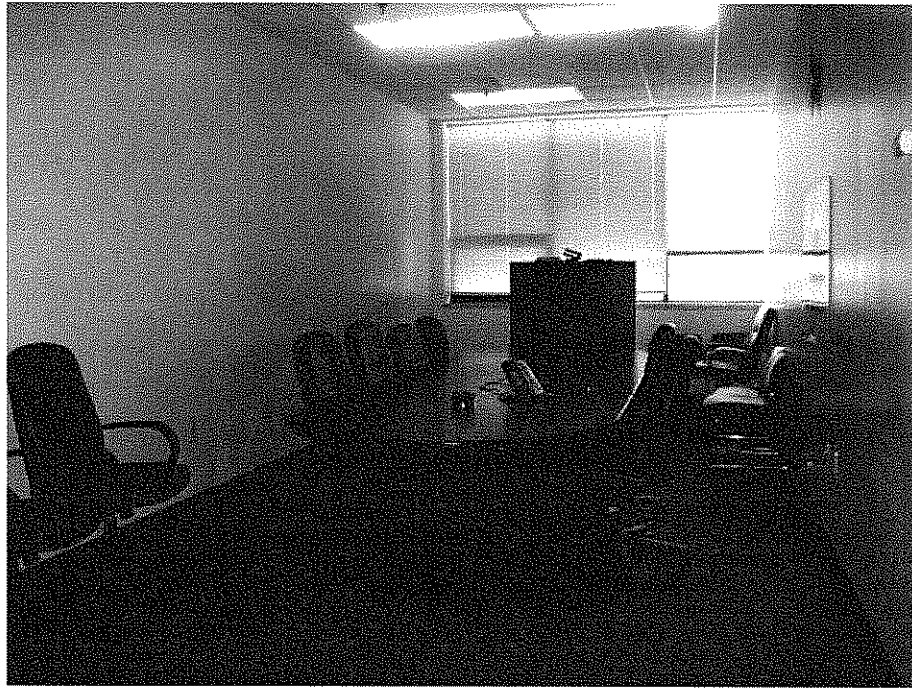


Typical Interior

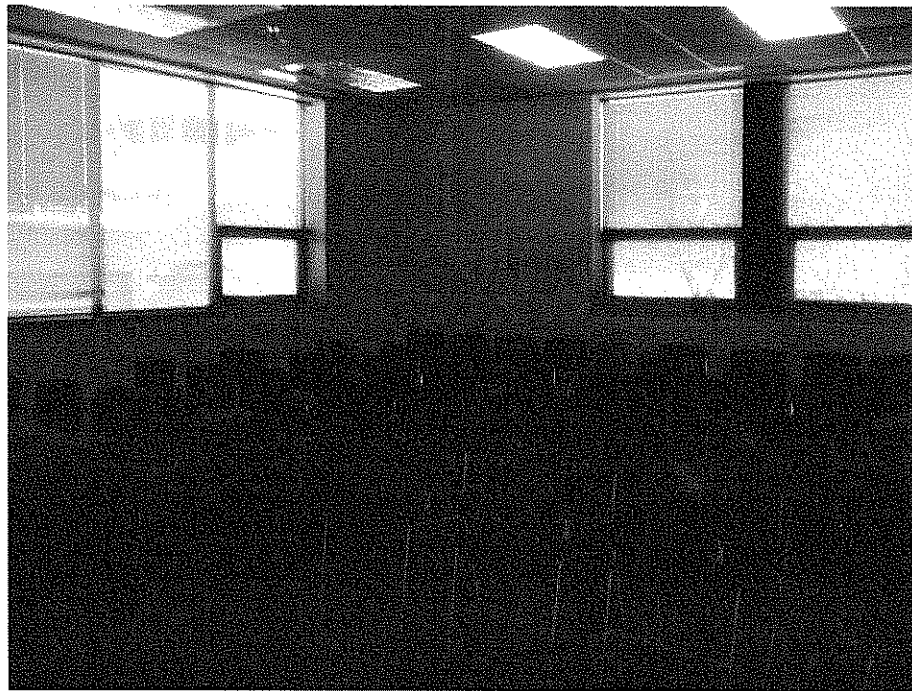


Typical Interior

SUBJECT PHOTOGRAPHS



Typical Interior

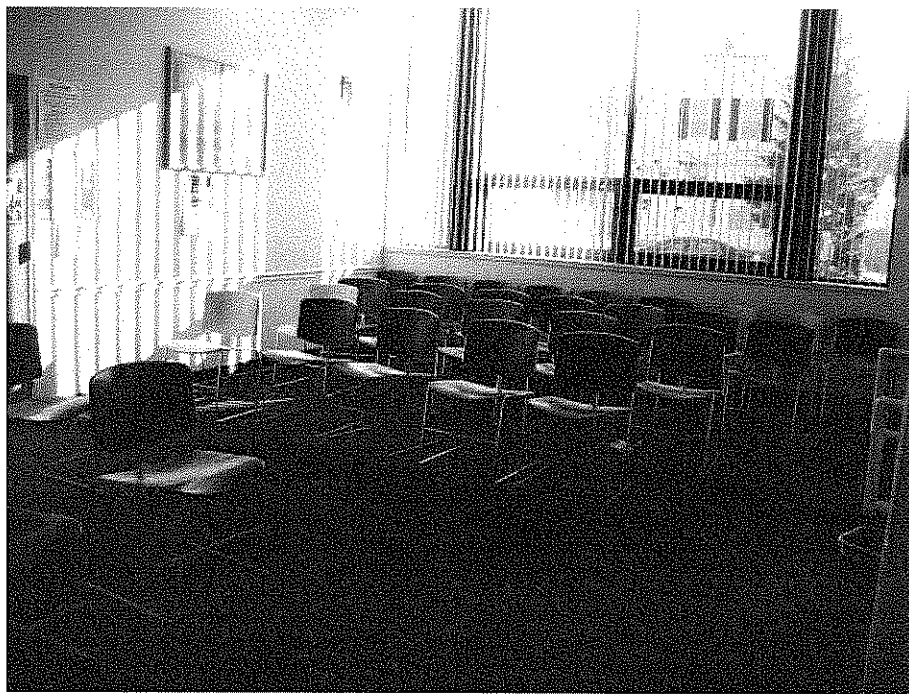


Typical Interior

SUBJECT PHOTOGRAPHS



Typical Interior

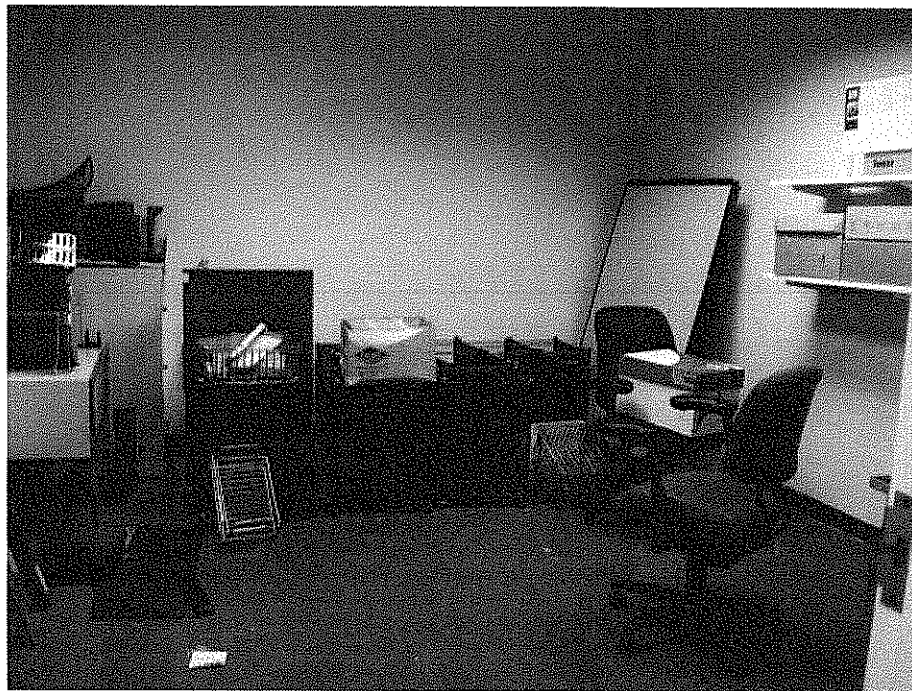


Typical Interior

SUBJECT PHOTOGRAPHS

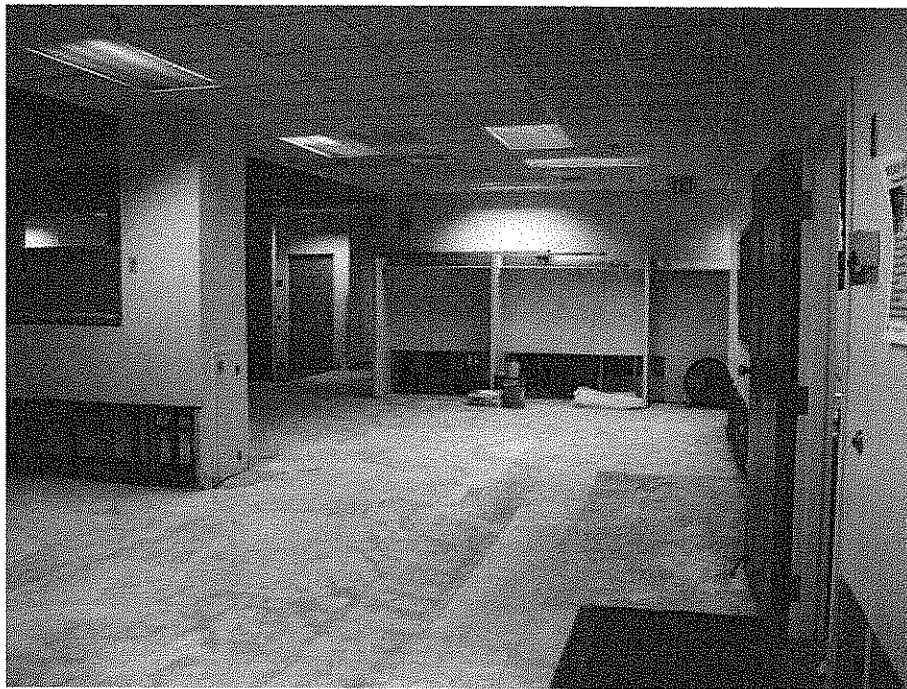


Typical Interior

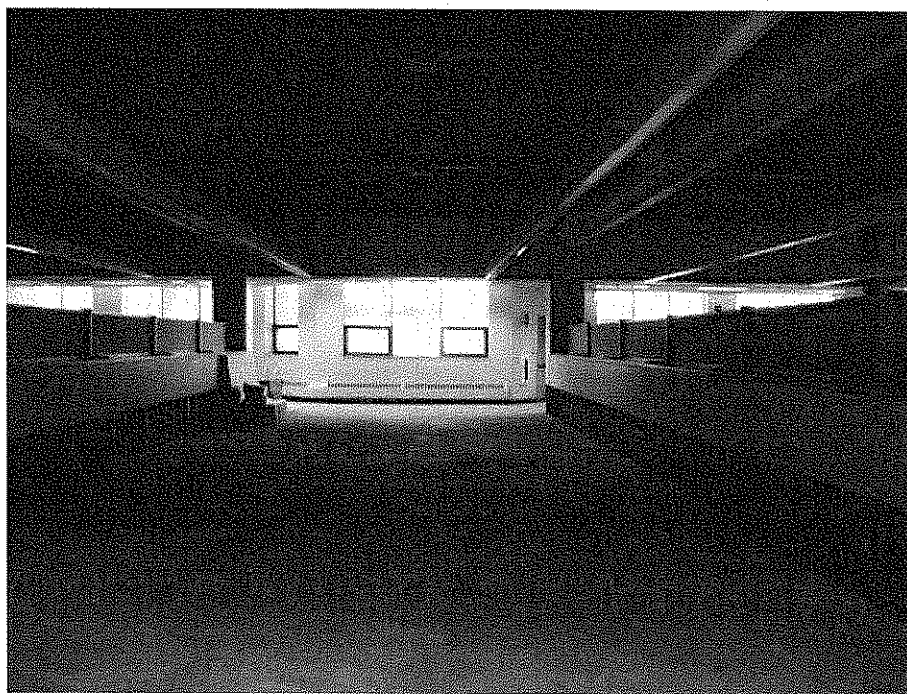


Typical Interior

SUBJECT PHOTOGRAPHS

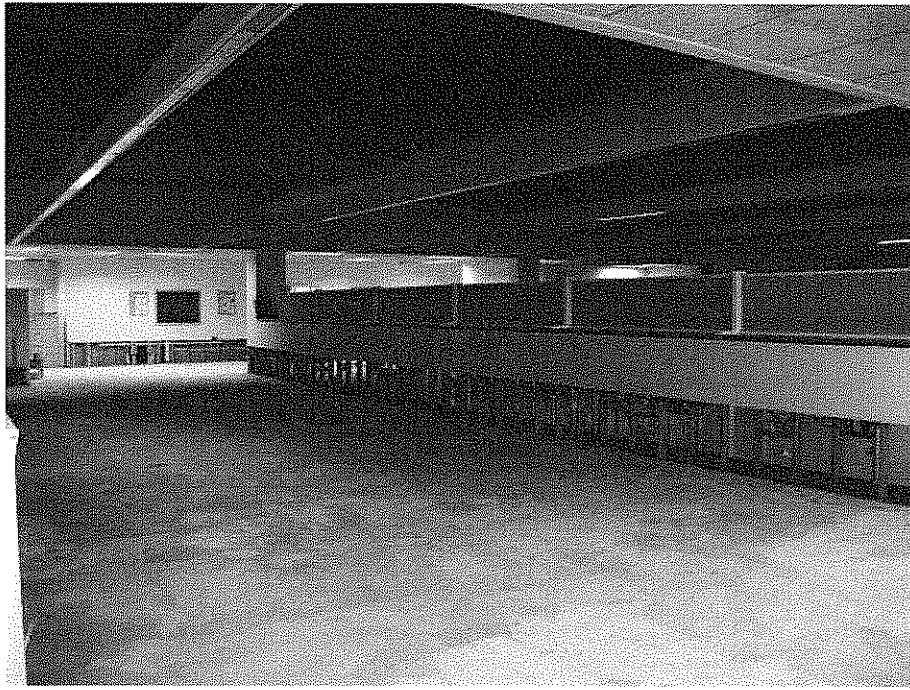


Typical Interior



Typical Interior

SUBJECT PHOTOGRAPHS

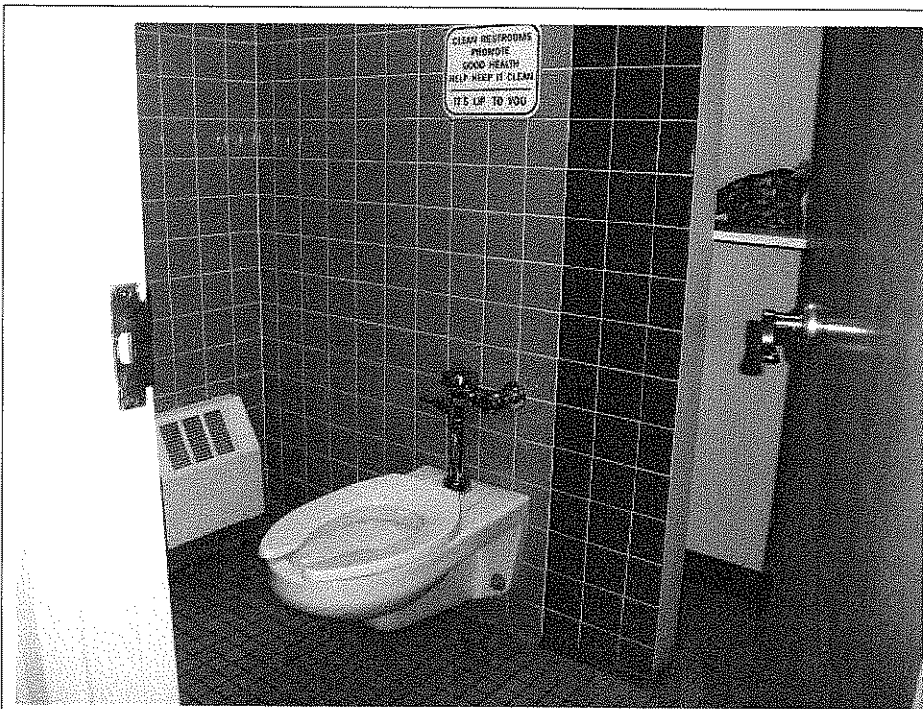


Typical Interior

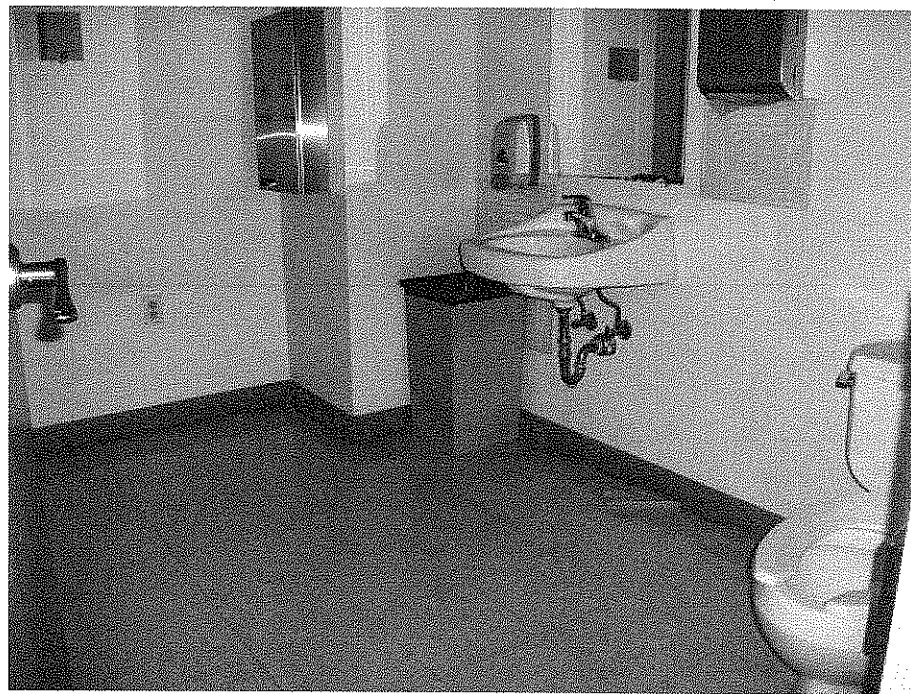


Typical Interior

SUBJECT PHOTOGRAPHS

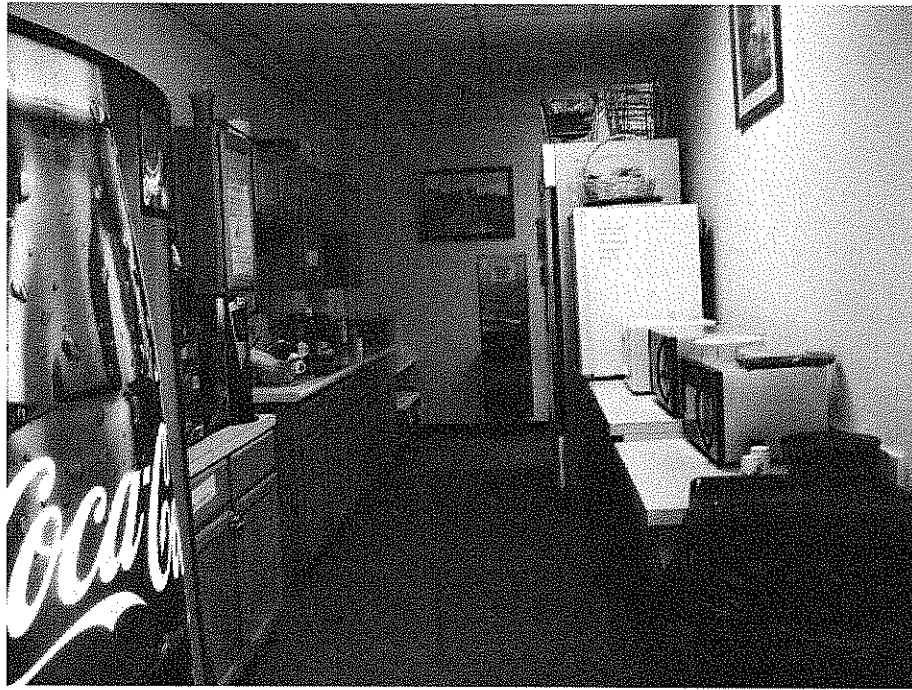


Typical Interior

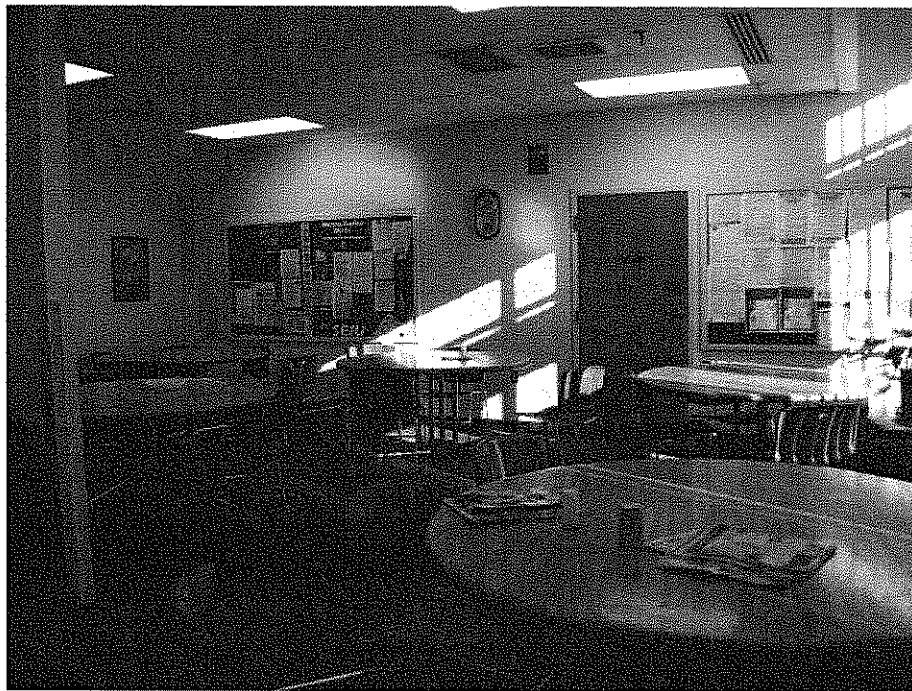


Typical Interior

SUBJECT PHOTOGRAPHS

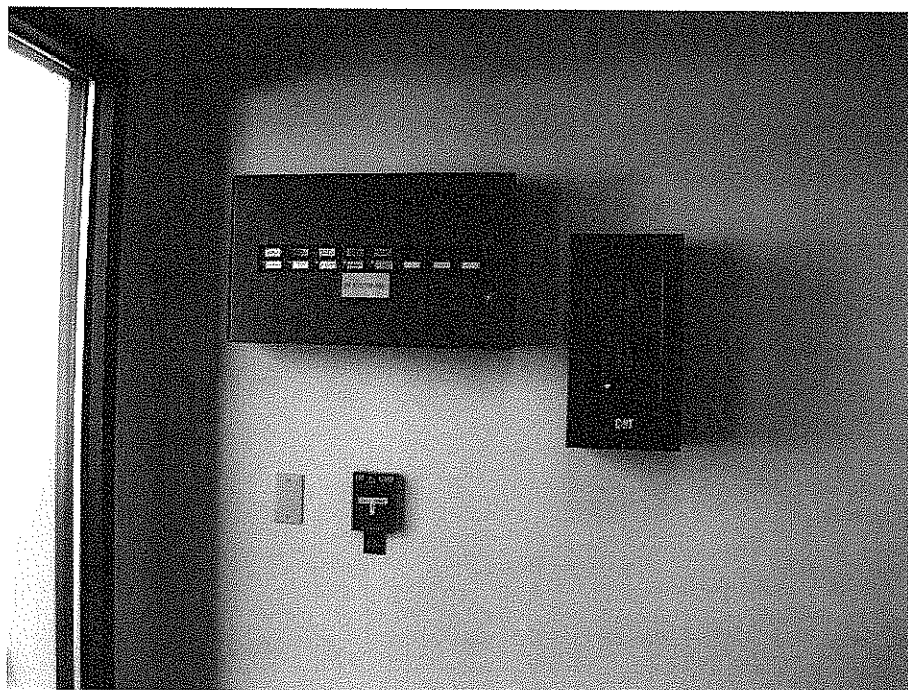


Typical Interior

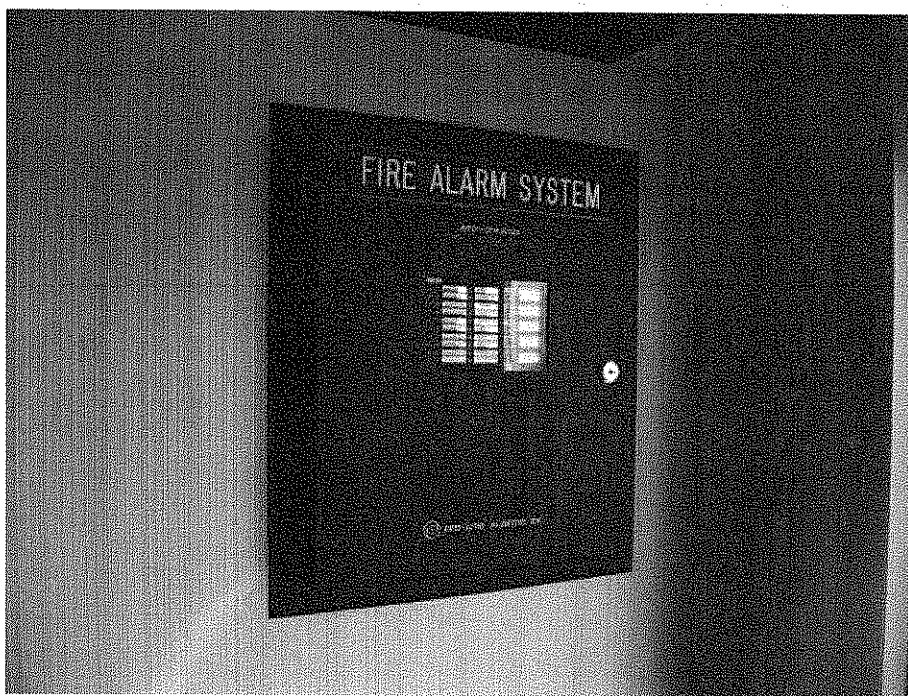


Typical Interior

SUBJECT PHOTOGRAPHS

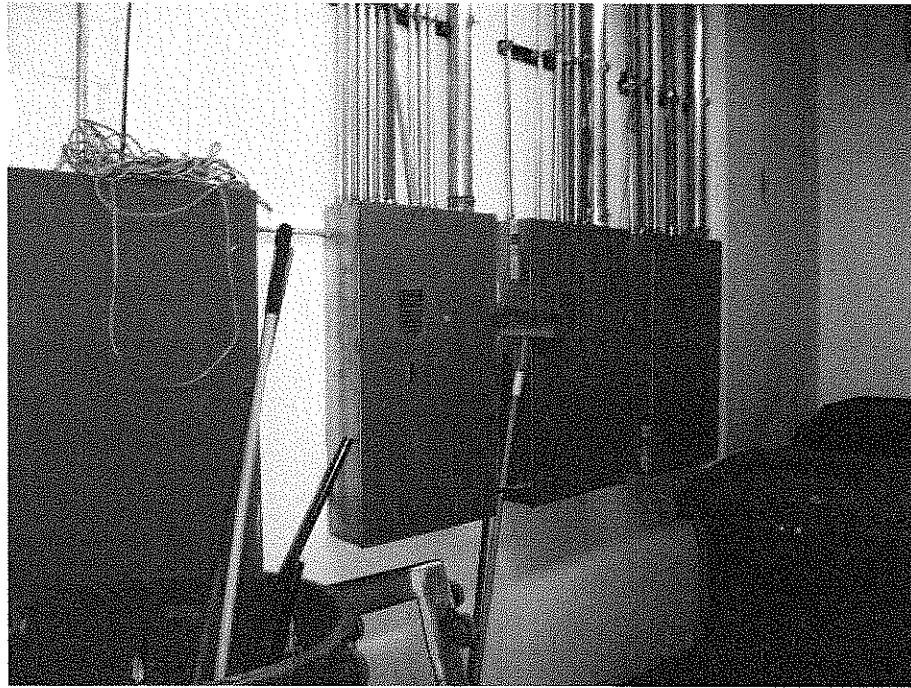


Alarm Panels

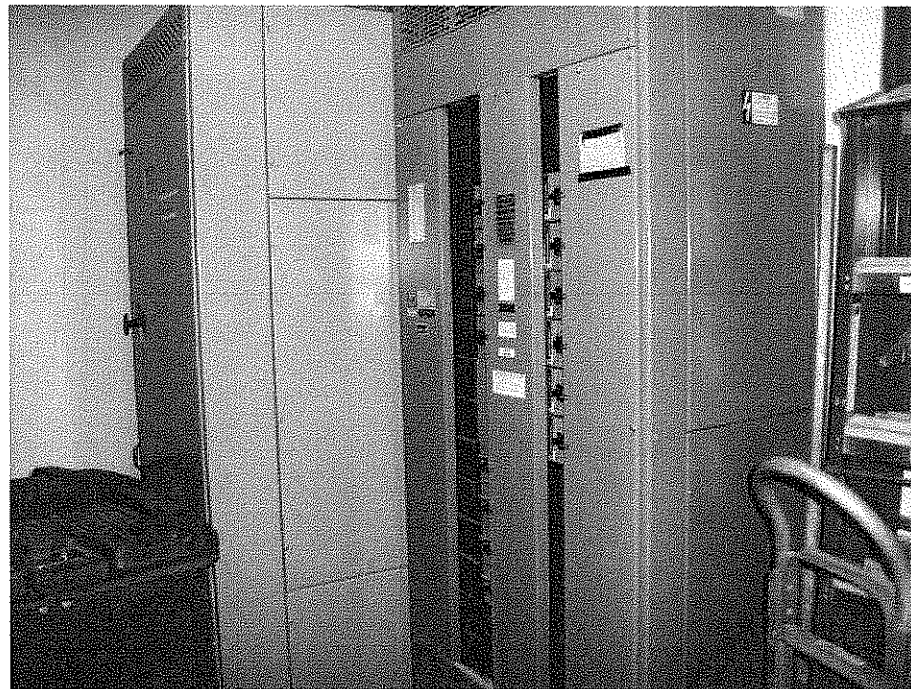


Alarm Panel

SUBJECT PHOTOGRAPHS



Electrical Panels



Generator Panels

Property Location: 300 HANOVER ST Vision ID: 2978 Account #19757636		MAP ID: 00931 / 00051 / Bldg #: 1 of 1 See #: 1 of 1		Bldg Name: 1 Card 1 of 1		Print Date: 12/21/2015 11:08 State Use: 9600	
CURRENT OWNER STATE OF N H DEPT OF EMPLOYMENT SECURITY CONCORD, NH 03301-4857 Additional Owners:		TOPO. 1 Level 1 Air Public 5 Curb & Gutter 5 Sidewalk		STRT/ROAD 1 Paved 1 Urban		LOCATION EXEMPT EXEMPT EXEMPT	
UTILITIES Other ID: Land Adjst Valued Total SF Zone Frontage/Dep GIS ID: 93-5		NO NO NO 24250 N 03104-4957		SUPPLEMENTAL DATA RAD OR CAIRAD - 110 Callback Ltr Sketch Note Email Class Parcel Zip		ASVOC PID# 4590C	
RECORD OF OWNERSHIP STATE OF N H TREISMAN, JASON E		EK-VOL/PAGE 5972/1084		SALE DATE 07/23/1998		SALE PRICE V.C. 4,000 04	
EXEMPTIONS Year Type Description Amount Code Description Number Amount Comm. Ind.		OTHER ASSESSMENTS Year Code Assessed Value Yr. Code Assessed Value Yr. Code Assessed Value		PREVIOUS ASSESSMENTS (HISTORY) Total 1,308,200 1,308,200 1,308,200		VISION 2017 MANCHESTER, NH	
ASSESSING NEIGHBORHOOD NEIGHD NAME STREET INDEX NAME TRACING E		NOTES		APPRaised VALUE SUMMARY Appraised Bldg. Value (Card) Appraised XF (B) Value (Bldg) Appraised OB (L) Value (Bldg) Appraised Land Value (Bldg) Special Land Value Total Appraised Parcel Value Valuation Method: Adjustment: Net Total Appraised Parcel Value		1,153,100 33,800 8,400 110,900 1,308,200 C 0 1,308,200	
BUILDING PERMIT RECORD Permit ID Long Date Type Description Amount 42-5279 09/19/2005 RE Renovel 284		LAND LINE VALUATION SECTION Unit Price Units Depth Zone Frontage		VISIT/CHANGE HISTORY Date Time Date Time Date Time 01/20/2006 00:00:00 06/07/2009 00:00:00 03/07/1991 00:00:00		Comments RENOV INT POOR Notes-Adj Notes-Adj Notes-Adj	
STATE EMPLOYMENT SECURITY OFFICE		Parcel Total Land Area: 0.65 AC		Parcel Total Land Area: 0.65 AC		Parcel Total Land Area: 0.65 AC	

TAX CARD - SUBJECT PROPERTY

Property Location: 309 HANOVER ST
 Vision ID: 2978
 Account # 19757636
 MAP ID: 0003 / 0005 /
 Bldg Name: 1 of 1
 Sec #: 1 of 1
 Card 1 of 1
 State Use: 9600
 Print Date: 12/1/2015 11:08

CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)	
Element	Ch. Ch. Description	Element	Ch. Ch. Description
13	Office Bldg		
24	Commercial		
25	Average +10		
26	Shingles		
27	Shingles		
28	Occupancy		
29	Exterior Wall 1		
30	Exterior Wall 2		
31	Roof Structure		
32	Roof Cove		
33	Interior Wall 1		
34	Interior Wall 2		
35	Interior Floor 1		
36	Interior Floor 2		
37	Heating Fuel		
38	Heating Type		
39	AC Type		
40	Bldg Use		
41	Total Rooms		
42	Total Bedrms		
43	Total Baths		
44	Heat/AC		
45	Frame Type		
46	Bath/Plumbing		
47	Cutting/Wall		
48	Rooms/Fins		
49	Wall Height		
50	% Conn Wall		
51	Office Bldg		
52	Commercial		
53	Average +10		
54	Shingles		
55	Shingles		
56	Occupancy		
57	Exterior Wall 1		
58	Exterior Wall 2		
59	Roof Structure		
60	Roof Cove		
61	Interior Wall 1		
62	Interior Wall 2		
63	Interior Floor 1		
64	Interior Floor 2		
65	Heating Fuel		
66	Heating Type		
67	AC Type		
68	Bldg Use		
69	Total Rooms		
70	Total Bedrms		
71	Total Baths		
72	Heat/AC		
73	Frame Type		
74	Bath/Plumbing		
75	Cutting/Wall		
76	Rooms/Fins		
77	Wall Height		
78	% Conn Wall		
79	Office Bldg		
80	Commercial		
81	Average +10		
82	Shingles		
83	Shingles		
84	Occupancy		
85	Exterior Wall 1		
86	Exterior Wall 2		
87	Roof Structure		
88	Roof Cove		
89	Interior Wall 1		
90	Interior Wall 2		
91	Interior Floor 1		
92	Interior Floor 2		
93	Heating Fuel		
94	Heating Type		
95	AC Type		
96	Bldg Use		
97	Total Rooms		
98	Total Bedrms		
99	Total Baths		
100	Heat/AC		
101	Frame Type		
102	Bath/Plumbing		
103	Cutting/Wall		
104	Rooms/Fins		
105	Wall Height		
106	% Conn Wall		
107	Office Bldg		
108	Commercial		
