

Pursuant to NH RSA 91-A:2 III (b) PDA Chairman Kevin Smith has declared COVID-19 an emergency condition and has waived the requirement that a quorum be physically present at the Board meeting in accordance with the Governor's Executive Order 2020-04, Section 8, as extended by Executive Order 2020-23, and Emergency Order #12, Sections 3 and 4. PDA Directors will be participating remotely and will identify their location and any person present with them at that location. All votes will be by roll call. Members of the public may participate by using the access information provided. Please note that this meeting will be video / audio recorded.

Join Zoom Meeting:

<https://us02web.zoom.us/j/4518051994?pwd=RExYWVVI4ZnhLM2s4eVVQYXkzY3I5UT09>

Meeting ID: 451 805 1994

Passcode: 557711

Dial by your location: 1 929 205 6099 US (New York)

******Any member of the public having difficulty accessing the Zoom meeting listed above during the public meeting should e-mail: zoom@peasedev.org.***

AGENDA

- I. Call to Order:**
- II. Non-public Session: (Anderson)**
- III. Vote of Confidentiality: (Loughlin)**
- IV. Acceptance of Meeting Minutes of November 19, 2020 * (Levesque)**
- V. Employee Recognitions: ***
- VI. Public Comment:**
- VII. Finance:**
 - A. Executive Summary *
 - B. Reports:
 - 1. FY 2021 Financial Report for the Four Month Period Ending October 31, 2020 *
 - 2. Nine Month Cash Flow Projections to August 31, 2021 *

VIII. Licenses/ROEs/Easements/Rights of Way:

- A. Reports: *
 - 1. TIG – Right-of-Entry - 165 Arboretum Drive
- B. Approvals:
 - 1. NH DOT – Portsmouth Transportation Center Extension of Right-of-Entry *
(Lamson)
 - 2. New England Aerobatic Club – Right-of-Entry - Skyhaven * **(Fournier)**

IX. Leases:

- A. Reports: *
 - 1. Sublease between One New Hampshire, LLC to Triple Crown Consulting

X. Contracts/Agreements:

- A. Approvals:
 - 1. Cross Insurance – PDA Insurance *** **(Ferrini)**
 - 2. USI-New England, Inc. – PDA Insurance *** **(Loughlin)**

XI. Executive Director:

- A. Reports:
 - 1. 2021 Meeting Schedule *
 - 2. Elections (Vice-Chair and Treasurer) *
 - 3. Committee Appointments *
 - 4. PDA Holiday Schedule – 2021 *
 - 5. Golf Course Operations
 - 6. Airport Operations
 - a) Portsmouth International Airport at Pease (PSM)
 - b) Skyhaven Airport (DAW)
 - c) Noise Line Report
 - (i) November 2020 *
- B. Approvals:
 - 1. Bills for Legal Services * **(Fournier)**
 - 2. Bathroom Renovations at Golf Course * **(Anderson)**
 - 3. 30 New Hampshire Ave. – Authorization to sell PDA owned building and to enter long-term ground lease with Spyglass, LLC * **(Levesque)**
 - 4. Volaire Aviation Consulting - Consultant for the preparation of Small Community Air Service Development (SCASD) Grant Application * **(Lamson)**

XII. Division of Ports and Harbors:

- A. Reports:
 - 1. Port Advisory Council – Minutes of October 14, 2020 *
 - 2. Portsmouth Fish Pier – Change Order Approval / H.L. Patten *
 - 3. Commercial Mooring Transfer – Willwerth to Belhumeur *

XIII. New Business:

XIV. Upcoming Meetings:


Airport Committee	TBD
Port Committee	January 7, 2021 @ 8:00 a.m.
Board of Directors	January 21, 2021 @ 8:30 a.m.

All Meetings begin at 8:30 a.m. unless otherwise posted.

XV. Directors' Comments:

XVI. Adjournment:

XVII. Press Questions:

- * Related Materials Attached
- ** Related Materials Previously Sent
- *** Related Materials will be provided under separate cover
- + Materials to be distributed at Board Meeting
-  Confidential Materials



RIGHT TO KNOW UPDATE: Effective January 1, 2018, RSA 91-A, the Right to Know Law was modified to include that "If a member of the public body believes that any discussion in a meeting of the body, including in a nonpublic session, violates this chapter, the member may object to the discussion. If the public body continues the discussion despite the objection, the objecting member may request that his or her objection be recorded in the minutes and may then continue to participate in the discussion without being subject to the penalties of RSA 92-A:8, IV or V. Upon such request, the public body shall record the member's objection in its minutes of the meeting. If the objection is to a discussion in nonpublic session, the objection shall also be recorded in the public minutes, but the notation in the public minutes shall include only the members name, a statement that he or she objected to the discussion in nonpublic session, and a reference to the provision of RSA 91-A:3, II, that was the basis for the discussion."

MOTION – II.

Director Anderson:

The Pease Development Authority Board of Directors will enter non-public session pursuant to NH RSA 91-A:3 for the purpose of discussing:

1. Sale or Lease of Real or Personal Property [RSA 91-A:3, II (d)];
2. Consideration of Legal Advice provided by Legal Counsel [NH RSA 91-A:3, II (l)]; and
3. Consideration of matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the public body itself [NH RSA 91-A:3, II (c)]

NOTE: Roll Call Vote Required



MOTION – III.

Director Loughlin:

Resolved, pursuant to NH RSA 91-A:3, the Pease Development Authority (“PDA”) Board of Directors hereby determines that the divulgence of information discussed and decisions reached in the non-public session of its December 17, 2020, meeting related to the sale or lease of property and the consideration of legal advice from legal counsel and matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the public body itself, would, if disclosed publically, render the proposed actions ineffective and likely affect adversely the reputation of any person other than a member of the public body itself; and further agrees that the minutes of said meeting be held confidential until, in the opinion of a majority of the Board of Directors, the aforesaid circumstances no longer apply.

NOTE: Roll Call vote required



MOTION - IV.

Director Levesque:

I make a motion to approve the minutes of the Pease Development Authority Board of Directors Meeting dated Thursday, November 19, 2020.

NOTE: Roll Call vote required.

**PEASE DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS' MEETING
MINUTES**

Thursday, November 19, 2020

Presiding: Kevin H. Smith, Chairman
 Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; Erik Anderson; Margaret F. Lamson; and Steve Fournier
 Zoom Attendance: Neil Levesque
 Attending: Paul E. Brean, Pease Development Authority ("PDA") Executive Director; Lynn Hinchee, General Counsel; Anthony I. Blenkinsop, Deputy General Counsel; PDA staff members; members of the public.

AGENDA

I. Call to Order:

Vice Chairman Loughlin ("Loughlin") called the meeting to order at **8:03 a.m.** in the Large Classroom at PDA Offices. Seating was socially distanced and masks were required except when speaking.

Chairman Smith was not in attendance at the time of this vote as he was delayed due to an accident on the highway.

Participating remotely were:

Neil Levesque, located in Goffstown, NH with no other individual(s) present.

II. Non-public Session:

Director Levesque **moved** the **motion** and Director Fournier **seconded** that the Pease Development Authority Board of Directors will enter non-public session pursuant to:

1. **Consideration of Legal Advice provided by Legal Counsel [NH RSA 91-A:3, II (l)]; and**
2. **Consideration of matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the public body itself [NH RSA 91-A:3, II (c)].**

Discussion: None. **Disposition:** Resolved by roll call vote (6-0) for; motion **carried**.

Chairman Smith was not in attendance at the time of this vote as he was delayed due to an accident on the highway.

Director Fournier **moved** the **motion** and Director Anderson **seconded** that the Board of Directors come out of non-public, at **9:27 a.m.**

Discussion: None. **Disposition:** Resolved by roll call vote (7-0) for; motion **carried**.

The Board meeting was open to the public at 9:28 a.m.

III. Vote of Confidentiality:

Director Loughlin moved the motion and Director Allard seconded that be it resolved, pursuant to NH RSA 91-A:3, the Pease Development Authority (“PDA”) Board of Directors hereby determines that the divulgence of information discussed and decisions reached in the non-public session of its November 19, 2020 meeting related to the consideration of legal advice from legal counsel and matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the public body itself, would, if disclosed publically, render the proposed actions ineffective and likely affect adversely the reputation of any person other than a member of the public body itself; and further agrees that the minutes of said meeting be held confidential until, in the opinion of a majority of the Board of Directors, the aforesaid circumstances no longer apply.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

IV. Acceptance of Meeting Minutes: October 15, 2020

Director Lamson moved the motion and Director Anderson seconded to approve the minutes of the Pease Development Authority Board of Directors Meeting dated Thursday, October 15, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

V. Public Comment:

There were no public comments.

Chairman Smith took a moment to recognize one of the Pease tenants, Lonza. It was announced recently in the news that two pharmaceutical companies have a vaccine for COVID that appears to be 95% effective. One of the companies is Moderna who has partnered with Lonza. Lonza is such an asset to the community and the state; they have been instrumental in rolling out this vaccine; in record time. Smith further stated we are fortunate to have them in NH / Pease.

VI. Old Business:

A. Approval:

1. Lonza Biologics, Inc. – Waiver of Site Plan Regulations

Director Fournier moved the motion and Director Loughlin seconded that the Pease Development Authority (“PDA”) Board of Directors hereby grants Lonza Biologics, Inc. (“Lonza”) a two (2) year extension to obtain a building permit for its parking expansion project approved by the PDA Board at its December 2019 meeting and thereby waives the requirements of Part 407.01(a) of the PDA Site Plan Review Regulations as strict conformity would pose an unnecessary hardship to the applicant and a waiver would not be contrary to

the spirit and intent of the regulations; all in accordance with the terms and conditions set forth in the memorandum from Maria J. Stowell, P.E. Manager – Engineering, dated November 4, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

VII. Committees:

A. Report:

1. Golf Committee

Director Anderson (“Anderson”) indicated that there was a Golf Committee meeting held on Monday, November 16th, and that several topics were discussed at the meeting. Anderson stated that Golf Course General Manager Scott DeVito fielded a lot of questions that were answered satisfactorily and stated the meeting was productive.

B. Approvals:

1. Golf Car Bid

Director Anderson moved the motion and Director Allard seconded that **in accordance with the recommendation of the Pease Development Authority (“PDA”) Golf Committee, the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into a contract with Five Star Golf Cars and Utility Vehicles (“Five Star”) the lowest qualified bidder for lithium battery powered golf cars, in an amount not to exceed One Hundred Twenty-Four Thousand Three Hundred Eighty Dollars (\$124,380.00) per year for a period of five (5) years (including an option terminate the Contract at the end of four (4) years at the sole discretion of the PDA) for the lease and servicing of 90 (ninety) golf cars as described in the memo by Scott DeVito, Golf Course General Manager, dated November 10, 2020.**

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

2. Tee Time Booking Policy

Smith asked if there were materials on this item; Executive Director Paul Brean (“Brean”) indicated that there were no materials and that this item was discussed in the Golf Committee meeting. Brean further stated that there were some members looking to adjust a change to the online reservation booking time (reservations becoming available at midnight). Golf Course General Manager Scott DeVito (“DeVito”) indicated it is a software issue and PDA’s IT Director is going to work with the entity to see if a modification can be made to allow membership with the ability to make reservations earlier. As such, the policy may be brought back at a later time and no further action is required.

VIII. Finance:

Director Lamson (“Lamson”) asked Finance Director Irv Canner (“Canner”) the meaning of the statement of “keeping track of small and trivial adjustments” stated at the last meeting regarding the report of Berry Dunn. Canner indicated that PDA keeps its June 30th books open until the end of August (when the auditors come in). Canner stated there are invoices that come in during September and October that relate to the fiscal year ending June 30th and there is still an accounting to see whether or not there is a need to book them in the previous fiscal year.

Canner took the opportunity to introduce the Board to Suzy Anzalone who was hired as the Assistant Finance Director who will ultimately replace Canner next year when he retires. Anzalone will be shadowing Canner and at some point in the first quarter, she will be presenting to the Board. Canner indicated that Anzalone has 30-years’ experience, is a CPA in Massachusetts, and was most recently the Director of Finance and Controller at Riverwoods in Exeter. Canner also referenced another transition in Finance, as Senior Accountant Ron Jodz will be retiring in March and he too has an individual in shadowing his position.

A. Executive Summary

Canner highlighted the Executive Summary and stated the operating revenues are ahead of budget as well as operating expenses are below. Canner indicated that the revenues are up primarily due to the golfing revenues (fee revenues which include golf fees) and that the golf course is just about 8% above in rounds played from the prior year. Canner indicated that on the expense side, PDA is 7% below budget due to the cut-off with the auditors. Canner indicated that there are no meaningful trends in the FY21 operating budget. Canner indicated it is important to understand how the operation of the cash balance works; during the first quarter it was necessary to go into the Revolving Line of Credit (“RLOC”) but it was paid off last month from the payments received from grant related receivables. Canner spoke to the RLOC fluctuating as a result of the capital expenditures of grant related projects. Two biggest expenses of the recent drawdown of the RLOC had been due to the runway and terminal projects.

B. Reports:

1. **FY 2021 Financial Report for the Three Month Period Ending September 30, 2020**

Canner indicated the operating revenues being above budget and indicated that parking revenues and fuel flowage fees are slightly below budget due to COVID-19 and flight schedules etc.

Canner indicated that there are 18 salaried benefited positions; 46 hourly benefited (64 positions as well as seasonal positions for a total of 133 people - as of the recent payroll there was a distribution of 123 checks with staffing going down as expected). Canner indicated this will begin to fluctuate in later November/early December due to winter seasonal employees.

Chairman Smith left the meeting around 9:52 a.m. and returned around 9:55 a.m.

Canner spoke to the significant construction activity / expenses (\$6.5 million) at the airport for the terminal and runway projects.

Canner spoke to the airport business unit with enplanements around 30,000; the numbers through October for enplanements is just over 32,000 and that operating revenue are slightly ahead of budget. Canner indicated that at Skyhaven Airport had a positive operating month which are attributed to June fuel sales (50% more in fuel sold); there are a total of 40 planes (7 – tie downs and 33 – have hangars). Canner indicated since PDA took over Skyhaven, the operating losses absorbed by PDA has been \$1.7 million.

Canner spoke to the golf course business unit being over budget (increase in operating revenues and slight increase in operating expenses) which has helped minimized PDA's borrowing need. Canner indicated that the course is expected to be shut down as of November 30th and through September there have been 53,000 rounds of golf (up from the 49,000 rounds last year at that time - being a 7.5% increase in rounds of golf played).

Lamson asked Canner if PDA was under contract for the electric consumption; Canner affirmed and stated it expires next October at a rate of 6.2% to purchase power and PDA's consumption is steady.

Canner stated that the Grill 28 sales are down and have been impacted due to COVID by about 7.5% in comparison to this time last year.

Division of Ports and Harbors, unrestricted funds, are on target and a little below in operating revenues driven by the loss of fuel sales at the Portsmouth Fish Pier (PFP). Restricted funds are Foreign Trade Zone (FTZ), Harbor Dredging, and Revolving Loan Fund (RLF) are in line [with FY2021 operating budgets] and two RLF loan participants have repaid their loans.

2. Nine Month Cash Flow Projections to July 31, 2021

Canner spoke to the need to draw down from the RLOC and he anticipates PDA to be next June. Canner stated this is driven by capital expenditures of \$22 million dollars (\$9.8 million for the terminal project and \$11.4 for the runway project) which will be offset by grant awards with a differential of \$6.6 million being funded by PDA. The flow of FAA reimbursement funding for projects which will be the primary need go into the RLOC.

Canner indicated that there are no significant surprises regarding the unrestricted funds for DPH and that a big source of its funding will be with the collection of mooring fees in January and February.

IX. Licenses/ROEs/Easements/Rights of Way:

A. Reports:

1. AeroClave, LLC – Portion of Hangar 227 – 14 Aviation Avenue

Executive Director Brean (“Brean”) indicated in accordance with the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements,” PDA entered into

the following license with AeroClave LLC for a Right-of-Entry at Hangar 227 located at 14 Aviation Avenue for the temporary use of cold storage on the Premises for the staging, storage, and breakdown of aviation related equipment only (no equipment maintenance or other maintenance or mechanical related activities are permitted on the Premises), through April 30, 2021.

X. Contracts / Agreements:

A. Approvals:

1. Maintenance Vehicle Replacement, 2020 Chevrolet 2500 pickup

Director Loughlin moved the motion and Director Lamson seconded that **the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to purchase a 2020 Chevrolet Silverado 2500 replacement vehicle to be utilized by PDA Maintenance Staff for Airfield and Tradeport daily maintenance concerns and transportation; all in accordance with the memorandum of KC Conley, Fleet Manager, dated November 9, 2020.**

In accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement as this vehicle will be purchased under the State of New Hampshire's Vehicle Procurement Contract for a price of \$39,160.00.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

XI. Executive Director:

A. Reports:

1. Golf Course Operations

DeVito indicated that the course set a record this year with 61,500 rounds of golf this year. Smith asked DeVito if he heard him correctly that Pease hit a record this year in rounds played; DeVito affirmed and indicated that for a calendar year there were a little over 55,000 rounds of golf played. Smith indicated that despite being shut down for ten weeks a record number was hit; DeVito affirmed and further indicated it was a national trend (out of work or working remotely). Brean commended DeVito and his team on how they reinvented how to do business safely under the CDC guidelines due to COVID.

DeVito indicated that the course will close on November 30th and he has been working with engineering as the blue course will close next week so they can get in and do the work on the oil / water separator. The course will be operating only nine (9) holes for the remainder of the season.

DeVito stated staff are reviewing the paperwork for next year's membership and this is the first time in 15 years he has a waiting list (15 people). DeVito stated up to January 31st those current members have an opportunity to renew; the first part of February if there are any open memberships available staff will start filling those openings with those on the waiting list.

DeVito indicated that maintenance has put the course to bed for the season (irrigation has been turned off) and hoping that December will be conducive so that maintenance can work toward putting the holes to bed.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean indicated that the 11,000 feet of runway reconstruction has been completed and there will be some touchup work that will be conducted in the spring. Brean indicated that troop flights could not operate during the runway reconstruction but they have returned as well as heavy aircraft activity resulting in an increase to the fuel flowage fee. Brean also indicated that PSM is over its AIP, as enplanements are at 32,000 and it is anticipated that charter enplanements will continue to uptick as well. Brean indicated that revenue parking had 295 transactions and fuel flowage is at 50% from normal.

Brean stated that the terminal project is moving ahead and that staff and contractors are reviewing the work orders for the finish work etc. Brean indicated that TSA plans on opening the new security checkpoint on January 4th (federal stakeholders had advocated of the need for two security checkpoint lanes).

Brean indicated that he had been notified by Allegiant of the extension of its schedule out to April to Punta Gorda and Sanford; due to the pandemic will wait to see whether they offer Myrtle Beach in the Spring. Further, Brean indicated that commitments have been made by Altas, Sun Country, and National airlines have confirmed troop and charter activity for international destinations.

b) Skyhaven Airport (DAW)

Brean spoke to the momentum at Skyhaven, some of which was due to PSM's two week runway closure this summer as smaller activity shifted from PSM to Skyhaven for a couple of weeks. Also there were a couple of entities that operated out of DAW for banner activity that operated over summer and the negotiations have been finalized with T-Aviation of a maintenance / repair facility at Skyhaven which will serve the based aircraft at the airport.

c) Noise Line Report

(i) October 2020

Brean indicated that there were three (3) noise inquiries during the month of October and all were related to heavy C5 activity (touch / goes of low flying aircraft) calls originating from Rye, Newmarket and Portsmouth. Brean indicated that ATC indicated that there was nothing out of the normal for this flight pattern and that due to the size of the aircraft it appears to be flying lower than normal.

Lamson asked where the runway project is complete, why the Pike sign is still up on Arboretum; Brean indicated that it is still an active construction site (breaking down some materials, electrical as well as next spring another layer of pavement marking on the run way and addition pavement of taxiways that go out to the runway). Brean indicated that the sign is up for public safety / knowledge of the site location; Lamson was content with the response provided and no action was requested.

B. Approval:

1. Bills for Legal Services

Director Allard moved the motion and Director Anderson seconded that the Pease Development Authority (“PDA”) Board of Directors approved of and authorized the Executive Director to expend funds in the amount of \$20,793.00 for legal services rendered to the Pease Development Authority by Sheehan Phinney Bass & Green from September 1, 2020 – September 30, 2020 in support of MS4 and CLF settlement implementation and to reimburse Sheehan Phinney Bass & Green in the amount of \$1,826.00 for third party environmental services rendered to the Pease Development Authority associated with the MS4 permit implementation for services through November 1, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

2. FAA Release – 30 New Hampshire Avenue – Spyglass

Director Levesque moved the motion and Director Lamson seconded that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to prepare and file a request to Gail Lattrell, Director of the Federal Aviation Administration Airport Division New England Region, to seek a release of certain non-aeronautical revenue producing property within the Business and Commercial Zone of the Pease International Tradeport, specifically the 36,000 square foot building owned by the PDA located at 30 New Hampshire Avenue, from federal grant assurances and other airport obligations. This release is intended to facilitate the potential sale of that 36,000 square foot building to Spyglass Development, LLC, and the entry of a long-term ground lease for the premises at 30 New Hampshire Avenue, which sale and lease would require the further approval of this Board; all as substantially set forth in the memorandum from Executive Director Paul E. Brean dated November 12, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

Anderson asked at a later date, pending the approval, of a valuation of the property; Brean indicated that the proposal was received with two Fair Market Value (FMV) appraisals and that the FAA may require a review of the appraisals. Brean indicated that he and staff have reviewed the appraisals and that they are up to par. Anderson spoke of the substantial improvements being performed by Spyglass to the facility which would increase the valuation; Brean affirmed that would be after the sale of the PDA portion of the building. Anthony I. Blenkinsop, Deputy General Counsel (“Blenkinsop”) informed the Board that the information contained in the Board’s packet is the release request to the FAA and should the FAA release the property there would be an additional motion brought to the Board with supporting material (supporting appraisals; renderings of the facility) authorizing the sale of the building and entry of a ground lease.

**3. Letter of Intent – 53 Exeter Street - Pease Aviation Partners, LLC
(d/b/a Million Air Portsmouth)**

Director Fournier moved the motion and Director Loughlin seconded that the Pease Development Authority (“PDA”) Board of Directors hereby:

- a.) Approves the concept plan for Pease Aviation Partners, LLC (d/b/a Million Air Portsmouth) (“PAP”) at 53 Exeter Street, as submitted by PAP, and as shown on plans attached hereto and incorporated herein; and
- b.) Approves of and authorizes the Executive Director to enter into a non-binding letter of intent with PAP and to otherwise complete negotiations with PAP and finalize and execute a Lease for the premises;

all as otherwise stated in terms and conditions substantially similar to those set forth in the Letter of Intent to Paul E. Brean, Executive Director, dated November 10, 2020; the memorandum of Maria J. Stowell, Engineering Manager dated November 12, 2020; and a memorandum of Andrew Pomeroy dated November 12, 2020.