109	Average +10		
110	Shingles		
111	Shingles		
112	Occupancy		
113	Exterior Wall 1		
114	Exterior Wall 2		
115	Roof Structure		
116	Roof Cove		
117	Interior Wall 1		
118	Interior Wall 2		
119	Interior Floor 1		
120	Interior Floor 2		
121	Heating Fuel		
122	Heating Type		
123	AC Type		
124	Bldg Use		
125	Total Rooms		
126	Total Bedrms		
127	Total Baths		
128	Heat/AC		
129	Frame Type		
130	Bath/Plumbing		
131	Cutting/Wall		
132	Rooms/Fins		
133	Wall Height		
134	% Conn Wall		
135	Office Bldg		
136	Commercial		
137	Average +10		
138	Shingles		
139	Shingles		
140	Occupancy		
141	Exterior Wall 1		
142	Exterior Wall 2		
143	Roof Structure		
144	Roof Cove		
145	Interior Wall 1		
146	Interior Wall 2		
147	Interior Floor 1		
148	Interior Floor 2		
149	Heating Fuel		
150	Heating Type		
151	AC Type		
152	Bldg Use		
153	Total Rooms		
154	Total Bedrms		
155	Total Baths		
156	Heat/AC		
157	Frame Type		
158	Bath/Plumbing		
159	Cutting/Wall		
160	Rooms/Fins		
161	Wall Height		
162	% Conn Wall		
163	Office Bldg		
164	Commercial		
165	Average +10		
166	Shingles		
167	Shingles		
168	Occupancy		
169	Exterior Wall 1		
170	Exterior Wall 2		
171	Roof Structure		
172	Roof Cove		
173	Interior Wall 1		
174	Interior Wall 2		
175	Interior Floor 1		
176	Interior Floor 2		
177	Heating Fuel		
178	Heating Type		
179	AC Type		
180	Bldg Use		
181	Total Rooms		
182	Total Bedrms		
183	Total Baths		
184	Heat/AC		
185	Frame Type		
186	Bath/Plumbing		
187	Cutting/Wall		
188	Rooms/Fins		
189	Wall Height		
190	% Conn Wall		
191	Office Bldg		
192	Commercial		
193	Average +10		
194	Shingles		
195	Shingles		
196	Occupancy		
197	Exterior Wall 1		
198	Exterior Wall 2		
199	Roof Structure		
200	Roof Cove		
201	Interior Wall 1		
202	Interior Wall 2		
203	Interior Floor 1		
204	Interior Floor 2		
205	Heating Fuel		
206	Heating Type		
207	AC Type		
208	Bldg Use		
209	Total Rooms		
210	Total Bedrms		
211	Total Baths		
212	Heat/AC		
213	Frame Type		
214	Bath/Plumbing		
215	Cutting/Wall		
216	Rooms/Fins		
217	Wall Height		
218	% Conn Wall		
219	Office Bldg		
220	Commercial		
221	Average +10		
222	Shingles		
223	Shingles		
224	Occupancy		
225	Exterior Wall 1		
226	Exterior Wall 2		
227	Roof Structure		
228	Roof Cove		
229	Interior Wall 1		
230	Interior Wall 2		
231	Interior Floor 1		
232	Interior Floor 2		
233	Heating Fuel		
234	Heating Type		
235	AC Type		
236	Bldg Use		
237	Total Rooms		
238	Total Bedrms		
239	Total Baths		
240	Heat/AC		
241	Frame Type		
242	Bath/Plumbing		
243	Cutting/Wall		
244	Rooms/Fins		
245	Wall Height		
246	% Conn Wall		
247	Office Bldg		
248	Commercial		
249	Average +10		
250	Shingles		
251	Shingles		
252	Occupancy		
253	Exterior Wall 1		
254	Exterior Wall 2		
255	Roof Structure		
256	Roof Cove		
257	Interior Wall 1		
258	Interior Wall 2		
259	Interior Floor 1		
260	Interior Floor 2		
261	Heating Fuel		
262	Heating Type		
263	AC Type		
264	Bldg Use		
265	Total Rooms		
266	Total Bedrms		
267	Total Baths		
268	Heat/AC		
269	Frame Type		
270	Bath/Plumbing		
271	Cutting/Wall		
272	Rooms/Fins		
273	Wall Height		
274	% Conn Wall		
275	Office Bldg		
276	Commercial		
277	Average +10		
278	Shingles		
279	Shingles		
280	Occupancy		
281	Exterior Wall 1		
282	Exterior Wall 2		
283	Roof Structure		
284	Roof Cove		
285	Interior Wall 1		
286	Interior Wall 2		
287	Interior Floor 1		
288	Interior Floor 2		
289	Heating Fuel		
290	Heating Type		
291	AC Type		
292	Bldg Use		
293	Total Rooms		
294	Total Bedrms		
295	Total Baths		
296	Heat/AC		
297	Frame Type		
298	Bath/Plumbing		
299	Cutting/Wall		
300	Rooms/Fins		
301	Wall Height		
302	% Conn Wall		
303	Office Bldg		
304	Commercial		
305	Average +10		
306	Shingles		
307	Shingles		
308	Occupancy		
309	Exterior Wall 1		
310	Exterior Wall 2		
311	Roof Structure		
312	Roof Cove		
313	Interior Wall 1		
314	Interior Wall 2		
315	Interior Floor 1		
316	Interior Floor 2		
317	Heating Fuel		
318	Heating Type		
319	AC Type		
320	Bldg Use		
321	Total Rooms		
322	Total Bedrms		
323	Total Baths		
324	Heat/AC		
325	Frame Type		
326	Bath/Plumbing		
327	Cutting/Wall		
328	Rooms/Fins		
329	Wall Height		
330	% Conn Wall		
331	Office Bldg		
332	Commercial		
333	Average +10		
334	Shingles		
335	Shingles		
336	Occupancy		
337	Exterior Wall 1		
338	Exterior Wall 2		
339	Roof Structure		
340	Roof Cove		
341	Interior Wall 1		
342	Interior Wall 2		
343	Interior Floor 1		
344	Interior Floor 2		
345	Heating Fuel		
346	Heating Type		
347	AC Type		
348	Bldg Use		
349	Total Rooms		
350	Total Bedrms		
351	Total Baths		
352	Heat/AC		
353	Frame Type		
354	Bath/Plumbing		
355	Cutting/Wall		
356	Rooms/Fins		
357	Wall Height		
358	% Conn Wall		
359	Office Bldg		
360	Commercial		
361	Average +10		
362	Shingles		
363	Shingles		
364	Occupancy		
365	Exterior Wall 1		
366	Exterior Wall 2		
367	Roof Structure		
368	Roof Cove		
369	Interior Wall 1		
370	Interior Wall 2		

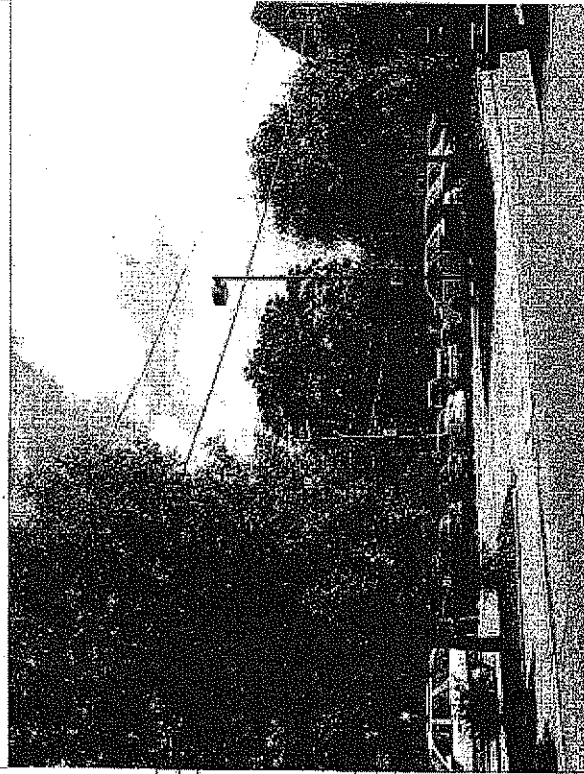
CAPITAL APPRAISAL ASSOCIATES, INC.