Discussion: Director Lamson suggested that the motion be tabled; Fournier indicated that procedurally there needs to be a motion to second the motion on at hand and then Lamson could make a recommendation to table the motion. Loughlin seconded the motion.

Lamson indicated she went through the materials and there isn’t enough information contained in the proposal and wished to table the motion. Chairman Smith asked Lamson if she were making a motion to table; Lamson responded she would like to.

Director Lamson moved the motion and Director Levesque seconded that the Pease Development Authority (“PDA”) Board of Directors hereby table this item.

Disposition: This is a non-debatable item and Smith called the roll on Lamson’s motion to table the item; resolved by roll call vote (7-0) for; motion carried.

Fournier indicated prior to tabling the matter that guidance be provided to the staff for expectations at the next meeting (i.e.; presentation on what the plans are, the impact etc.) Brean indicated that representatives from Million Air came up for today’s meeting and had a presentation prepared for the Board. Smith asked the Directors if they were amenable to listen to the presentation, Board members agreed to allow Million Air’s representative address the Board.

Million Air’s CEO, Roger Woolsey, introduced himself to the Board and indicated Million Air is headquartered out of Houston, Texas. He thanked the Board and asked for 15 minutes so he could provide an overview of what Million Air’s vision is and what it is seeking to do in partnering at Portsmouth. Woolsey walked the Board through the operations of the company, its successes, locations and what it envisioned for Portsmouth. Chairman Smith indicated if Woolsey had a handout that he could provide it to the Board; Woolsey provided a spiral binder of information to each Board member. A slide / concept presentation was uploaded onscreen for

viewing and Woolsey provided an overview of the company (FBO, Maintenance and Charter/Management). Million Air is the largest FBO in the world and is located in thirty (30) markets and five (5) countries. Lamson asked Woolsey of two locations (Syracuse, NY and Rome, NY); Woolsey stated the Rome, NY facility is at a former Air Force Base. Lamson asked for background regarding the former military bases. Woolsey indicated that Million Air goes in to help the development and raise the bar to reactivate a location / community through marketing, development etc. Lamson asked if they also go for military contracts as well; Woolsey affirmed and further stated that it services the military in many of its locations. Woolsey also spoke to its charter fleet and informed the Board that it is also one of the largest air medical operations in the world (direct contract with FEMA, United Nations etc.) and has transported roughly ten (10) COVID patients and transports organs for transplants. Lamson asked what Million Air does in Syracuse, NY; Woolsey indicated it is an FBO. Woolsey asked the Board to flip through the materials so they could see what Million Air does to promote the business and locations (i.e.; put Portsmouth on the map). Million Air's goal is to put in and operate a world class FBO facility at Portsmouth that will attract repeat customers to the area. First impression is crucial and you can use it to your advantage. Lamson indicated that it is a very glitzy package that has been put before the Board. Woolsey indicated that Million Air wants to gain more traffic from the Boston and Bangor communities and make it a location that people want to come and visit. Woolsey spoke to the concept / design of the Pease facility, both interior and exterior of the building. Woolsey indicated that the company is very energetic and has been focused on Pease for a long time and are excited to be here. Woolsey indicated Million Air is privately held, it has been in business since 1987 and has a track record for increasing business and improving assets by building great infrastructure pieces. It is committed to coming to Pease and wants to put Portsmouth on the map.

Lamson asked how many jobs Million Air intended to create; Woolsey indicated it depended on the size of the location. Woolsey further indicated that the smallest location has twenty-five (25) direct employees and as the size of a facility increases it employs up to three hundred (300) employees. Woolsey indicated with respect to Pease he would anticipate being in the twenties to begin with and grow to three digits.

Anderson asked what the most outstanding asset of Pease is and would the Million Air terminal mesh with the terminal expansion at Pease? Woolsey indicated the best asset of Pease is its location to be enhanced by marketing, relationships and the building of a great facility; Pease could be the perfect location before going overseas and the perfect location when coming back. Woolsey indicated with respect to the terminal, Million Air would be looking at a piece of land not built on today that would be converted into revenue generation. Anderson asked Woolsey to speak to carriers coming in at other facilities (have you attracted other airline carriers). Woolsey stated he is pilot and was the private pilot for Herb Kelleher, owner of Southwest Airlines, for over thirty (30) years. Woolsey indicated Million Air fuels almost every major carrier and has been in the development stage with companies like Amazon and Atlas when they are looking; while Million Air does not have the power to pull entities in, Million Air does have relationships that may help to draw entities in.

Loughlin thanked Woolsey for the presentation as it was an exciting proposal. Loughlin did vote to table so that he could study the information more and so additional information can be provided by staff. Loughlin indicated it may not have been wise to make the comment of

putting Portsmouth on the map as many feel Portsmouth is already on the map. Woolsey apologized and stated it is no reflection on the City of Portsmouth; rather, there are aircraft overflying the airport unaware of the aviation infrastructure and transportation assets (customs that gives better service than a location that has a busy custom area, and an amazing runway) and that there is an opportunity to promote the aviation assets to an aviation community that is less aware of those assets.

Smith echoed Loughlin's comments that PDA appreciates Million Air looking at Pease as a destination point for its company. NH's economy has weathered the pandemic thus far and it remains one of the states with the best unemployment numbers in the country. People continue to move to Southern New Hampshire and the Seacoast area in particular, and in large part due to the people / local communities and state level. Woolsey indicated Million Air's desire to be part of the continued growth.

Smith reiterated some of the things that the Board would want to have more answers to:

1. Is Million Air meeting the minimum standards and investment required by the PDA in terms of facilities, equipment and fuel farm; and
2. Are they making the investment that Pease expects them to make?

Smith asked the Directors if there were any additional items they would like addressed. Brean indicated that both Stowell and Andrew Pomeroy provided memos and he is confident the minimum standards are being met and Million Air has raised the level in relation to what they could do with a fuel farm (i.e.; temporary fuel farm) and if this goes through they would be building a permanent fuel farm and confident it will get the 12,000 sq. ft. hangar space.

Lamson asked Smith if the Airport Committee should sit on this or does he think otherwise. Brean indicated there had been discussions regarding bringing this to the Airport Committee if there is interest in doing so.

4. Read Custom Soils - Runway Sand

Director Anderson **moved** the **motion** and Director Loughlin **seconded** that **the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute a contract with Read Custom Soils, for the purpose of providing FAA approved runway sand for the Airport runways at the price of \$89.00 per ton for a three (3) year period commencing January 1, 2021 through December 31, 2023; in accordance with the memo from Sandra McDonough, Airport Operations Specialist, dated November 10, 2020.**

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

5. Nachurs Alpine Solutions Industrial - Runway Deicing Liquid

Director Lamson **moved** the **motion** and Director Anderson **seconded** that **the Pease Development Authority ("PDA") Board of Directors hereby approves of and authorizes the**

Executive Director to execute a contract with Nachurs Alpine Solutions Industrial of Marion, Ohio, for the purpose of purchasing potassium acetate based runway deicing liquid at a price of \$4.53 per gallon for a two (2) year period commencing January 1, 2021 through December 31, 2022; all in accordance with the memorandum of Sandra McDonough, Airport Operations Specialist, dated November 10, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

6. Clariant Corporation - Runway Deicing Solid

Director Loughlin moved the motion and Director Lamson seconded that **the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute a contract with Clariant Corporation of Mount Holly, North Carolina, for the purpose of purchasing sodium formate based runway deicing solid at the price of \$0.63 per pound for a period of January 1, 2021 through December 31, 2021; all in accordance with the memorandum of Sandra McDonough, Airport Operations Specialist, dated November 10, 2020.**

Discussion: Loughlin indicated that the Board votes on the deicing materials yearly and that at \$0.63 per pound and a bag of sugar is \$0.50, this will go over two miles of runway (it is a necessary and expensive product). Disposition: Resolved by roll call vote (7-0) for; motion carried.

XII. Division of Ports and Harbors:

A. Reports:

- 1. Port Advisory Council – Minutes of September 9, 2020**
- 2. Isles of Shoals Steamship Co. – Deferral of Rent**
- 3. Commercial Mooring Transfer – Pike to Souther**

Division of Ports and Harbors (DPH) Director, Geno Marconi was unable to attend due to a meeting in Concord. Therefore, Chief Harbormaster Tracy Shattuck (“Shattuck”) attended in Marconi’s absence. Shattuck reported to the Board that the dredging at Rye Harbor started but came to a halt due to a hydraulic issue with necessary machinery and stated they hope to be back up and running soon. Shattuck stated the September 9th Port Advisory Council minutes were in the packet and he was available to answer any questions.

Anderson indicated that the Port Advisory Council initiated a letter to the Coast Guard in support of the replacement of a bascule bridge versus a fixed / stationary bridge.

B. Approvals:

- 1. Heidi & Elisabeth – Renewal Commencing January 1, 2022 through December 31, 2022 with a request for Four (4) One-Year Options**

Director Levesque moved the motion and Director Loughlin seconded that **the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with Heidi & Elisabeth Fisheries, LLC (“Heidi”) for**

one year effective January 1, 2022 through December 31, 2022 including four (4) one-year options to extend subject to the recommendation of the Division Director and the approval of the Executive Director, for the purpose of providing office rental and a location for Heidi to store equipment and prepare fresh fish for shipment at the Portsmouth Commercial Fish Pier; all in accordance with the memorandum from Geno J. Marconi, Division Director, dated October 26, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

2. Bait Cooler – Renewal Commencing June 1, 2021 through May 31, 2023 with a request for Two (2) One-Year Options

Director Lamson moved the motion and Director Anderson seconded that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to complete negotiations and execute a Right of Entry for the use of a cold storage area for the storage of fresh and frozen lobster bait for the period of June 1, 2021 through May 31, 2023, with two (2) one-year options to extend subject to the recommendation of the Division Director and the approval of the Executive Director; all in accordance with the terms and conditions set forth in the memorandum of Geno J. Marconi, Division Director, dated October 26, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

3. Granite State Minerals – Exercise of Third One-Year Option

Director Anderson moved the motion and Director Loughlin seconded that the Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Executive Director to execute all necessary documents to approve Granite State Minerals, Inc.’s request to exercise the third one-year option of its License and Operating Agreement effective November 1, 2020, and to retroactively approve the exercise of its first and second one-year options, for use of a portion of the Market Street Terminal on terms and conditions substantially similar to those set forth in the memorandum of Geno J. Marconi, Division Director, dated October 26, 2020.

Discussion: None. Disposition: Resolved by roll call vote (7-0) for; motion carried.

XIII. New Business:

Lamson recognized PDA’s General Counsel Lynn Marie Hinchee (“Hinchee”) spoke to the Chairman of the Newington Selectmen Ted Connors (“Connors”) who would like to make a presentation to Hinchee.

Chairman Smith set the stage as there were a few individuals in the audience who wanted to say a few things regarding Hinchee. Smith indicated Hinchee, PDA’s long standing in-house General Counsel, will be retiring from the PDA this month; it is bittersweet for all. Smith first met her in 2017 when he was first appointed to the Board and it became immediately apparent that Hinchee was deeply and passionately invested in all of the work of the PDA. Smith

indicated Hinchee has been very diligent and thorough in the work and that some people do not get the credit they deserve because they are not seen (Hinchee did yomens work in the background). Hinchee always had PDA's best interest at heart, in all of the work she performed, and she is leaving PDA in better shape than when she came into it.

Loughlin indicated for the last three (3) decades he has had the vantage point to observe the creation, development and evolution of the success of the Pease Tradeport. Loughlin indicated that there have been many who have contributed to the success such as PDA staff, successive legislature, members of the delegation, Governors, and dozens of volunteers who have sat at members of the PDA. Loughlin recognized Bill Bartlett as the "godfather" of the Pease Tradeport. Loughlin indicated that in his opinion the individual who has played the greatest role in the success of the Pease Tradeport has been Hinchee. Loughlin indicated more than 25 years ago she came to PDA with exceptional legal skills and she has untiringly, unceasingly and unselfishly employed those skills and an awesome work ethic to make Pease a success. In addition to providing sage legal advice and practical wisdom, she has accomplished very hard work of crafting and negotiating the complicated framework and agreements vital to Pease getting off the ground and succeeding. Because of Hinchee's competence, and perhaps more importantly, she came to be trusted by regional and national lenders of the critically important leasehold structure that came to be accepted in the business world. While she is tough, she is always fair and dedicated to Pease and the State of NH. Loughlin spoke to the various legal issues that have come up at Pease and even though there have been a vast number of attorneys who have also worked on various issues for Pease, there has been one person who had to be on every issue and that was Hinchee. Hinchee always had the ability to recognize those proposals that were real and addressed problems before they develop. There were those individuals who did not like Hinchee's decision but she is universally respected. Loughlin further stated that for those of us who have had the good fortunate to work with her, it is not just respect that we have of her, but love.

Connors indicated he did not want Lynn to forget Newington and presented her with a book regarding the History of Newington; he further wished her well.

John Bohenko, former Director at the PDA and retired City of Portsmouth City Manager, thanked Hinchee for her all her years of service. He stated a job well done and that her tenacity and work ethic not only moved PDA along but also moved Portsmouth along in a positive way.

City Attorney Robert Sullivan ("Sullivan") for the City of Portsmouth indicated that Loughlin, Connors and Bohenko may have understated her professional qualities. Sullivan indicated that Hinchee is a brilliant lawyer and is the finest lawyer in dealing with documents and lengthy contracts / documents (including lawyers in New York and Boston). Sullivan complimented Hinchee not only for her professional abilities during the entire time he has known her, but that she is an incredibly high quality human-being (trustworthy and intelligent). Sullivan indicated that during the course of this time Hinchee has become one of his very best friends and he will miss her.

Attorney Robert Cheney from Sheehan Phinney Bass & Green indicated that he was the first General Counsel when PDA was created and that the second General Counsel, Marti Moore

formerly of the AG's office, was responsible for the hiring of Hinchee. Cheney indicated that Hinchee has the ability to bring projects to fruition, is a taskmaster and that her dedication to PDA always came first. Cheney reiterated what Sullivan stated, that Hinchee has become a great friend and he knows the organization will miss her.

Ryan Fitsimmons of Gigunda, has known Hinchee for ten (10) years and she helped his company go through the process of coming to the airfield. Hinchee has never not taken a phone call, a text or an e-mail (no matter when or what) even when she had a tremendous amount of projects on her plate. He said as he began to know Hinchee, he came to understand to salute the person behind the title and not the title. Hinchee has the commitment to help people get to a solution and is a problem solver.

Greg Mahanna of Executive Hangar, a tenant since 1994, has worked multiple leases with Hinchee and echoed what Ryan stated. Mahanna further indicated that typically an attorney for the landlord has an adversarial relationship, but Hinchee helped him work through leases, extensions etc. so he would understand them. Mahanna also spoke of e-mailing Hinchee (even at night) regarding an item he could not locate and within 8 hours Hinchee would be able to provide him with what he was looking for; he hopes for the same customer service going forward.

Ned Denney of Port City Air, a tenant for 25 years, indicated there isn't an agreement or aspect that PCA has done over the last 25 years that Hinchee has not been a part of. Denney indicated that they haven't always agreed on everything, but Hinchee is one of the most respected people in the field and everything that has been said regarding her role in this field is an understatement.

Anderson indicated Hinchee should receive a standing ovation.

Brean asked Hinchee to read her letter of resignation effective November 30, 2020.

Hinchee indicated she did want to read the letter as it is what she believes, particularly of her co-workers.

"It is with humility and gratitude that I formally tender this notice of separation effective November 30, 2020, in anticipation of my retirement on December 1, 2020.

It has been an incredible privilege, challenge and reward during my tenure at Pease to have served 6 Governors, 7 Board Chairmen, 9 Executive Directors and 25 Directors. To one of those Directors, Peter Loughlin, who has been integral to the creation of the Pease Development Authority and to whom I acknowledge a special debt as a mentor, counselor and friend, thank you. Your wisdom, clarity and thoughtfulness have made me a better lawyer and a better advocate for PDA.

A general definition of success is the achievement of desired visions and planned goals. In this, Pease Development Authority has been a model for all base closures and institutional redevelopment projects. With all due respect to our Board of Directors, it is my amazing co-

workers who are most responsible for this success. All PDA employees share the same necessary qualities of courage, heart and brains sought by the characters in the Wizard of Oz. Our employees have these qualities to excess and it is what has permitted them to achieve the ultimate success of nurturing Pease International Tradeport not to meet others expectations but to be the best it can be.

Chairman Smith once asked me if stepping down from my Pease duties was bittersweet. My answer in the light of 28 years of service and my most recent medical crisis and recovery is that leaving the work is not bittersweet. However, with respect to my co-workers over these years I can only paraphrase the Scarecrow in his comments to Dorothy, I know I will miss you most of all.

Thank you all sincerely for the opportunity to serve. I am so looking forward to my next chapter in life and to PDA's next chapter as the economic engine for the Seacoast and State of New Hampshire."

On behalf of the PDA, Brean presented Hinchee with a retirement chair and flowers.

Smith indicated he cannot thank Hinchee and Mullen enough as a Chairman by setting up the staff in advance of their retirements; in particular Brean and Blenkinsop as their successors. Both care so much for the PDA they wanted to have the right pieces in place before they both departed.

XIV. Upcoming Meetings:

Board of Directors

December 17, 2020 @ 8:30 a.m.

All Meetings begin at 8:30 a.m. unless otherwise posted.

XV. Directors' Comments:

XVI. Adjournment:

Director Lamson **moved** the **motion** and Director Allard **seconded** to adjourn the **Board meeting**. Meeting adjourned at **11:17 a.m.**

Discussion: None. Disposition: Resolved (7-0) for; motion carried.

XVII. Press Questions:

Respectfully submitted,



Paul E. Brean
Executive Director



MEMORANDUM

To: Pease Development Authority Board of Directors
From: Paul Brean, Executive Director *PAB*
Date: December 10, 2020
Re: Employee Recognition

The following employees are to be recognized for their years of service to the Pease Development Authority:

10 year

John Anastas, Airport Maintenance Equipment Operator

15 year

Grant Nichols, Deputy Chief Harbormaster
Lana LaRochelle, DPH Secretary II
Ron Jodz, Senior Accountant

25 year

Geno Marconi, Director, Ports and Harbors
Andrew Pomeroy, Planning and Compliance Manager




PEASE INTERNATIONAL

DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

Date: December 10, 2020

To: Paul Brean, Executive Director

From: Irv Canner, Director of Finance 

Subject: Executive Summary- Financial Reports

In anticipation of the upcoming December 17th Pease Development Authority Board meeting, the following is an Executive Summary of the two financial reports for your review and comment:

Report #1- Financial Report for the Four-Month Period Ending October 31, 2020

As is the case in the first several months of the new fiscal year, budget variances typically underrun primarily due to the extensive cut-off procedures associated with the prior year audit engagement. At this time, there are no meaningful trends that have been identified that would challenge the FY 2021 operating budget.

Actual operating revenues of \$6.4 million are above budget primarily due to the increase in fee revenues associated with wharfage and dockage and golf course related public play revenues. Slightly offsetting these revenue gains were the decreased fuel revenues associated with the reconstruction of the Portsmouth Fish Pier wall as well as pay for parking and fuel flowage revenues at PSM.

Actual operating expenses of \$4.2 million are below budget primarily due to expense under runs in marketing, utilities and the cost of fuel at the Portsmouth Fish Pier. Offsetting these underruns, budget overruns have been in employee benefits associated with the New Hampshire Retirement System.

The resulting Operating Income of \$2.2 million is \$1.3 million greater than expected which directly contributed to our ability to address internal working capital requirements and somewhat minimize the need to draw-down from the \$15,000,000 Revolving Line of Credit (RLOC) with the Provident Bank.

Business Unit Performance

Portsmouth Airport

Operating revenues total \$536,000 which is under budget by \$30,000. The primary reason is the budget variance was the applicable FY 2021 Cares Act funding. Off setting this positive variance were budget underruns in pay for parking revenues and fuel flowage fees. Current enplanements of 32,285 are less than the prior year to date (103,226) due, in part, to the Covid 19 pandemic.

Skyhaven Airport

Operating revenues total \$ 97,000 which is above budget by \$21,000. The primary reason for the favorable variance was primarily due to higher fuel sales of 10,622 gallons versus 6,783 gallons on a fiscal year to date basis. Cumulative net cash flow losses, since accepting the operational responsibilities for Skyhaven Airport during FY 2009, now total approximately \$1.7 million.



Report #1- Financial Report for the Four-Month Period Ending October 31, 2020 (continued)

Business Unit Performance (continued)

Tradeport

Operating revenues total \$3,177,000 which is above budget by 2.8%. The primary reason for the favorable variance is associated with rental of facilities.

Golf Course

Operating revenues total \$1,777,000 which is above budget. The primary reasons are associated with public play at the golf course. A total of 59,408 rounds were played through October versus 53,962 rounds the prior season. Gross revenues at the Grill 28 of \$759,000 are somewhat less (7.5%) than the prior four-month period ending October 31st in part, due to the Covid 19 pandemic.

Division of Ports and Harbors

Unrestricted operating revenues total \$781,000 which is slightly less than budgeted revenues of \$920,000. The lost fuel sales at the Portsmouth Fish Pier have been offset by incremental wharfage and dockage fee revenue.

Balance Sheet (Page #8)

Total current assets are \$13.3 million consisting primarily of \$3.5 million in unrestricted cash and \$9.5 million in accounts receivables. Net cash balances (PDA \$1.7 million and DPH \$1.8 million) have decreased by \$1,764,000 since June 30, 2020 due to the following activities:

Operating Income	\$ 2,176,000
RLOC Line of Credit Draw Down	-
Grant Funding	8,804,000
Accounts Payable	1,796,000
Capital Expenditures	(14,519,000)
Accounts Receivables	(462,000)
All Other- Net	<u>441,000</u>
Total	<u>\$ (1,764,000)</u>

Report #1- Financial Report for the Four-Month Period Ending October 31, 2020 (continued)

Balance Sheet (Page #8)

The majority of the accounts receivable balances can be attributable to federal or state construction activities.

Restricted assets total approximately \$1.5 million and consist primarily of the Revolving Loan Fund which has total assets of \$1.2 million. At present, there are 20 participant loans outstanding.

Capital assets have increased approximately \$12.8 million, net of depreciation, to \$88.3 million primarily due to the extensive capital improvements at PSM including the terminal expansion and runway reconstruction project. During the four-month period ending October 31st, the more significant capital expenditures included:

• PSM Runway Reconstruction Project	\$ 9,672,000
• PSM Terminal Expansion	4,006,000
• PSM Alpha South Hold Bay	333,000
• DPH Main Pier BUILD Grant	299,000
• PSM Eldorado Bus	72,000
• All Other	<u>137,000</u>
Total	\$ <u>14,519,000</u>

Total current liabilities are approximately \$12.0 million, representing a \$1.4 million increase from June 30, 2020. Accounts payables represent \$11.7 million, reflecting a \$1.8 million increase from June 30, 2020. In addition, during the four month period we requested a \$4.5 million draw down from our RLOC at the Provident Bank to help offset the cash needs in supporting of the two primary capital projects at PSM. Those monies were paid back by the end of October 31st.