CAPITAL APPRAISAL ASSOCIATES, INC.

TAX CARD - SUBJECT PROPERTY

Property Location: 314 HANOVER ST
 Vision ID: 2980
 Account #: 19757636
 MAP ID: 0093 / 0099 /
 Bldg #: 1 of 1
 Sec #: 1 of 1
 Curd 1 of 1
 State Use: 960Y
 Print Date: 12/21/2015 11:10

CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)	
Element	Ch. Description	Element	Ch. Description
Model	000		
	Vacant		
		MIXED USE Code Description 960Y NOTAX CVA Percentage 100	
		COST/MARKET VALUATION Adj. Base Rate: 0.00 Replace Cost AYB EYB Dep Code Remodel Rating Year Renodeled Dep % Functional Obsolescence External Obsolescence Cost Trend Factor Status % Complete Overall % Cond Apprais Val Dep % Ovr Dep Ovr Comment Misc Imp Ovr Misc Imp Ovr Comment Cost to Cure Ovr Cost to Cure Ovr Comment	
OR-OUTBUILDING & YARD ITEMS (X) - BUILDING EXTRA FEATURES (B)			
Code	Description	Est. Price	Est. Value
PAV1	PAVING-ASPH	2006	25
PK1	PARKING-SP	2006	25
LT1	LIGHTS-IN-W	2006	25
BUILDING SUB-AREA SUMMARY SECTION			
Code	Description	Living Area	Gross Area
Tot. Gross Ind. over Area		0	0



TAX CARD - SUBJECT PROPERTY

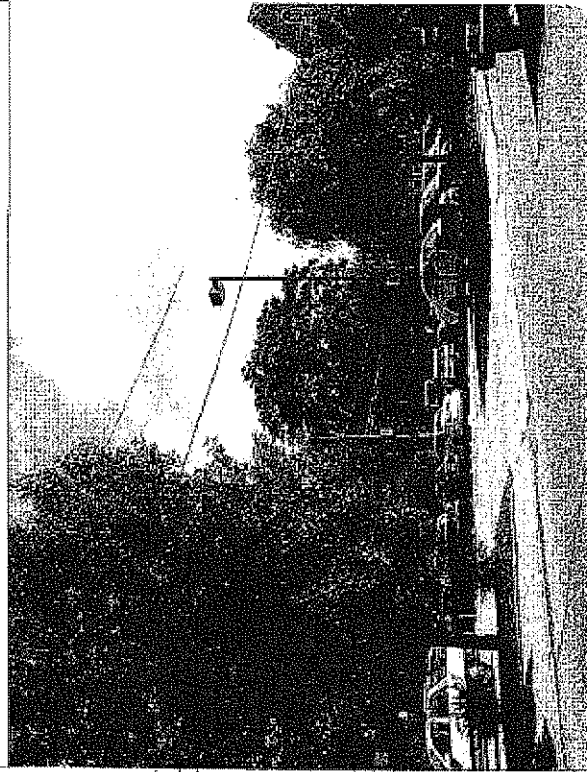
Property Location: 318 HANOVER ST
 Vision ID: 2981
 Account # 19757636
 MAP ID: 0093 / 0010 /
 Bldg # 1 of 1
 Sec # 1 of 1
 Bldg Name:
 State Use: 960V
 Print Date: 12/21/2015 11:10

CURRENT OWNER		TOPG		UTILITIES		STRT/ROAD		LOCATION		CURRENT ASSESSMENT		2017 MANCHESTER, NH	
State of NH	Level	1 Pub	2 Priv	3 Pub	4 Priv	5 Pub	6 Priv	7 Pub	8 Priv	9 Pub	10 Priv	11 Pub	12 Priv
STATE OF NH	1	1	1	1	1	1	1	1	1	1	1	1	1
%DEPT OF EMPLOYMENT SECURITY 52 S MAIN ST CONCORD, NH 03301-4857 Additional Owners:													
Other ID: YES Land Adjust: NO Total SF: 7250 Zone: N Frontage/Dup: No GIS ID: 93-10													
RAD OR CAICAD - 615 Callback Ltr: V Sketch Note: N Land Class: N Parcel Zip: 03104-4957													
ASSOC PID#													
RECORD OF OWNERSHIP STATE OF NH TREISMAN, JASON E TREISMAN, JASON E													
BK-VOL-PAGE SALE DATE 10/4/14 SALE PRICE 4,000,000 5972/1084 07/23/1998 01/04/1983													
EXEMPTIONS Year Type Description Amount Code Description Number Amount General Int													
ASSESSING NEIGHBORHOOD NBRD SUB 605/A STREET INDEX NAME TRACING E													
NOTES STATE PARKING LOT													
APPRAISED VALUE SUMMARY Appraised Blg Value (Card) 0 Appraised XF (B) Value (Bldg) 0 Appraised OB (L) Value (Bldg) 6,500 Appraised Land Value (Bldg) 94,300 Special Land Value 0 Total Appraised Parcel Value 100,800 Valuation Method: C Adjustment: 0 Net Total Appraised Parcel Value 100,800													
VISIT/CHANGE HISTORY Date Type IS ID CL Purpose/Result 01/24/2016 DP 00 Meas & Int Insp. 06/01/2000 DS 14 Other 03/06/1991 00 Meas & Int Insp.													
LAND LINE VALUATION SECTION Use Code Description Zone Frontage Depth Units Unit Price 1 960V NOTAX C YA 7,250 SF 10.40 1,000.00 E 1.00 605 1.25 Total Card Land Units: 6,17 AC Parcel Total Land Area: 17 AC Total Land Value: 94,300													

TAX CARD - SUBJECT PROPERTY

Property Location: 318 HANOVER ST
 Vision ID: 2981
 Account #19757036
 MAP ID: 0093 / 00106 /
 Bldg Name:
 1 of 1 Sec #: 1 of 1 Card 1 of 1
 State Use: 960V
 Print Date: 12/21/2015 11:10

CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)				
Element	Ch. Description	Ch. Description	Ch. Description			
Model	Vacant					
		MIXED USE Code Description 960V NOT A CVA Percentage 100				
		COST/MARKET VALUATION Adj. Base Rate: 0.00 Replace Cost AYB EYB Dep Code Remodel Rating Year Remodeled Exp % Functional Obsolescence External Obsolescence Cost Trend Factor Status % Complete Overall % Cost Apprais Val Dep % Over Dep Over Comment Misc Imp Over Misc Imp Over Comment Cost to Cure Over Cost to Cure Over Comment				
OB-OUTBUILDING & YARD ITEMS (X) BUILDING EXTRA FEATURES (B)						
Code	Description	Units	Unit Price			
PAV1	PAVING-ASPH	5,800	1.50			
PR1	PARKING SPA	10	800			
BUILDING SUB-AREA SUMMARY SECTION						
Code	Description	Living Area	Gross Area	Est. Area	Unit Cost	Undepr. Value
		TL Gross Living Area:		0		



LEGAL DESCRIPTION – SUBJECT PROPERTY

852963

98 JUL 27 PM 1:19

Warranty Deed

Jason E. Treisman, for consideration paid, grants to the State of New Hampshire, c/o Commissioner, New Hampshire Department of Employment Security, 32 South Main Street, Concord, NH 03301-4857, with Warranty Covenants, the following real property, with the buildings and improvements thereon, in Manchester, Hillsborough County, New Hampshire bounded and described as follows.

Three parcels of land on the northerly side of Hanover Street in Manchester, County of Hillsborough, State of New Hampshire bounded and described as follows:

Tract 1

Beginning at the southwest corner of the tract conveyed herein, said point also being the southeast corner of Tract 2 hereinafter described;

Thence northerly one hundred twenty-five (125) feet by the easterly line of said Tract 2 to a passageway;

Thence easterly along the southerly line of said passageway forty-nine (49) feet, more or less, to land now or formerly of Dargon;

Thence southerly by the westerly line of land of said Dargon one hundred twenty-five (125) feet to the north side of said Hanover Street;

Thence westerly forty-nine (49) feet, more or less, by the northerly line of said Hanover Street to the point of beginning.

Tract 2

A certain tract of land with the buildings thereon, situated in Manchester, County of Hillsborough, State of New Hampshire, and more particularly described as follows, to wit:

Southerly on Hanover Street, three hundred one (301) feet;

Westerly on a twenty (20) foot back street or passageway, there measuring one hundred twenty-five (125) feet;

Northerly on a twenty (20) foot passageway, there measuring three hundred one (301) feet;

BK5972P61084

LEGAL DESCRIPTION – SUBJECT PROPERTY

Easterly on said Tract 1, there measuring one hundred twenty-five (125) feet

Tract 3

Southerly by Hanover Street, there measuring fifty-eight (58) feet;

Easterly by land now or formerly by Vitaline Ricard, there measuring one hundred twenty-five (125) feet;

Northerly by a twenty foot passageway, there measuring fifty-eight (58) feet;

Westerly by land formerly owned by Walter Neal, there measuring one hundred and twenty-five (125) feet.

Tracts 1 and 2 are the same premises as described in Warranty Deed from Bertha Treisman Fallman to Jason E. Treisman dated April 14, 1980 and recorded in Hillsborough County Registry of Deeds in Book 2765, Page 0023. Tract 3 are the same premises conveyed to the grantor by deed recorded in said Registry in Book 2880, Page 36.

The foregoing premises are not homestead property.

IN WITNESS WHEREOF, Jason E. Treisman has executed the foregoing on July 23, 1998.

Jason E. Treisman
Jason E. Treisman

State of Florida

County of Duval

On July 23, 1998, personally appeared, before me, the undersigned officer, the within named Jason E. Treisman, who acknowledged the foregoing to be his free act and deed.

Elizabeth W. Farrell
Notary Public
My Commission Expires 10/31/99

OFFICIAL NOTARY SEAL
ELIZABETH W. FARRELL
NOTARY PUBLIC - STATE OF FLORIDA
COMMISSION NO. CCH7432
MY COMMISSION EXPI. OCT. 31, 1999

BK5972PG1085

ENGAGEMENT LETTER


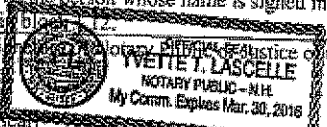

FORM NUMBER P-37 (version 5/8/15)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Employment Security		1.2 State Agency Address 45 South Fruit Street, Concord, NH 03301	
1.3 Contractor Name Capital Appraisal Associates, Inc., VC #156083		1.4 Contractor Address 128 South Fruit Street, Concord, NH	
1.5 Contractor Phone Number 603-228-9040	1.6 Account Number 010-027-8041-500-252	1.7 Completion Date January 15, 2016	1.8 Price Limitation \$4,000.00
1.9 Contracting Officer for State Agency George N. Copadis, Commissioner		1.10 State Agency Telephone Number 603-228-4000	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Timothy R. Daniels, President	
1.13 Acknowledgement: State of NH, County of Merrimack On Dec. 18, 2015, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  Yvette T. Lascelle			
1.13.2 Name and Title of Notary or Justice of the Peace Yvette T. Lascelle, Notary			
1.14 State Agency Signature  Date: 12/23/15		1.15 Name and Title of State Agency Signatory George N. Copadis, Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: _____ On: _____			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

ENGAGEMENT LETTER

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Page 2 of 4

Contractor Initials

Date 12/18/2015

ENGAGEMENT LETTER

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
 - 8.1.2 failure to submit any report required hereunder; and/or
 - 8.1.3 failure to perform any other covenant, term or condition of this Agreement.
- 8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
 - 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
 - 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
 - 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

- 14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and
 - 14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
- 14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Page 3 of 4

Contractor Initials SPD
Date 12/18/2015

ENGAGEMENT LETTER

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Page 4 of 4

Contractor Initials TRD
Date 12/18/2015

ENGAGEMENT LETTER

EXHIBIT A

SCOPE

This document defines specific services to be provided by Capital Appraisal Associates, Inc. ("Contractor") in connection with Commercial Real Estate Appraisals to be performed for New Hampshire Employment Security.

DESCRIPTION OF WORK/REQUIREMENTS

Capital Appraisal Associates, Inc., hereinafter referred to as Contractor, will provide all phases of Commercial Real Estate Appraisal work: provision of factual analysis, opinions and conclusions as to market value presented in a report format. Work performed will conform to all applicable Federal, State and local requirements, including the Uniform Standards of Professional Appraisal Practice.

Contractor guarantees quality of work. Contractor agrees to perform specified services in a professional manner and in accordance with appropriate standards and specifications. Contractor will be responsible for obtaining all materials, permits and approvals, as needed.

Contractor will prepare Commercial Real Estate Appraisals of three (3) NH Employment Security properties located in Manchester, New Hampshire – 300 Hanover Street, 298 Hanover Street and 436 Maple Street. Contractor will provide NH Employment Security a complete Summary Report for each property being appraised.

SAFETY ISSUES AND COMPLIANCE REQUIREMENTS

Safety and protection of NH Employment Security personnel, property and information is of utmost concern in the performance of work under this agreement. Work will interfere as little as possible with NH Employment Security business. Work performed will comply with all state and federal safety laws, rules, regulations and standards to ensure the safety of workers, NHES staff, NHES clients and the general public including, but not limited to, OSHA and U.S. Department of Labor laws and regulations.

ENGAGEMENT LETTER

EXHIBIT B**PRICE FOR SERVICES**

Contractor agrees to provide NH Employment Security with the services indicated in Exhibit A of this Agreement at prices quoted and shown below. Contractor agrees to perform services in a professional manner and to meet appropriate specifications as outlined and approved by the NHES Employment Security representative.

<u>Location</u>	<u>Price</u>
300 Hanover Street, Manchester, NH 03104	\$1,500.00
298 Hanover Street, Manchester, NH 03104	\$1,500.00
436 Maple Street, Manchester, NH 03104	\$1,000.00
TOTAL AGREEMENT NOT TO EXCEED	\$4,000.00

INVOICES

Contractor will invoice NH Employment Security when services have been completed and approved by the NH Employment Security representative. Contractor may invoice as each property has been appraised and a complete Summary Report has been supplied to NHES.

Invoices must include the following:

Brief description of work
Date work was completed
Physical location of job site

All invoices must show sufficient detail of work performed. Payment will be made through normal State payment processes, which is within thirty (30) days following receipt of an approved invoice. Acceptance of the work will be determined by the NH Employment Security representative.

Invoices will be sent to:

Jill Revels
NHES Fiscal Management
45 South Fruit Street
Concord, NH 03301

ENGAGEMENT LETTER

EXHIBIT C

TERM & EXTENSION

This agreement is for a term beginning upon NH Employment Security approval and terminating on or before January 15, 2016.

CONFIDENTIALITY, CRIMINAL RECORD, CERTIFICATE OF GOOD STANDING

Contractor and personnel scheduled to enter NH Employment Security facilities must submit a signed STATEMENT OF CONFIDENTIALITY OF RECORDS FORM (DES 1762) and a CRIMINAL RECORDS FORM (DES 21350) provided by NH Employment Security, if applicable, prior to entrance into a facility. There is a \$25.00 fee for each criminal record check. In connection with the execution of this agreement, the Contractor must provide a current NH CERTIFICATE OF GOOD STANDING (dated April 2015 or later). There is a thirty dollar (\$30.00) fee if applied for in person or a five dollar (\$5.00) fee if applied for by mail.

SUBCONTRACTING

Contractor will not assign, subcontract or otherwise transfer any duties or written performance obligations under this agreement to any other party without the prior written consent of NHES.

DEBARMENT, SUSPENSION, PRIMARY COVERED TRANSACTIONS

Contractor certifies that Capital Appraisal Associates, Inc. and its officers and directors, to the best of their knowledge and belief, are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency. Contractor will inform NHES of any relevant changes in status in keeping with this section.

AMERICANS WITH DISABILITIES ACT

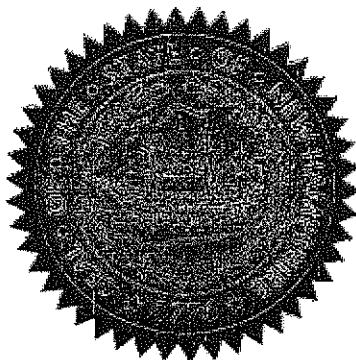
The undersigned agrees to comply with all Federal, State and Local ADA rules and regulations.

ENGAGEMENT LETTER

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CAPITAL APPRAISAL ASSOCIATES, INC. is a New Hampshire corporation duly incorporated under the laws of the State of New Hampshire on September 12, 1996. I further certify that all fees and annual reports required by the Secretary of State's office have been received and that articles of dissolution have not been filed.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 18th day of December, A.D. 2015

A handwritten signature in dark ink, appearing to read "Wm Gardner", is written over a horizontal line.

William M. Gardner
Secretary of State

ENGAGEMENT LETTER**CERTIFICATE OF VOTE****SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF CAPITAL APPRAISAL, INC.**

A special meeting of the Board of Directors of Capital Appraisal Associates, Inc. was held on this date at 11:00 a.m. at 128 South Fruit Street, Concord, New Hampshire. Present at the meeting were all of the members of the board, Timothy R. Daniels and Kathleen J. Daniels.

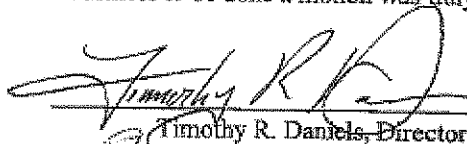
Timothy R. Daniels took the position of chairman of the meeting.

On a motion duly made and seconded, it was unanimously:

RESOLVED: That the Corporation is hereby authorized to enter into a certain agreement with the State of New Hampshire to provide real property appraisal services with regard to three properties located in the City of Manchester and identified as 300 Hanover Street, 298 Hanover Street, and 436 Maple Street that Timothy R. Daniels, being the duly elected and qualified President of the Corporation, is hereby authorized to execute on behalf of the Corporation said agreement and any such other agreements, amendments, instruments, certificates, or documents, and to take any such further action on behalf of the Corporation, as may in his sole judgment be necessary or desirable to effectuate the purposes of said agreement and this resolution; and that any and all actions taken prior to the date of this resolution by any officer, director, employee, or agent of the Corporation in furtherance of the purposes of said agreement or this resolution are hereby ratified and confirmed as the duly authorized actions of the Corporation.

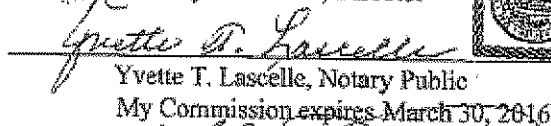
There being no further business to be done a motion was duly made and seconded to adjourn.

12/18/2015
Date



Timothy R. Daniels, Director



12/18/2015
Date

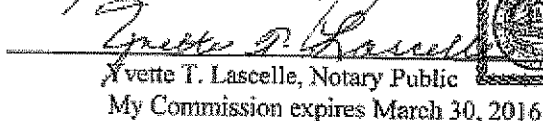

Yvette T. Lascelle, Notary Public
My Commission expires March 30, 2016

12/18/2015
Date


Kathleen J. Daniels, Director



12/18/2015
Date


Yvette T. Lascelle, Notary Public
My Commission expires March 30, 2016

CAPITAL APPRAISAL ASSOCIATES

CAPITAL APPRAISAL ASSOCIATES, INC.

ENGAGEMENT LETTER



CERTIFICATE OF LIABILITY INSURANCE

CAPIAPP-01

MSNELL

DATE (MM/DD/YYYY)

12/21/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Davis & Towle Morrill & Everett, Inc. 115 Airport Road Concord, NH 03301		CONTACT NAME: Mary Ellen Snell, CIC PHONE (A/C, H/O, EMR): (603) 225-6611 FAX (A/C, H/O): (603) 225-7935 E-MAIL ADDRESS:	
INSURED Capital Appraisal Associates, Inc. 128 South Fruit Street Concord, NH 03301		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Merchants Mutual Insurance NAIC # 23329	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	

COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:	
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
INSR LTR	TYPE OF INSURANCE	PROD SUBR INSD / WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		BOP9089726	08/01/2015	08/01/2016
					LIMITS EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ex occurrence) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPOUND AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> HIRED AUTOS		BOP9089726	08/01/2015	08/01/2016
					COMBINED SINGLE LIMIT (Per accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		CUP9139809	08/01/2015	08/01/2016
					EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (Mandatory in NH) If yes, describe below:	Y/N <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	WCA9095641	08/01/2015	08/01/2016
					PER STATUTE <input type="checkbox"/> BY FA <input type="checkbox"/> E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Timothy Daniels and Kathy Daniels are Excluded Officers under the Worker's Compensation

CERTIFICATE HOLDER

State of NH Employment Security
 45 S. Fruit Street
 Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Mary Ellen Snell

ACORD 25 (2014/01)

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CAPITAL APPRAISAL ASSOCIATES, INC.