Updated net pension and OPEB liability for the PDA at June 30, 2020 total \$9.8 million which is a \$1.9 million decrease from the prior year. The 16.2% reduction was associated with the investment returns of plan assets being in excess of targeted benchmarks and changes in assumptions. The New Hampshire Retirement System reported a 1.1% return on investments in the fiscal year ended June 30, 2020.

As noted on page #5, the current PDA Organization Chart reflects 60 filled benefited positions and 6 open benefited positions.

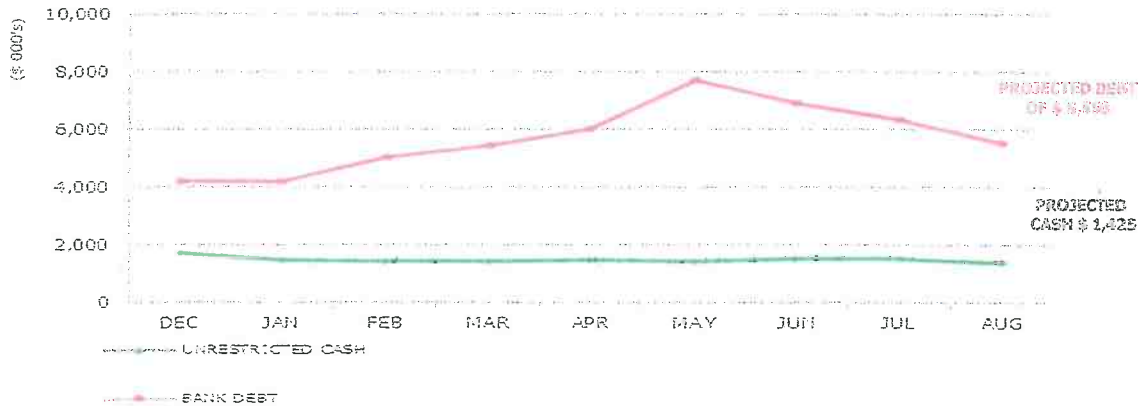
Report #2- Cash Flow Projections for the Nine Month Period Ending August 31, 2021

During the next nine-month period internal cash flow projections are dominated by approximately \$16.8 million in capital expenditures primarily in support of the PSM Runway Reconstruction Project and the PSM Terminal Expansion. Of these monies, \$9.3 million will be grant funded requiring the PDA to draw upwards of \$7.8 million through our \$15.0 million RLOC with the Provident Bank. Based on current expectations of actual grant reimbursements during this period, the net debt outstanding is projected at \$5,550,000 million at August 31, 2021.

Revenue projections have been modified due to the coronavirus environment as associated with the reopening of the golf course and Grill 28 operations. To a lesser extent PSM Pay for Parking revenues and fuel flowage fees are also anticipated to be less than budgeted.

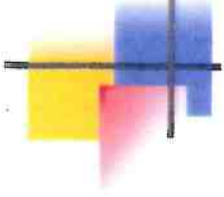
Page # 3 provides the detailed monthly cash flow projections noting the minimum cash balances remain at approximately \$1.5 million to allow the PDA to address its ongoing working capital requirements. Again, a critical component in developing these cash flow projections is the timely reimbursement process associated with grant funded capital projects.

PROJECTED CASH AND DEBT BALANCES



Through November 30th the PDA accessed \$5.5 million from the \$15.0 million RLOC with the Provident Bank at a rate of approximately 2.9%.

At your convenience, I would be pleased to address any questions or supplemental information you may need.



FY 2021 FINANCIAL REPORT FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020



**BOARD OF DIRECTORS MEETING
DECEMBER 17, 2020**



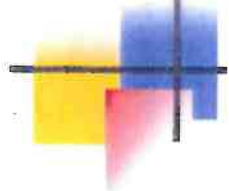
CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES 2

FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020

(\$ 000'S)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
BUDGET VARIANCE ANALYSIS				
<ul style="list-style-type: none"> • OPERATING REVENUES- <i>HIGHER BY 15.4 % ...</i> • TIMING DIFFERENCES ASSOCIATED WITH RENTAL OF FACILITIES, OFFSET BY INCREASES / DECREASES IN: <ul style="list-style-type: none"> • GOLF FEES- ESCALATION IN NONMEMBER ROUNDS PLAYED, COVID 19 IMPACT • CONCESSION REVENUES FROM GRILL 28 SALES- COVID 19 IMPACT • CONSUMER PRICE INDEX LESS THAN BUDGETED • RYE AND HAMPTON FUEL SALES OFFSET BY PPP FUEL DELIVERY LOSS • OPERATING COSTS <i>LOWER BY 8.9 %/...</i> • DPH AND DAW FUEL EXPENSE HIGHER TO OFFSET FUEL SALES AT PORTSMOUTH FISH PIER • HEALTH INSURANCE PRELIMINARY RATE STRUCTURE MODIFIED- OPEB IMPACT • DELAY IN RECEIVING FY 2021 VENDOR INVOICING • COMPREHENSIVE FY 2020 YEAR END CUT-OFF PROCEDURES (JULY-AUGUST) 				
OPERATING REVENUES <i>(PAGE #3)</i>	6,420	5,563	857	16,301
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS <i>(PAGE #4 AND #5)</i>	2,461	2,464	(3)	7,180
BUILDINGS AND FACILITIES MAINTENANCE	469	804	(335)	2,411
GENERAL AND ADMINISTRATIVE <i>(PAGE #6)</i>	460	429	31	1,321
UTILITIES <i>(PAGE #6)</i>	288	280	8	839
PROFESSIONAL SERVICES <i>(PAGE #6)</i>	153	175	(22)	524
MARKETING AND PROMOTION	30	133	(103)	400
ALL OTHER <i>(PAGE #6)</i>	383	375	8	1,124
OPERATING INCOME	4,244	4,660	(416)	13,799
OPERATING INCOME	2,176	903	1,273	2,502
NONOPERATING (INCOME) AND EXPENSE <i>(PAGE #7)</i>	12	117	(105)	351
DEPRECIATION	1,748	2,415	(667)	6,344
NET OPERATING INCOME	416	(1,329)	1,745	(4,193)

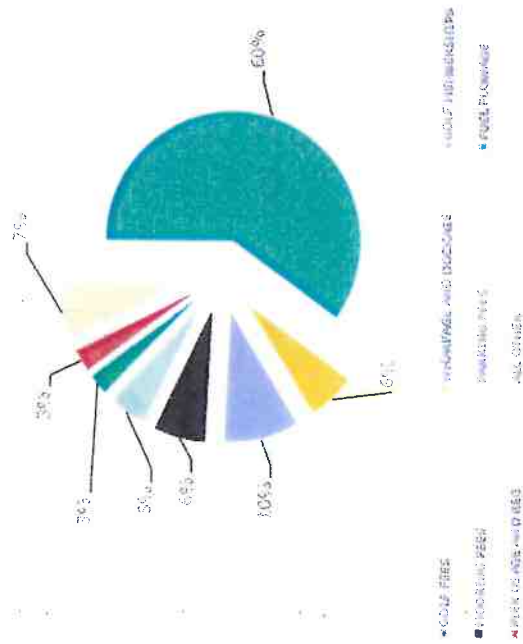
CONSOLIDATED OPERATING REVENUES FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020



(\$ 000's)

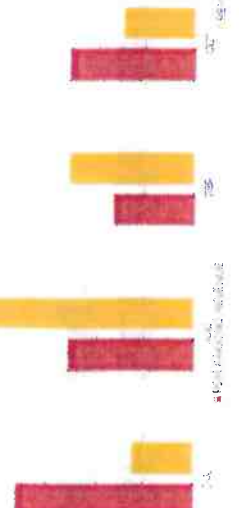
	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VAR	CURRENT YEAR BUDGET
RENTAL OF FACILITIES	3,586	3,505	81	10,543
FEE REVENUES (SEE PIE CHART)	2,118	1,246	872	4,040
FUEL SALES (SEE TABLE BELOW)	252	415	(163)	764
CONCESSION REVENUE	137	204	(67)	386
GOLF MERCHANDISE	147	78	69	235
ALL OTHER- NET	180	115	65	333
	6,420	5,563	857	16,301

FEE REVENUES YEAR TO DATE



	PSM YEAR TO DATE ACTUAL	BUDGET
PARKING	52	110
FUEL FLOWAGE	47	138

	ACTUAL	BUDGET	BUDGET VARIANCE
FUEL SALES-			
PORTSMOUTH FISH PIER	-	117	(117)
RYE HARBOR	88	100	(12)
HAMPTON HARBOR	113	165	(52)
SKYHAVEN AIRPORT	51	33	18
	252	415	(163)



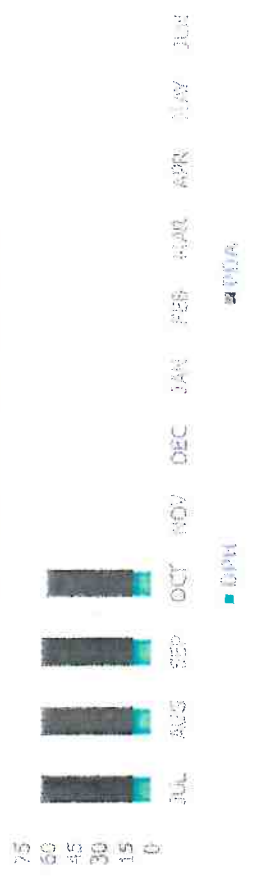
CONSOLIDATED PERSONNEL SERVICES AND BENEFITS FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020

(\$ 000's)

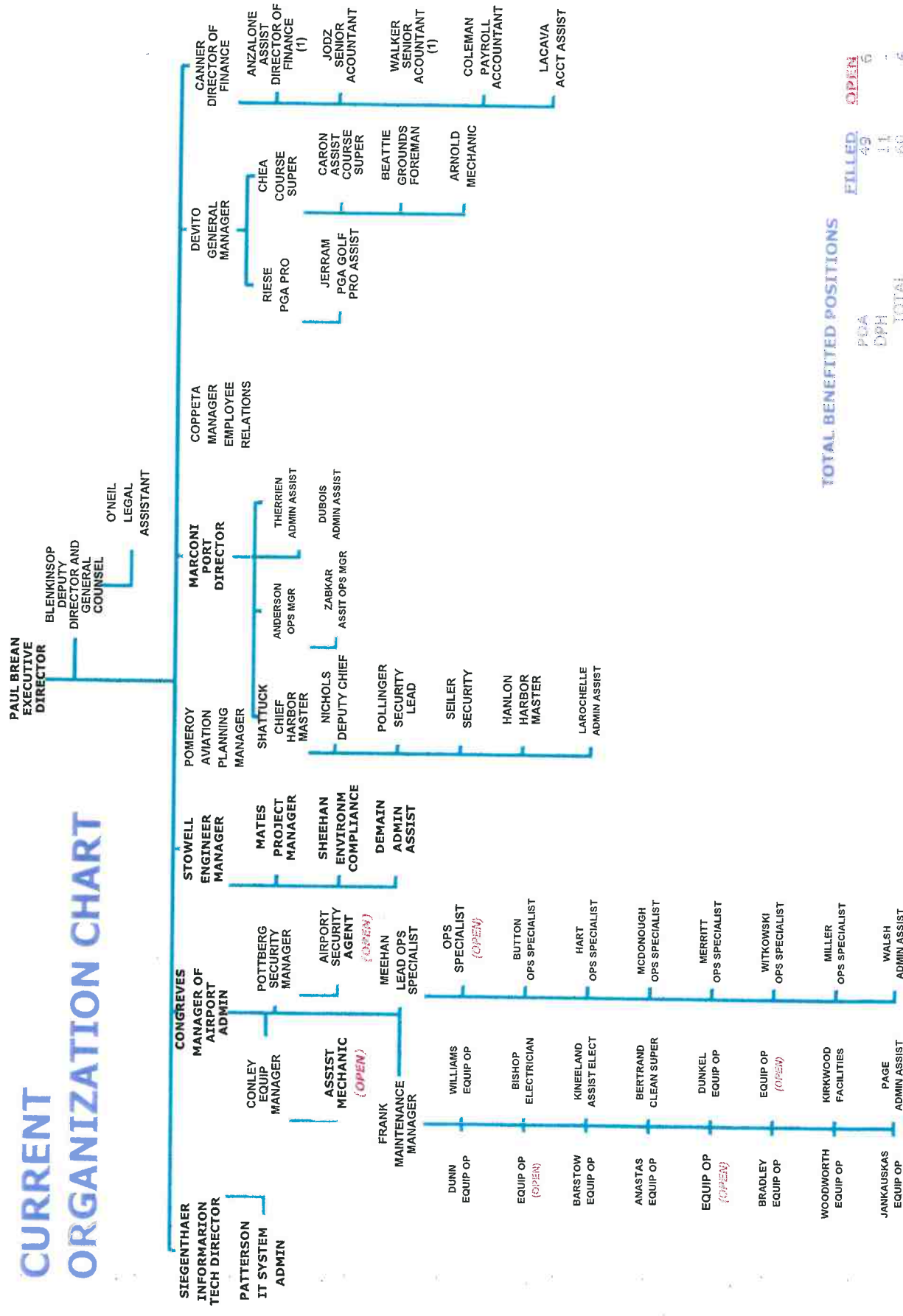
	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
PERSONNEL SERVICES				
BENEFITED	1,451	1,370	81	4,137
NONBENEFITED	261	349	(88)	804
OVERTIME	75	80	(5)	235
ACCRUED VACATION/ SICK	(10)	-	(10)	-
	<u>1,777</u>	<u>1,799</u>	<u>(22)</u>	<u>5,176</u>
CHARGE OUT	(23)	-	(23)	-
	<u>1,754</u>	<u>1,799</u>	<u>(45)</u>	<u>5,176</u>
FRINGE BENEFITS				
HEALTH INSUR	425	399	26	1,198
RETIREMENT	246	232	14	708
DENTAL INSURANCE	24	23	1	70
LIFE INSURANCE	12	11	1	28
	<u>707</u>	<u>665</u>	<u>42</u>	<u>2,004</u>
CHARGE OUT	-	-	-	-
	<u>707</u>	<u>665</u>	<u>42</u>	<u>2,004</u>
	<u>2,461</u>	<u>2,464</u>	<u>(3)</u>	<u>7,180</u>

	CURRENT STAFF ANALYSIS (FILLED POSITIONS)					TOTAL
	SAL/ BEN	HR/ BEN	HR/ NON	5E		
MAINTENANCE	-	16	1	11	-	27
PSM AIRPORT	3	8	9	-	-	20
PORT AUTHORITY	1	10	4	6	-	21
GOLF COURSE	3	4	-	27	-	34
FINANCE	4	2	-	-	-	6
ENGINEERING	3	1	-	-	-	4
LEGAL	1	1	-	-	-	2
DAW AIRPORT	-	-	2	-	-	2
TECHNOLOGY	1	1	-	-	-	2
HUMAN RESOURCES	1	-	-	-	-	1
EXECUTIVE	1	-	-	-	-	1
	<u>18</u>	<u>42</u>	<u>16</u>	<u>44</u>	-	<u>120</u>

FILLED BENEFITED POSITIONS



CURRENT ORGANIZATION CHART



TOTAL BENEFITED POSITIONS

FILLED	49
POA	6
DPH	11
TOTAL	66

NOTE: (OPEN) REPRESENTS TRANSITIONAL POSITION.

CONSOLIDATED OTHER OPERATING EXPENSES FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020

(\$ 000's)

GENERAL AND ADMINISTRATIVE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	PROFESSIONAL SERVICES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
FLCA	133	131	2	397					
INSURANCE	74	71	3	283	LEGAL	72	109	(37)	327
TELEPHONE / COMMUNICATIONS	44	42	2	68	INFORMATION TECHNOLOGY	34	27	7	82
COMPUTER EXPENSES	32	18	14	55	EXTERNAL AUDIT	35	23	12	59
BANK FEES	53	21	32	64	ALL OTHER- NET	12	16	(4)	46
ALL OTHER-NET	124	146	(22)	454		153	175	(22)	524
	460	429	31	1,321					
UTILITIES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	ALL OTHER	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
ELECTRICITY	144	154	(10)	530	FUEL	158	236	(78)	709
WATER	29	50	39	126	GOLF MERCHANDISE	104	60	44	180
WASTE DISPOSAL	45	46	(1)	145	COAST TROLLEY	30	40	(10)	120
NATURAL GAS	3	17	(14)	28	GOLF CART LEASE	91	32	52	115
PROPANE AND OIL	2	13	(6)	10		383	375	8	1,124
	288	280	8	839					

CONSOLIDATED NONOPERATING (INCOME) EXPENSE FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	INTEREST EXPENSE	YEAR TO DATE	FISCAL BUDGET
INTEREST EXPENSE	15	127	(112)	380		15	380
INTEREST INCOME AND OTHER	(3)	(10)	7	(29)			
	12	117	(105)	351			
						PROVIDENT BANK- RLOC	

CONSOLIDATED STATEMENTS OF NET POSITION

(\$000'S)

ASSETS	OCT 30 2020	JUN 30 2020	OCT 30 2020	JUN 30 2020	UNRESTRICTED	RESTRICTED
CURRENT ASSETS						
CASH AND EQUIVALENTS	3,474	5,238	2,433	2,214		
ACCOUNTS RECEIVABLE- NET	9,518	8,942	9,262	7,685		
OTHER ASSETS	342	503	349	713		
TOTAL CURRENT ASSETS	13,334	14,683	12,044	10,612	1,712	14
RESTRICTED ASSETS					1,726	
CASH AND EQUIVALENTS	599	447	9,028	9,828		
ACCOUNTS RECEIVABLES- NET	901	1,015	532	534		
TOTAL RESTRICTED ASSETS	1,500	1,462	10,360	10,362	224	
CAPITAL ASSETS					1,524	
LAND, BUILDINGS AND EQUIPMENT	58,833	60,065	22,404	20,974		
CONSTRUCTION IN PROCESS (PAGES #10-#12)	29,469	15,467	79,040	67,847		
TOTAL CAPITAL ASSETS	88,302	75,532	10,089	8,821		330
TOTAL ASSETS	103,136	91,677	22,404	(1,208)	1,248	599
DEFERRED OUTFLOWS OF RESOURCES						
PENSION / OPEB	2,250	1,250	77,893	67,864		
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,250	1,250	77,893	67,864		
LIABILITIES						
CURRENT LIABILITIES						
ACCOUNTS PAYABLE			2,433	2,214		
ACCOUNTS PAYABLE- CONSTRUCTION			9,262	7,685		
UNEARNED REVENUE			349	713		
REVOLVING LOC FACILITY			-	-		
CURRENT PORTION-LT LIABILITIES			-	-		
TOTAL CURRENT LIABILITIES			12,044	10,612		
NONCURRENT LIABILITIES						
NET PENSION / OPEB LIABILITY			9,028	9,828		
OTHER LT LIABILITIES (PAGE #13)			532	534		
TOTAL LIABILITIES			10,360	10,362		
DEFERRED INFLOWS OF RESOURCES						
PENSION / OPEB			10,089	10,089		
NET POSITION						
NET INVESTMENT IN CAPITAL ASSETS			79,040	67,847		
RESTRICTED FOR:						
REVOLVING LOAN FUND			1,223	1,218		
HARBOR DREDGING			12	-		
FOREIGN TRADE ZONE			12	7		
UNRESTRICTED			(2,394)	(1,208)		
TOTAL NET POSITION	77,893	67,864	22,404	(1,208)	3,474	599

**CASH AND EQUIVALENTS
AT OCTOBER 31, 2020**

PEASE
DEVELOPMENT
AUTHORITY
GENERAL FUNDS
TENANT ESCROW
DIVISION OF
PORTS AND
HARBORS
GENERAL FUNDS
HARBOR
MANAGEMENT
REVOLVING LOAN-
FISHERY FUND
HARBOR
DREDGING
FOREIGN TRADE

TOTAL

SUMMARY OF INTERGOVERNMENTAL RECEIVABLES AS OF OCTOBER 31, 2020

(\$ 000's)

PROJECT NAME	APPROVAL DATE	TOTAL PROJECT	GRANT AWARD	EXPENDED YTD	PDA SHARE	RECEIVED TO DATE	BALANCE DUE PDA	AMOUNT SUBMITTED
PSM RUNWAY 16-34 DESIGN (AIP 58)	05-18-17	1,265	885	1,172	(78)	1,083	11	11
PSM RUNWAY 16-34 RECONSTRUCTION (AIP 64)	07-06-19	24,035	17,369	16,679	(2,366)	5,929	8,384	3,240
PSM OBSTRUCTION REMOVAL / CONSTRUCTION (AIP 60)	05-18-17	1,130	1,074	1,017	(59)	938	20	-
PSM ALPHA SOUTH HOLD BAY (AIP 67)	-	-	-	842	(122)	556	164	100
PSM AIR NATIONAL GUARD TAXIWAY PROJECT	-	2,500	2,500	2,386	-	2,386	-	-
PSM TERMINAL BUILDING EXPANSION (AIP 62)	11-01-18	1,730	1,644	548	(79)	193	276	40
PSM RECONSTRUCT RUNWAY 16-34 (AIP 66)	06-27-19	2,263	2,111	2,216	(347)	1,687	182	-
PSM RUNWAY 16-34 REIMBURSABLE SUPPORT (AIP 65)	05-01-19	144	137	144	(7)	123	14	-
PSM CARES ACT (AIP 68)	-	1,607	1,607	1,607	-	1,607	-	-
DAW TAXILANE PAVEMENT AND DRAINAGE CONSTRUCTION (SBS 07-2016)	09-22-16	1,830	1,738	1,783	(89)	1,694	-	-
DPH UPGRADE PORT SECURITY AND SOFTWARE	-	58	58	58	-	58	-	-
DPH RYE HARBOR DREDGING	-	-	-	586	-	586	-	-
DPH FUNCTIONAL REPLACEMENT- BARGE DOCK	-	5,000	-	1,284	-	1,267	17	17
DPH MAIN PIER REHABILITATION	-	5,003	-	299	-	199	100	100
DPH HAMPTON HARBOR DREDGING	-	118	-	95	-	95	-	-
DPH PFP REPAIR AND CONSTRUCTION	-	3,250	-	314	-	307	7	7
							9,175	3,515

SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-20	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 10-31-20
PORTSMOUTH AIRPORT					
TERMINAL EXPANSION (NON-GRANT)	4,910	3,318	-	3,318	8,228
RUNWAY 16-34 DESIGN (AIP 58)	4	41	(45)	(4)	-
ELDORADO BUS	-	72	(72)	-	-
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	7,048	9,631	-	9,631	16,679
TERMINAL EXPANSION (AIP 66)	1,880	236	-	236	2,116
TERMINAL EXPANSION (AIP 62)	96	452	-	452	548
OBSTRUCTION REMOVAL (AIP 60)	-	9	(9)	-	-
ALPHA SOUTH HOLD BAY (AIP 67)	-	333	(330)	3	3
	13,938	14,092	(456)	13,536	27,574

SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED):

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-20	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 10-31-20
SKYHAVEN AIRPORT	0	0	0	0	0
GOLF COURSE	0	0	0	0	0
ADMINISTRATION	0	0	0	0	0
HP DESIGN JET PRINTER	0	16	(16)	0	0
MAINTENANCE	0	0	0	0	0
CHEVROLET TAHOE	0	38	(38)	0	0

SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED)

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-20	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 10-31-20
DIVISION OF PORTS AND HARBORS (DPH)					
FUNCTIONAL REPLACEMENT- BARGE DOCK	1,257	16	-	16	1,283
PEP BULKHEAD REPAIR AND CONSTRUCTION	262	50	-	50	312
HVAC SECURITY SHACK	-	8	(8)	-	-
MAIN PIER (BUILD GRANT)	-	299	-	299	299
	<u>1,529</u>	<u>373</u>	<u>(8)</u>	<u>365</u>	<u>1,894</u>
TOTAL	<u>15,467</u>	<u>14,519</u>	<u>(517)</u>	<u>14,002</u>	<u>29,469</u>

LONG TERM LIABILITIES AS OF OCTOBER 31, 2020

(\$ 000's)

SCHEDULE OF LONG TERM LIABILITY REPAYMENT

	CURRENT PORTION	LONG TERM PORTION	TOTAL AMOUNT DUE
STATE OF NEW HAMPSHIRE POST RETIREE HEALTH CARE PROGRAM (1)	-	182	182
STATE OF NEW HAMPSHIRE ACCRUED SICK LIABILITY	-	252	252
	-	98	98
	-	532	532

FISCAL YEAR	STATE OF NEW HAMPSHIRE (1)
2021	-
2022	91
2023	91
	182
PAID IN FY 2021	182

NOTE:
1. ALLOCATION OF ANNUAL PAYMENT IS \$63 CHARGED TO THE PDA AND \$28 TO THE DPH.