ASSUMPTION AND LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS

Unless otherwise stated, this appraisal report is subject to the following assumptions and limiting conditions:

1. - No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. - The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. - Responsible ownership and competent property management are assumed.
4. - The property will be operated in conformance with applicable government regulations, codes, ordinances and statutes.
5. - The information furnished by others is believed to be reliable; however, it cannot be guaranteed as being certain. Thus, no warranty is given for its accuracy. No single item of information was completely relied upon to the exclusion of other information.
6. - All engineering is assumed to be correct. No survey of the property has been made by me and no responsibility is assumed in connection with such matters. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. - It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. - 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.
9. - It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
10. - It is assumed that all required licenses, certificates of occupancy, 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 the report is based.
11. - It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. - The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
13. - By reason of this appraisal, I am not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

14. - Information relative to sale transactions has been confirmed by either the buyer, seller, or a third party. Every reasonable attempt has been made by me to verify this information and it is assumed to be reliable. It is specifically assumed that the sales information noted herein is correct.
15. - Unless otherwise stated in this report the existence of hazardous material, which may or may not be present on the property, was not observed by me. I have no knowledge of the existence of such materials on or in the property. However, I am not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that NO HAZARDOUS WASTE or HAZARDOUS MATERIAL, as defined in N.H. RSA 107-A and 107-B or in any similar equivalent federal statute, is present on the appraised property and that with respect to this program embodied in New Hampshire RSA 107-A and 107-B, the Federal Resource Conservation and Recovery Act and Comprehensive Environmental Response, Compensation, and Liability Act, and ANY other applicable state, federal or local hazardous waste statutes. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
16. - Disclosure of the contents of the appraisal report is governed by the bylaws and regulations of the professional appraisal organizations with which I am affiliated.
17. - When the signatory of this appraisal report is a candidate or a member of the Appraisal Institute, its bylaws and regulations require the member or candidate to control the use and distribution of the report. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of the report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared. However, selected portions of this appraisal report may not be given to third parties without the prior written consent of the signatory of the report. Further, neither all nor any part of the appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatory of the report. Nor shall I, the firm, or professional organization of which I am a member be identified without my written consent.
18. - Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the subject property will sell or lease for the indicated amounts.
19. - I have not made a survey or analysis of the subject property to determine whether the physical aspects of the improvements meet the accessibility guidelines specified under Americans with Disabilities Act (ADA). Under ADA guidelines, compliance matches each owner's financial ability with the cost to cure the potential physical deficiencies of the property. Thus, the requirements for compliance can change with each owner's financial ability to correct (cure) the no accessibility problems for the property. Specific studies of the cost-to-cure the deficiencies and the owner's financial ability to afford these costs would be needed for the Departments of Justice to determine compliance.
20. - The estimate of market value presented herein does not consider the effects of potential noncompliance.

21. - All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
22. - Unless so specified within the report, I am unaware of any housing or life, health and safety code violations or deficiencies which may exist in the subject property as of the date of the inspection. This does not preclude the presence of such violations or deficiencies; however, inspection for such items is beyond the scope of my assignment and, therefore, has not been addressed. It should be noted, however, that any physical defects found within the subject property, which may affect value, are addressed according to accepted appraisal practice within the body of the report.

General Limiting Conditions

1. - Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without my written consent, and in any event only with the proper written qualification and only in its entirety.
2. - The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
3. - No environmental impact studies were either requested or made in conjunction with the appraisal, and I hereby reserve the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
4. - This report has been specifically prepared for the purpose and function described within the body of this document. The use of this report for any other purpose or function, without my full written concurrence, renders this report null and void, and discharges me from all liability.
5. - Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and general limiting conditions.

APPRAISER QUALIFICATIONS

**APPRAISAL QUALIFICATIONS
OF
ERNEST TOUMPAS**

New Hampshire
Certified General Appraiser #731

EDUCATION

University of New Hampshire, Durham, NH

1976 - Bachelor of Science - Business Administration

J M B Real Estate Academy, Inc.

2003 - Basics of Real Estate Appraising

2003 - Appraising 1-4 Family Properties

2003 - National Uniform Standards Of Professional Appraisal Practice

2004 - Appraising Income Properties

2005 - Residential Market Analysis and Highest & Best Use

2006 - Residential Site Valuation and Cost Approach

2006 - Advanced Income Property Appraising

2007 - National USPAP Update Seminar

Massachusetts Board of Real Estate Appraisers

2007 - Appraising Complex Residential Properties

Lemay School of Real Estate

2006 - Real Estate Finance

2008 - Beyond Paired Sales

2008 - National USPAP Update Seminar

2010 - Seminar, 2010-2011 National USPAP Update

2012 - Uniform Appraisal Standards for Federal Land Acquisitions

2012 - Seminar, 2012-2013 National USPAP Update

2013 - The Strange Case on Agile Mountain

2014 - Seminar, 2014-2015 National USPAP Update

2015 - Darker Shades of Gray

2015 - Seminar, 2016-2017 National USPAP Update

Trans-American Institute of Professional Studies, Inc.

2008 - Appraising in the Foreclosure Market

2004 - National USPAP Update Seminar

McKissock Education

2009 - Private Appraisal Assignments
 2010 - Residential Report Writing
 2011 - Introduction to Residential Green Building
 2011 - Introduction to Regression Analysis
 2011 - Deriving and Supporting Adjustments
 2013 - Introduction to Expert Witness Testimony
 2014 - Appraisal of Self Storage Facilities

PROFESSIONAL EXPERIENCE**December 2007 - Present**

Certified General Appraiser - Capital Appraisal Associates,
 Real Estate Appraisers and Consultants.

2005 - 2007

Licensed Residential Appraiser - Capital Appraisal Associates,
 Real Estate Appraisers and Consultants.

2003 - 2005

Appraiser/Trainee - Capital Appraisal Associates,
 Real Estate Appraisers and Consultants.

1988 - 2002

New Hampshire Army National Guard
 Military Personnel Technician (1993-2002)
 Personnel Database and Personnel Records Branch Chief
 Property Account Technician (1988-1993)
 1st Battalion 172d Field Artillery
 Stock Control & Accounting Supervisor (1982-1988)

1976 - 1982

Sears Roebuck & Company, Concord, NH
 Division Manager: Hardware, Paint, Electrical, Lawn & Garden

COURT EXPERIENCE

Qualified Expert - United States Bankruptcy Court, District of New Hampshire
 Qualified Expert - State of New Hampshire, Board of Tax and Land Appeal

NH REAL ESTATE CERTIFICATE

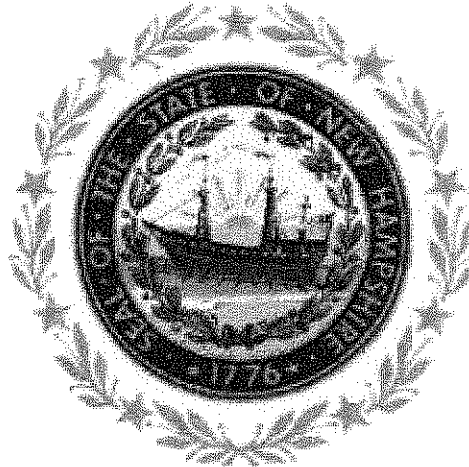
State of New Hampshire

REAL ESTATE APPRAISER BOARD

APPROVED TO PRACTICE AS A

CERTIFIED GENERAL APPRAISER

ISSUED TO: ERNEST TOUMPAS



Certificate No: NHCG-731

EXPIRATION DATE: 12/31/2017

State of New Hampshire

REAL ESTATE APPRAISER BOARD

APPROVED TO PRACTICE AS A

Certified General Appraiser

ISSUED TO: ERNEST TOUMPAS



**Certificate No:
NHCG-731**

**EXPIRATION DATE:
12/31/2017**

For additional information please contact the Board office at dawn.couture@nh.gov or visit our web site at <http://www.nh.gov/nhreab>

EXHIBIT 4

Appraisal of 436 Maple Street, Manchester, NH

**SUMMARY
APPRAISAL REPORT**
of Real Estate

Located At:
436 Maple Street in
Manchester, New Hampshire

Current Owner:
State of New Hampshire

As Of:
January 14, 2016

Report Date:
January 21, 2016

Prepared For:
Mr. George N. Copadis, Commissioner
New Hampshire Employment Security
45 South Fruit Street
Concord, NH 03301

Prepared By:
Ernest Toumpas
NH Certified General Appraiser #731
Capital Appraisal Associates, Inc.
128 South Fruit Street
Concord, New Hampshire 03301

Appraisal File No. 16-11
Federal Tax ID 02-0492128

Capital Appraisal Associates, Inc.

Real Estate Appraisers and Consultants

128 S. Fruit Street, Concord, New Hampshire 03301
Telephone (603) 228-9040, Facsimile (603) 228-2072

January 21, 2016

Mr. George N. Copadis, Commissioner
New Hampshire Employment Security
45 South Fruit Street
Concord, New Hampshire 03301

Re: Summary Appraisal Report of land and buildings
Owner: State of New Hampshire
Located at 436 Maple Street in Manchester, New Hampshire

Dear Mr. Copadis:

As you requested, I have personally made an inspection of the above-captioned property for the purpose of reporting to you my opinion of the subject's "*as is*" fee simple unencumbered *market value* as of **January 14, 2016**. It is my understanding that this report is to be used to assist the client, New Hampshire Employment Security, for potential marketing and/or portfolio management purposes.

This is a Summary Appraisal Report that is intended to comply with the reporting requirements set forth under the 2016-2017 Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation that is not provided with the report concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for unauthorized use of this report.

It should be noted the final reconciled value estimate does not include any value for any F.F. &E., goodwill or any other intangibles. This value estimate represents only the market value of the real estate. Consequently, no allocation of any additional components was applicable.

I hereby certify that I have made an inspection of the property on **January 14, 2016**, that I have taken into consideration all factors which I felt were pertinent to the value estimate, and that I have not knowingly or intentionally omitted any important data.

I further certify that I have no present or contemplated future interest in the property and that my professional appraisal fee is not dependent upon the value estimate. On the basis of my inspection, investigation, study and analysis, I am of the opinion that the "*as is*" fee simple unencumbered *Market Value* of the subject property as of **January 14, 2016**, is **\$95,000**.

Sincerely,

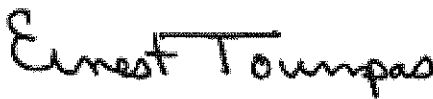
A handwritten signature in black ink that reads "Ernest Toumpas". The signature is written in a cursive style with a large, prominent 'E' and a long horizontal line extending from the 't'.

Ernest Toumpas
NH Certified General Appraiser #731

APPRAISAL CERTIFICATION

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

1. The Statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. 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.
4. I or Capital Appraisal Associates performed an appraisal of the property which is the subject of this report, within the three year period immediately preceding acceptance of this assignment. The effective date of the report was December, 12, 2012.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment is not contingent upon developing or reporting predetermined results.
7. 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
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this certification.
11. On the basis of my inspection, investigation, study and analysis, I am of the opinion that the "as is" fee simple unencumbered *Market Value* of the subject property as of **January 14, 2016**, is **\$95,000**.



Ernest Toumpas
NH Certified General Appraiser #731

COMPETENCY STATEMENT

Ernest Toumpas

Title XI of the Federal Financial Institution's Reform, Recovery and Enforcement Act of 1989 requires the Federal Reserve Board and other federal agencies to issue regulations to protect federal financial and public policy interests in real estate transactions requiring the services of an appraiser. Federal law recognizes the Uniform Standards of Professional Appraisal Practice as the current industry standards and identifies the Appraisal Foundation as the authority for professional appraisal standards.

The uniform standards contain three provisions, one of which is the competency provision which requires appraisers to have the knowledge and experience to complete their assignments competently and contains specific requirements for appraisers who do not possess sufficient competence.

As part of the regulatory process, two primary classifications of appraisers have been established by the State of New Hampshire in accordance with the federal regulations in order to gauge education and competence. The classifications are licensed appraiser and certified appraiser. The licensed appraiser classification identifies those individuals possessing the basic educational and experience requirements needed to competently appraise residential properties, while the general appraiser classification identifies those appraisers who are competent to appraise all types of real estate.

With regards to my competency to complete this assignment, I submit the following:

1. I currently hold the general appraiser certification classification as issued by the State of New Hampshire. My certification number is New Hampshire Certified General Appraiser #731.
2. I have completed numerous appraisals on various types of real estate including vacant industrial, commercial, and residential sites, commercial/industrial and residential subdivisions, various commercial and industrial buildings, restaurants, mixed use properties, multifamily residential complexes, neighborhood retail centers, boarding kennels as well as other non-typical and special use properties.
3. In order to familiarize myself with the local market I have conferred with local Realtors, interviewed numerous local municipal officials, property owners, and tenants. I believe that this research and activity has provided additional insight into the market in which the subject exists and the economic conditions prevalent in the community and the region.

Because of my experience, education, and professional recognition, I possess the necessary background and knowledge to competently complete this assignment.

EXECUTIVE SUMMARY

CURRENT OWNER:

State of New Hampshire

ADDRESS:

436 Maple Street in the City of Manchester, New Hampshire.

SUBJECT:

The subject of this appraisal is a paved parking lot which is located on a 0.16± acre site. The subject is currently used as a 20 space parking lot. The subject has historically been utilized as a parking lot in conjunction with the office building located at 298 Hanover Street. However, per request of the client the subject has been valued as an independent parking facility.

INTEREST VALUED:

Fee Simple Market Value estimate.

DATE OF APPRAISAL INSPECTION:

January 14, 2016, in the company of the owner's agent, Ms. Karen Levchuk.

DATE OF VALUE OPINION:

January 14, 2016, which in this instance is also the date the subject was inspected.

DATE OF REPORT:

January 21, 2016, is the date in which the appraisal report was transmitted.

INDICATED VALUES BY:

Sales Comparison:	Not Applicable
Income Approach:	\$95,000
Cost Approach:	Not Applicable

RECONCILED VALUE ESTIMATE: \$95,000

INTRODUCTION

INTENDED USE:

It is my understanding that this report is to be used to assist the client, New Hampshire Employment Security, for potential marketing and/or portfolio management purposes.

PURPOSE:

The purpose of this appraisal is to estimate “*as is*” market value of the fee simple interest, unencumbered, of the subject property as of **January 14, 2016**, which is the date of inspection of the subject property. In valuing this property, I have considered the actions of the market and have concluded with a market value in consideration of current economic indicators.

LEGAL DESCRIPTION/HISTORY:

Per the tax records, the latest noted transfer of the subject property occurred on March 26, 2001, which was recorded in Hillsborough County Registry of Deeds Book 6381, Pages 777 & 778 and appears to be an arm’s length transfer. This transfer was for two tracts of land identified by the City of Manchester as Map/Lot 93-4 and 93-29. The subject parcel is identified as Map/Lot 93-29. The grantor was noted as Jason E. Treisman and the grantee was noted as the State of New Hampshire, c/o New Hampshire Department of Employment Security, the current owner. Since the purchase in 2001, the improvements appear to have been utilized by the State of New Hampshire as a parking lot in conjunction with the other parcel and office building.

A title search is beyond the scope of this appraisal. The client is advised to employ a qualified attorney if this is felt to be a major issue. A copy of the legal description is included in the addenda. To my knowledge the subject is not currently under contract nor being actively marketed. However, it is reported that the purpose of this appraisal is for establishing market value for possible marketing purposes.

SCOPE:

This appraisal is intended to comply with the reporting requirements set forth under the 2016-2017 Uniform Standards of Professional Appraisal Practice for an Appraisal Report. It is my opinion that this appraisal is not so limited as to result in a mislabeled or confusing report.

The scope of this appraisal included an inspection of the subject property on **January 14, 2016**, and investigation and analyses of the market data which may affect and influence the value of the subject property.

The investigation included research of public records through the use of commercial sources of data such as printed comparable sales data services and computerized databases. Search parameters such as dates of sale, leases, locations, sizes, types of properties, and distances from the subject started with relatively narrow constraints and, if necessary, were expanded until, in the appraiser's opinion, sufficient data was retrieved to estimate market value or until the appraiser believed that the available pool of data was reasonably exhausted. Researched sales data was viewed and, if found to be appropriate, efforts were made to verify the data with persons directly involved in the transactions such as buyers, sellers, brokers or agents. At the appraiser's discretion, some data may have been used without personal verification if, in the appraiser's opinion, the data appeared to be correct. In addition, the appraiser considered any appropriate listings or properties found through observation during the data collection process. Only the data deemed to be pertinent to the valuation of the subject property has been reported.

The appraiser also investigated and analyzed any pertinent easements or restrictions on the fee simple ownership of the subject property. It is the client's responsibility to supply the appraiser with a title report. If no title report was provided, the appraiser relied on a visual inspection to identify any readily apparent easements or restrictions.

ENVIRONMENTAL:

I did not observe any ground contaminants or evidence of waste such as sludge, chemical residue or oil spillage on the subject site. To the best of my knowledge, the subject property has not been recently tested for the presence of any hazardous waste. Based on the OneStop web site as prepared by the NH Environmental Services the environmental history of the subject (based on a search of the subject's address), the web site indicates there are no current or past hazardous waste generators.

It should be noted that I am not an expert in determining the presence or absence of hazardous substances. Therefore, I assume no responsibility for studies or analyses which would be required to conclude the presence or absence of such substances or potential impact as a result of the presence of such substances. This report was prepared under the extraordinary assumption that the subject property is "clean", being free and clear of any hazardous/toxic materials.

SPECIAL ASSUMPTIONS:

Typical limiting conditions and general assumptions are located in the addenda of this report. The subject has historically been utilized as a parking lot in conjunction with the office building located at 298 Hanover Street (see Highest & Best Use, page 19). However, per request of the client the subject has been valued as an independent parking facility.

DEFINITION OF MARKET VALUE:

Market Value

The term Market Value is defined in the 2016-2017 Edition of the Uniform Standards of Professional Practice (Page 180), as *"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:*

- ◆ *Buyer and seller are typically motivated.*
- ◆ *Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- ◆ *A reasonable time is allowed for exposure in the open market;*
- ◆ *Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
- ◆ *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."*

Leased Fee Value

The term Leased Fee Value is defined in the Appraisal of Real Estate, Twelfth Edition, published by the Appraisal Institute as *"an ownership interest held by a landlord with the right of use and occupancy transferred by the lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease."*

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser . . .

1. - Inspected the subject property on January 14, 2016;
2. - Researched and collected market data related to market conditions and market activity;
3. - Confirmed and analyzed the data and applied all applicable approaches to value;
4. - Exercised some degree of due diligence to determine the existence of apparent adverse conditions; and
5. - Arrived at a value conclusion, the results of which are reported as a single point value estimate.

It is important to note this summary appraisal report does not include the following:

1. - Full regional, state, and local analysis
2. - Detailed review of the zoning ordinance which governs the subject property
3. - Review of environmental or other survey reports
4. - Full tax and assessment analysis of the subject property
5. - Full site and improvement analysis
6. - In-depth market and highest and best use analysis.

GENERAL REGIONAL AND MUNICIPAL DATA

The following data has been extracted mostly from published studies by the State Occupational Information Coordinating Committee (SOICC) Of New Hampshire. The information is funded through a grant from the New Hampshire Department of Resources and Economic Development, Office of Business and Industrial Development.

Municipality:

City/Town:	City of Manchester
County:	Hillsborough
Labor Market Area:	Manchester NH Metropolitan NECTA
Planning Commission:	Southern NH
Tourism Region:	Manchester Valley
Regional Development:	Capital Region Development Council

Municipal Services:

Type of Government	Mayor and 14 Aldermen
Planning Board:	Appointed
Industrial Plans:	City Planning Board
Zoning:	1927/2012
Master Plan:	2010
Capital Improvement Plan:	Yes
Full Time Police Department:	Yes
Full Time Fire Department:	Yes
Nearest Hospital:	Elliot; Catholic Medical Center, Manchester
Distance to Hospital:	Local
Number of Beds:	296; 240 staffed beds

Available Utilities:

Electric Supplier:	Eversource Energy
Natural Gas Supplier:	Liberty Utilities
Water Supplier:	Manchester Water Works
Sanitation:	Municipal
Telephone Company:	Fairpoint
Cellular Phone Access:	Yes
Cable Television:	Yes

2014 Tax Burden Allocations:

Residential:	62.0%
Commercial:	35.1%
Public Utilities, Current Use, Other:	2.9%

Housing Statistics (ACS 2009-2013):

Total Estimated Housing Units:	49,025
Single Family Units:	20,904
Two to Four Units:	13,301
Five or More Units:	14,684
Manufactured Housing Units:	136

Demographics:

Population	2013	2010	2000	1990	1980	1970
Community	109,942	109,565	107,219	99,426	90,936	87,754
County	402,979	400,721	382,384	336,549	276,608	223,941

Income Estimate (ACS 2009-2013):

Per Capita Income:	\$28,055
Median Family Income:	\$65,892
Median Household Income:	\$54,496
Average Weekly Wage (2014):	\$ 1,024 (Total, private plus government)

The Top Five Major Employers:

Employer	Product/Services	Employees
Elliott Hospital	Health care	3,375
Catholic Medical Center	Health care	2,100
Eversource Energy	Utility	1,500
Fairpoint	Utility	1,300
TD Bank	Banking services	1,100

Transportation:

Road Access: US Routes	3
State Routes	3A, 28, 28A, 101, 114 & 114A
Nearest Interstate Exit:	I-93, Exit 6 - 8; I-293, Exits 1 - 7 / Local access
Railroad:	Guilford Rail Service
Public Transportation:	MTA
Nearest Commercial Airport:	Manchester-Boston Regional - Local

Distance to Major Metropolitan Areas:

Manchester, NH:	0± miles
Portland, ME:	95± miles
Boston, MA:	53± miles
New York, NY:	253± miles
Montreal, Canada:	259± miles

Commuting Patterns (ACS 2009-2013):

Mean Travel Time to Work:	23.1 minutes
Percent of residents:	
working in the community	47.9%
Commuting to NH community	44.3%
Commuting outside of NH	7.8%

Conclusions:

The City of Manchester is New Hampshire's largest commercial center and is home to a concentration of major malls and outlet stores. The city is an attractive location for both residential, commercial, and industrial development, with several easy access roads to major transportation routes, air service at the Manchester-Boston Regional Airport. Manchester's population density is 3,326.5 persons per square mile of land area. Manchester contains 33.1 square miles of land area and 1.9 square miles of inland water area.

In conclusion, the economy appears to have recovered from the recent recession and over the past few years the general area has seen the real estate markets stabilized with some segments of the market experiencing some growth. However, generally speaking, more recently, over the past year or so, most segments of the commercial and industrial market have reached a plateau where no appreciation or depreciation rates appears to be justifiable. The expected trend for the future is slow but steady growth.

NEIGHBORHOOD ANALYSIS

General

A neighborhood is defined as, "A group of complementary land uses; a related grouping of inhabitants, buildings or business enterprises". A neighborhood should be distinguished from a district, which is defined as, "A market area characterized by one predominant land use - e.g., apartment, commercial, industrial, agricultural".¹ A neighborhood will contain land uses, complementary to one another. For example, predominantly residential neighborhoods typically contain some commercial properties that provide services for the local residents. The boundaries of a neighborhood can be physical, such as a lake, stream, or major highway, or they may be less easily discernible such as changes in prevailing land use or occupant characteristics.

Neighborhood Boundaries

The subject property is located on the corner of Maple and Hanover Street in the City of Manchester, New Hampshire and is in an area zoned for a mix of residential and commercial uses located just a few blocks from the heart of the downtown Manchester area. The immediate boundaries for the subject neighborhood would be most of the commercial and residential uses located along both Maple and Hanover Street as well as the many intersecting streets with Elm Street. However, economically speaking, the neighborhood would include all those areas with similar characteristics to the subject neighborhood.

Character

Access

Access to the subject's neighborhood is good, with Maple Street being a one-way road in a northerly direction and Hanover Street being a two way east and west artery. This neighborhood is within a few blocks from Elm Street which is the main north and south artery in Manchester. The subject neighborhood is also located within 2.0 miles of Interstate 93 which is the main north and south route in the State of New Hampshire.

Uses

Uses in the subject's immediate neighborhood primarily consist of a mix of commercial, retail, along with some mixed use properties having apartments on the upper levels. The subject neighborhood is considered to be approximately 95% built-up with very little in new construction observed, over the past few years. However, there has been several owner occupied properties which have been renovated and/or converted into alternative uses.

¹ The Appraisal of Real Estate (Chicago, Ill: Appraisal Institute, Twelfth Edition, 2001) page 164.

Growth and Development

Life Stage of Neighborhood

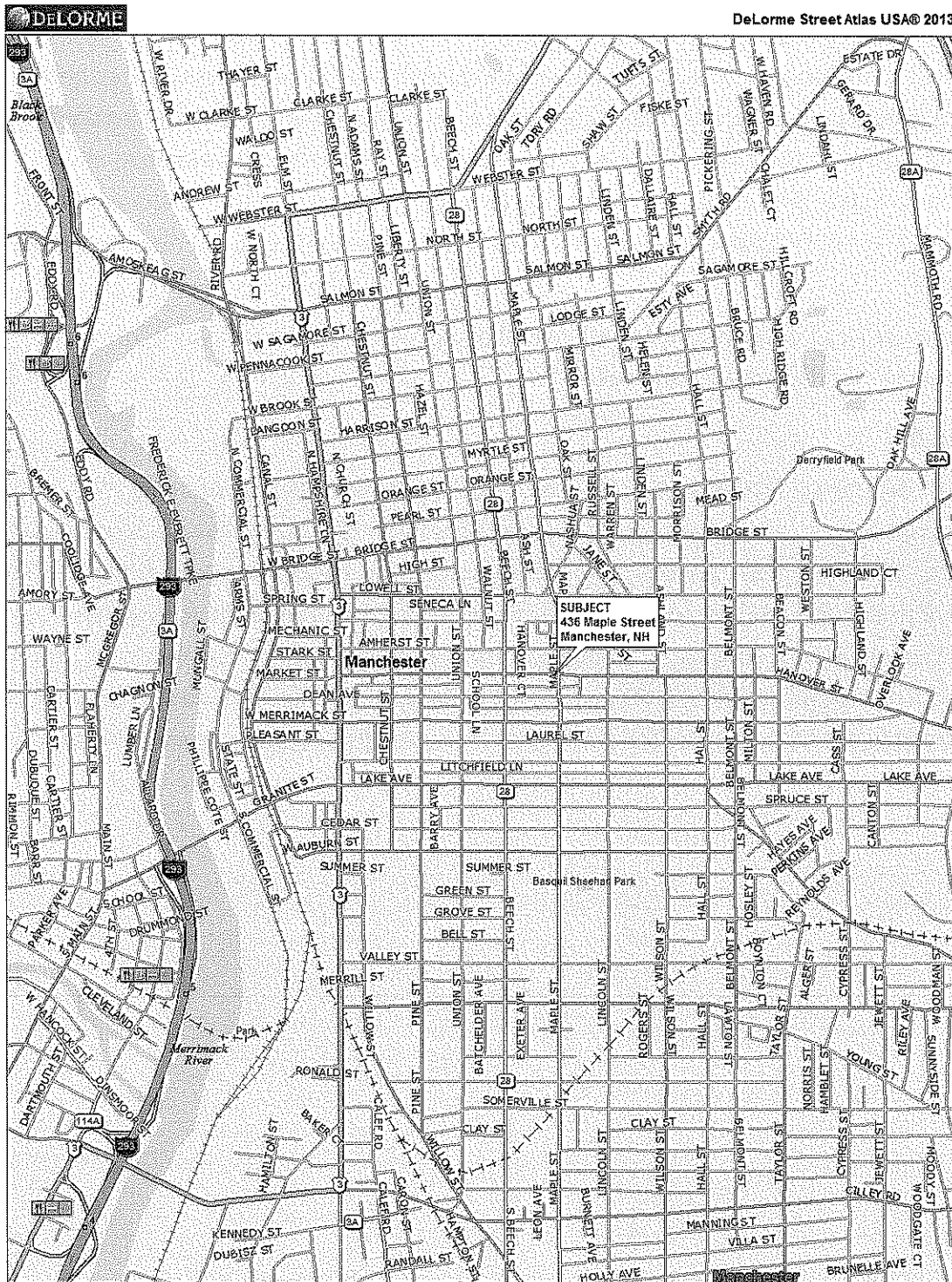
A good majority of the commercial structures in the subject neighborhood are either retail or service related uses. There are several mixed use properties having apartment uses above and a few multifamily homes and a few scattered single family homes are also common in the general market area. The actual age of the majority of the buildings in the subject's general market area is over 100 years. However, most have been restored and their effective ages are much lower.

The life stage of the neighborhood, based on my observations, appears to be one of stability to very limited amounts of growth.

Conclusions

Overall, the subject property enjoys fairly good exposure because of its location. This neighborhood enjoys good infrastructure of street improvements, easy access to downtown Manchester area, as well as easy access to the major highway systems connecting most of New Hampshire to this area, and adequate public services. Generally, most properties in this neighborhood have been adequately maintained and are of good quality and condition. Vacancies in the immediate neighborhood appear to be fairly stable and there appears to be fewer properties for lease than the last few years. Because of its location, this neighborhood will, in my opinion, continue to be a very desirable location in the foreseeable future.

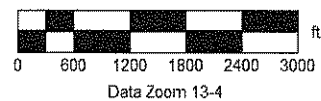
NEIGHBORHOOD MAP



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DESCRIPTION OF THE REAL ESTATE TO BE APPRAISED - SITE

A summary of site characteristics is presented below:

Location: 436 Maple Street in Manchester, N.H.

Owner of Record: State of New Hampshire

Assessment & Taxes:

Map/Block/Lot			Improvements Value	Yard Items Value	Land Value	Total Assessment
93		29	\$0	\$7,100	\$93,700	\$100,800
Total			\$0	\$7,100	\$93,700	\$100,800
2015 Annual Taxes at		\$23.44	Per \$1,000			\$2,363
2014 Equalized Value at		101.00%				\$99,802

*It should be noted that the property is currently State owned and not subject to municipal taxes

Site Description:

According to the city assessment records, the subject consists of a single parcel of land containing 0.16± acres utilized as a parking lot. The parking lot has historically been utilized in conjunction with the office building located at 298 Hanover Street. The parking lot is located on the corner of Hanover and Maple Street with 70± feet of road frontage along the southerly side of Hanover Street, 100± feet of road frontage along the easterly side of Maple Street and 70.00± feet of frontage along the northerly side of Londonderry Lane which is a small alleyway at the rear of the property. Maple Street is a one-way roadway running in a northerly direction. Access to the parking lot appears to be limited to Hanover Street and Londonderry Lane. The topography of the site is generally level. The site is mostly covered by paved parking area which consists of 20 lined spaces.

Flood Hazard:

The subject does not appear to be located in a flood hazard zone as referenced by the National Flood Insurance Program/U.S. Department of Housing & Urban Development flood insurance rate map.

It is noted that I am not qualified to make flood plain determinations. If the client is so concerned, an independent analysis and determination should be conducted by a qualified expert. A copy of the national flood hazard map is included.

Zoning:

According to the city assessing department the subject is located in the R-3 (PO) - Urban Multifamily (Professional Office Overlay) Zoning District. The minimum requirements in this zoning district for non-residential uses is a 10,000 square foot site with 75 feet of road frontage. The minimum requirements in this zoning district for residential uses is a 5,000 square foot site with 50 feet of road frontage. Based on the current zoning requirements the subject site appears to be legal conforming lot of record. Permitted use include most residential uses such as single family, single family attached townhouse dwellings, duplex or two-family, multi-family dwellings, elderly housing or assisted living, elementary or secondary schools, churches, municipal facilities. The Professional Office Overlay District allows for conversion to low-intensity professional office space that are compatible in scale, density and use with the surrounding and adjacent residential neighborhood. The current use as a surface parking lot is a Conditional Use by the Planning Board. The current use, utilized in conjunction with the State office building located at 298 Hanover Street predates the current zoning ordinance and based on conversations with the municipal office, it appears that the current use is legal and conforming. However, as a separate individual lot a new Conditional Use permit may need to be approved by the Planning Board.

It should be noted the determination of zoning compliance is beyond the scope of this appraisal. If the client determines the zoning is or could be an issue, it is advised that the client hire a qualified zoning expert. The previous analysis and conclusions are based on available data obtained from the municipal offices and general conversations with municipal officials.

Easements & Detrimental Conditions:

I was not made aware of any detrimental conditions, easements, restrictions, or encroachments that exist on the subject property, which I would consider to adversely affect the marketability of the subject property. The research required to determine if additional restrictions exist is beyond the scope of this assignment. Typically, deed restrictions are a legal matter which may only be uncovered via a title abstract completed by a qualified attorney or title company. Therefore, if the client is so concerned, it is recommended that a professional title extract be completed by a qualified expert.

Highest & Best Use:

The Highest and Best Use is defined as “*The reasonably probable and legal use of vacant land or an improvement property that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.*”²

As Vacant

Considering the four criteria above, the conclusion of the highest and best use of the site as if vacant is for some type of commercial or residential development permitted by zoning.

As Improved

The subject has historically been utilized as a parking lot in conjunction with the office building located at 298 Hanover Street in order to satisfy the parking requirements within the R-3 (PO) zoning district for a non-residential use.

In my opinion, this appears to be the highest and best use of the subject property. Therefore, the highest and best use as improved is for the continued use as a parking lot in conjunction with the office building located at 298 Hanover Street.

However, per request of the client the subject has been valued as an independent parking lot facility.

² The Appraisal of Real Estate (Chicago, Ill: Appraisal Institute, Twelfth Edition, 2001) page 305

AERIAL VIEW – GOOGLE EARTH



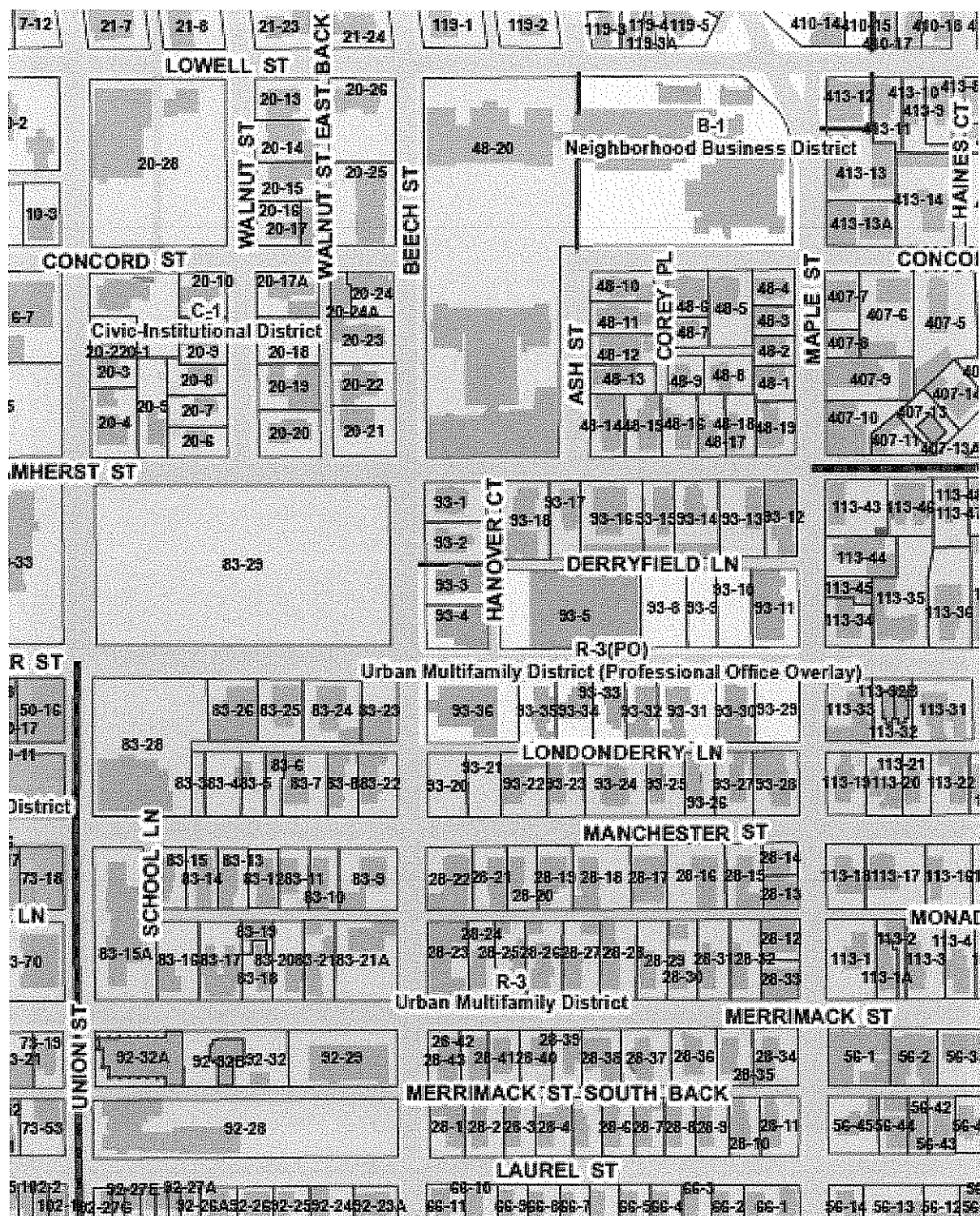
TAX MAP



AERIAL TAX MAP



ZONING MAP



FLOOD MAP



VALUATION PREMISES

General Overview

Every estimate of *market value* includes a presumption that the appraiser will consider and judge the applicability of each of the alternative courses of action potentially available to the decision-maker or purchaser. The realistic alternative choices confronting him (ignoring the alternative to do nothing) are three in number.

Sales Comparison Approach

The purchaser-investor can acquire through purchase an existing substitute property with the same apparent utility. The value of the subject property is measured by the price (s) at which effective substitute properties can be or have been purchased, under similar market conditions. Analyzing sales data for competitive substitute properties constitutes what is called the *Sales Comparison Approach* or what is widely termed the *Market Data Approach*.

Income Capitalization Approach

For income-producing real estate, the purchaser-investor has a third possible choice. He can acquire a substitute investment whose forecasted income stream has the same size, duration, timing, stability, and certainty (or risk) as the income stream forecasted for the subject property. The present worth or capitalized value of such an income stream represents the value of the right to receive that income stream. The cost of acquiring a competitive substitute income stream on the market measures the value of the property rights being appraised. This acquisition cost is calculated by what is usually referred to as the *Income Approach*.

Cost Approach

Alternatively, the purchaser-investor may possibly produce or have produced a substitute property with the same perceived utility as the subject property has. The cost of production of this substitute property, provided it is market-determined, represents another measure of the value of the property being appraised. This cost-of-production figure is derived by what is termed the *Cost Approach*.

VALUATION ANALYSIS

These three alternatives provide the conceptual foundation for approaching the valuation of property rights in real estate. They are interdependent and interrelated, and they all require data from the same market. If good market data is available, the value indications of the three approaches should fall within a fairly narrow range. The three value indicators are reconciled, and a final value conclusion is made. All three approaches are always considered, however, depending on the accuracy, reliability, and pertinence of the market data available for each approach, only one or two approaches may be utilized.

In the valuation of the subject property, the *Sales Comparison Approach* has not been utilized as I was unable to find an adequate number of arm's length comparable sales with which to develop a valuation estimate. There have been some land sales which were either converted into parking or were assembled and at least used for additional parking. However, all of the "true" parking lot sales do not seem to be arm's length. Therefore, a typical *Sales Comparison Approach* was deemed not to be applicable. There is a sufficient amount of income and expense data available from similar competing properties located in the subject's general market area, and therefore, the *Income Approach* has been utilized in this analysis. The *Cost Approach* is only applicable for improved properties. Noting the subject property has little improvements, other than paving and fencing it is my opinion the *Cost Approach* is also not considered to be an applicable approach.

The steps utilized for each appraisal approach used within this report are summarized in greater detail at the beginning of each approach.

INCOME CAPITALIZATION APPROACH

Overview

The *Income Approach* is a "procedure in appraisal analysis which converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate."³

The *Income Approach*, which is related to investor thinking and motivation, is a basic tool for the valuation of income-producing real estate. It is based on the principal of anticipation reflected in the definition of value as the present worth of all the rights to future benefits accruing to ownership. The *Income Approach* is practical only when an income stream attributable to the real estate can be estimated. This income estimate may be developed and supported by comparisons in the local market or, alternatively, by an allocation to the real estate of some portion of the total income derived from the operation of an ongoing commercial use in which the real estate is a contributing component.⁴

The following outline is a step-by-step procedure which is utilized in deriving a value for the subject property.

1. - Estimate market rents to derive Gross Income.
2. - Estimate and deduct the vacancy and credit loss allowance to derive the Effective Gross Income.
3. - Estimate and deduct operating expenses to derive the Net Operating Income for the subject property (before debt service and depreciation).
4. - Select an appropriate capitalization method and develop the Capitalization Rate.
5. - Complete the necessary computations to derive an economic value indication by the *Income Approach*.

The method used for the income approach is the direct capitalization valuation technique, which utilizes capitalization rates derived from market data. The methods employed in the direct capitalization valuation technique are the mortgage equity technique and the debt coverage ratio method.

³ Byrl. N. Boyce, Real Estate Appraisal Terminology, 1984.

⁴ IBID.

Direct Capitalization

Direct capitalization is a method used to convert a single year's income into an indication of value, in one step. Direct capitalization assumes that the income of a property, before any interest or depreciation, can be expressed on a constant dollar or stabilized basis. The following income and expense estimates are based on a stabilized net operating income for the subject property.

Income Analysis

Regardless of the capitalization method employed, it is necessary to estimate, on an annual basis, the potential gross income, vacancy and operating expenses attributable to operation of the real estate as well as the net operating income for the subject property. Contained within the following subsections of this report is the basis for the estimates of the potential gross income as well as the operating expenses for the subject property.

Contract Rents

The subject of this report has historically been utilized as a 20 space parking lot in conjunction with the office building located at 298 Hanover Street. However, as an alternative it could be utilized as an independent parking facility and per request of the client has been appraised as such. Therefore, no actual income and expenses are available. Consequently, only market rents and expenses have been utilized in the following income analysis of the subject property.

Market Rent

Market rent is the rent that a property should receive based upon conditions in the open market. It is analyzed by comparing the rents being paid for similar and competing rental space. Market rent can vary from contract rent which is the rent being paid for the property as stipulated by a lease contract. The subject has historically been utilized as a parking lot in conjunction with the office building located at 298 Hanover Street. However, as an alternative it could be utilized as an independent parking facility and per request of the client has been appraised as such. These types of properties are customarily rented on a gross basis, with the owner being responsible for the all of the property related expenses such as, real estate taxes, heat, water, sewer, management, marketing and advertising, reserves for replacements and any common area expenses.