STATEMENT OF OPERATIONS FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020 PORTSMOUTH AIRPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	536	566	(30)	1,739
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	269	271	(2)	810
BUILDINGS AND FACILITIES MAINTENANCE	149	239	(90)	723
GENERAL AND ADMINISTRATIVE	110	103	2	325
UTILITIES	84	139	(55)	416
PROFESSIONAL SERVICES	6	8	(2)	24
MARKETING AND PROMOTION	15	46	(31)	139
ALL OTHER	-	-	-	-
OPERATING INCOME	633	811	(178)	2,437
NONOPERATING (INCOME) AND EXPENSE	(97)	(245)	148	(696)
DEPRECIATION	928	1,300	372	3,800
NET OPERATING INCOME	(1,021)	(1,545)	524	(4,498)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES				
FACILITIES RENTAL	254	272	(18)	844
PAY FOR PARKING	52	110	(58)	442
FUEL FLOWAGE	47	138	(91)	270
AVIATION FEES	-	-	-	90
CONCESSION REVENUES	5	38	(33)	71
ALL OTHER	178	8	170	22
536	566	(30)	1,739	

EXPLANATION DATA



STATEMENT OF OPERATIONS FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020 SKYHAVEN AIRPORT

(\$ 000's)

	OPERATING REVENUES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	OPERATING REVENUES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
FACILITIES RENTAL		46	41	5	125	OPERATING EXPENSES	97	76	21	194
FUEL SALES		51	33	18	64	PERSONNEL SERVICES AND BENEFITS	10	16	(6)	48
ALL OTHER		-	2	(2)	5	BUILDINGS AND FACILITIES MAINTENANCE	13	22	(9)	66
		97	76	21	194	GENERAL AND ADMINISTRATIVE	13	12	1	37
GALLONS OF FUEL SOLD						UTILITIES	6	10	(4)	31
FY 2021	1,729	10,622	10,622	0	\$ 4.59	PROFESSIONAL SERVICES	4	2	2	5
FY 2020	1,028	6,783	13,344	6,561	4.79	MARKETING AND PROMOTION	-	-	-	-
						ALL OTHER- FUEL	32	17	15	50
NET CASH FLOW	OPERA			GRANT FUNDS	TOTAL	OPERATING INCOME	78	72	(6)	237
FY 2021	19	-	-	254	273	NONOPERATING (INCOME) AND EXPENSE	19	(3)	22	(43)
FY 2020	(70)	(307)	-	58	(319)	DEPRECIATION	182	178	4	535
FY 2019	(83)	(27)	-	512	402	NET OPERATING INCOME	(163)	(181)	18	(578)
FY 2009-2018	(909)	(6,792)	(100)	5,725	(2,076)					
	(1,043)	(7,126)	(100)	6,549	(1,720)					

STATEMENT OF OPERATIONS FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020 TRADEPORT

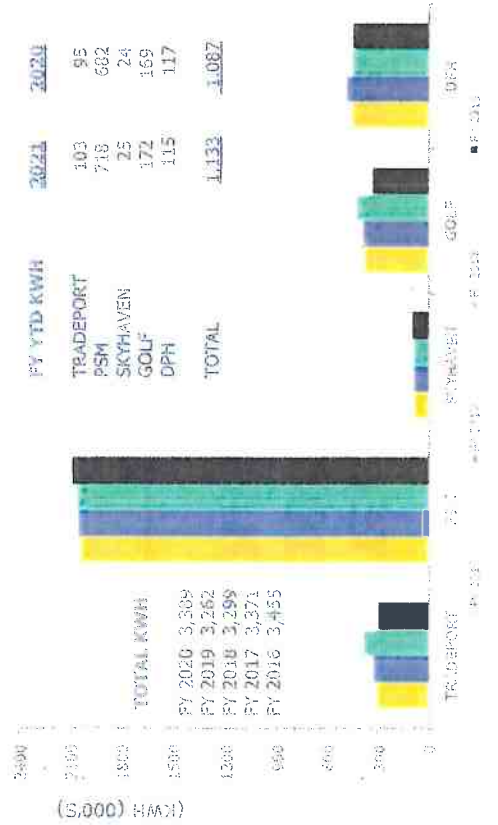


(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	3,125	3,048	77	9,144
RENTAL OF FACILITIES				120
ALL OTHER	52	40	12	
	3,177	3,088	89	9,264

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	3,177	3,088	89	9,264
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	43	139	(96)	417
GENERAL AND ADMINISTRATIVE	23	19	4	56
UTILITIES	24	34	(10)	102
PROFESSIONAL SERVICES	-	-	-	-
MARKETING AND PROMOTION	2	-	2	-
ALL OTHER	30	40	(10)	120
	122	232	(110)	595
OPERATING INCOME	3,055	2,856	199	8,569
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-
DEPRECIATION	250	250	-	750
NET OPERATING INCOME	2,805	2,606	199	7,819

KWH CONSUMPTION ANALYSIS BY BUSINESS UNIT

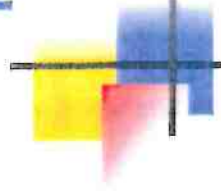


STATEMENT OF OPERATIONS FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020 GOLF COURSE

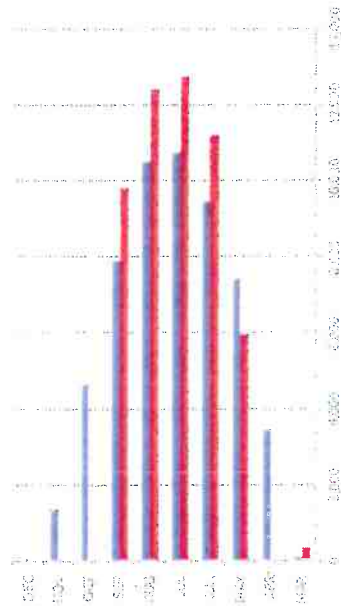
(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	OPERATING REVENUES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	
OPERATING REVENUES	<u>1,777</u>	<u>842</u>	<u>935</u>	<u>2,463</u>	CONCESSION REVENUES	129	165	(36)	315	
OPERATING EXPENSES					FEE REVENUES					
PERSONNEL SERVICES AND BENEFITS	412	391	21	984	GOLF FEES	1,268	475	793	1,425	
BUILDINGS AND FACILITIES MAINTENANCE	131	118	13	355	MEMBERSHIPS	205	113	92	340	
GENERAL AND ADMINISTRATIVE	119	75	44	225	SIMULATOR	5	1	4	120	
UTILITIES	128	63	65	190	LESSONS	<u>18</u>	<u>6</u>	<u>12</u>	<u>18</u>	
PROFESSIONAL SERVICES	13	6	7	17	MERCHANDISE AND OTHER	152	82	70	245	
MARKETING AND PROMOTION	6	14	(8)	42		<u>1,777</u>	<u>842</u>	<u>935</u>	<u>2,463</u>	
ALL OTHER	195	96	97	295						
	<u>1,004</u>	<u>765</u>	<u>239</u>	<u>2,108</u>	BUSINESS UNIT ANALYSIS	PRO SHOP	COURSE OPERA	FOOD / BEV	TOTAL	
OPERATING INCOME	<u>773</u>	<u>77</u>	<u>696</u>	<u>355</u>	OPERATING REVENUES	147	1,495	130	5	1,777
NONOPERATING (INCOME) AND EXPENSE					OPERATING EXPENSES (EXCLUDING DEPRECIATION)	116	808	60	20	1,004
DEPRECIATION	122	128	6	387	OPERATING INCOME	<u>31</u>	<u>687</u>	<u>70</u>	<u>(15)</u>	<u>773</u>
NET OPERATING INCOME	<u>651</u>	<u>(51)</u>	<u>702</u>	<u>(32)</u>						

KEY GOLF COURSE BENCHMARKING DATA

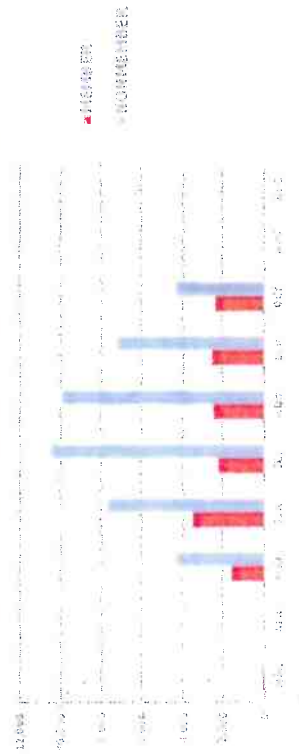


ROUNDS OF GOLF PLAYED (SEASON)



2020 YTD	2019 YTD	2020 SEASON	2019 SEASON
59,408	53,962	59,408	55,321
20	52	20	55

2020 MEMBER / NONMEMBER ROUNDS (SEASON)



GOLF SIMULATOR REVENUES	FY 2021	FY 2020	GRILL, 28 GROSS SALES	FY 2021	FY 2020
JULY	\$ -	\$ 39	JULY	\$ 204,042	\$ 212,562
AUGUST	598	-	AUGUST	225,471	259,154
SEPTEMBER	314	78	SEPTEMBER	391,445	199,822
OCTOBER	4,017	1,026	OCTOBER	138,156	149,127
NOVEMBER	-	17,727	NOVEMBER	-	107,818
DECEMBER	-	24,723	DECEMBER	-	117,993
JANUARY	-	27,757	JANUARY	-	126,165
FEBRUARY	-	29,976	FEBRUARY	-	107,490
MARCH	-	13,624	MARCH	-	59,098
APRIL	-	-	APRIL	-	1,083
MAY	-	-	MAY	-	55,292
JUNE	-	-	JUNE	-	153,970
TOTAL	\$ 4,929	\$ 114,960		\$ 759,114	\$ 1,549,574

2020 ROUNDS- SEASON	2019 ROUNDS- SEASON
MEMBER	14,776
NONMEMBER	44,632
TOTAL	59,408

2019 ROUNDS- SEASON	2020 ROUNDS- SEASON
MEMBER	13,809
NONMEMBER	40,153
TOTAL	53,962

CLUB/ COURSE FUNCTIONS	FY 2021 YTD	FY 2020 YTD
GROUPS 12-40	25,340	37,344
TOURNAMENT PLAY	85,251	100,648
LEAGUES	36,067	54,396
FOOD AND ROOM FEES	43,375	142,905

**STATEMENT OF OPERATIONS FOR THE FOUR MONTH
PERIOD ENDING OCTOBER 31, 2020
PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)**

FOREIGN TRADE ZONE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	HARBOR DREDGING	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
	7	4	3	12		31	30	(7)	115
OPERATING REVENUES	-	-	-	-	OPERATING REVENUES	-	-	-	-
OPERATING EXPENSES	-	-	-	-	OPERATING EXPENSES	-	-	-	-
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-	BUILDINGS AND FACILITIES MAINTENANCE	-	5	(5)	15
GENERAL AND ADMINISTRATIVE	-	1	(1)	3	GENERAL AND ADMINISTRATIVE	-	2	(2)	7
UTILITIES	-	-	-	-	UTILITIES	-	-	-	1
PROFESSIONAL SERVICES	-	-	-	-	PROFESSIONAL SERVICES	-	-	-	-
MARKETING AND PROMOTION	2	3	(1)	9	MARKETING AND PROMOTION	-	-	-	-
ALL OTHER	-	-	-	-	ALL OTHER	-	-	-	-
OPERATING INCOME	2	4	(2)	12	OPERATING INCOME	31	31	-	92
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-	NONOPERATING (INCOME) AND EXPENSE	-	-	-	-
DEPRECIATION	-	-	-	-	DEPRECIATION	32	33	(1)	100
NET OPERATING INCOME	2	4	2	12	NET OPERATING INCOME	(1)	(2)	1	(8)

(\$ 000's)

STATEMENT OF OPERATIONS FOR THE FOUR MONTH PERIOD ENDING OCTOBER 31, 2020 PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)

(CONTINUED)

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
REVOLVING LOAN FUND				
OPERATING REVENUES	7	13	(6)	41
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-
GENERAL AND ADMINISTRATIVE	1	-	1	1
UTILITIES	-	-	-	-
PROFESSIONAL SERVICES	1	9	(8)	27
MARKETING AND PROMOTION	-	-	-	-
ALL OTHER	-	-	-	-
OPERATING INCOME	2	2	(7)	28
NONOPERATING (INCOME) AND EXPENSE				
DEPRECIATION	-	-	-	-
NET OPERATING INCOME	5	4	1	13

	BALANCE AT 10-31-2020	BALANCE AT 06-30-2020
REVOLVING LOAN FUND RECONCILIATION		
CASH BALANCES		
GENERAL FUNDS	330	210
SEQUESTERED FUNDS	-	-
LOANS OUTSTANDING	330	210
CURRENT	82	175
LONG TERM	812	838
	894	1,013
	1,224	1,223
CAPITAL UTILIZATION RATE- % (*)	73.0	92.8

(*) EXCLUDES SEQUESTERED FUNDS.

CASH FLOW PROJECTIONS FOR THE NINE MONTH PERIOD ENDING AUGUST 31, 2021



**BOARD OF DIRECTORS MEETING
DECEMBER 17, 2020**

PEASE DEVELOPMENT AUTHORITY CASH FLOW SUMMARY OVERVIEW DECEMBER 1, 2020 TO AUGUST 31, 2021

(EXCLUDING DIVISION OF PORTS AND HARBORS)

(\$ 000'S)

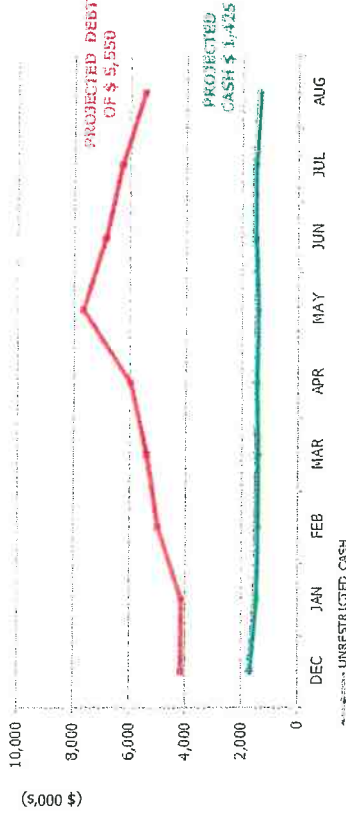
	<u>AMOUNT</u>
(\$ 000'S)	
OPENING FUND BALANCE	<u>2,269</u>
SOURCES OF FUNDS	
GRANT AWARDS (SEE PAGE #8)	14,486
TRADEPORT TENANTS	6,790
GOLF COURSE FEE AND CONCESSION REVENUES	1,330
PSM AIRPORT- LEASES, FUEL FLOWAGE FEES AND PARKING	905
SKYHAVEN AIRPORT HANGAR AND FUEL REVENUES	122
REVOLVING LINE OF CREDIT (PROVIDENT BANK)	50
	<u>23,683</u>
USES OF FUNDS	
CAPITAL EXPENDITURES- GRANT (SEE PAGE #4)	9,268
OPERATING EXPENSES	7,580
CAPITAL EXPENDITURES- NON-GRANT (SEE PAGES #5-#7)	7,536
MUNICIPAL SERVICE FEE (COP)- NET	75
STATE OF NH- POST RETIREMENT	68
	<u>24,527</u>
NET CASH FLOW	<u>(844)</u>
CLOSING FUND BALANCE	<u>1,425</u>

DISCUSSION

AT THIS TIME, THE PDA DOES ANTICIPATE THE NEED TO UTILIZE IT'S CREDIT FACILITIES WITH THE PROVIDENT BANK TO FINANCE PROJECTED NON-GRANT RELATED CAPITAL EXPENDITURES AND OR WORKING CAPITAL REQUIREMENTS.

CURRENT SENSITIVITIES TOWARD FUTURE PROJECTIONS INCLUDE 1) RECEIPT OF FEDERAL / STATE GRANT AWARDS, INCLUSIVE OF THE PSM TERMINAL EXPANSION 2) ACCURACY OF THE CAPITAL EXPENDITURE AND REIMBURSEMENT FORECAST AND OR 3) ONGOING TRADEPORT AND GOLF COURSE REVENUE STREAMS .

PROJECTED CASH AND DEBT BALANCES



TOTAL FUND BALANCES	BALANCE AT 11-30-2020	BALANCE AT 06-30-2020
UNRESTRICTED	2,269	3,451
DESIGNATED	14	14
TOTAL	<u>2,283</u>	<u>3,465</u>

PEASE DEVELOPMENT AUTHORITY

STATEMENT OF CASH FLOW

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(UNRESTRICTED FUNDS)

(\$ 000'S)

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
OPENING FUND BALANCE	2,269	1,729	1,498	1,486	1,467	1,524	1,473	1,559	1,545	2,269
SOURCES OF FUNDS										
GRANT AWARDS (SEE PAGE #8)	6,672	2,812	940	1,855	75	-	2,090	42	-	14,486
TRADEPORT TENANTS	740	750	755	750	755	755	755	765	765	6,790
MUNICIPAL SERVICE FEE	250	250	375	250	250	375	250	250	375	2,625
GOLF COURSE	90	65	50	80	75	180	250	265	275	1,330
PORTSMOUTH AIRPORT- (PSM)	45	45	50	45	45	50	45	45	50	420
PSM PAY FOR PARKING	20	25	25	30	30	35	35	35	35	270
PSM FLOWAGE FEES	25	25	25	20	20	25	25	25	25	215
SKYHAVEN AIRPORT	13	13	13	13	13	14	14	14	15	122
EXTERNAL FINANCING- NET	(1,300)	-	850	400	600	1,700	(800)	(600)	(800)	50
	<u>6,555</u>	<u>3,985</u>	<u>3,083</u>	<u>3,443</u>	<u>1,863</u>	<u>3,134</u>	<u>2,664</u>	<u>841</u>	<u>740</u>	<u>26,308</u>
USE OF FUNDS										
CAPITAL- GRANT RELATED (SEE PAGE #4)	2,880	1,430	1,180	1,602	176	2,000	-	-	-	9,268
CAPITAL- NONGRANT (SEE PAGES #5-#7)	1,865	1,936	1,115	1,035	830	370	335	40	10	7,536
OPERATING EXPENSES	1,000	850	800	825	800	815	825	815	850	7,580
MUNICIPAL SERVICE FEE	1,350	-	-	-	-	-	1,350	-	-	2,700
STATE OF NH- POST RETIREMENT	-	-	-	-	-	-	68	-	-	68
	<u>7,095</u>	<u>4,216</u>	<u>3,095</u>	<u>3,462</u>	<u>1,806</u>	<u>3,185</u>	<u>2,578</u>	<u>855</u>	<u>860</u>	<u>27,152</u>
NET CASH FLOW	(540)	(231)	(12)	(19)	57	(51)	86	(14)	(120)	(844)
CLOSING FUND BALANCE	1,729	1,498	1,486	1,467	1,524	1,473	1,559	1,545	1,425	1,425

PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000'S)

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
GRANT REIMBURSEMENT PROJECTS										
PORTSMOUTH AIRPORT										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	1,200	1,200	1,100	42	-	-	-	-	-	3,542
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	150	100	50	50	-	-	-	-	-	350
RUNWAY 16-34 DESIGN (AIP 58)	-	90	-	-	-	-	-	-	-	90
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	1,500	10	-	1,500	-	2,000	-	-	-	5,010
TW A SOUTH HOLD BAY (AIP 67)	10	10	10	10	-	-	-	-	-	40
PEASE BOULEVARD-ARBORETUM AVE	20	20	20	-	-	-	-	-	-	60
WHEEL LOADER	-	-	-	-	176	-	-	-	-	176
SKYHAVEN AIRPORT										
TOTAL	2,880	1,430	1,180	1,602	176	2,000				9,268

NOTE:
** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(CONTINUED): (EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
<u>NONGRANT REIMBURSEMENT PROJECTS</u>										
<u>SKYHAVEN AIRPORT</u>										
SRE DOORS **	-	-	15	-	-	-	-	-	-	15
REROOFING TERMINAL BUILDING **	-	-	-	-	-	-	25	-	-	25
	=	=	<u>15</u>	=	=	=	<u>25</u>	=	=	<u>40</u>
<u>ADMINISTRATION</u>										
COMPUTERS / PRINTERS / SOFTWARE / TELECOMMUNICATIONS **	-	10	-	-	10	-	-	-	10	30
ENGINEERING PLOTTER	-	16	-	-	-	-	-	-	-	16
TECHNOLOGY ENHANCEMENTS **	-	25	-	-	-	-	25	-	-	50
MAIN SERVER REPLACEMENT **	-	-	45	-	-	-	-	-	-	45
	=	<u>51</u>	<u>45</u>	=	<u>10</u>	=	<u>25</u>	=	<u>10</u>	<u>141</u>
<u>GOLF COURSE</u>										
FAIRWAY ROUGH MOWER **	-	-	-	-	70	-	-	-	-	70
UTILITY COSTS **	-	-	-	20	-	-	-	-	-	20
BATHROOM UPGRADES	-	40	40	-	-	-	-	-	-	80
	=	<u>40</u>	<u>40</u>	<u>20</u>	<u>70</u>	=	=	=	=	<u>170</u>