Although a lease can be drawn to fit any situation, most leases fall into two categories, gross rental lease and net rental lease. In a gross lease, the lessor pays all operating expenses of the real estate and in a net lease, the tenant pays for all of these expenses. In a modified gross lease, the tenant pays for one or two items normally covered under a gross lease. These items can range from utilities, to yard maintenance, but it should be noted that the majority of expenses are still covered by the lessor. On a triple net lease, the owner of the property typically pays for building insurance, property management, some exterior maintenance, and reserves for replacement, with the tenant paying for the remainder of expenses. For this analysis, I have assumed that the subject property's spaces would be leased based on a gross basis.

A survey of rental parking spaces throughout the City of Manchester was conducted to estimate the market rental rate for the subject's parking spaces. Several owners of private lots as well as municipal lot owned by the City of Manchester were surveyed. Based on the survey, a monthly rental rate of between \$55.00 to \$85.00 per month is reasonable and supported for the subject's parking spaces. The majority of the lower rents are on-street permit parking or larger surface parking lots closer to the downtown. The upper end of the rents are also closer to downtown, have covered spaces, and/or are located in more "secure" facilities. Therefore, considering the site's location outside the immediate downtown area, yet noting the property is rather small in size, is in average condition and is an "unsecured" parking lot, it is my opinion a monthly rental rate nearest to the middle of this range is reasonable and well supported. Also, based on this survey, a few respondents noted their typical operating expenses range from 10% to 20% of their gross income. The high end represents the expenses of dedicated standalone parking lots and the lower end represents expenses associated with parking lot operated in conjunction with a commercial building. Also, it should be noted all of the respondents surveyed noted this figure did not take into consideration any vacancy and credit loss or any management fees. This was done as most of the parking lot "managers" were owners, or owners of nearby improved properties which utilized the parking lot for their tenants associated with the buildings. Therefore, both of these anticipated operating costs have to be accounted for as well. Additionally, based on these conversations, as well as others previously appraised by Capital Appraisal Associates, Inc., most parking lot owners noted during the summer months (months without snow), their occupancy level is almost always approaching 90% to 100%, with some noting they have a waiting list for spaces. However, during the winter months at least this rates increases an additional 5% and 10%, depending on the size of the parking lot, in order to leave space to accommodate for snow "removal" or piling. Therefore, for the purposes of this report, I have allocated a reasonable market vacancy and collection loss figure of 10%.

A brief rental study has been included in the addenda of this report. The subject's estimated reconstructed operating statement is located on the following page.

RECONSTRUCTED OPERATING STATEMENT

ESTIMATED OPERATING STATEMENT 436 MAPLE STREET IN MANCHESTER, NEW HAMPSHIRE

Potential Gross Income

Units		Rents	
20	X	\$70.00	Estimated monthly rent

Total Potential Gross Income

Minus 10.00% Vacancy & Collection Loss

Effective Gross Income

Operating Expenses

Fixed Expenses

Property Taxes (Actual calculated)
Insurance (Estimated @ \$40/unit)

Total Fixed Expenses

Variable Expenses

Management & Admin. @ 4.00% Of EGI
Typical Maint. & Repairs 3.00% Of EGI
Legal & Accounting @ 1.00% Of EGI
Reserves for Replacement @ 1.00% Of EGI
Utilities (Included in misc. expense)
Plowing, Grounds, Trash (Estimated expense)
Office & Miscellaneous @ 1.00% Of EGI

Total Variable Expenses

Total Operating Expenses

Net Operating Income

Actual/Projected Rent	
\$-Amount	% Revenue
\$ 16,800	100.0%
\$ 16,800	100.0%
\$ (1,680)	-10.0%
\$ 15,120	90.0%
\$ 2,300	15.2%
\$ 800	5.3%
\$ 3,100	20.5%
\$ 605	4.0%
\$ 454	3.0%
\$ 151	1.0%
\$ 151	1.0%
\$ -	0.0%
\$ 2,500	16.5%
\$ 151	1.0%
\$ 4,012	26.5%
\$ 7,112	47.0%
\$ 8,008	53.0%

Market Development of Capitalization Rate - Direct Capitalization Method

Any interest in real estate that has an income stream can be valued by the direct capitalization method of valuation. Using this process, the value is estimated by dividing the net operating income by an appropriate overall capitalization rate. The formula for this calculation is as follows:

$$\text{Value (V)} = \text{Net Operating Income (NOI)} \div \text{Overall Capitalization Rate (R}_o\text{)}$$

The development of the capitalization rate has been based on three methods: the mortgage equity technique, the debt coverage ratio technique, and the market extraction method of valuation. In order to properly use these techniques, the appraiser has analyzed several elements of the market, such as current interest rates, loan-to-value ratios, current market rental information on similar comparable properties, equity yield rates of investors, holding periods typically found for investment properties similar to the subject, and the general economic and financial climate for properties similar to the subject property.

Summary of the Capitalization Rate Calculations

In order to estimate the overall capitalization rate via these techniques, I have surveyed local lending institutions to arrive at typical financial parameters. In addition to this bank survey I have also utilized periodicals, such as the Appraiser News in order to extract typical rates used throughout various lending institutions. In the following analysis, utilizing the mortgage equity technique and debt coverage ratio method, I have used the following parameters.

Loan to Value Ratio	70%
Mortgage Interest Rate	5.0%
Amortization Term	20 years
Holding Period	10 years
Equity Yield Rate	15%
Debt Coverage Ratio	1.30
Appreciation Rate	Estimated at 1% per year over the holding period, noting that some appreciation is offset by the subject's physical depreciation.

Capitalization Rate – Mortgage Equity Technique**ESTIMATED RATES**

Mortgage Ratio:	70.00 %
Annual Interest Rate:	5.00 %
Amortization Term:	20.00 Years
Equity Yield Rate:	15.00 %
Holding Period:	10.00 Years
Annual Appreciation / Depreciation Rate:	1.00 % per year

CALCULATED CONSTANTS

Rm = Mortgage Constant =	0.0792
1/Sn = Sinking Fund Factor =	0.0493
P = Contribution Factor =	0.3778

RATE CALCULATIONS

Weighted Rate Calculation:	
Mortgage Ratio x Rm =	0.0554
Equity Ratio x Yield Rate =	0.0450
Discount or Weighted Rate =	0.1004 = Rw
Credit for Equity Buildup Calculation:	
Mortgage Ratio x P x 1/Sn =	0.0130 = Re
Appreciation Calculation:	
Appreciation Rate x (-1/Sn) =	-0.0049 = Ra
Overall Cap Rate = Rw - Re + Ra =	0.0825

DEBT COVERAGE RATIO CALCULATION

Overall Rate / { LTV x Rm } =	1.49
--------------------------------------	-------------

OVERALL RATE SUMMARY

Discount or Weighted Rate:	10.04%
Overall Capitalization Rate:	8.25%

Capitalization Rate – Debt Coverage Ratio Method

The formula to derive an overall rate via the debt coverage ratio method is as follows:

$$R_o = DC \times R_m \times M$$

Where;

R_o = Overall Capitalization Rate

DC = Debt coverage Ratio

R_m = Mortgage Constant

M = the Typical Loan-to-Value Ratio

The mortgage constant is a rate which reflects the relationship between debt service and the total principal amount of the mortgage loan.

The loan-to-value ratio is the ratio of the mortgage amount to the estimated market value of the property.

Utilizing this information, the appraiser has estimated a mortgage constant of 0.0792, based on a loan term of 20 years and a loan interest rate of 5.0%. The debt coverage ratio of 1.30, which seems reasonable and typical for the current economic conditions, has been utilized, as well as a 70% loan-to-value ratio which is somewhat standard throughout the financing industry. When these three factors are multiplied by each other, an overall capitalization rate of 7.20% is indicated.

Inserting these financing terms into the debt coverage ratio formula results in an overall rate as follows:

$$R_o = DC \times R_m \times M$$

$$R_o = 1.30 \times 0.0792 \times 0.70$$

$$R_o = 0.0720 \text{ or } 7.20\%$$

SUMMARY OF THE INCOME APPROACH

In estimating the value of the subject property via the income approach, two direct capitalization valuation techniques have been utilized.

First, utilizing current financing criteria, the mortgage equity technique was employed and an overall capitalization rate of 8.25% was indicated. The second technique used was the debt coverage ratio method which also uses current financing criteria. However, the debt coverage ratio method also utilizes the debt coverage ratio typically used by lending institutions. The indicated capitalization rate based on this technique is 7.20%. These two rates are further supported based on figures extracted from RealtyRates.com - Investor Survey for the fourth quarter of 2015 periodical "Average of All Property Types". This survey notes a range in overall capitalization rates, based on these two techniques, using actual market derived information from consummated transactions, as reported by respondents based on actual net operating incomes, was between 3.37% to as high as 23.60%, with an average for the DCR Technique of 8.98% and an average of 9.67% via the Band of Investment Technique.

Adding support for the above noted estimated overall capitalization rate is a periodical from the second quarter of 2015, the PwC Real Estate Investor Survey, published by the Appraisal Institute, the noted Overall Capitalization Rates for all types of properties ranges from 3.50% to 9.00% with a national average of between 5.30% and 6.13%. Also another study of overall capitalization rates extracted from RealtyRates.com - Investor Survey for the fourth quarter of 2015 (latest available), the weighted composite indices was 9.38% which was basically unchanged from the third quarter rate. Most real estate professionals in New Hampshire who use this study tend to agree that the average discount rates are high for New Hampshire, as well as the available returns in alternative type and risk investments. However, in any case, the rate utilized should also consider the risk involved with vacant space and the quality of existing and prospective tenants suitable for the subject property. Therefore, noting that the subject is a small volume parking lot, it is my opinion a rate nearest to the middle of the indicated rates, estimated to be between 8.00% and 9.00%, is most applicable.

Based on the preceding, it is my opinion an overall capitalization rate of 8.50%, is most applicable. Therefore, based on these assumptions, the direct capitalization valuation technique for the subject property is calculated as follows:

$$\text{Net Operating Income (NOI)} \div \text{Capitalization Rate (R}_o\text{)} = \text{Value (V)}$$

$$\text{NOI} - \$8,008 \div \text{R}_o - 0.085 = \text{V} - \$94,212$$

$$\text{Rounded Value Estimate: } \$95,000$$

RECONCILIATION OF APPROACHES

"Reconciliation is the process of coordinating and integrating relating facts in order to develop a unified conclusion." In the estimation of Market Value of the subject property, I have considered the *Sales Comparison Approach*, the *Cost Approach* and the *Income Approach*. All of these approaches are established and recognized appraisal techniques used in the valuation of real estate.

The purpose of reconciliation is to develop the most reliable estimate of value based on analysis of the quantity, quality, and durability of all the data developed. Thus, reconciliation is a review of the data and the various procedures in which the data is utilized within this report.

Each of these approaches has been reviewed separately by comparing to the others in terms of adequacy, defensibility and overall reliability. The results of these appraisal methods are as follows:

Sales Comparison Approach: Not Applicable

Income Approach: \$95,000

Cost Approach: Not Applicable

In my opinion, the *Income Approach* gives the best indication of actions of the buyers and sellers of properties similar to the subject property. As previously noted both the *Sales Comparison Approach* and the *Cost Approach* have not been utilized, as they are not considered to be applicable approaches in valuing a property like the subject.

The *Income Approach*, which is related to investor thinking and motivation, is a basic tool for valuation of income-producing real estate. It is based on the principal of anticipation reflected in the definition of value, *"as the present worth of all rights to future benefits accruing to ownership"*. The income approach is practical only when an income stream attributable to the real estate can be estimated. This income estimate may be developed and supported by comparisons in the local market or, alternatively, by an allocation to real estate of some portion of the total income derived from operation of an ongoing business in which the real estate is a contributing component.

Based on the foregoing, with the only applicable approach being the *Income Approach*, it is my opinion that the market value of the subject property as of **January 14, 2016**, is **\$95,000**.

EXPOSURE TIME

The subject's exposure time is based on a typical effective marketing period for similar competing properties which have sold. Exposure time is always presumed to occur prior to the effective date of the appraisal.

Exposure time is defined by the Appraisal Foundation, USPAP 2016-2017 edition (page 195), as “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; Exposure time is a retrospective opinion based upon an analysis of past events assuming a competitive and open market.”

Exposure time is different for various types of property and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort. This statement focuses on the time component.

Exposure time is one of a series of conditions in most market value definitions. Exposure time may vary greatly depending upon a number of factors including the motivation of the owner, the reasonableness of the offering price, the different marketing avenues, as well as the amounts and willingness of the local financing markets to name just a few. Because all of these factors greatly affect the exposure period of a property, it is very difficult to accurately measure the exposure time for the subject property.

The two best methods of estimating an exposure time are one, through actual sales, and two, through conversations with local real estate brokers. Conversations with local professional real estate brokers indicated that most properties, if reasonably priced, should sell within a twelve month time frame. Also, a review of the comparable sales utilized in the sales comparison approach, revealed that when the sales were marketed at or near the eventual sales price, the exposure period was typically less than twelve months

Based upon the preceding, it is my opinion that a reasonable exposure time for the subject property, based on the previously noted reconciled market value conclusion, would be twelve months or less. This assumes that the subject would be actively marketed by a professional real estate broker, at or near the final reconciled value estimate.

EXHIBITS AND ADDENDA

COMPARABLE RENTAL ANALYSIS

Location	Rate/Terms	Comments
General throughout the City of Manchester, NH	\$55 to \$85 per month	Ms. Denise Boutilier the Parking Manager for the City of Manchester noted all City owned open parking lot spaces are rented for \$60.00 per month and spaces in parking garages are rented for \$75.00 to \$85.00 per month. Downtown and Millyard Zone on-street permits are rented for \$55.00 per month.
25 Vine Street Victory Parking Garage Manchester, NH	\$85.00 per month	This property is located approximately one or two blocks off Elm Street. The lot is available at \$6.00 per day or on a monthly basis. Overall, considered superior.
61 Middle Street Middle St. Parking Lot Manchester, NH	\$75.00 per month	This property is located approximately one or two blocks off Elm Street. The lot is available at \$1.50 per hour or on a monthly basis. Overall, considered fairly similar.
65 Granite Street, Center of NH Garage Manchester, NH	\$75.00 per month	This property is located just off Elm Street. Overall, considered superior as most spaces are covered.
99 Lowell Street Hartnett Parking Lot Manchester, NH	\$60.00 per month	This property is located approximately one or two blocks off Elm Street. The lot is available at \$1.50 per hour or on a monthly basis. Overall, considered fairly similar.
306 Pine Street Pine St. Parking Lot Manchester, NH	\$60.00 per month	This property is located approximately one or two blocks off Elm Street. The lot is available at \$6.00 per day or on a monthly basis. Overall, considered fairly similar.
Kosciusko St. Kosciusko St. Garage Manchester, NH	\$75.00 per month	This property is located approximately one or two blocks off Elm Street in the southern end. Overall, considered fairly similar.
45 Orange Street Pearl Parking Lot Manchester, NH	\$60.00 per month	This property is located approximately one or two blocks off Elm Street. The lot is available at \$1.50 per hour or on a monthly basis. Overall, considered fairly similar.
555 Canal Street Wall St. Tower Garage Manchester, NH	\$60.00 per month	This property is located approximately one or two blocks off Elm Street. Overall, considered fairly similar.
Canal Street Private parking lot Manchester, NH	\$65.00 per month	This property is located approximately one or two blocks off Elm Street. The lot is a private lot in which spaces were rented to allow for abutters parking.
40 Lake Ave. Lake Ave. Parking Lot Manchester, NH	\$60.00 per month	This property is located approximately one or two blocks off Elm Street. Overall, considered fairly similar.

All of the parking rentals are gross leases with the owners of the parking lots paying for all of the operating expenses attributable to the parking garage or parking lot.

SUBJECT ADDENDA

SUBJECT PHOTOGRAPHS



Maple Street Parking Lot



Maple Street Parking Lot

SUBJECT PHOTOGRAPHS



Maple Street – northerly one way



Hanover Street - westerly

TAX CARD - SUBJECT PROPERTY

Property Location: 436 MAPLE ST
 Vision ID: 2959
 Account # 20654336
 MAP ID: 00937 / 00297 /
 Bldg #: 1 of 1
 Card #: 1 of 1
 Bldg Name:
 State Use: 960V
 Print Date: 12/12/2015 11:12

CURRENT OWNER		UTILITIES		STREET/ROAD		LOCATION		CURRENT ASSESSMENT		2017	
State of NH	Current Owner	Level	All Public	Permit	Street Name	Urban	Ordn	Description	Code	Assessed Value	Assessed Value
% COMMISSIONER NH DVT OF EMP 32 S MAIN ST CONCORD, NH 03301 Additional Owners:		1		5	Curb & Gutter			EXM LAND EXEMPT	960V 960V	93,700 7,100	93,700 7,100
SUPPLEMENTAL DATA		RAD OR CALCAD - 720		Callback Ltr		Sheet Note Y		Land Class C		Parcel Zip 03103-4791	
Other ID:		Land Adjust YES		Vested NO		Total SF 7080		Zone		Frontage/Dep No	
GIS ID: 93-29		ASOC PID#		SALE DATE 03/26/2001		U		SALE PRICE \$ 10841985		0	
RECORD OF OWNERSHIP		BK-VOL/PAGE 63810777		SALE DATE 03/26/2001		U		SALE PRICE \$ 10841985		0	
STATE OF NH TREISMAN, JASON E BOULOGHANE JAMES		63810777		10841985		U		0		0	
EXEMPTIONS		Amount		Code		Description		Number		Amount	
Total:											
ASSESSING NEIGHBORHOOD		STREET INDEX NAME		TRACING		BATCH					
NBHD SUB 605/A				E							
NOTES											
PREVIOUS ASSESSMENTS (HISTORY)		Yr		Code		Assessed Value		Yr		Code	
Total:		100,800		100,800		100,800		Total:		100,800	
This signature acknowledges a visit by a Data Collector or Assessor											
APPROPRIATE VALUE SUMMARY		Appraised Bldg. Value (Card)		Appraised XF (B) Value (Bldg)		Appraised OB (L) Value (Bldg)		Appraised Land Value (Bldg)		Special Land Value	
Total Appraised Parcel Value		100,800		100,800		100,800		100,800		100,800	
Valuation Method:		Adjustment									
Net Total Appraised Parcel Value		100,800		100,800		100,800		100,800		100,800	
BUILDING PERMIT RECORD		Permit ID		Issued Date		Type		Description		Amount	
Total:											
VISIT/CHANGE HISTORY		Date		Type		IS		ID		CL	
Total:		01/30/2006		DP		DP		DP		DP	
06/02/2009		DS		DS		DS		DS		DS	
03/08/1991											
LAND LINE VALUATION SECTION		Zone		Frontage		Depth		Units		Unit Price	
Total:		1		7,000		10.71		1,000.00		1.25	
Use Code		Description		Zone		Frontage		Depth		Units	
1		960V NOTAX C VA		1		7,000		10.71		1,000.00	
Total Card Land Units:		0.16		AC		Permit Total Land Area:		0.16		AC	
Total Land Value:		93,700		93,700		93,700		93,700		93,700	

TAX CARD – SUBJECT PROPERTY

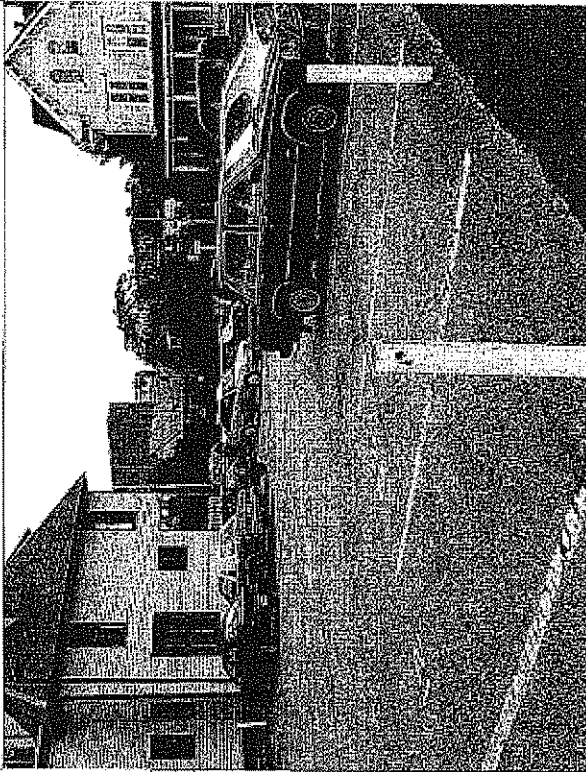
Property Location: 436 MAPLE ST
 Vision ID: 2999

Account #20654336
 MAP ID: 0093 / 0029 /

Bldg Name:
 1 of 1 Sec #: 1 of 1 Card 1 of 1

State Use: 960V
 Print Date: 12/21/2015 11:42

CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)	
Element	Ch. Ch. Description	Element	Ch. Ch. Description
Model	000		
	Vacant		
		MIXED USE Code Description Percentage 960V NOTAX CVA 100	
		COST/MARKET VALUATION Adj. Base Rate: 0.00 Replace Cost AYB EYB Dep Code Remodel Raising Year Remodified Dep % Functional Obsolescence External Obsolescence Cost Trend Factor Status % Complete Overall % Cond Apprais Val Dep % Over Misc Imp Over Misc Imp Over Comment Cost to Cure Over Cost to Cure Over Comment	
		OB-OUTBUILDING & YARD ITEMS (XF-BUILDING EXTRA FEATURES) Code Description Sub Bldg Description L/B Units Unit Price Br. Code Ex. R. Cond. % Cond. App. Value PAVI PAVING-ASP L 5,300 1.50 2006 0 75 7,950 PKI PARKING SPA L 22 0.00 2006 0 75 1,650	
		BUILDING SUB-AREA SUMMARY SECTION Code Description Living Area Great Area Eff. Area Unit Cost Windows Value Tot. Gross Livable Area: 0 0 0	



LEGAL DESCRIPTION – SUBJECT PROPERTY

1020017

2001 MAR 29 AM 11:25

WARRANTY DEED

Jason Treisman, of 5768 West 39th Ave., Boca Raton, FL, for consideration paid, grants to the State of New Hampshire (c/o John J. Ratoff, Commissioner, New Hampshire Department of Employment Security 32 South Main Street, Concord, NH 03301), with Warranty Covenants, the following tract or parcel of land with the buildings and improvements thereon located in Manchester, Hillsborough County, NH and more particularly bounded and described as follows:

Northerly: on Hanover Street, there measuring 70 feet; Easterly: on Maple Street, there measuring 100 feet; Southerly: on a 20 foot passageway there measuring 70 feet; Westerly: by a line parallel with said Maple Street and 70 feet distant therefrom there measuring 100 feet.

Meaning and intending to describe and convey the same premises conveyed to the grantor herein by deed of Boulogne dated October 4, 1985 and recorded in the Hillsborough County Registry of Deeds in Book 3390, Page 646.

Pursuant to RSA 78-B:2(1), no real estate tax is due with respect to this conveyance.

Dated: March 4, 2001

Jason Treisman
Jason Treisman

State of Florida
County of Alachua, ss

Personally appeared, before me, the undersigned officer, the within named Jason Treisman, who acknowledged the foregoing to be his free act and deed.

Dated: March 4, 2001

Christine A. Thompson
Notary Public

Name of Notary

My Commission Expires



BK 6381 PG 1777

#188
10.34
2

NH DEPT
OF EMP.
SECURITY

NO STAMP

ENGAGEMENT LETTER

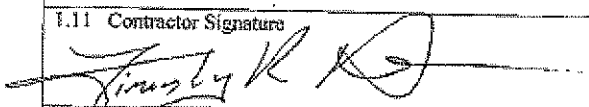
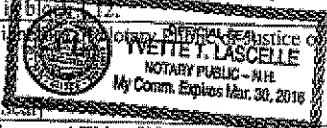

FORM NUMBER P-37 (version 5/8/15)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Employment Security		1.2 State Agency Address 45 South Fruit Street, Concord, NH 03301	
1.3 Contractor Name Capital Appraisal Associates, Inc., VC #156083		1.4 Contractor Address 128 South Fruit Street, Concord, NH	
1.5 Contractor Phone Number 603-228-9040	1.6 Account Number 010-027-8041-500-252	1.7 Completion Date January 15, 2016	1.8 Price Limitation \$4,000.00
1.9 Contracting Officer for State Agency George N. Copadis, Commissioner		1.10 State Agency Telephone Number 603-228-4000	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Timothy R. Daniels, President	
1.13 Acknowledgement: State of NH, County of Merrimack On Dec. 18, 2015, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Notary Public Justice of the Peace  Yvette T. Lascelle			
1.13.2 Name and Title of Notary or Justice of the Peace Yvette T. Lascelle, Notary			
1.14 State Agency Signature  Date: 12/20/15		1.15 Name and Title of State Agency Signatory George N. Copadis, Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: _____ On: _____			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

Page 1 of 4

ENGAGEMENT LETTER

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Page 2 of 4

Contractor Initials

Date 12/18/2015

ENGAGEMENT LETTER

Agreement. This provision shall survive termination of this Agreement.

7.5 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Page 3 of 4

Contractor Initials JED
Date 12/18/2015

ENGAGEMENT LETTER

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Page 4 of 4

Contractor Initials TRD
Date 12/18/2015

ENGAGEMENT LETTER

EXHIBIT A

SCOPE

This document defines specific services to be provided by Capital Appraisal Associates, Inc. ("Contractor") in connection with Commercial Real Estate Appraisals to be performed for New Hampshire Employment Security.

DESCRIPTION OF WORK/REQUIREMENTS

Capital Appraisal Associates, Inc., hereinafter referred to as Contractor, will provide all phases of Commercial Real Estate Appraisal work: provision of factual analysis, opinions and conclusions as to market value presented in a report format. Work performed will conform to all applicable Federal, State and local requirements, including the Uniform Standards of Professional Appraisal Practice.

Contractor guarantees quality of work. Contractor agrees to perform specified services in a professional manner and in accordance with appropriate standards and specifications. Contractor will be responsible for obtaining all materials, permits and approvals, as needed.

Contractor will prepare Commercial Real Estate Appraisals of three (3) NH Employment Security properties located in Manchester, New Hampshire – 300 Hanover Street, 298 Hanover Street and 436 Maple Street. Contractor will provide NH Employment Security a complete Summary Report for each property being appraised.

SAFETY ISSUES AND COMPLIANCE REQUIREMENTS

Safety and protection of NH Employment Security personnel, property and information is of utmost concern in the performance of work under this agreement. Work will interfere as little as possible with NH Employment Security business. Work performed will comply with all state and federal safety laws, rules, regulations and standards to ensure the safety of workers, NHES staff, NHES clients and the general public including, but not limited to, OSHA and U.S. Department of Labor laws and regulations

ENGAGEMENT LETTER

EXHIBIT B**PRICE FOR SERVICES**

Contractor agrees to provide NH Employment Security with the services indicated in Exhibit A of this Agreement at prices quoted and shown below. Contractor agrees to perform services in a professional manner and to meet appropriate specifications as outlined and approved by the NHES Employment Security representative.

<u>Location</u>	<u>Price</u>
300 Hanover Street, Manchester, NH 03104	\$1,500.00
298 Hanover Street, Manchester, NH 03104	\$1,500.00
436 Maple Street, Manchester, NH 03104	\$1,000.00
TOTAL AGREEMENT NOT TO EXCEED	\$4,000.00

INVOICES

Contractor will invoice NH Employment Security when services have been completed and approved by the NH Employment Security representative. Contractor may invoice as each property has been appraised and a complete Summary Report has been supplied to NHES.

Invoices must include the following:

Brief description of work
Date work was completed
Physical location of job site

All invoices must show sufficient detail of work performed. Payment will be made through normal State payment processes, which is within thirty (30) days following receipt of an approved invoice. Acceptance of the work will be determined by the NH Employment Security representative.

Invoices will be sent to:

Jill Revels
NHES Fiscal Management
45 South Fruit Street
Concord, NH 03301

ENGAGEMENT LETTER

EXHIBIT C

TERM & EXTENSION

This agreement is for a term beginning upon NH Employment Security approval and terminating on or before January 15, 2016.

CONFIDENTIALITY, CRIMINAL RECORD, CERTIFICATE OF GOOD STANDING

Contractor and personnel scheduled to enter NH Employment Security facilities must submit a signed STATEMENT OF CONFIDENTIALITY OF RECORDS FORM (DES 1762) and a CRIMINAL RECORDS FORM (DES 21350) provided by NH Employment Security, if applicable, prior to entrance into a facility. There is a \$25.00 fee for each criminal record check. In connection with the execution of this agreement, the Contractor must provide a current NH CERTIFICATE OF GOOD STANDING (dated April 2015 or later). There is a thirty dollar (\$30.00) fee if applied for in person or a five dollar (\$5.00) fee if applied for by mail.

SUBCONTRACTING

Contractor will not assign, subcontract or otherwise transfer any duties or written performance obligations under this agreement to any other party without the prior written consent of NHES.

DEBARMENT, SUSPENSION, PRIMARY COVERED TRANSACTIONS

Contractor certifies that Capital Appraisal Associates, Inc. and its officers and directors, to the best of their knowledge and belief, are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency. Contractor will inform NHES of any relevant changes in status in keeping with this section.

AMERICANS WITH DISABILITIES ACT

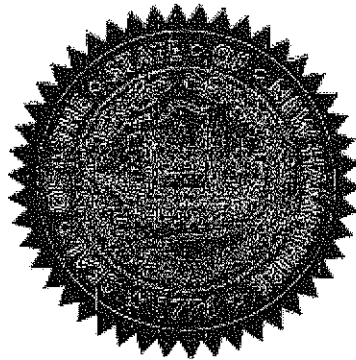
The undersigned agrees to comply with all Federal, State and Local ADA rules and regulations.

ENGAGEMENT LETTER

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CAPITAL APPRAISAL ASSOCIATES, INC. is a New Hampshire corporation duly incorporated under the laws of the State of New Hampshire on September 12, 1996. I further certify that all fees and annual reports required by the Secretary of State's office have been received and that articles of dissolution have not been filed.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 18th day of December, A.D. 2015

A handwritten signature in dark ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

ENGAGEMENT LETTER**CERTIFICATE OF VOTE****SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF CAPITAL APPRAISAL, INC.**

A special meeting of the Board of Directors of Capital Appraisal Associates, Inc. was held on this date at 11:00 a.m. at 128 South Fruit Street, Concord, New Hampshire. Present at the meeting were all of the members of the board, Timothy R. Daniels and Kathleen J. Daniels.

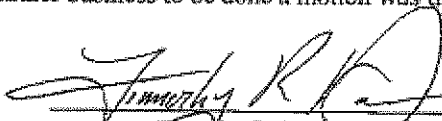
Timothy R. Daniels took the position of chairman of the meeting.

On a motion duly made and seconded, it was unanimously:

RESOLVED: That the Corporation is hereby authorized to enter into a certain agreement with the State of New Hampshire to provide real property appraisal services with regard to three properties located in the City of Manchester and identified as 300 Hanover Street, 298 Hanover Street, and 436 Maple Street that Timothy R. Daniels, being the duly elected and qualified President of the Corporation, is hereby authorized to execute on behalf of the Corporation said agreement and any such other agreements, amendments, instruments, certificates, or documents, and to take any such further action on behalf of the Corporation, as may in his sole judgment be necessary or desirable to effectuate the purposes of said agreement and this resolution; and that any and all actions taken prior to the date of this resolution by any officer, director, employee, or agent of the Corporation in furtherance of the purposes of said agreement or this resolution are hereby ratified and confirmed as the duly authorized actions of the Corporation.

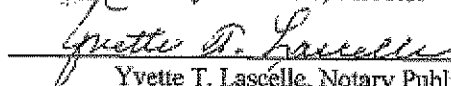
There being no further business to be done a motion was duly made and seconded to adjourn.

12/18/2015
Date



Timothy R. Daniels, Director



12/18/2015
Date


Yvette T. Lascelle, Notary Public
My Commission expires March 30, 2016

12/18/2015
Date


Kathleen J. Daniels, Director



12/18/2015
Date


Yvette T. Lascelle, Notary Public
My Commission expires March 30, 2016

CAPITAL APPRAISAL ASSOCIATES

CAPITAL APPRAISAL ASSOCIATES, INC.

ENGAGEMENT LETTER



CERTIFICATE OF LIABILITY INSURANCE

CAPIAPP-01

MSNELL

DATE (MM/DD/YYYY)

12/21/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. IF SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Davis & Towle Morrill & Everett, Inc.
115 Airport Road
Concord, NH 03301

CONTACT NAME: Mary Ellen Snell, CIC
PHONE (603) 225-6611 FAX (603) 225-7935
E-MAIL ADDRESS:
INSURER(S) AFFORDING COVERAGE

INSURED

Capital Appraisal Associates, Inc.
128 South Fruit Street
Concord, NH 03301

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Merchants Mutual Insurance	23329
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE (MM/DD/YYYY)	POLICY EXP. DATE (MM/DD/YYYY)	LIMITS
A <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO. <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:	BOP9089726	08/01/2015	08/01/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA occurrence) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000
A <input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> HIRED AUTOS	BOP9089726	08/01/2015	08/01/2015	COMBINED SINGLE LIMIT (Per accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A <input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> RETENTION \$ 10,000	CUP9139809	08/01/2015	08/01/2015	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
A <input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	WCA9095641	08/01/2015	08/01/2015	PER \$ STATUTE \$ OTHER \$ EL EACH ACCIDENT \$ 100,000 EL DISEASE - EA EMPLOYEE \$ 100,000 EL DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 401, Additional Remarks Schedule, may be attached if more space is required)
Timothy Daniels and Kathy Daniels are Excluded Officers under the Worker's Compensation

CERTIFICATE HOLDER

State of NH Employment Security
45 S. Fruit Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Mary Ellen Snell

ACORD 25 (2014/01)

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CAPITAL APPRAISAL ASSOCIATES, INC.

ASSUMPTION AND LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS

Unless otherwise stated, this appraisal report is subject to the following assumptions and limiting conditions:

1. - No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. - The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. - Responsible ownership and competent property management are assumed.
4. - The property will be operated in conformance with applicable government regulations, codes, ordinances and statutes.
5. - The information furnished by others is believed to be reliable; however, it cannot be guaranteed as being certain. Thus, no warranty is given for its accuracy. No single item of information was completely relied upon to the exclusion of other information.
6. - All engineering is assumed to be correct. No survey of the property has been made by me and no responsibility is assumed in connection with such matters. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. - It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. - 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.
9. - It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
10. - It is assumed that all required licenses, certificates of occupancy, 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 the report is based.
11. - It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. - The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
13. - By reason of this appraisal, I am not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

14. - Information relative to sale transactions has been confirmed by either the buyer, seller, or a third party. Every reasonable attempt has been made by me to verify this information and it is assumed to be reliable. It is specifically assumed that the sales information noted herein is correct.
15. - Unless otherwise stated in this report the existence of hazardous material, which may or may not be present on the property, was not observed by me. I have no knowledge of the existence of such materials on or in the property. However, I am not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that NO HAZARDOUS WASTE or HAZARDOUS MATERIAL, as defined in N.H. RSA 107-A and 107-B or in any similar equivalent federal statute, is present on the appraised property and that with respect to this program embodied in New Hampshire RSA 107-A and 107-B, the Federal Resource Conservation and Recovery Act and Comprehensive Environmental Response, Compensation, and Liability Act, and ANY other applicable state, federal or local hazardous waste statutes. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
16. - Disclosure of the contents of the appraisal report is governed by the bylaws and regulations of the professional appraisal organizations with which I am affiliated.
17. - When the signatory of this appraisal report is a candidate or a member of the Appraisal Institute, its bylaws and regulations require the member or candidate to control the use and distribution of the report. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of the report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared. However, selected portions of this appraisal report may not be given to third parties without the prior written consent of the signatory of the report. Further, neither all nor any part of the appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatory of the report. Nor shall I, the firm, or professional organization of which I am a member be identified without my written consent.
18. - Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the subject property will sell or lease for the indicated amounts.
19. - I have not made a survey or analysis of the subject property to determine whether the physical aspects of the improvements meet the accessibility guidelines specified under Americans with Disabilities Act (ADA). Under ADA guidelines, compliance matches each owner's financial ability with the cost to cure the potential physical deficiencies of the property. Thus, the requirements for compliance can change with each owner's financial ability to correct (cure) the no accessibility problems for the property. Specific studies of the cost-to-cure the deficiencies and the owner's financial ability to afford these costs would be needed for the Departments of Justice to determine compliance.
20. - The estimate of market value presented herein does not consider the effects of potential noncompliance.

21. - All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
22. - Unless so specified within the report, I am unaware of any housing or life, health and safety code violations or deficiencies which may exist in the subject property as of the date of the inspection. This does not preclude the presence of such violations or deficiencies; however, inspection for such items is beyond the scope of my assignment and, therefore, has not been addressed. It should be noted, however, that any physical defects found within the subject property, which may affect value, are addressed according to accepted appraisal practice within the body of the report.

General Limiting Conditions

1. - Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without my written consent, and in any event only with the proper written qualification and only in its entirety.
2. - The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
3. - No environmental impact studies were either requested or made in conjunction with the appraisal, and I hereby reserve the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
4. - This report has been specifically prepared for the purpose and function described within the body of this document. The use of this report for any other purpose or function, without my full written concurrence, renders this report null and void, and discharges me from all liability.
5. - Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and general limiting conditions.

APPRAISER QUALIFICATIONS

**APPRAISAL QUALIFICATIONS
OF
ERNEST TOUMPAS**

New Hampshire
Certified General Appraiser #731

EDUCATION

University of New Hampshire, Durham, NH

1976 - Bachelor of Science - Business Administration

J M B Real Estate Academy, Inc.

2003 - Basics of Real Estate Appraising
2003 - Appraising 1-4 Family Properties
2003 - National Uniform Standards Of Professional Appraisal Practice
2004 - Appraising Income Properties
2005 - Residential Market Analysis and Highest & Best Use
2006 - Residential Site Valuation and Cost Approach
2006 - Advanced Income Property Appraising
2007 - National USPAP Update Seminar

Massachusetts Board of Real Estate Appraisers

2007 - Appraising Complex Residential Properties

Lemay School of Real Estate

2006 - Real Estate Finance
2008 - Beyond Paired Sales
2008 - National USPAP Update Seminar
2010 - Seminar, 2010-2011 National USPAP Update
2012 - Uniform Appraisal Standards for Federal Land Acquisitions
2012 - Seminar, 2012-2013 National USPAP Update
2013 - The Strange Case on Agile Mountain
2014 - Seminar, 2014-2015 National USPAP Update
2015 - Darker Shades of Gray
2015 - Seminar, 2016-2017 National USPAP Update

Trans-American Institute of Professional Studies, Inc.

2008 - Appraising in the Foreclosure Market
2004 - National USPAP Update Seminar

McKissock Education

2009 - Private Appraisal Assignments
 2010 - Residential Report Writing
 2011 - Introduction to Residential Green Building
 2011 - Introduction to Regression Analysis
 2011 - Deriving and Supporting Adjustments
 2013 - Introduction to Expert Witness Testimony
 2014 - Appraisal of Self Storage Facilities

PROFESSIONAL EXPERIENCE**December 2007 - Present**

Certified General Appraiser - Capital Appraisal Associates,
 Real Estate Appraisers and Consultants.

2005 - 2007

Licensed Residential Appraiser - Capital Appraisal Associates,
 Real Estate Appraisers and Consultants.

2003 - 2005

Appraiser/Trainee - Capital Appraisal Associates,
 Real Estate Appraisers and Consultants.

1988 - 2002

New Hampshire Army National Guard
 Military Personnel Technician (1993-2002)
 Personnel Database and Personnel Records Branch Chief
 Property Account Technician (1988-1993)
 1st Battalion 172d Field Artillery
 Stock Control & Accounting Supervisor (1982-1988)

1976 - 1982

Sears Roebuck & Company, Concord, NH
 Division Manager: Hardware, Paint, Electrical, Lawn & Garden

COURT EXPERIENCE

Qualified Expert - United States Bankruptcy Court, District of New Hampshire
 Qualified Expert - State of New Hampshire, Board of Tax and Land Appeal

NH REAL ESTATE CERTIFICATE

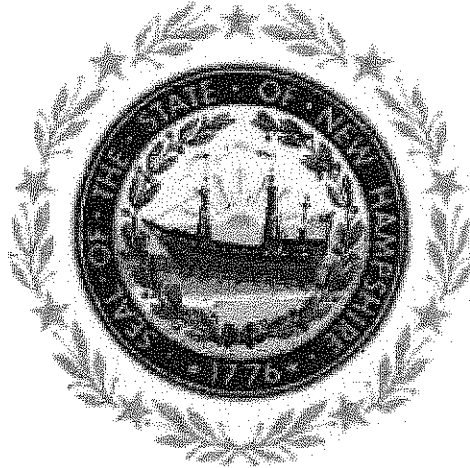
State of New Hampshire

REAL ESTATE APPRAISER BOARD

APPROVED TO PRACTICE AS A

CERTIFIED GENERAL APPRAISER

ISSUED TO: ERNEST TOUMPAS



Certificate No: NHCG-731

EXPIRATION DATE: 12/31/2017

State of New Hampshire

REAL ESTATE APPRAISER BOARD

APPROVED TO PRACTICE AS A

Certified General Appraiser

ISSUED TO: ERNEST TOUMPAS



**Certificate No:
NHCG-731**

**EXPIRATION DATE:
12/31/2017**

For additional information please contact the Board office at dawn.couture@nh.gov or visit our web site at <http://www.nh.gov/nhreal>



JEFFRY A. PATTISON
Legislative Budget Assistant
(603) 271-3161

MICHAEL W. KANE, MPA
Deputy Legislative Budget Assistant
(603) 271-3161

State of New Hampshire
OFFICE OF LEGISLATIVE BUDGET ASSISTANT
State House, Room 102
Concord, New Hampshire 03301

LRCP 12-059

RICHARD J. MAHONEY, CPA
Director, Audit Division
(603) 271-2785


November 28, 2012

George N. Copadis, Commissioner
Department of Employment Security
32 South Main Street
Concord, New Hampshire 03301-4857

Dear Commissioner Copadis,

The Long Range Capital Planning and Utilization Committee, pursuant to the provisions of RSA 4:40, on November 27, 2012, approved the request from the Department of Employment Security, to amend LRCP 12-042, approved by the Long Range Capital Planning and Utilization Committee on September 18, 2012, to allow New Hampshire Employment Security to sell without the services of a real estate broker, for the current market value, the following properties located at: 32-24 South Main St, Concord; 10 West St, Concord; 298 Hanover St, Manchester; and 300 Hanover St, Manchester, assess an Administrative Fee of \$1,100 per property, and allow negotiations within the Committee's current policy guidelines, as specified in the request dated November 14, 2012.