NOTE:
** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY
CAPITAL EXPENDITURES (EXCLUDING THE DIVISION OF PORTS AND HARBORS)
 (CONTINUED):

(\$ 000's)

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
<u>NONGRANT REIMBURSEMENT</u>										
<u>PROJECTS</u> (CONTINUED):										
<u>PORTSMOUTH AIRPORT</u>										
TERMINAL EXPANSION	1,800	1,820	1,000	1,000	750	370	260	-	-	7,000
TERMINAL FLOORING- BAGGAGE CLAIM AREA **	-	-	-	-	-	-	25	-	-	25
CAMERA SECURITY UPGRADE**	-	-	-	15	-	-	-	-	-	15
	<u>1,800</u>	<u>1,820</u>	<u>1,000</u>	<u>1,015</u>	<u>750</u>	<u>370</u>	<u>285</u>	<u>-</u>	<u>-</u>	<u>7,040</u>

NOTE:
 ** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY
CAPITAL EXPENDITURES (EXCLUDING THE DIVISION OF PORTS AND HARBORS)
 (CONTINUED) (\$ 000'S)

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
<u>NONGRANT REIMBURSEMENT PROJECTS</u> (CONTINUED)										
<u>TRADEPORT</u>										
TRAFFIC MONITORING	10	10	-	-	-	-	-	-	-	20
STORMWATER TREATMENT	15	15	15	-	-	-	-	-	-	45
	<u>25</u>	<u>25</u>	<u>15</u>	=	=	=	=	=	=	<u>65</u>
<u>MAINTENANCE</u>										
VEHICLE FLEET REPLACEMENT **	40	-	-	-	-	-	-	40	-	80
	<u>40</u>	=	=	=	=	=	=	<u>40</u>	=	<u>45</u>
TOTAL	1,865	1,936	1,115	1,035	830	370	335	40	10	7,536

NOTE:
 ** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY
RECEIPT GRANT AWARDS (EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
<u>PORTSMOUTH AIRPORT</u>										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	264	1,140	95	39	-	-	-	-	-	1,538
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	122	142	95	48	-	-	-	-	-	407
RUNWAY 16-34 DESIGN (AIP 58)	-	-	-	-	75	-	-	-	-	75
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	4,000	1,530	750	11	-	-	1,990	-	-	8,281
RUNWAY- AIR NATIONAL GUARD	2,096	-	-	1,700	-	-	100	-	-	3,896
TW A SOUTH HOLD BAY	190	-	-	-	-	-	-	-	-	190
PEASE BOULEVARD- ARBORETUM AVE	-	-	-	57	-	-	-	-	-	57
WHEEL LOADER	-	-	-	-	-	-	-	42	-	42
	<u>6,672</u>	<u>2,812</u>	<u>940</u>	<u>1,855</u>	<u>75</u>	<u>-</u>	<u>2,090</u>	<u>42</u>	<u>-</u>	<u>14,486</u>
<u>SKYHAVEN AIRPORT</u>										
TERMINAL APRON DESIGN (SBG-7)	-	-	-	-	-	-	-	-	-	-
TOTAL	<u>6,672</u>	<u>2,812</u>	<u>940</u>	<u>1,855</u>	<u>75</u>	<u>-</u>	<u>2,090</u>	<u>42</u>	<u>-</u>	<u>14,486</u>

DIVISION OF PORTS AND HARBORS CASH FLOW SUMMARY OVERVIEW (EXCLUDING RESTRICTED FUNDS)

DECEMBER 1, 2020 TO AUGUST 31, 2021

(\$ 000's)

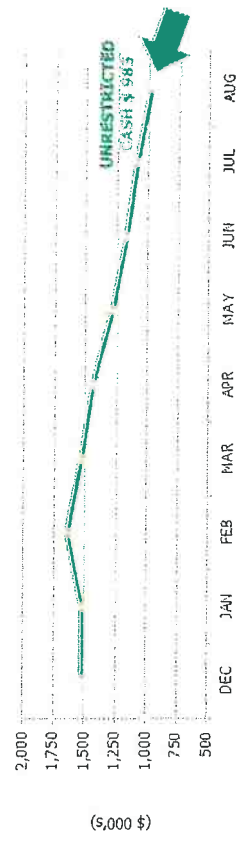
	<u>AMOUNT</u>
OPENING FUND BALANCE	<u>1,640</u>
<u>SOURCES OF FUNDS</u>	
FACILITY RENTALS AND CONCESSIONS	560
FUEL SALES	450
REGISTRATIONS / WHARFAGE	375
MOORING FEES	365
PARKING FEES	120
	<u>1,870</u>
<u>USES OF FUNDS</u>	
PERSONNEL SERVICES AND BENEFITS	1,525
FUEL PROCUREMENT	459
OPERATING EXPENSES	395
CAPITAL EXPENDITURES AND OTHER	120
STATE OF NH- POST RETIREMENT	28
	<u>2,527</u>
	<u>(657)</u>
NET CASH FLOW	
	<u>983</u>
CLOSING FUND BALANCE	<u>983</u>

DISCUSSION

CURRENT SENSITIVITIES TOWARD FUTURE PROJECTIONS INCLUDE 1) ACCURACY OF CAPITAL EXPENDITURE FORECAST AND USE OF HARBOR DREDGING AND PIER MAINTENANCE FUNDS, 2) WORKERS COMPENSATION CLAIMS, 3) FUEL CONSUMPTION AND 4) CONTINUED CONTAINMENT OF EMPLOYEE OVERTIME.

\$ 252 LOAN AMORTIZATION PERIOD AND INTEREST RATE ASSOCIATED WITH HB 25-FN-A (PISCATAQUA RIVER TURNING BASIN), HAS YET TO BE DETERMINED. LONG TERM LIABILITY.

PROJECTED UNRESTRICTED CASH BALANCES



	<u>BALANCE AT 11-30-2020</u>	<u>BALANCE AT 06-30-2020</u>
TOTAL FUND BALANCES		
UNRESTRICTED FUNDS	1,640	1,621
DESIGNATED FUNDS	152	152
RESTRICTED FUNDS:		
HARBOR DREDGING	199	233
REVOLVING LOAN FUND	340	207
FOREIGN TRADE ZONE	15	7
	554	447

DIVISION OF PORTS AND HARBORS

STATEMENT OF CASH FLOW

(UNRESTRICTED FUNDS)

(\$ 000's)

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
OPENING FUND BALANCE	1,640	1,526	1,528	1,653	1,543	1,442	1,289	1,176	1,102	1,640
SOURCES OF FUNDS										
FACILITY RENTALS AND CONCESSIONS	60	62	62	62	62	63	63	63	63	560
FUEL SALES	40	35	35	35	40	40	75	75	75	450
MOORING FEES	-	100	265	-	-	-	-	-	-	365
PARKING FEES	-	-	-	-	10	20	25	30	35	120
REGISTRATIONS / WHARFAGE	125	-	-	125	-	-	125	-	-	375
	225	197	362	222	112	123	288	168	173	1,870
USE OF FUNDS										
PERSONNEL SERVICES AND BENEFITS	250	120	120	255	125	125	260	135	135	1,525
FUEL PROCUREMENT	38	33	33	33	38	71	71	71	71	459
UTILITIES	17	19	20	20	17	17	17	16	16	159
GENERAL AND ADMINISTRATIVE	14	13	14	14	13	13	13	12	12	118
BUILDINGS AND FACILITIES	10	10	10	10	10	10	12	8	8	88
PROFESSIONAL SERVICES	10	-	-	-	10	-	-	-	10	30
CAPITAL EXPENDITURES AND OTHER	-	-	40	-	-	40	-	-	40	120
STATE OF NH- POST RETIREMENT	-	-	-	-	-	-	28	-	-	28
	339	195	237	332	213	276	401	242	292	2,527
NET CASH FLOW	(114)	2	125	(110)	(101)	(153)	(113)	(74)	(119)	(657)
CLOSING FUND BALANCE	1,526	1,528	1,653	1,543	1,442	1,289	1,176	1,102	983	983

DIVISION OF PORTS AND HARBORS STATEMENT OF CASH FLOW- HARBOR DREDGING FUND (RESTRICTED FUNDS)

(\$ 000's)

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
OPENING FUND BALANCE	<u>199</u>	<u>207</u>	<u>213</u>	<u>171</u>	<u>177</u>	<u>185</u>	<u>191</u>	<u>199</u>	<u>205</u>	<u>199</u>
<u>SOURCES OF FUNDS</u>										
PIER USAGE FEES	8	8	8	8	8	8	8	8	8	72
REGISTRATIONS	-	-	2	-	-	2	-	-	2	6
FUEL FLOWAGE FEES	-	-	-	-	-	-	-	-	-	-
GRANT FUNDING	-	-	-	-	-	-	-	-	-	-
USE OF FUNDS	<u>8</u>	<u>8</u>	<u>10</u>	<u>8</u>	<u>8</u>	<u>10</u>	<u>8</u>	<u>8</u>	<u>10</u>	<u>78</u>
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	2	-	2	-	2	-	2	-	8
GENERAL AND ADMINISTRATIVE	-	-	2	-	-	2	-	-	2	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER- (CBOC)	-	-	50	-	-	-	-	-	50	100
NET CASH FLOW	<u>-</u>	<u>2</u>	<u>52</u>	<u>2</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>2</u>	<u>52</u>	<u>114</u>
	8	6	(42)	6	8	6	8	6	(42)	(36)
CLOSING FUND BALANCE	<u>207</u>	<u>213</u>	<u>171</u>	<u>177</u>	<u>185</u>	<u>191</u>	<u>199</u>	<u>205</u>	<u>163</u>	<u>163</u>

DIVISION OF PORTS AND HARBORS

STATEMENT OF CASH FLOW- REVOLVING LOAN FUND

(RESTRICTED FUNDS)

(\$ 000's)

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
OPENING FUND BALANCE	<u>340</u>	<u>352</u>	<u>361</u>	<u>336</u>	<u>348</u>	<u>357</u>	<u>369</u>	<u>381</u>	<u>390</u>	<u>340</u>
<u>SOURCES OF FUNDS</u>										
LOAN REPAYMENTS	10	10	10	10	10	10	10	10	10	90
INTEREST INCOME-LOANS	2	1	1	2	1	1	2	1	1	12
INTEREST INCOME- FUND BALANCE	2	2	2	2	2	2	2	2	2	18
	14	13	13	14	13	13	14	13	13	120
<u>USE OF FUNDS</u>										
NEW LOANS PROJECTED	-	-	37	-	-	-	-	-	-	37
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	2	-	-	2	-	-	2	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	2	2	1	2	2	1	2	2	1	15
ALL OTHER	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW	2	4	40	2	4	1	2	4	1	58
	12	9	(25)	12	9	12	12	9	12	62
CLOSING FUND BALANCE	<u>352</u>	<u>361</u>	<u>336</u>	<u>348</u>	<u>357</u>	<u>369</u>	<u>381</u>	<u>390</u>	<u>402</u>	<u>402</u>

DIVISION OF PORTS AND HARBORS
STATEMENT OF CASH FLOW- FOREIGN TRADE ZONE FUND
(RESTRICTED FUNDS)

(\$ 000's)

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
	15	13	13	13	13	11	11	11	13	15
OPENING FUND BALANCE										
<u>SOURCES OF FUNDS</u>										
FACILITY RENTALS	-	-	-	-	-	-	-	2	-	2
ALL OTHER	-	-	-	-	-	-	-	-	-	-
<u>USE OF FUNDS</u>										
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	2	-	-	-	2	-	-	-	2	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW	2	-	-	-	2	-	-	-	2	6
	(2)	-	-	-	(2)	-	-	2	(2)	(4)
CLOSING FUND BALANCE	13	13	13	13	11	11	11	13	11	11



MEMORANDUM

TO: Pease Development Authority Board of Directors
FROM: Paul E. Brean, Executive Director *Paul*
RE: License Reports
DATE: December 8, 2020

In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of License Agreements," PDA entered into the following licenses:

- Name: TIG, LLC
 License: Right-of-Entry
 Location: 165 Arboretum Drive
 Purpose: For Site Inspection purposes
 Term: Through December 31, 2020

October 28, 2020

Dan Plummer
Two International Group, LLC
2 International Drive
Portsmouth, NH 03801

**Re: Right of Entry — Arboretum Drive, Pease International Tradeport,
Portsmouth, NH**

Dear Mr. Plummer:

TIG, LLC

This letter will authorize ~~Two International Group, LLC~~ ("TIG") and/or its agents and contractors to enter upon the 25± acre parcel located on Arboretum Drive as shown on the attached Exhibit A (the "Premises") for the period beginning November 1, 2020 through December 31, 2020, for site inspection purposes. Such inspection may include a review of environmental matters, including soils testing, wetlands review, adequacy of utility services, general site conditions, and any other similar inspection or evaluation of the Premises you deem reasonably necessary. TIG may cut and remove from the Premises a minimal amount of brush in order to assist with the mapping of wetlands and performance of any soil borings. No trees may be cut without written permission from the Pease Development Authority. This Right of Entry will expire at the close of business on December 31, 2020, unless otherwise extended an additional thirty (30) days by written agreement of TIG and Pease Development Authority.

This authorization is conditioned upon the following:

1. TIG providing Pease Development Authority, upon execution of this letter of authorization or promptly upon completion of its inspection, with a copy of any report, letter, plan, or summary with respect to conditions found at the Premises;
2. TIG's agreement herein that any use of the Premises is at its sole risk and that its signature below constitutes its agreement to assume full responsibility for any and all risks of loss or damage to property and injury or death to persons by reason of or incident to its entry or the entry by any of its employees, agents or contractors upon the premises and/or the exercise of any of the authorities granted herein. TIG expressly waives all claims against the Pease Development Authority for any such loss, damage, personal injury or death caused by or occurring as a

Page Two
October 28, 2020

**Re: Right of Entry — Arboretum Drive, Pease International Tradeport,
Portsmouth, NH**

consequence of TIG's use of the Premises or the conduct of activities or the performance of responsibilities under this authorization. TIG further agrees to indemnify, save, hold harmless, and defend the Pease Development Authority, its officers, board members, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgments, costs and attorney's fees arising out of TIG's use of the Premises or any activities conducted or undertaken in connection with or pursuant to this authorization.

3. TIG and any agent or contractor of TIG providing PDA with satisfactory evidence of commercial general liability insurance to a limit of not less than Two Million Dollars (\$2,000,000), naming the PDA as an additional insured. TIG and any agent or contractor of TIG providing PDA with satisfactory evidence of automobile liability insurance coverage in the amount of \$1,000,000.00 and workers' compensation coverage to statutory limits. Each such policy or certificate therefor issued by the insurer shall contain (i) an agreement by the insurer that such policy shall not be canceled without thirty (30) days prior written notice by mail to PDA, (ii) with the exception of workers compensation coverage, provide that the insurer shall have no right of subrogation against the PDA and (iii) a provision that any liability insurance coverage required to be carried shall be primary and non-contributing with respect to any insurance carried by PDA.

4. TIG obtaining the prior written consent of the Engineering Department of the Pease Development Authority before conducting any drilling, testpitting, borings, or other soil disturbing activities on the Premises, and thereafter complying with all terms and conditions of said consent. No geo-technical exploration shall be done on the Site without proper clearance from PDA Engineering Department.

5. TIG's agreement to restore said Premises to its condition as the same existed prior to the commencement of any work undertaken pursuant to this Right of Entry.

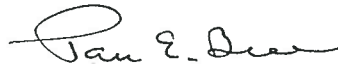
6. TIG's agreement herein that this letter of authorization does not constitute a grant of an exclusive interest in the Premises, an option to lease the Premises or an offer to lease the Premises. TIG acknowledges and agrees that, except as otherwise set forth herein, no legal obligations shall arise with respect to the Premises or lease thereof until a Lease Agreement is executed by the parties.

Page Three
October 28, 2020

**Re: Right of Entry — Arboretum Drive, Pease International Tradeport,
Portsmouth, NH**

Please indicate by your signature below TIG's consent and return the same to me with evidence of insurance as required.


Very truly yours,



Paul E. Brean
Executive Director

Agreed and accepted this ____ day of _____, 2020.

Two International Group, LLC

By: 
Print Name: Daniel L. Herrera
Its Duly Authorized: Manager

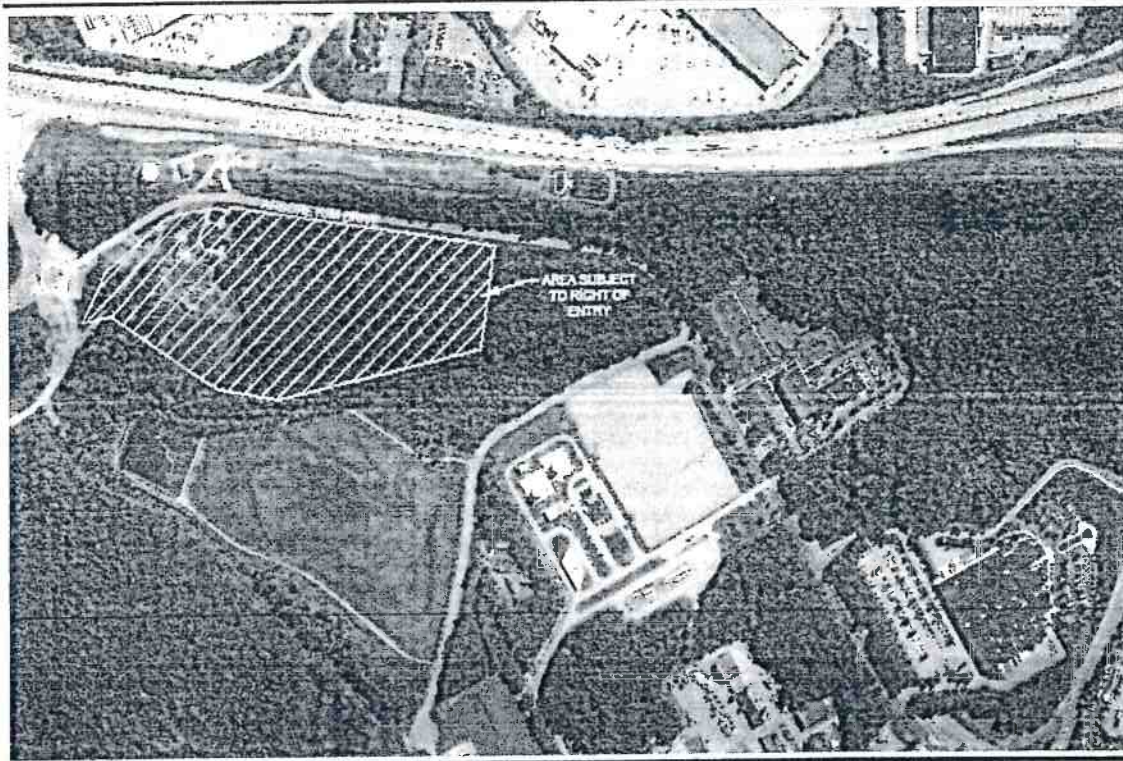
Page Four

October 28, 2020

Re: **Right of Entry — Arboretum Drive, Pease International Tradeport,
Portsmouth, NH**
(Green Parcel located Near the Roundabout - 25 ± Acres)

EXHIBIT "A"

PREMISES



Right of Entry for Property on Arboretum Dr

DESIGNED BY: MRM DATE: 10/28/2020 SCALE: 1"=500'

PEASE DEVELOPMENT AUTHORITY

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03061



MOTION – VIII.B.1.

Director Lamson:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into an Extension of the Right-of-Entry with the New Hampshire Department of Transportation for the Portsmouth Transportation Center and associated parking facility located at Pease International Tradeport for a period of one (1) year; all in accordance with the draft Extension of Right of Entry attached hereto.

NOTE: Roll Call vote required.

December 10, 2020

Victoria Sheehan, Commissioner
New Hampshire Department of Transportation
PO Box 483
Concord, NH 03302-0483

**Re: Extension of Right of Entry - Park and Ride Facility
Pease International Tradeport, Portsmouth, New Hampshire**

Dear Commissioner Sheehan:

This letter will serve to extend the Right of Entry dated September 3, 1998 granted to New Hampshire Department of Transportation ("NHDOT") and/or its agents to enter upon the premises defined as Exhibit A of the Right of Entry dated September 3, 1998 and Exhibit A-1 of the Extension of Right of Entry dated October 4, 1999, and as subsequently expanded on May 16, 2014 (the "Premises") for the purpose of operating the Portsmouth Transportation Center and the associated parking facility. In contemplation of the long-term leasing of the Premises to the NHDOT, the Right of Entry is hereby extended from January 1, 2021 through December 31, 2021 and will expire at midnight on December 31, 2021, unless otherwise extended by agreement of NHDOT and Pease Development Authority.

All other terms and conditions of the Right of Entry dated September 3, 1998, as amended, shall remain in full force and effect. Please indicate by your signature below NHDOT's consent and return the same to me.

Sincerely,

Paul E. Brean
Executive Director

Agreed and accepted this ____ day of _____, 2020

NH DEPARTMENT OF TRANSPORTATION

By: _____
Print Name: _____
Its Duly authorized: _____

cc: Anthony I. Blenkinsop, Deputy General Counsel

PANHDOTROENHDOT 11-16-20.docx

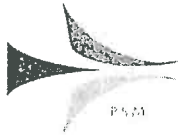


MOTION – VIII.B.2.

Director Fournier:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with New England Aerobatic Club for the purpose of holding periodic airplane aerobatic practices at Skyhaven Airport through December 31, 2021; all in accordance with the Memorandum from Andrew Pomeroy, Airport Operations Manager, dated December 8, 2020 attached hereto.

Note: Roll Call vote required.



PORTSMOUTH
INTERNATIONAL
AIRPORT
AT PEASE

36 Airline Ave. Portsmouth, NH 03801

Memorandum

To: Paul Brean, Executive Director *P.B.*
From: Andrew Pomeroy, C.M. Manager, Aviation Planning and Regulatory Compliance *AP*
CC: File
Date: December 8, 2020
Re: New England Aerobatic Club (NEAC) Skyhaven "Right of Entry"

The New England Aerobatic Club (NEAC) Chapter 35 – International Aerobatic Club (IAC) is requesting a "Right of Entry" for use of Skyhaven Airport, Rochester, NH for the purpose of conducting, at its sole risk, aerobatic practice sessions within the aerobatic practice box area approved of by the Federal Aviation Administration (FAA). This Right of Entry shall be valid from January 1, 2021 between the hours of 8:00 a.m. through 6:00 p.m. and shall terminate at 6:00 p.m. on December 31, 2021.