Sincerely,


Jeffry A. Pattison
Legislative Budget Assistant

JAP/pe
Attachment



GEORGE N. COPADIS, COMMISSIONER

November 14, 2012

Honorable John Graham, Chairman
Long Range Capital Planning and Utilization Committee
Legislative Office Building, Room 201
Concord, NH 03301

Dear Chairman Graham:

Requested Action

Pursuant to **RSA 4:40** the **New Hampshire Department of Employment Security (NHES)** requests consent of the Long Range Capital Planning and Utilization Committee to **amend** the Committee's approval dated September 18, 2012 to allow NHES to sell **without the services of a real estate broker** the following properties:

- 32-34 South Main Street, Concord, NH for current market value, assess an administrative fee of \$1,100, and allow negotiations within the Committee's current policy guidelines and that the right of first refusal be treated in the customary manner. According to an appraisal of the property dated July 21, 2011 the property appraised for \$1,750,000.
- 10 West Street, Concord, NH for current market value, assess an administrative fee of \$1,100, and allow negotiations within the Committee's current policy guidelines and that the right of first refusal be treated in the customary manner. According to an appraisal of the property dated July 21, 2011 the property appraised for \$1,700,000.
- 298 Hanover Street, Manchester, NH for current market value, assess an administrative fee of \$1,100, and allow negotiations within the Committee's current policy guidelines and that the right of first refusal be treated in the customary manner. According to an appraisal of the property dated May 27, 2011 the property appraised for \$700,000.
- 300 Hanover Street, Manchester, NH for current market value, assess an administrative fee of \$1,100, and allow negotiations within the Committee's current policy guidelines and that the right of first refusal be treated in the customary manner. According to an appraisal of the property dated May 27, 2011 the property appraised for \$1,500,000.

NHES employees currently housed in these buildings will be relocated to the renovated Tobey Building located in the Hugh Gallen State Office Park at 45 Fruit Street, Concord, NH. The Manchester Local Office, currently located at 300 Hanover Street, will be relocated to another facility in Manchester which has yet to be identified.

Summary

On September 18, 2012 the Committee voted to approve the NHES request to sell the above described properties for the current market value, allowing negotiations within the Committee's current policy guidelines, assess an \$1,100 Administrative Fee per property and that the right of first refusal be treated in the customary manner.

NHES is a proud member of America's Workforce Network and NH Works. NHES is an Equal Opportunity Employer and complies with the Americans with Disabilities Act. Auxiliary Aids and Services are available on request of individuals with disabilities

Telephone (603) 224-3311 Fax (603) 228-4145 TDD/TTY Access: Relay 1-800-735-2964 Web site: www.nhes.nh.gov

Subsequent to the Committee voting to approve the request to sell the above properties, the City of Concord in a letter to Governor Lynch dated October 2, 2012 confirmed Concord's intent to exercise its statutory right of first refusal pursuant to RSA 4:40 to acquire the NHES property located at 32-34 South Main Street, Concord, NH.

On October 17, 2012 the Governor and Executive Council voted to authorize NHES to sell the above described properties pursuant to RSA 4:40 as detailed in the NHES request dated October 9, 2012 and to relocate the employees currently housed in these buildings, to the renovated Tobey Building located in the Hugh Gallen State Office Park, Concord, NH. The Manchester Local Office, will be relocated to another facility in Manchester which has yet to be identified.

Further, as part of the Governor and Executive Council's authorization they accepted the City of Concord's exercise of their statutory right of first refusal to acquire the NHES property located as 32-34 South Main Street, Concord, NH.

NHES is now requesting the Committee to amend its prior approval and allow NHES to sell the above described properties without the services of a real estate broker. In support of this request NHES states as follows:

- Pursuant to NH Laws 2011 Chapter 253 Section V "An amount equal to the proceeds derived from the sale of any of the [NHES] currently owned real estate shall be applied to the bonds and notes issued pursuant to subparagraph V." Therefore, NHES is required pursuant to the Capital Improvement appropriation to apply all proceeds derived from the sale of any NHES property directly to the bonds and notes in order to quickly pay down the amounts borrowed for the renovation of the Tobey building and thus reduce borrowing costs.
- Assuming the NHES properties sell for their appraised value, excluding the property located at 32-34 South Main Street, Concord, NH which the City of Concord has exercised their statutory right of first refusal to acquire, and also assuming a broker's commission of 6% of the selling price for each property then the potential broker's commission for these transactions would be \$234,000 which NHES would be unable to apply to the bonds and notes discussed in NH Laws 2011 Chapter 253 Section V.
- NHES has a full Legal department with attorneys experienced in real estate sales and development and is confident that it can appropriately and legally conduct the sales process.
- If approved to sell without the services of a real estate broker, NHES would handle the process entirely on its own. NHES would issue a request for proposals for offers to purchase the properties. NHES would market the properties utilizing online listing services for commercial property, newspaper advertisements, as well as outreach to real estate developers and brokers. NHES would then conduct tours of the property with interested parties. NHES would accept sealed bids by a specified deadline and then would negotiate the terms of a purchase and sale agreement with the highest qualified bidder subject to approval by the Governor and Executive Council.
- If the offers received by NHES do not meet the requirement contained in RSA 4:40 to sell "at not less than a current market value" then NHES would have the option of enlisting the services of a real estate broker at that point in time.
- Further, if the City of Concord were for some reason unable to complete the transaction pursuant to its statutory right of first refusal for 32-34 South Main Street, Concord, NH then NHES would also look to sell that property without the services of a real estate broker as well.

Background

On June 22, 2011, the House and Senate voted (by voice vote) to adopt the committee of conference report (2011-2429) on HB 25; an act making appropriations for capital improvements. The bill includes the Department's request that capital budget projects include the renovation of the Tobey building and the

construction of the parking garage. The bill also provides for the consolidation of four NHES offices. No general funds are being used for the renovation project and parking garage.

Since then, NHES has retained the architectural firm of Lavallee Brensinger Architects of Manchester, NH to provide design services for the renovation of the Tobey Building. In addition, NHES contracted with DEC-TAM Corporation of North Reading, MA for the internal demolition and abatement of the Tobey Building. NHES expects the construction renovation contract to go before the Governor and Executive Council for approval at its meeting on December 19, 2012.

NHES also began the process of gaining formal approval for the sale of the four properties. Requests for Project Review by the New Hampshire Division of Historical Resources were submitted simultaneously for the properties in Manchester and Concord. Requests for Surplus Land Review Actions were also prepared and submitted to CORD.

32-34 South Main Street Concord, NH

DHR requested that a NH Individual Inventory Form be prepared by an Architectural Historian qualified under 36 CFR 61. NH Individual Inventory Form was completed and submitted by Lisa Mausolf on October 31, 2011. In addition, DHR requested that a historic context study on Mid-Twentieth Century Modern architecture in NH be prepared and presented to the public at a workshop or open house. The study must also be prepared by an Architectural Historian qualified under 36 CFR 61 and completed prior to December 31, 2012. NHES has contracted with Lisa Mausolf to prepare the study and workshop. The study and workshop will be paid by NHES at a cost of \$8,000. To reiterate that stated above, upon completion of the historic context study RSA 227-C:9 will be fully satisfied and there will be no additional studies required or encumbrances on the subject property.

Effective November 10, 2011, CORD took action on the request brought by NHES to sell the property located at 32-34 South Main Street, Concord, NH. CORD voted to recommend approval of the request. During the 60-day waiting period, no state agency expressed interest in the property.

In a letter dated October 24, 2011 the City of Concord expressed the desire to invoke its "right of first refusal" under RSA 4:40 to intervene in the final disposal of the property. The City, using a "Request for Proposals" process, would like the opportunity to select a private developer and enter into a public / private partnership, to redevelop the property.

On September 18, 2012 the Committee voted to approve the NHES request to sell the above described properties for the current market value, allowing negotiations within the Committee's current policy guidelines, assess an \$1,100 Administrative Fee per property and that the right of first refusal be treated in the customary manner.

Subsequent to the Committee voting to approve the request to sell the above properties, the City of Concord in a letter to Governor Lynch dated October 2, 2012 confirmed Concord's intent to exercise its statutory right of first refusal pursuant to RSA 4:40 to acquire the NHES property located at 32-34 South Main Street, Concord, NH.

On October 17, 2012 the Governor and Executive Council voted to authorize NHES to sell the above described properties pursuant to RSA 4:40 as detailed in the NHES request dated October 9, 2012.

Further, as part of the Governor and Executive Council's authorization they accepted the City of Concord's exercise of their statutory right of first refusal to acquire the NHES property located as 32-34 South Main Street, Concord, NH.

10 West Street Concord, NH

As a result of the Request for Project Review by the New Hampshire Division of Historical Resources, DHR indicated that no historic properties were affected. Therefore, the property is not encumbered and available for possible sale.

Effective November 10, 2011, CORD took action on the request brought by the NHES to sell the property located at 10 West Street, Concord, NH. CORD voted to recommend approval of the request. During the 60-day waiting period, no state agency came forward to express interest in the property.

In a letter dated October 24, 2011 the City of Concord expressed the desire to invoke its "right of first refusal" under RSA 4:40 to intervene in the final disposal of the property. The City then withdrew its exercised right of first refusal in a letter dated August 14, 2012.

Granite State Independent Living has also expressed interest in acquiring the property.

On September 18, 2012 the Committee voted to approve the NHES request to sell the above described properties for the current market value, allowing negotiations within the Committee's current policy guidelines, assess an \$1,100 Administrative Fee per property and that the right of first refusal be treated in the customary manner.

On October 17, 2012 the Governor and Executive Council voted to authorize NHES to sell the above described properties pursuant to RSA 4:40 as detailed in the NHES request dated October 9, 2012.

298 Hanover Street, Manchester, NH

DHR requested that a NH Individual Inventory Form be prepared by an Architectural Historian qualified under 36 CFR 61. NH Individual Inventory Form was completed and submitted by Lisa Mausolf on October 31, 2011.

DHR responded in a letter dated December 2, 2011 indicating that while the property is a contributing element to the Janesville area, a potential historic district identified in the City of Manchester, disposal of the property would not have the potential to impact the qualities of the district that make it significant. No additional studies are required. Therefore, the property is not encumbered and available for possible sale.

Effective November 10, 2011, CORD took action on the request brought by NHES to sell the property located at 10 West Street, Concord, NH. CORD voted to recommend approval of the request to sell the property. During the 60-day waiting period, no state agency came forward to express interest in the property.

On September 18, 2012 the Committee voted to approve the NHES request to sell the above described properties for the current market value, allowing negotiations within the Committee's current policy guidelines, assess an \$1,100 Administrative Fee per property and that the right of first refusal be treated in the customary manner.

On October 17, 2012 the Governor and Executive Council voted to authorize NHES to sell the above described properties pursuant to RSA 4:40 as detailed in the NHES request dated October 9, 2012.

300 Hanover Street, Manchester, NH

As a result of the Request for Project Review by the New Hampshire Division of Historical Resources, DHR indicated that there was no potential to cause affects.

Effective January 5, 2012, CORD took action on the request brought by NHES to sell or lease the property located at 300 Hanover Street, Manchester, NH. CORD voted to recommend approval of the request to sell or lease the property. During the waiting period, no state agency came forward to express interest in the property.

On September 18, 2012 the Committee voted to approve the NHES request to sell the above described properties for the current market value, allowing negotiations within the Committee's current policy guidelines, assess an \$1,100 Administrative Fee per property and that the right of first refusal be treated in the customary manner.

On October 17, 2012 the Governor and Executive Council voted to authorize NHES to sell the above described properties pursuant to RSA 4:40 as detailed in the NHES request dated October 9, 2012.

Property Descriptions and Acquisition Costs

NHES believes that, given the Department's current use of the four properties as administrative office space, all four properties should be marketed and sold as commercial office buildings. Per HB-25-FN-A subparagraph V, A proceeds from the sale of the buildings shall be applied to the outstanding bonds and notes.

32 - 34 South Main Street

The property contains two parcels of land totaling .74± acres. The first parcel contains .61± acres of land and includes one building of approximately 22,780 square feet containing a mix of offices, conference rooms, utility spaces and a majority of the parking lot in conjunction with the office building. The second parcel containing .13± acres is utilized as a portion of the parking lot. The building currently houses the Department's administrative functions. These groups will be moving to the Tobey Building located in the Hugh Gallen State Office Park at 45 Fruit Street in Concord upon completion of a renovation project leaving the building at 32 - 34 South Main Street vacant.

The building at 32 - 34 South Main Street was transferred to the State of New Hampshire on 1/2/1979 from the Fayette Street Realty, Inc. - of the J. Slotnik Company. The J. Slotnik Company, the builder, was paid \$47,000 per year for twenty years for the building after which ownership automatically reverted to the State of New Hampshire.

32-34 South Main Street Concord, NH Original Fund Sources

Federal Funds	\$1,112,594	87.69%
Reed Act Funds	\$156,259	12.31%
Total	\$1,268,853	100.00%

The Federal Funds of \$1,112,594 are now restricted and cannot be applied to the bonds and notes used to finance the renovation of the Tobey Building. The Reed Act Funds are restricted and must be returned to the state's account in the Unemployment Trust Fund. The amount credited as Reed Act funds are restricted and may be used only for authorized Reed Act purposes consistent with Reed Act requirements.

10 West Street

The property contains 1.94± acres of land and includes one building of approximately 20,334 square feet containing a mix of offices, conference rooms, and utility spaces. The building currently houses several of the Department's administrative functions, the Economic and Labor Market Information Bureau, and the Concord local office. These groups will be moving to the Tobey Building located in the Hugh Gallen State Office Park at 45 Fruit Street in Concord upon completion of a renovation project leaving the building at 10 West Street vacant.

The property at 10 West Street was purchased from Alvan and Kathleen Traffie on February 2, 1998 for the sum of \$2,553,043. Funds to purchase the property came from:

10 West Street Concord, NH Original Fund Sources

Federal Funds	\$1,345,745.00	52.71%
Penalty and Interest Funds	\$615,274.52	24.10%
Administrative Contribution Funds	\$592,023.48	23.19%
Total	\$2,553,043.00	100.00%

The Federal Funds of \$1,345,745 cannot be applied to the bonds and notes used to finance the renovation of the Tobey Building. The Penalty and Interest Funds may be applied to the bonds and notes or used to support Unemployment Insurance programs. The Administrative Contribution Funds may be applied to the bonds and notes or used to support the Employment Services or Unemployment Insurance programs.

298 Hanover Street, Manchester

The property contains two parcels of land totaling 0.31± acres. The first parcel contains 0.15± acres of land and includes one building of approximately 9,559 square feet containing a mix of offices, training rooms, conference rooms, and utility spaces. The second parcel located on the corner of Hanover Street and Maple Street contains 0.16± acres utilized as a parking lot in conjunction with the office building. The building currently houses the Department's Unemployment Insurance Appeals Unit. This group will be moving to the Tobey Building located in the Hugh Gallen State Office Park at 45 Fruit Street in Concord upon completion of a renovation project leaving the building at 298 Hanover Street vacant.

NHES purchased the 298 Hanover Street property on March 29, 2001 for \$366,500.00 and financed exclusively (100%) from the NHES Penalty and Interest Fund.

298 Hanover Street Manchester, NH Original Fund Sources

Federal Funds	\$0	0.00%
Administrative Contribution	\$364,500	100.00%
Total	\$364,500	100.00%

The Administrative Contribution Funds may be applied to the bonds and notes or used to support the Employment Service or Unemployment Insurance programs.

300 Hanover Street, Manchester

The property contains four parcels of land totaling 1.18± acres. The first parcel contains 0.65± acres of land and includes one building of approximately 20,360 square feet containing a mix of offices, conference rooms, and utility spaces. The other three parcels containing .22± acres, .14± acres, and .17± acres respectively are used as a parking lot in conjunction with the office building. The building currently houses a portion of the Department's Benefit Adjudication Unit and the Wages and Special Programs Unit. These groups will be moving to the Tobey Building located in the Hugh Gallen State Office Park at 45 Fruit Street in Concord upon completion of a renovation project. The building also houses the Manchester local office which will move to a location yet to be determined in the greater Manchester area. These relocations will leave the building at 300 Hanover Street vacant.

NHES purchased the 300 Hanover Street property on July 27, 1998 from Jason E. Treisman in the total amount of \$1,342,559.63 which represents a purchase price of \$1,300,000.00, prorated costs of improvements in accordance with the original lease in the amount of \$34,781.31 and prorated taxes for the first half of the 1998 – 1999 fiscal tax year in the amount of \$7,778.32. NHES purchased the property by exercising an option in its existing lease and was financed exclusively (100%) from the Administrative Contribution Fund.

300 Hanover Street Manchester, NH Original Fund Sources

Federal Funds	\$0	0.00%
Administrative Contribution Funds	\$1,342,560	100.00%
Total	\$1,342,560	100.00%

The Administrative Contribution Funds may be applied to the bonds and notes or used to support Employment Services or Unemployment Insurance programs.

Property Appraisals

Each of the four properties was appraised by Capital Appraisal Associates located in Concord, NH in reports published on July 21, 2011. The "as is" fee simple unencumbered market values of the properties as of June 21, 2011 were:

Property	Appraised Value
32 – 34 South Main Street, Concord, NH	\$1,750,000
10 West Street, Concord, NH	1,700,000
298 Hanover Street, Manchester, NH	700,000
300 Hanover Street, Manchester, NH	1,500,000
Total	\$5,650,000

Sale Transactions

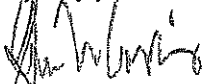
Section 193 of the Workforce Investment Act was amended in 2007 in order to transfer federal equity in state real property to the states under certain guidelines. Specifically, upon the sale or disposition of property in which there is some degree of federal equity, the proportion of the sale proceeds attributable to the federal equity must be used solely for program activities authorized under the Workforce Investment Act, Wagner-Peyser Act (aka Employment Services) or Title III of the Social Security Act (aka Unemployment Insurance). The proceeds cannot be used toward the purchase of real property, nor can they be used to supplement the New Hampshire General Fund.

While federal funding continues to be the primary source of funding for New Hampshire Employment Security, the Department receives supplemental administrative funding under RSA 282-A:87 IV. However, its use is strictly limited to worker training, unemployment insurance, and employment services program activities including rent and the purchase of property where these programs are administered.

There is federal interest in only the two Concord properties. The proportion of federal interest in the 32-34 South Main Street property is 87.69% while the proportion of federal interest at the 10 West Street property is 52.71%.

The estimated value of the federal interest is derived by multiplying the proportion percentage against the appraised value of each property. The appraised value of the 32-34 South Main Street property is \$1,750,000 while the appraised value of the 10 West Street property is \$1,700,000. The resultant federal equity in the 32-34 South Main Street property comes to \$1,534,575 while the 10 West Street federal equity comes to \$896,070. The federal equity for both Concord properties totals \$2,430,645. However, the final federal equity interest is directly dependent upon the final sale prices of the two Concord properties.

Very truly yours,



George N. Copadis
Interim Commissioner

GNC/rjl

New Hampshire Council on Resources and Development

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LRCP 16-006

TDD Access: Relay NH
1-800-735-2964

MEMORANDUM

TO: Commissioner Jeffrey J. Rose
Department of Resources and Economic Development

FROM: Susan Slack, Principal Planner *Susan Slack*
NH Office of Energy and Planning

DATE: January 22, 2016

SUBJECT: Surplus Land Review, SLR 15-007 WARNER

On January 14, 2016, the Council on Resources and Development (CORD) took action on the following Surplus Land Review application from the Department of Resources and Economic Development:

Request to convey by competitive bid a portion of the Davisville State Forest totaling approximately 3 acres, which is encumbered by a utility easement.

CORD members voted to RECOMMEND APPROVAL OF SLR 15-007-WARNER.

cc: Bill Carpenter, Land Agent, NH Department of Resources and Economic Development
Meredith Hatfield, Director, NH Office of Energy and Planning
Rep. Gene Chandler, Chair, Long Range Capital Planning and Utilization Committee

MEMBER AGENCIES: Office of Energy and Planning • Resources and Economic Development • Environmental Services
Agriculture, Markets, and Food • Fish and Game • Safety • Education • Health and Human Services • Transportation
Cultural Resources • Administrative Services • New Hampshire Housing Finance Authority

New Hampshire Council on Resources and Development

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1-800-735-2964

MEMORANDUM

TO: Commissioner Vicki V. Quiram
Department of Administrative Services

FROM: Susan Slack, Principal Planner *Susan Slack*
NH Office of Energy and Planning

DATE: January 22, 2016

SUBJECT: Surplus Land Review, SLR 16-001-Concord

On January 22, 2016, the Council on Resources and Development (CORD) took action on the following Surplus Land Review application from the Department of Administrative Services:

Request from the Department Administrative Services, on behalf of the NH Liquor Commission, to grant a utility easement to Unitil Energy Systems, Inc. and Northern New England Telephone Operations, LLC (FairPoint Communications) as tenants in common on state-owned land at 50 Storrs Street in Concord for construction, installation, operation, maintenance and replacement of transmission and distribution lines and associated service poles and supporting facilities and apparatus as needed to provide electrical and telecommunications service to the NH Liquor Commission Headquarters building.

CORD members voted to RECOMMEND APPROVAL OF SLR 16-001 as submitted, pending no adverse comments received by the close of the 30-day public comment period, which was the close of business on January 18, 2016. No adverse comments were received.

cc: Jared Nylund, NH Department of Administrative Services
Meredith Hatfield, Director, NH Office of Energy and Planning
Chair, Long Range Capital Planning and Utilization Committee