Aerobatic practice sessions will be conducted primarily on Saturdays and occasionally Sundays (after noon). All dates and times of practice sessions will be pre-arranged and pre-approved by Pease Airport Management, and Pease Airport Management will require proof of insurance for each aerobatic practice session. Attached is a copy of the written request from Farrell Woods, President, NEAC IAC Chapter 35.

I request that you seek Board of Directors approval at the December 17, 2020 meeting for a "Right of Entry" for the use of Skyhaven Airport for the NEAC IAC Chapter 35 to conduct aerobatic practices.

attachment

Farrell Woods
162 Bush Hill Rd.
Hudson, NH 03051-4403
(603) 801-0276

December 9, 2020

To:

Mr. Paul Brean
Executive Director
Pease Development Authority
55 International Drive
Portsmouth, NH 03801

Dear Mr. Brean

On behalf of the New England Aerobatic Club, aka IAC Chapter 35, I am requesting from PDA a "Right of Entry" for the use of the Sky Haven Airport, Rochester NH. The New England Aerobatic Club would like to conduct a small number of aerobatic practice sessions in 2021; the dates of these sessions are yet to be determined at this time.

As in the past we will fly in accordance with a Certificate of Authorization from the FAA, Portland ME FSDO. We will obtain insurance for each practice from the Experimental Aircraft Association, the terms of which we've worked out in the past, and we will supply a copy to PDA for approval prior to each practice.

I will look forward to receiving PDA's Right of Entry document and the Chapter will look forward to flying at Rochester once again this year.

Thank you and best regards,

Farrell Woods,
Vice-President,
New England Aerobatic Club

IAC Chapter 35
New England Aerobatic Club
c/o Farrell Woods
162 Bush Hill Road
Hudson, NH 03051

**Re: Right of Entry for Use of Portion of Skyhaven Airport, Rochester, NH
New England Aerobatic Club**

Dear Mr. Woods:

This Right of Entry will authorize the New England Aerobatic Club (Chapter 35 – International Aerobatic Club) (“NEAC”) to use the facilities at Skyhaven Airport (the “Premises”) for the purpose of conducting, at its sole risk, airplane aerobatic practice sessions within the aerial practice box area approved of by the Federal Aviation Administration (“FAA”), and for no other use without the express written consent of the Pease Development Authority (“PDA”). This Right of Entry shall be valid commencing on January 1, 2021, daily between the hours of 8:00 a.m. through 6:00 p.m., and shall terminate at 6:00 p.m. on December 31, 2021 (the “Term”). The use, occupation and maintenance of the Premises shall be: (a) without cost or expense to the PDA; (b) subject to the general supervision and approval of the PDA; (c) subject to the terms and conditions of the Certificate of Waiver or Authorization issued by the FAA’s Flight Standards District Office in Portland, ME and (d) subject to such rules and regulations as the PDA may prescribe from time to time.

In the event NEAC is authorized to use the Premises on a Sunday during the Term of this Right of Entry, permission will be granted subject to the requirement that it may not commence practice sessions prior to 12:00 p.m. and must conclude such sessions by 6:00 p.m. This Right of Entry does not permit use of the premises after 6:00 p.m. on any day each practice is held.

1. NEAC understands and acknowledges that for each specific period of use requested during the Term, NEAC shall coordinate with and shall obtain prior approval from the Pease Development Authority Airport Management Department for use of the Premises.

NEAC understands and agrees that it will not enter the Premises or conduct events during the Term of this Right of Entry without the express prior approval of the PDA.

2. NEAC understands and acknowledges that the Right of Entry: (a) allows only temporary use of the facilities; (b) is granted on a non-exclusive basis; and (c) may be revoked at will by PDA or terminated at will and that PDA need not state a reason for any such revocation or termination. The use of the Premises shall be orderly and efficient, shall not constitute a nuisance and shall not cause disruption to other Airport activities.

3. PDA shall not be responsible for damages to property or injuries to persons which may arise from or be attributable or incident to the condition or state or repair of the Premises, or the use and occupation thereof, or for damages to the property or injuries to the person of NEAC's officers, agents, servants or employees, or others who may be on the Premises at their invitation or the invitation of any one of them, if such damage is caused by the negligence of NEAC.
4. NEAC's agreement herein that any use of the Premises is at its sole risk and that its signature below constitutes is agreement to assume full responsibility for any and all risks of loss or damage to property and injury or death to persons by reason of or incident to its entry or the entry or the entry by any of its employees, agents or contractors upon the premises and/or the exercise of any of the authorities granted herein, if such loss, damage or injury is caused by the negligence of NEAC. NEAC expressly waives all claims against the Pease Development Authority for any such loss, damage, personal injury or death caused by or occurring as a consequence of NEAC's use of the Premises or the conduct of activities or the performance of responsibilities under this authorization unless such loss, damage, injury or death is caused by the negligence of the Pease Development Authority. NEAC further agrees to indemnify, save, hold harmless, and defend the Pease Development Authority, its officers, board members, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgements, costs and attorney's fees arising out of NEAC's use of the Premises or any activities conducted or undertaken in connection with or pursuant to this authorization unless caused by the sole negligence of the Pease Development Authority.
5. NEAC shall provide to the Pease Development Authority satisfactory evidence of commercial general liability or aviation liability insurance to a limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, naming the Pease Development Authority as an additional insured.

Each such policy or certificate therefore issued by the insurer shall to the extent obtainable contain: (i) a provision that no act or omission of any employee, officer or agent of NEAC which would otherwise result in forfeiture or reduction of the insurance therein provided shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained; (ii) an agreement by the insurer that such policy shall not be canceled without at least thirty (30) days prior written notice by registered mail to Pease Development Authority (except in situations involving the non-payment of a premium, in which case a 10 day notice will be accepted); (iii) a provision that any liability insurance coverage required to be carried by NEAC shall be primary and non-contributing with respect to any insurance carried by PDA; and (iv) a waiver of subrogation in favor of the Pease Development Authority.

In addition to the insurance coverage required to be provided in this Section 4, each event participant shall carry liability insurance as required by the Official IAC (International Aerobatic Club) Contest Rules and shall bring proof of that insurance to Skyhaven Airport as a condition of participating in the IAC 35 aerobatics activity. NEAC shall be solely responsible for ensuring that event participants comply with this provision.

6. NEAC shall coordinate activities with the on-duty airport attendant on Friday prior to each scheduled, practice event and shall otherwise coordinate practice events with the Airport Manager or his designee prior to commencement of each aerobatic practice session.
7. NEAC shall secure and provide PDA with proof of all required permits and waivers from the FAA and comply with all FAA and other federal, state and local laws, rules and regulations, which apply to the activities contemplated under this Right of Entry, including rules and regulations promulgated by PDA. NEAC shall pay to PDA an amount equal to all fines levied by the FAA (or any other federal or state entity having jurisdiction) against PDA for any breach of FAA or other federal or state requirements by NEAC or any of its contractors, agents, servants or invitees.
8. NEAC's agreement to follow the operational guidelines and restrictions set forth in Exhibit A which is attached hereto and incorporated into and made a part of this Right of Entry.
9. NEAC's agreement to schedule regular and periodic breaks between practice sessions so as to mitigate the effect of noise on the surrounding community arising from its use of the airspace above and adjacent to Skyhaven Airport.

Please indicate by your signature or the signature of a duly authorized representative, the consent of NEAC to the terms of this Right of Entry and return the same to me along with proof of insurance coverages in advance of the first practice session.

Very truly yours,

Paul E. Brean
Executive Director

Agreed and accepted this _____ day of _____, 2020

New England Acrobatic Club
By: _____
Duly Authorized
Its: _____
President

cc: Paul Brean, Airport Director
Anthony I. Blenkinsop, Deputy General Counsel

EXHIBIT A

Operational Guidelines and Restrictions

New England Aerobatic Club

Right of Entry

- Aircraft holding should be at least 3,600'
- Allow breaks in flying to ease the noise on local community.
- No flying before Noon is allowed on Sundays so as to not disrupt religious services.



MEMORANDUM

TO: Pease Development Authority Board of Directors
FROM: Paul E. Brean, Executive Director *PEB*
RE: Lease Reports
DATE: December 8, 2020

In accordance with the "Delegation to Executive Director: Consent, Approval of Sub-Sublease Agreements" PDA approved the following lease with:

- A. Tenant: Triple Crown Consulting, LLC
- Space: 4,467 square feet
- Use: Office and Related Use
- Term: Seven (7) Years and Three Months Commencing Late January 20210

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In this instance, Director Lamson was consulted and granted her consent.

MEMORANDUM

To: Pease Development Authority Board of Directors
From: Paul E. Brean, Executive Director *fab*
Date: December 8, 2020
Re: Sublease between One New Hampshire Avenue, LLC and Triple Crown Consulting, LLC

In accordance with the "Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements" adopted by the Board on August 8, 1996, I am pleased to report that PDA has approved a sublease between One New Hampshire Avenue, LLC ("ONH") and **Triple Crown Consulting, LLC** ("TCC") consisting of approximately **4,467 square feet at 1 New Hampshire Avenue**. The TCC Sublease is for a period of seven (7) years and three (3) months commencing late January 2021 and expiring on the last day of the eighty seventh (87th) lease month. TCC will use the subleased premises for office and related use.

The Delegation to Executive Director: Consent, Approval of Sub-subleases provides that:

"A Sub-sublease Agreement subject to this delegation of authority shall not be consented to, approved or executed unless all of the following conditions are met:

1. The use of the Subleased Premises associated with the sublease is permitted under the original sublease;
2. The sublease is consistent with the terms and conditions of the original Sublease;
3. The original Sublessee remains primarily liable to Sublessor to pay rent and to perform all other obligations to be performed by Sublessee under the original Sublease; and
4. The proposed Sublessee is financially and operationally responsible."

Conditions one through three have been met. As to condition four, PDA relies on ONH's continued primary liability for payment of rent and other obligations pursuant to the PDA/ONH Sublease.

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In this instance, Director Lamson was consulted and granted her consent.

P:\TWOINTL\1 New Hampshire\Board\Triple Crown Consulting 12-17-20.doc

NOTICE OF CONSENT

This NOTICE OF CONSENT ("Notice") is given by the PEASE DEVELOPMENT AUTHORITY ("Lessor") to ONE NEW HAMPSHIRE AVENUE, LLC ("Lessee"). Lessor and Lessee may be referred to jointly as the "Parties."

RECITALS

A. The Parties entered into a Lease for 1 New Hampshire Avenue at Pease International Tradeport on June 22, 2001 (the "Lease").

B. Section 19.3 of the Lease states that Lessor shall not unreasonably withhold its consent to sublease if:

1. the use of the Subleased Premises associated with the sublease is permitted under the original Lease;
2. the sublease is consistent with the terms and conditions of the original Lease;
3. Lessee remains primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease; and
4. the proposed Sublessee is financially and operationally responsible.

C. Lessee has requested authorization to sublease approximately **4,467 square feet** (Suite _____) within the Leased Premises at One New Hampshire Avenue to **Triple Crown Consulting, LLC ("TCC")**, a New Hampshire limited liability company/corporation.

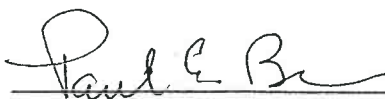
D. The proposed sublease to TCC is for general office use and related uses.

TERMS AND CONDITIONS

1. Lessor hereby authorizes Lessee to execute the sublease, attached hereto as Exhibit A, with TCC for approximately **4,467 square feet** within the Leased Premises.
2. Upon execution of the sublease with TCC, Lessee shall provide Lessor with a copy of the executed sublease, copies of all required insurance certificates and a certificate of good standing from the State of New Hampshire for TCC.
3. Lessee hereby agrees that occupancy shall be subject to the issuance of a Certificate of Occupancy as may be required in accordance with PDA Zoning Regulations, Section 315.03(a).
4. Lessee hereby agrees and affirms that it shall remain primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease.

This Notice of Consent is executed, effective this 4th day of December, 2020 by the Pease Development Authority.


PEASE DEVELOPMENT AUTHORITY

By: 
Its: Executive Director

AGREED AND ACCEPTED

ONE NEW HAMPSHIRE AVENUE, LLC

11-24-20
Date

By: 
Its: Co-Manager

2021 MEETING SCHEDULE

Month	BOARD		FINANCE		GOLF		AUDIT		PORT	
	Day	Date	Day	Date	Day	Date	Day	Date	Day	Date
	Meetings at 8:30 a.m.									
January	Thursday	01/21/21							Thursday	1/7/2021 @ 8:00 a.m.
February	None									
March	Thursday	03/18/21								
April	Thursday	04/15/21	Monday	4/12/2021 @ 9:30 a.m.	Monday	4/12/2021 @ 9:00 a.m.	Monday	4/12/2021 @ 8:30 a.m.	Thursday	4/1/2021 @ 8:00 a.m.
May	Thursday	05/20/21								
June	Thursday	06/17/21	Monday	6/14/2020 @ 8:30 a.m.						
July	None								Thursday	7/1/2021 @ 8:00 a.m.
August	Thursday	08/19/21								
September	Thursday	09/16/21	Monday	9/13/2021 @ 9:00 a.m.	Monday	9/13/2021 @ 8:30 a.m.				
October	Thursday	10/21/21						Monday	10/18/2021 @ 8:30 a.m.	10/7/2021 @ 8:00 a.m.
November	Thursday	11/18/21	Monday	11/15/2021 @ 9:00 a.m.	Monday	11/15/2021 @ 8:30 a.m.				
December	Thursday	12/16/21								
	NOTE: ALL MEETINGS BEGIN AT 8:30 A.M. UNLESS OTHERWISE POSTED.									
Legend										
Board	3rd Thursday	No meetings Feb or July								
Finance	Quarterly - Monday before Board									
Golf	Quarterly - Monday before Board									
Audit	Semi-Annually-Monday before Board (April/Oct)									
Port	Quarterly - 1st Thursday									
*Monday Holiday							Page 1			P:\BOARD\MTG\2020\2021 Proposed Mtgs



MEMORANDUM

To: Paul E. Brean, Executive Director
From: Anthony I. Blenkinsop, General Counsel *AIB*
Date: December 8, 2020
Re: Election of Officers - Proposed Motions

In accordance with Article III, Section 3.4 of the PDA By-Laws, the Legal Department proposes that the format and motions set forth below be followed in connection with the Annual Meeting to be held on Thursday, December 17, 2020:

ELECTION OF OFFICERS

Executive Director:

“In accordance with Section 3.4 of the PDA By-Laws, our agenda today includes the election of officers. Pursuant to Section 3.6 of the PDA By-laws, the officers you need to elect are a Vice-Chairman and a Treasurer of the Board, both of whom will serve in such capacity for a term of one (1) year or until the next Annual Meeting, whichever first occurs.”

I. **Meeting Chairman:**

“Do I have a motion for election of a Vice-Chairman?”

Board Member:

I move that we elect _____ as Vice-Chairman of the Pease Development Authority.”

Meeting Chairman:

“Is there a second?”
“Is there any discussion on the motion?”
“I’ll call for a vote.”

II. **Meeting Chairman:**

“Do I have a motion for election of a Treasurer?”

Board Member:

“I move that we elect _____ as Treasurer of the Pease Development Authority.”

Meeting Chairman:

“Is there a second?”
“Is there any discussion on the motion?”
“I’ll call for a vote.”

PDA COMMITTEE LISTING – EFFECTIVE August 13, 2020

Standing Committees

Executive Committee

Kevin H. Smith, **Chair**
Peter J. Loughlin, Vice Chairman
Robert A. Allard, Treasurer
Staff Contact: Mullen/Hinchee

Marketing and Economic Development Committee

Peter Loughlin, **Chair**
Neil Levesque
Steve Fournier
Staff Contact: Mullen

Finance Committee

Robert A. Allard, **Chair (Treasurer)**
Margaret Lamson
Neil Levesque
Staff Contact: Mullen/Canner

Zoning Adjustment & Appeals Committee

Steve Fournier, **Chair**
Peter Loughlin
Kevin H. Smith
Staff Contact: Hinchee/Stowell

Airport Committee

Kevin H. Smith, **Chair**
Robert Allard
Margaret Lamson
Staff Contact: Brean/Stowell

Ad Hoc Advisory Committees

Capital Improvement and Land Planning Committee

Peter Loughlin, **Chair**
Robert Allard
Steve Fournier
Neil Levesque
Staff Contact: Hinchee/Stowell

Transportation Management Committee

Margaret Lamson, **Chair**
Erik Anderson
Steve Fournier
Staff Contact: Stowell

Golf Committee

Erik Anderson, **Chair**
Robert Allard
Steve Fournier
Staff Contact: Mullen/DeVito

Port Committee

Peter Loughlin, **Chair**
Steve Fournier
Neil Levesque
Ex Officio: Chair DPH Advisory Council
Staff Contact: Mullen/Marconi

Audit Committee

Peter Loughlin, **Chair**
Kevin Smith
Erik Anderson
Staff Contact: Canner

Legal Bill Review

Kevin H. Smith, **Chair**
Peter Loughlin
Steve Fournier
Staff Contact: Hinchee

Notes: Executive Committee must have Board Chairman as Executive Committee Chair and Board Vice-Chair as Executive Committee Vice-Chair. Finance Committee must have Board Treasurer as Chairman of Finance Committee. Other than that, each Committee must have a minimum of three Directors appointed to each Committee with a Chairman selected from such appointees; appointments to Committees are at sole discretion of Board Chairman.



MEMORANDUM

Date: December 8, 2020
 To: PDA Employees – Non-Classified
 From: Paul E. Brean, Executive Director *Paul*
 Subject: 2021 Holiday Schedule

The following days will be holidays for all PDA full-time employees during 2021:

New Year's Day		Friday	01/01/21
Martin Luther King/Civil Rights Day		Monday	01/18/21
Presidents' Day		Monday	02/15/21
Memorial Day		Monday	05/31/21
Independence Day	Observed	Monday	07/05/21
Labor Day		Monday	09/06/21
Columbus Day		Monday	10/11/21
Veterans' Day		Thursday	11/11/21
Thanksgiving Day		Thursday	11/25/21
Day after Thanksgiving		Friday	11/26/21
Christmas Day	Observed	Friday	12/24/21
New Year's Day	Observed	Friday	12/31/21

Full-time employees shall, on July 1, accrue and will be entitled to, two (2) floating holidays of the employee's choice. However, in the event an employee does not utilize the floating holidays within one (1) year of the accrual, such floating holidays shall be forfeited. Floating holidays may not be utilized in hourly increments and must be taken as a full day off from work.

Memorandum

To: Paul Brean, PDA Executive Director *RB*
From: Sandra McDonough, Airport Community Liaison *SM*
Date: 12/10/2020
Subj: Noise Report for November, 2020

Portsmouth International Airport at Pease received three noise inquiries in November, 2020. All inquiries were related to fixed wing aircraft. Two calls originated from Portsmouth, New Hampshire and the third call was from Greenland, New Hampshire.

One of residents from Portsmouth called inquiring about noise after a squadron of A10s departed Portsmouth International followed by a support KC10 refueler. The aircraft departed Portsmouth for a mission overseas. It is not the norm to have 12 military fighters depart in a short period of time. The second Portsmouth resident called inquiring about a large military jet (C5 Galaxy) that made multiple passes before leaving the area. The aircraft came from Bedford, Massachusetts and was flying in order to keep their crew current in the aircraft. They called before they came and while they usually only stay for no longer than 90 minutes, they called and asked if they could stay for about two hours because they were unable to use one of their other airports to train because the airport's instrumentation was down.

The resident from Greenland called about multiple flights over his house from 7:00 PM until 8:40 PM. Two Portsmouth based refuelers were returning to the airfield and each performed a practice approach before landing. There was not anything out of the ordinary with these flights and all regulations were followed.

All inquiries are reviewed and logged in the airport database. Individual inquiries are researched and followed up on with phone calls where appropriate. Certain callers have indicated that call backs are unnecessary.



MOTION – XI.B.1.

Director Fournier:

The Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to:

1. Expend funds in the amount of **\$37,120.00** for legal services rendered to the Pease Development Authority:

Sheehan Phinney Bass & Green

October 1, 2020 – October 31, 2020 (for General Employment Matters)	\$ 174.00
--	-----------

October 1, 2020 – October 31, 2020 (in support of MS4 and CLF settlement implementation)	<u>\$36,946.00</u>
--	--------------------

Total	<u>\$37,120.00</u>
-------	---------------------------

NOTE: Roll Call vote required.

SHEEHAN PHINNEY BASS & GREEN PA
1000 ELM STREET
P.O. BOX 3701
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Trade Port - General Representation

CLIENT/CASE NO. 14713-10167
BILLING ATTORNEY:Lynn J. Preston
Invoice Number: 354410

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$174.00
TOTAL EXPENSES:	\$0.00

TOTAL THIS BILL:	\$174.00

PREVIOUS BALANCE:	\$0.00

TOTAL BALANCE DUE:	\$174.00

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ _____

To pay by CREDIT CARD, please visit www.sheehan.com, scroll to the bottom and click " ClientPay " or contact our office directly.

SHEEHAN PHINNEY BASS & GREEN PA
1000 ELM STREET
P.O. BOX 3701
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Permit Implementation

CLIENT/CASE NO. 14713-19658
BILLING ATTORNEY:Lynn J. Preston
Invoice Number: 354590

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$16,153.00
TOTAL EXPENSES:	\$0.00

TOTAL THIS BILL:	\$16,153.00

PREVIOUS BALANCE:	\$20,793.00

TOTAL BALANCE DUE:	\$36,946.00

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ _____

To pay by CREDIT CARD, please visit www.sheehan.com, scroll to the bottom and click " ClientPay " or contact our office directly.



MOTION – XI.B.2.

Director Anderson:

The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute a contract for restroom renovations at the golf course clubhouse to the lowest qualified bidder, Solid Roots Construction, LLC, of Manchester, New Hampshire, in an amount not to exceed \$75,000.00; and further authorizes the expenditure of the remaining \$5,000.00 of the project budget for project contingencies, if such expenditures are approved by the Executive Director; all in accordance with the memorandum from Scott DeVito, PGA General Manager, dated December 3, 2020, attached hereto.

NOTE: Roll Call vote required



MEMORANDUM

To: Paul Brean, Executive Director *PAB*
 From: Scott DeVito, PGA General Manager *SDV*
 Date: December 3, 2020
 Subject: Golf Course Restroom Improvements

This memo is a request to seek permission from the PDA Board of Directors to enter into a contract with Solid Roots Construction, LLC 159 South Main Street, Manchester, NH 03102, to complete the requested improvements to the restrooms at the Pease Golf Course Clubhouse.

Working with PDA Engineering Project Manager Mike Mates the Golf Course sought bids for these improvements and reserved the right to select the lowest qualified bidder. The conforming bids received were as follows:

BIDDER	JBC Construction	Solid Roots Construction, LLC
MENS RESTROOM	\$42,664.00	\$37,500.00
WOMENS RESTROOM	\$40,952.00	\$37,500.00
TOTAL	\$83,656.00	\$75,000.00

Golf Course staff will coordinate with both PDA Engineering Project Manager Mike Mates and Solid Roots Construction, LLC regarding the start date for the project, which is anticipated to begin in February 2021. The contractor will be required to have one restroom operational at all times so the Golf Course and Grill 28 will be able to continue services without interruption. The contractor will have 20 days to complete the restroom improvements by no later than March 12, 2021. This project is part of the Golf Course capital expense schedule, with a total budget of \$80,000.00 to complete the improvements.

Based on the forgoing, I ask that the Board authorize the PDA to finalize a contract with Solid Roots Construction, LLC for the Pease Golf Course Clubhouse bathroom improvements for a cost of \$75,000.00. Furthermore, I ask that the Board authorize the expenditure of the remaining \$5,000.00 of the project budget for project contingencies if approved by the Executive Director.

Thank you for your consideration in this matter.

P:\BOARD\MTG\2020\2020 Golf Restroom Improvement Memo.docx



MOTION – XI.B.3.

Director Levesque:

The Pease Development Authority (“PDA”) Board of Directors hereby approves and authorizes the Executive Director to sell the 36,000 square foot PDA owned building located at 30 New Hampshire Avenue to Spyglass Development, LLC (“Spyglass”) for \$1,550,000.00, contingent upon:

- 1) The FAA granting a release of the building from Federal grant assurances and any other airport obligations; and
- 2) The entry by the parties into a long-term PDA ground lease regarding the premises at 30 New Hampshire Avenue of up to 74 years contingent upon the obligation of Spyglass to make capital improvements to the premises.

And further authorizes the Executive Director and General Counsel to negotiate and execute a letter of intent with Spyglass, as well as any other necessary documents regarding the sale and lease, including, but not limited to the Lease Agreement; all on substantially the same terms and conditions as set forth in the memorandum of Paul E. Brean, Executive Director, dated December 9, 2020, attached hereto.

NOTE: Roll Call vote required.

N:\RESOLVES\2020\Spyglass – 30 NH Ave Sale and Lease 12-17-20.docx

MEMORANDUM

TO: PDA BOARD OF DIRECTORS

FROM: PAUL E. BREAN, EXECUTIVE DIRECTOR *PEB*

SUBJECT: SPYGLASS DEVELOPMENT, LLC/PDA – 30 NEW HAMPSHIRE AVE.

DATE: DECEMBER 9, 2020

History:

The PDA leased the subject premises at 30 New Hampshire Avenue to Ingersoll-Rand Energy Systems Corp (the "Lease") in September 1996. At that time, the premises consisted of a 36,000 square foot building owned by the PDA and contiguous land area. The building had been substantially improved by an EDA grant (which was released in 2019) and the lease was for period of not more than 11 years (including available options). The premises are within the Business Commercial Zone and the Airport District and subject to the Municipal Services Fee.

In February 2002, the lease was assigned to Spyglass Development, LLC (a Kane Company affiliate) and the Lease was amended in the following salient ways: (1) to define and subdivide the premises to consist of the existing building and an 8.26 acre lot; (2) to permit Spyglass to design and construct at its sole cost and expense a 16,500 square foot addition to the Premises; (3) to identify a new lease term of 25 years expiring September 2020; and (4) identify a new rent structure applicable to building area rent at a blended rate for existing and new construction.

Additional amendments to the Lease were executed in September 2006, December 2008, and November 2011.

In August 2012, the parties negotiated a major amendment to the Lease to extend the term through July 2022 and to fix the building area rent to that date. Additional included amendments brought the Lease into conformity with Deed references.

In 2018, the parties negotiated another amendment to the Lease to reflect a reduction in the square footage of the ground area by approximately 2 acres and an extension of the Lease term to July 2027 (with the possibility of another 5-year extension through July 2032) subject to certain conditions. This Lease amendment provided Spyglass with additional years on the Lease at a reduced rent, while protecting the PDA's ability to utilize the property for future Airport development and PDA office needs, which PDA had noted as a priority at the time.

Proposal for Building Purchase/New Lease:

Late this past summer, Spyglass approached PDA staff to inquire about the parties again amending the Lease to provide Spyglass with a longer term given its desire to enter into a long-term lease with a tenant. If able to secure a longer term, Spyglass was interested in investing in significant capital improvements in the property in the form of interior and exterior upgrades, HVAC improvements,

roof work, and site work improvements, with a projected cost upwards of \$5 million. See attached, Conceptual Plans.

Given the potential for a long-term lease, the desire to make significant capital improvements to the property, and as Spyglass already owns the 16,500 square foot building on the premises, the parties discussed the possibility of PDA selling its 36,000 square foot building to Spyglass, and the parties entering into a new 74-year ground lease for the property at 30 New Hampshire Avenue, as is presently authorized by the FAA. Spyglass sought two appraisals of the building and provided those appraisals to the PDA, with a draft letter of intent to purchase the building for \$1,550,000, the higher of the two valuations. See attached, draft letter of intent. I have asked Jeff Donahoe to review the appraisals on behalf of the PDA and his response will be provided to the Board upon receipt.

While back in 2017/2018 the PDA had viewed this parcel as appropriate for future airport parking, as well as a location for PDA offices, and was hesitant to agree to a significant lease extension, PDA now believes the sale of the building and entry of long-term ground lease to be in the PDA's best interests moving forward. Specifically, the Airport currently has sufficient surface parking and the COVID-19 pandemic has greatly diminished the expectation that significantly more parking will be needed over at least the coming decade. Furthermore, the anticipated increase in the use of ride-sharing services will, overtime, continue to cut into long-term revenue parking at airports across the nation. Finally, there are locations in close proximity to the Airport terminal where a parking structure could be built in the future, if needed. Regarding PDA offices, the facility at 30 New Hampshire Avenue would not be ideal for PDA Maintenance given its large fleet of equipment, without significant capital expenditures. Additionally, given the recent departure of Granite State College from 55 International Drive, the PDA has sufficient space there for its headquarters, airport badging, and necessary classroom space. Ultimately, should the PDA require new or additional office space in the future, there are other appropriate locations within the Tradeport/Airport to consider.

In order to facilitate the potential sale of PDA's building at 30 New Hampshire Avenue the first step in the process is to seek a release of the building from federal grant assurances and other airport obligations from the FAA, through its regional office in Burlington, MA. At the Board's November 19, 2020, meeting it authorized the submittal of a release request to the FAA. The release request was submitted via letter dated November 20, 2020. See attached, FAA release request. The release request contained the two appraisals obtained by Spyglass. The FAA has informed PDA that a release needs the waiver of the National Emergency Use provision from the Department of Defense followed by a federal register notice thereafter. While that process is playing out, the FAA has provided an intent of release stating the FAA is in agreement with the release but that the required process needs to take place (NEUP and Fed Reg.). See attached, Intent of Release.

So that the Letter of Intent can be finalized and the parties due diligence continue in an efficient manner while the FAA process takes place, the Board authorization to enter into the letter of intent, to sell the building for the higher appraised value, and to negotiate and finalize a ground lease of up to 74 years conditioned upon certain capital improvements is necessary. It is anticipated that a small portion (less than 1 acre) on the northern edge of the parcel would be held out of the lease to provide additional area for construction of a potential future loop access road for the Airport Terminal.

Required Action:

I am asking the Board to authorize me to finalize and enter into a letter of intent with Spyglass regarding the sale of the PDA building at 30 New Hampshire Avenue and entry of a long-term ground lease of

the property, and, upon receipt of FAA release authorization, proceed with the sale of the PDA-owned portion of the building and negotiate and finalize a long-term lease of the premises at 30 New Hampshire Avenue for up to 74 years in length.

cc: Anthony I. Blenkinsop, Deputy Director / General Counsel
Irving Canner, Finance Director

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U.S. Department
of Transportation
**Federal Aviation
Administration**

New England Region

1200 District Avenue
Burlington, MA 01803

December 11, 2020

Paul Brean
Executive Director
Pease Development Authority
55 International Drive
Portsmouth, NH 03801

Dear Mr. Brean:

This Letter of Intent to Release Airport Property, more specifically, to dispose of a former Air Force building located at 30 New Hampshire Avenue at Pease International Tradeport. This letter is being issued in response to your letter, dated November 20, 2020, and supporting documentation requesting the Federal Aviation Administration (FAA) to release the Pease Development Authority (hereinafter referred to as "Sponsor") from its obligation to retain the building. This property is located within the business district of Pease International Tradeport. The land upon which this building lies will be retained by the Pease Development Authority and leased to Spyglass International.

The FAA is authorized to grant a release of disposal of airport property if it is determined that (1) the property to which the release relates no longer serves an aeronautical purpose, and (2) the release will not prevent accomplishing the purpose for which the property was made subject to the terms, conditions, reservations, or restrictions, and is necessary to protect or advance the interests of the United States in civil aviation.

The FAA finds that the disposal of the building at 30 New Hampshire Avenue is no longer required for current or future aeronautical purposes. The release therefore would not prevent the accomplishment of the public airport purpose for which the airport facilities were obligated and remains airport property. It will provide the airport with a new non-aeronautical revenue source to support the airport. Accordingly, this Letter of Intent represents a decision by the FAA to dispose of the building to Spyglass Development, LLC.

The Airport provided a release request document dated November 20, 2020. FAA is in the process of reviewing the release documentation. The review process will take approximately three to four months to properly complete the release and disposal of this building. Upon satisfactory review of documentation, the FAA will move forward with approving the release, which will require a waiver from the National Emergency Use Provision from the Department of Defense and a Federal Register Notice. Once those elements are completed, the FAA will issue an approval letter for the release of the building.

If you need further assistance or have any questions, please contact me at (781) 238-7618.

Sincerely,

Jorge E
Panteli

Digitally signed by
Jorge E Panteli
Date: 2020.12.11
10:23:58 -05'00'

Jorge E. Panteli
Compliance and Land Use Specialist

CC: Gail Lattrell – FAA
Luke Garrison – FAA
John Kirkendall – FAA

Spyglass Development, LLC
210 Commerce Way, Suite 300
Portsmouth, New Hampshire 03801

LETTER OF INTENT TO PURCHASE

December 9, 2020

VIA EMAIL

Pease Development Authority
55 International Drive
Portsmouth, New Hampshire 03801
Attn: Paul Brean, Executive Director

Re: 36,000 square foot building located at 30 New Hampshire Avenue, NH 03801 (the "Building")

Dear Paul:

This letter ("LOI") sets forth the terms and conditions under which Spyglass Development LLC is prepared to proceed with the acquisition of the Building:

1. BUYER: Spyglass Development LLC
2. SELLER: Pease Development Authority ("Seller" or "PDA")
3. PURCHASE PRICE: \$1,550,000 (represents the higher of the two appraisals)
4. DOCUMENTATION: The obligations of the Buyer and Seller shall be evidenced by a mutually satisfactory written Purchase and Sale Agreement (the "PSA"). The PSA shall be prepared by Seller's counsel.
5. ESCROW AGENT: Buyer's Title Company (TBD)
6. DEPOSITS: Upon the full execution of the PSA and Seller's receipt of all necessary approvals, Buyer shall deliver a deposit of \$50,000.00 (the "Deposit") to Escrow Agent within one (1) week of the Approval Date (defined below). On or prior to the Due Diligence Expiration Date (defined below), the Deposit shall be fully refundable to Buyer. After the Due Diligence Expiration Date, the Deposit shall be nonrefundable and will serve as liquidated

damages in the event of default by Buyer except in the case of a default by Seller under the PSA.

7. CLOSING:

Subject to the contingencies described below, the closing (the "**Closing**") shall occur on or prior to the 45th day after the Due Diligence Expiration Date (the "Closing Date"). In the event the 45th day following the Due Diligence Expiration Date is not a business day, the Closing shall occur on the first business day following the 45th day after the Due Diligence Expiration Date.

8. BROKER:

Each of the parties represents that it has not dealt with any broker or agent.

9. COMMISSION:

None.

10. CLOSING
CONDITIONS:

In addition to the other provisions of this LOI and such other terms that are usual and customary in a transaction of this nature and such other provisions, conditions and contingencies as Buyer and Seller may agree upon, the PSA shall provide that Buyer's obligation to purchase the Building shall be subject to:

- (a) Receipt of Approvals: Commencing on the date this LOI is fully executed, Seller shall take steps with reasonable diligence to obtain all approvals necessary to sell the Building to Buyer including, without limitation, approvals from the Pease Development Authority Board of Directors and the Federal Aviation Administration. The date upon which Buyer receives notice from Seller that Seller has obtained all necessary approvals and is fully authorized to proceed with this transaction and the PSA is fully executed shall be referred to herein as the "**Approval Date**". Buyer shall have the right to terminate the PSA at any time prior to the Approval Date for any reason or no reason upon written notice to the Seller, at which time the obligations of the parties under the PSA shall become null and void.

(b) Environmental Due Diligence: Commencing on the Approval Date, Buyer shall have a period of thirty (30) days (the "Due Diligence Period") to perform a Phase I Environmental Assessment of the Building and land on which the Building is located, with any Phase II invasive or subsurface testing subject to Seller's discretion. Buyer's due diligence review shall be at Buyer's sole cost and expense. If the last day of the Due Diligence Period (the "Due Diligence Expiration Date") is not a business day, then the Due Diligence Period shall expire upon the first business day thereafter. Buyer shall have the right to terminate the PSA at any time during the Due Diligence Period in the event Buyer determines in its sole discretion that the Building is not marketable or financeable due to environmental issues. In the event Buyer elects to terminate the PSA during the Due Diligence Period, Buyer shall provide notice of such election to Seller on or prior to the Due Diligence Expiration Date, at which time the obligations of the parties under the PSA shall terminate (except for surviving indemnity obligations with respect to confidentiality, access and similar surviving obligations of Buyer) and the Deposit shall be fully refunded to Buyer.

(c) Entry into Long Term Ground Lease. At or contemporaneously with the Closing, the parties shall enter into a mutually acceptable long term ground lease, substantially in the form of the attached PDA form, with respect to 30 New Hampshire, Portsmouth, New Hampshire. The parties shall commence good faith negotiations with respect to the ground lease on or following the Approval Date. The terms shall include, without limitation, a lease term of up to 74 years at the current annual market rent.

11. TITLE:

Seller shall convey, by warranty deed, good and clear record and marketable title to the Building free from encumbrances except the provisions of existing building and zoning laws; any liens for municipal betterments; easements, restrictions, covenants, takings and agreements of record which do not

materially and adversely affect the Buyer's intended use of the Building for commercial purposes.

12. CLOSING COSTS:

Seller and Buyer shall pay any and all costs customarily paid on the sale of commercial buildings in the Portsmouth, NH area. Real estate taxes, operating expenses, tenant concessions and income shall be prorated as of the date of Closing.

13. CONFIDENTIALITY / NO PUBLICITY:

Buyer acknowledges that Seller is a public entity and that any transaction with respect to the Building would require the approval of the PDA Board of Directors in a public meeting.

14. EXCLUSIVE NEGOTIATION PERIOD:

By accepting below, Seller agrees to (a) refrain from putting the Building on the market, (b) discontinue all negotiations with other potential purchasers, and (c) refrain from providing any information with respect to the Building to other potential purchasers until such time as the Seller reasonably concludes that a mutually satisfactory PSA is not achievable. The provisions of this Paragraph 14 shall be binding upon Buyer and Seller.

If the foregoing meets with the Seller's approval, please arrange for an authorized representative to evidence acceptance of this Letter of Intent by signing where indicated below and returning a fully executed copy to the undersigned.

Please bear in mind that this Letter of Intent is a recitation of our general understanding of this contemplated transaction and, with the exception of the aforementioned confidentiality and exclusivity provisions set forth above, no other binding obligations between Buyer and Seller are to result from execution of this Letter of Intent, unless and until the above described transaction has been made the subject of a binding PSA and executed by all parties hereto.

Very truly yours,

Michael Kane

30 New Hampshire, Portsmouth, NH
December 9, 2020
Page - 5 of 5 -

cc: John Kane
Eric Nelson

BY SIGNING BELOW, THE UNDERSIGNED REPRESENTS AND WARRANTS THAT IT IS THE OWNER OF THE BUILDING AND HAS THE AUTHORITY TO ACCEPT THIS LETTER OF INTENT DATED **NOVEMBER 5, 2020**. THE FOREGOING LETTER OF INTENT DATED **NOVEMBER 5, 2020** IS AGREED TO AND ACCEPTED BY:

SELLER:

The Pease Development Authority

By: _____

Name: _____

Its: _____



**30 New Hampshire Avenue
Portsmouth, NH**



Table of Contents

1. Renderings & Budget
2. Appraisals



Renderings & Budget



ACLARA - PORTSMOUTH, NH

15
OCTOBER
2020





ACLARA - PORTSMOUTH, NH

15
OCTOBER
2020





ACLARA - PORTSMOUTH, NH

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OCTOBER
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ACLARA - PORTSMOUTH, NH

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 **PROCON**
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ACLARA - PORTSMOUTH, NH

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2020

 **PROCON**
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30 New Hampshire Avenue

PRE-RFP Conceptual Schematic Budgeting

			KANE	ACLARA	
Exterior					
<hr/>					
Office Façade - Windows and EIFS			\$ 557,000	\$ -	
Warehouse Façade "Refresh"			\$ 362,000	\$ -	
			\$ 195,000		
<hr/>					
Interior					
<hr/>					
Interior Office Fit up	16,000	sf	\$ -	\$ 3,717,000	\$/sf
Interior Eng/Manufact. Fit up at warehouse	37,000	sf	\$ -	\$ 1,284,000	\$ 80
Mech/Elec Demo Allowance			\$ -	\$ 2,170,000	\$ 59
Scarify & Resurface Warehouse Slab	17,000	sf	\$ -	\$ 94,000	
			\$ -	\$ 169,000	\$ 10
<hr/>					
HVAC Equipment					
<hr/>					
Equipment at Office	40	ton	\$ 297,000	\$ -	\$/ton
Equipment at Warehouse (includes cooling)	116	ton	\$ 70,000	\$ -	\$ 1,750
			\$ 227,000	\$ -	\$ 1,965
<hr/>					
Roofing					
<hr/>					
Overlay Roofing at Warehouse	35,000	sf	\$ 327,000	\$ -	\$/sf
Overlay Roofing at Office	8,000	sf	\$ 264,000	\$ -	\$ 8
			\$ 63,000	\$ -	\$ 8
<hr/>					
Site Work					
<hr/>					
Sidewalk, Green Space and Patio			\$ 314,000	\$ -	
Seal Coat Parking Lot	180,000	sf	\$ 287,000	\$ -	
			\$ 27,000	\$ -	
<hr/>					
Architectural Elements					
<hr/>					
Architectual Band at South End			\$ 803,000	\$ -	
Alcara Office Entrance Canopy			\$ 207,000	\$ -	
ADD for Metal Panel at Entrance Façade			\$ 221,000	\$ -	
South Elevation Façade Upgrades			\$ 146,000	\$ -	
			\$ 229,000	\$ -	
Architectural /Interior Design			\$ 114,900	\$ 185,850	
TOTALS			\$ 2,412,900	\$ 3,902,850	

*General Conditions, Construction Fee and Contingency are included in above costs

November 20, 2020

Ms. Gail Lattrell, Director
Federal Aviation Administration, Airports Division
New England Region, ANE-600
1200 District Ave.
Burlington, MA 01803

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

Dear Ms. Lattrell:

REQUEST FOR RELEASE OF AIRPORT PROPERTY

1. WHAT IS REQUESTED

The Pease Development Authority (“PDA”), as authorized by its Board of Directors (the “Board”), requests a release of certain non-aeronautical revenue producing property from Federal grant assurances and any other airport obligations. Specifically, the Board requests that the 36,000 sf building owned by the PDA located at 30 New Hampshire Avenue, within the Airport Business and Commercial Zone¹ of the Pease International Tradeport, be released from its grant assurances and airport obligations to the FAA. (See Exhibit A, Pease International Tradeport Zoning Map with Business and Commercial Zone shaded blue and Site Map showing building). The building is located in the City of Portsmouth and is utilized for non-aeronautical purposes. The release is requested to facilitate the potential sale of the building to Spyglass Development, LLC (“Spyglass”), the entity that currently leases the premises at 30 New Hampshire Avenue and owns the other 16,500 sf of the building, if determined to be in the best interests of the PDA and PSM. No release of PDA owned land is being sought.

¹ The Airport Business and Commercial Zone is intended primarily for uses involving business, commercial and trade-related enterprise. The area subject to the Airport Business and Commercial Zone consists of approximately 503.5 acres and is bounded as described in PDA Zoning Ordinance, 303.05(a).

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November 20, 2020

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

2. WHAT AGREEMENT(S) WITH THE UNITED STATES ARE INVOLVED

The United States Air Force's determination to support a public benefit transfer for airport purposes of the majority of the former Pease Air Force Base to the PDA is set forth in its Record of Decisions dated August 1991, as supplemented in April 1992, April 1997 and February 1999.

The FAA was a cooperating agency with the Air Force. In each instance, the supplemental ROD's supported the inclusion of additional revenue generating property required to offset expected business losses due to airport operations and to facilitate implementation of the PDA development plan. Major components of the plan have not changed since the 1991 ROD and include the Airport, light industry, commerce center, office and a research park, hotels, retail, and a golf course. All revenue from the non-aeronautical development, including that within the Business and Commercial Zone, is committed to make PSM financially viable.

The property within the Business and Commercial Zone was conveyed by the United States of America to the Pease Development Authority pursuant to the powers and authority contained in 49 U.S.C. §§ 47151-47153 (formerly known as the Surplus Property Act of 1944 (58 Stat.765), as amended). By Quitclaim Deed made and entered into on October 15, 2003 and Quitclaim Deed dated September 16, 2005, including all exhibits thereto, (the "Deeds"), the Government, acting by and through the Secretary of the Air Force, did grant to PDA the land and improvements located within the Business and Commercial Zone.

The PDA owned building at 30 New Hampshire Avenue, which was included in the transfer from the Federal government, was improved in the early to mid-1990's by an EDA grant. The EDA grant was released in 2019. (See Exhibit B, EDA map and Release).

November 20, 2020

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

3. WHY THE RELEASE, MODIFICATION, REFORMATION OR AMENDMENT IS REQUESTED

The Pease Development Authority supports its public airport by initiating economic opportunity and creating private sector employment at the unique facilities available at the Tradeport, while preserving the New Hampshire seacoast's quality of life and environment. (See NHRSA 12-G). The PDA seeks a release in order to sell the fee interest in PDA owned building at 30 New Hampshire Avenue to Spyglass, the current lessee of the building. Spyglass desires to enter a new long-term lease of the premises with the PDA so that it may enter into a long-term sublease with a sub-tenant. If able to secure a longer lease term from the PDA, Spyglass is interested in investing in significant capital improvements in the property to bring the premises up to date and make it more appropriate for subtenant use. Specifically, Spyglass intends to perform interior and exterior upgrades, HVAC improvements, roof work, and site work improvements, with a projected cost over \$5 million.

4. WHAT FACTS AND CIRCUMSTANCES JUSTIFY THE REQUEST

Property in the Business and Commercial Zone has been developed with non-aeronautical uses. This development has resulted, by in large, from long-term ground leases between the PDA and developers. The premises at 30 New Hampshire Avenue has been leased since the mid-1990's. The original building at 30 New Hampshire Avenue was the 36,000 sf building which was transferred from the Air Force to the PDA. The building was improved with and EDA grant in the early to mid-1990's prior to being leased. In 2002, the lease was assigned the Spyglass, the current tenant, who constructed (and owns) a 16,500 sf addition to the building.

The PDA owned portion of the building is in need of capital investment at this time given its history as an Air Force era building, the passage of time since EDA improvements in the early 1990's, and the unique building layout. Given other capital projects at PSM, including the complete runway reconstruction and the terminal expansion in 2020, the PDA is not presently in a position to invest in such improvements, nor does it anticipate being in such a position over the coming decade. Spyglass is interested in purchasing the PDA-owned portion of the building, entering a long-term ground lease of up to 74-years with the PDA, and making these improvements, so that it may enter into a long-term sublease. The sale of the building at fair market value will provide an infusion of cash to the PDA and the entry of a long-term ground lease will provide the PDA with a consistent and dependable income stream from this property for decades to come.

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November 20, 2020

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

Additionally, the improvements to the building and the site work will update and transform a highly visible commercial property at the Pease International Tradeport and entrance to PSM.

5. WHAT REQUIREMENTS OF STATE OR LOCAL LAW OR ORDINANCE SHOULD BE PROVIDED FOR IN THE LANGUAGE OF A FAA ISSUED DOCUMENT IF THE REQUEST IS CONSENTED TO OR GRANTED

Subject to the requirements of the Deed, the Board has provided a vote acknowledging the authorization to make this request to the FAA. (See Exhibit C, Board motion).

6. WHAT PROPERTY OR FACILITIES ARE INVOLVED

The 36,000 sf building in question is located at 30 New Hampshire Avenue, a 8.49 acre parcel in Portsmouth, New Hampshire. The premises at 30 New Hampshire Avenue is the subject of a lease from the PDA to Spyglass. In the early 2000's Spyglass constructed a 16,500 sf addition to the building. The current lease expires in July 2022, but contains two 5-year extension options, which could result in the current lease extending through July 2032.

7. HOW THE PROPERTY WAS ACQUIRED OR OBTAINED BY THE AIRPORT OWNER

Consistent with #2, above, the Federal Government, acting by and through the Secretary of the Air Force, transferred the land within these zones to the PDA via the Deeds.

8. WHAT IS THE PRESENT CONDITION AND WHAT PRESENT USE IS MADE OF ANY PROPERTY OR FACILITY INVOLVED

As set out in #6 above, the 36,000 sf PDA owned portion of the building is connected to the 16,500 sf building owned by Spyglass. The PDA owned portion of the building is somewhat dated given its history as an Air Force building, and the entire structure is in need of capital investment to update the structure and make it attractive for tenants in the

November 20, 2020

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

current market. The entire building and 6.26 acres² of the parcel at 30 New Hampshire Avenue is presently leased to Spyglass by the PDA. Spyglass currently subleases the premises to FlexEnergy, an energy company.

9. WHAT USE OR DISPOSITION WILL BE MADE OF THE PROPERTY OR FACILITIES

As set out in #1 above, the purpose of the release is to facilitate the potential sale of the 36,000 sf PDA owned building and improvements to Spyglass if the Board determines it is in the best interest of PSM to do so. Proceeds from the sale will be used to support the PDA and PSM. Concurrent with the sale, the PDA would enter into a long-term ground lease of up to 74 years with Spyglass, conditioned on its significant capital investment in the property in the early years of the lease.

10. WHAT IS THE APPRAISED FAIR MARKET VALUE OF THE PROPERTY OR FACILITIES - APPRAISALS OR OTHER EVIDENCE REQUIRED TO ESTABLISH FAIR MARKET VALUE

Spyglass had two appraisals of the PDA owned building performed in September 2020. The higher of the two appraisals, performed by RMA Associates, is for \$1,550,000, which is the anticipated sales price. Both appraisals are attached hereto (See Exhibit D, Cushman & Wakefield and RMA Associates appraisals).

11. WHAT PROCEEDS ARE EXPECTED FROM THE USE OR DISPOSITION OF THE PROPERTY AND WHAT WILL BE DONE WITH ANY NET REVENUES DERIVED

The net revenues to be derived from a sale of the 36,000 sf PDA building (anticipated to be the \$1,550,000 appraised value) will be committed to the development, maintenance, and operations of PSM and the remaining Airport Property located at the Pease International Tradeport.

² A new long term ground lease would be for the 8.49 acre parcel minus a small area of the parcel (approximately 0.5 acre in size) along the northern edge of the parcel to facilitate a potential future airport access loop road.

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November 20, 2020

RE: Pease Development Authority Release Request for a portion of a building at 30 New Hampshire Avenue at the former Pease Air Force Base, Portsmouth, New Hampshire

12. A COMPARISON OF THE RELATIVE ADVANTAGE OR BENEFIT TO THE AIRPORT FROM SALE OR OTHER DISPOSITION AS OPPOSED TO RETENTION FOR RENTAL INCOME

The benefit of the release requested is the ability to sell a PDA owned, Air Force vintage building, to its existing tenant, which also owns a connected 16,500 sf portion of the building. Concurrently, the PDA would enter into a long-term ground lease of up to 74 years, contingent on the investment of significant capital improvements being made to the building and parcel over the initial years of the lease. As such, the PDA would receive a cash payment for the building, the long-term ground lease revenue, and an improved building at the conclusion of the lease term. Current (2020) rental rates under long-term leases for land in these zones developed at the Tradeport are a blended rate of \$18,245 an acre per year.

Should the PDA retain ownership of the 36,000 sf building, it will require the investment of funds for capital improvements over the coming years given the passage of time since the EDA grant improvements were performed.

The FAA's consideration of this request is greatly appreciated. Please advise if you require any additional information from us to complete this Request for Release of Airport Property.

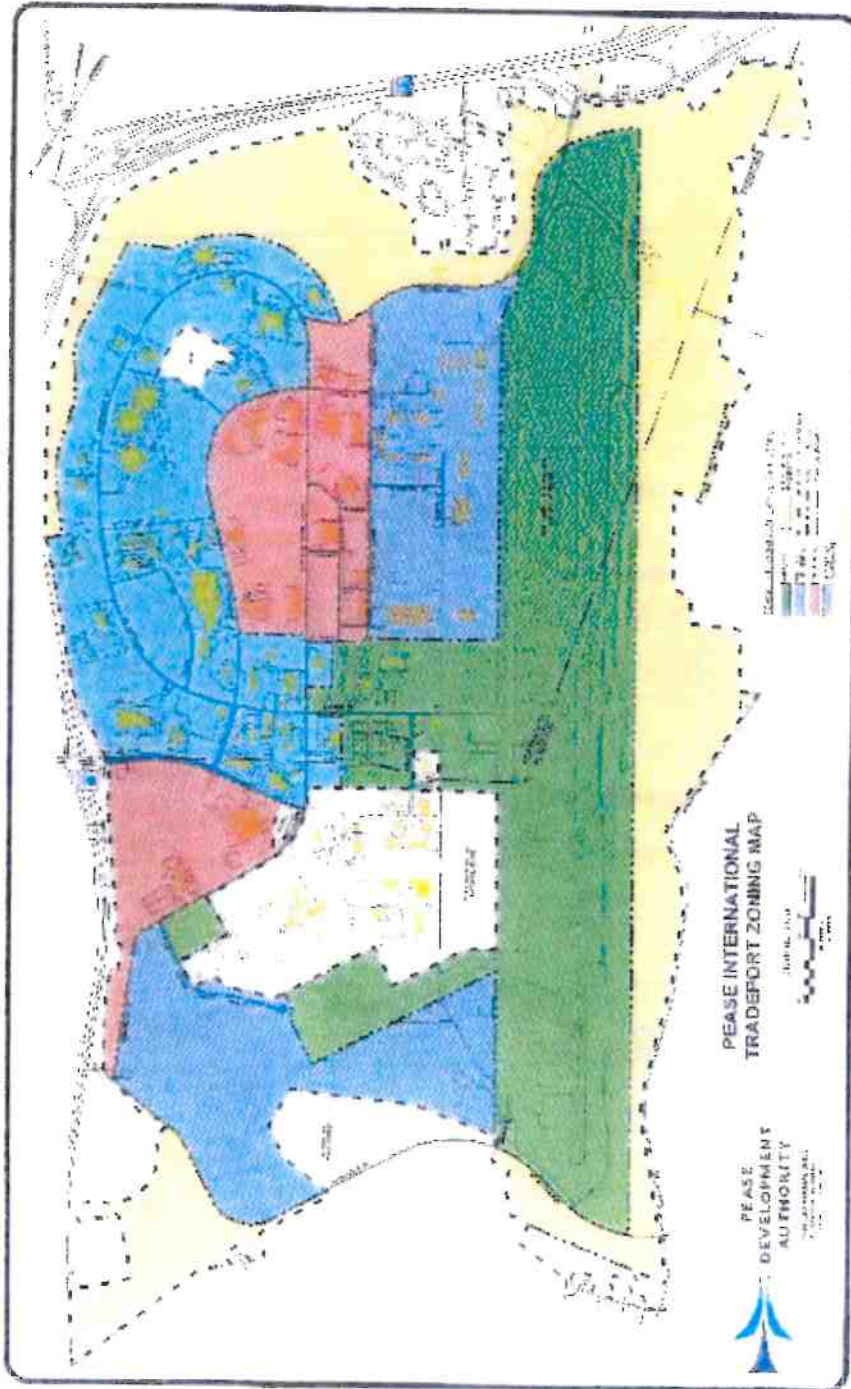
Sincerely,

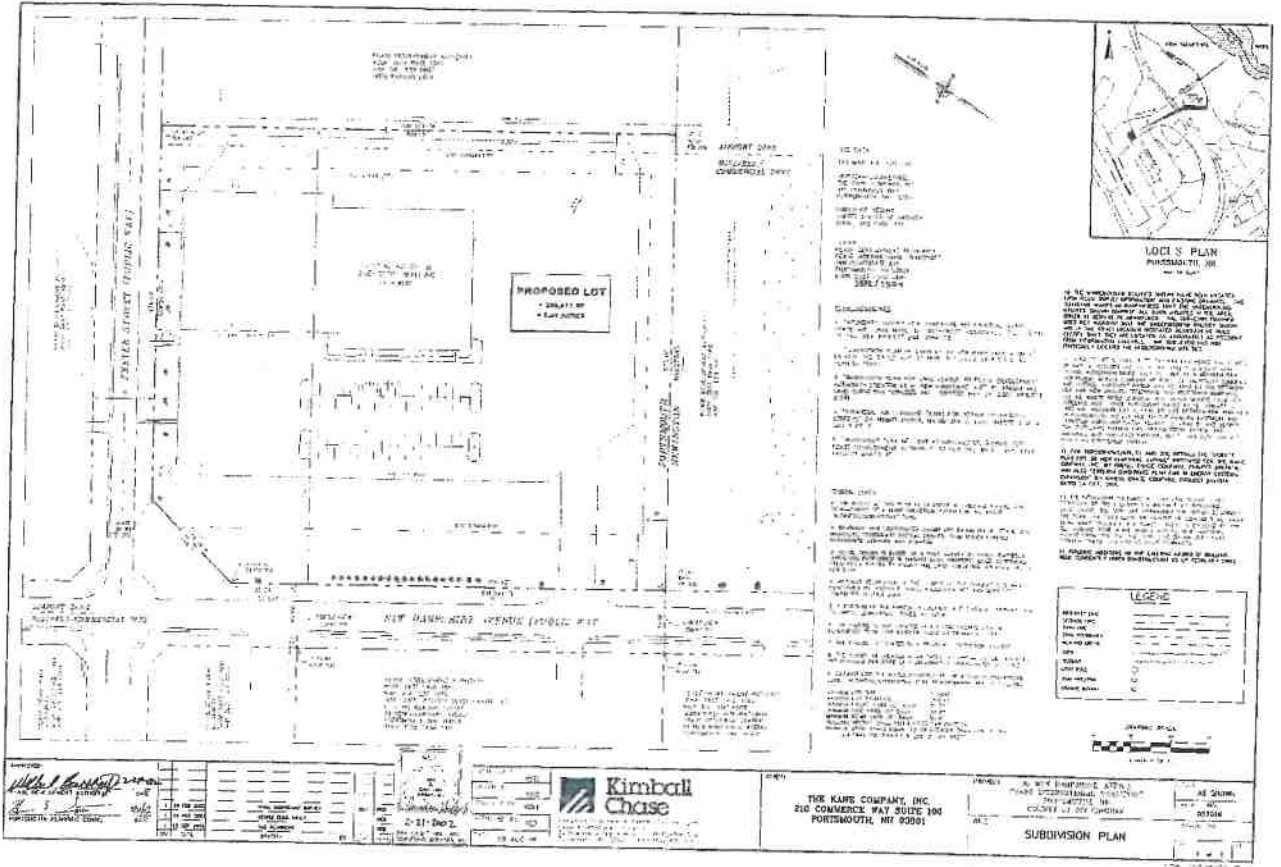
A handwritten signature in black ink, appearing to read "Paul E. Brean". The signature is written in a cursive style with a large initial "P".

Paul Brean
Executive Director

cc: PDA Board of Directors
Anthony I. Blenkinsop, Deputy General Counsel
Maria J. Stowell, Engineering Manager
Irving Canner, Finance Director

Exhibit A





[Signature]
 [Title]
 [Address]
 [City, State, Zip]

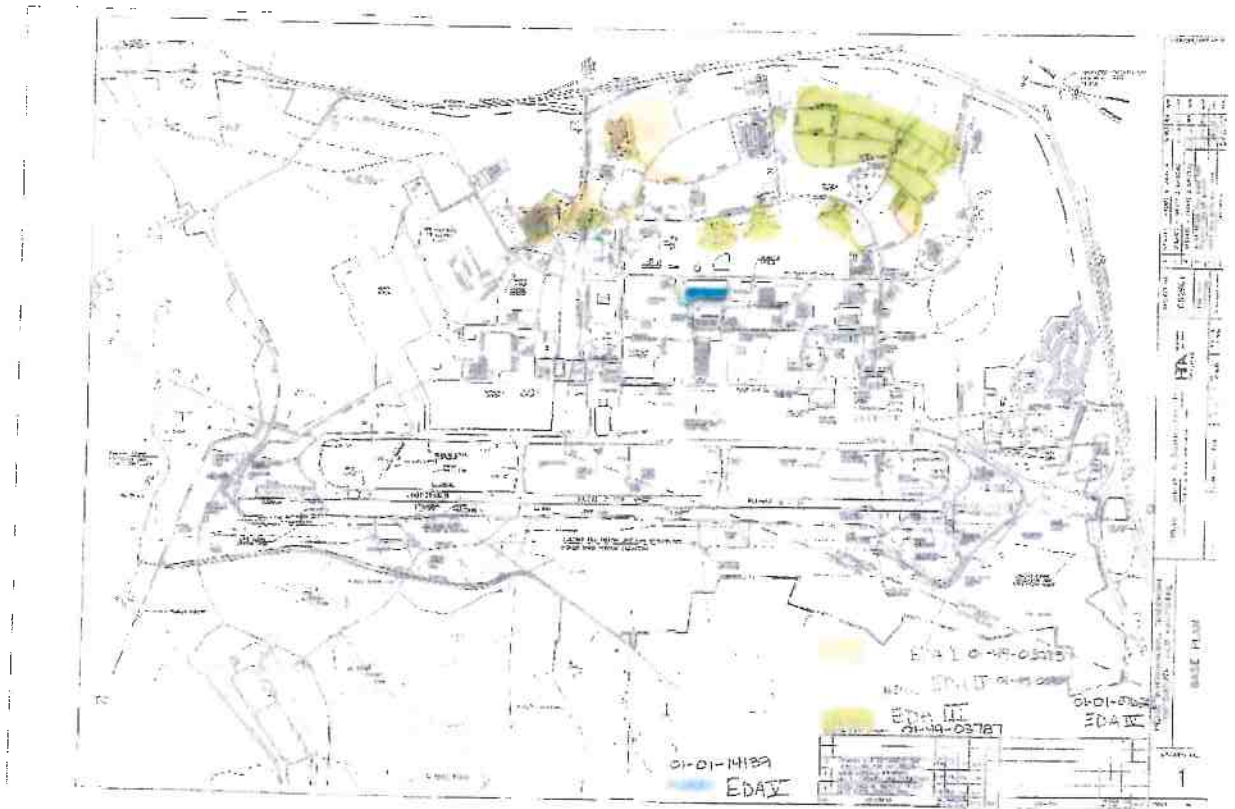
NO.	DESCRIPTION	DATE	BY
1	PRELIMINARY PLAN	11/18/88	[Signature]
2	REVISED PLAN	11/22/88	[Signature]
3	REVISED PLAN	11/22/88	[Signature]
4	REVISED PLAN	11/22/88	[Signature]
5	REVISED PLAN	11/22/88	[Signature]
6	REVISED PLAN	11/22/88	[Signature]
7	REVISED PLAN	11/22/88	[Signature]
8	REVISED PLAN	11/22/88	[Signature]
9	REVISED PLAN	11/22/88	[Signature]
10	REVISED PLAN	11/22/88	[Signature]

Kimball Chase
 ARCHITECTS
 100 STATE STREET
 PORTSMOUTH, NH 03801


THE KANE COMPANY, INC.
 210 COMMERCIAL HWY SUITE 101
 PORTSMOUTH, NH 03801

PROJECT: [Address]
 SHEET NO.: [Number]
 TOTAL SHEETS: [Number]
SUBDIVISION PLAN

Exhibit B






 Pease Development Authority
 55 International Drive
 Portsmouth, NH 03801

4 12085824 08/20/2010 10:48:00 AM
 Book 3079 Page 1718 Page 1 of 3
 Register of Deeds, Rockingham County

Carroll, Nancy

RELEASE OF FEDERAL INTEREST AND COVENANT OF USE

Pursuant to 13 C.F.R. § 314.10, the U.S. Department of Commerce, Economic Development Administration (EDA) hereby releases its equitable interests arising from certain Grant awards (Agreements) issued to and for the benefit of Pease Development Authority of 55 International Drive, Portsmouth, New Hampshire (Recipient) covering all or a portion of the property described in the Agreements more particularly described below.

The Agreements secured the use of property improved with funds from EDA, specifically including Project No. 01-49-03235 dated October 28, 1992, Project No. 01-49-03354 dated September 30, 1994 and Project No. 01-49-03787 dated September 29, 1998 for the construction, improvement and repair of infrastructure, including roadways, the demolition of buildings to facilitate new development and the rehabilitation of buildings for re-use (Awards), unless a different use was approved by EDA. Pease Development Authority memorialized the interests of EDA by the inclusion of EDA Agreements and related obligations in certain building and ground leases which benefited from EDA funds.

EDA has determined that more than 20 years have passed since the date of the last Award, the Useful Life of the improvements funded by the Awards has elapsed, and the Recipient has made a good faith effort to fulfill all terms and conditions of the Awards.

In consideration of the foregoing release, and as required by 13 C.F.R. § 314.10, Recipient, for itself and its successors, agrees that the Property is and shall henceforth be subject to and encumbered by the following two covenants and restrictions, to wit:

- I. At no time shall the Property be used in violation of the nondiscrimination requirements set forth at 13 C.F.R. § 302.20, and
- II. At no time shall the Property be used for inherently religious activity prohibited by applicable federal law.

GRANT NO.	LESSEE	ADDRESS	AKA
01-49-03235	Recheek Ale Brewery, Inc. Two International Group, LLC Respart, LLC W1729838 LLC	35 Corporate Drive 2 International Drive 7 International Drive 72 Peace Blvd	ACTH
01-49-03351	Hediges Portsmouth LLC Pulse Rehab LLC Loma Biologics, Inc. Pioneer Intl. Development LLC Synchoss Development LLC Amsafe Pill LLC Lorca Biologics, Inc. Intl Association of Privacy Professionals, Inc	73 Corporate Drive 105 Corporate Drive 19 Durham Blvd 207 Intl. National Dr 30 New England Ave 68 New England Ave 75 Rochester Ave #1 75 Rochester Ave #2 75 Rochester Ave #4	NHLC 32 Mill TACT/Paradise
01-49-03787	Pennacot Adv Medical Associates, Inc. 177 Corporate Drive LLC Kanerd Development LLC Kanerd Development II LLC Knysharrs, LLC Ponlmannock, LC 100 International LLC Castlerock, LLC 200 International, L ³	161 Corporate Drive 177 Corporate Drive 154-165 Corporate Drive 152 Corporate Drive 231 Corporate Drive 230 Corporate Drive 190 International Drive 190 International Dr 200 International Drive	International Court

EXHIBIT C



MOTION - XI. B.2.

Director Levesque:

The Pease Development Authority ("PDA") Board of Directors hereby authorizes the Executive Director to prepare and file a request to Gail Lattrell, Director of the Federal Aviation Administration Airport Division New England Region, to seek a release of certain non-aeronautical revenue producing property within the Business and Commercial Zone of the Pease International Tradeport, specifically the 36,000 square foot building owned by the PDA located at 30 New Hampshire Avenue, from federal grant assurances and other airport obligations. This release is intended to facilitate the potential sale of that 36,000 square foot building to Spyglass Development, LLC, and the entry of a long-term ground lease for the premises at 30 New Hampshire Avenue, which sale and lease would require the further approval of this Board; all as substantially set forth in the attached memorandum from Executive Director Paul E. Brean dated November 12, 2020.

Note: Roll Call vote required.

N:\RESOLVES\2020\Land Request Release to FAA - Spyglass 30 NH Ave.docx

KEEP TAKING YOU THERE

100 Airport Blvd., Suite 100, Pease International Tradeport, Pease, NH 03262-1000

EXHIBIT D



Appraisals



APPRAISAL OF REAL PROPERTY

Flex Energy
30 New Hampshire Avenue
Portsmouth, Rockingham, NH 03801

IN A RESTRICTED APPRAISAL REPORT

As of September 16, 2020

Prepared For:

The Kane Company
210 Commerce Way, Suite 300
Portsmouth, NH 03801

Prepared By:

Cushman & Wakefield of Massachusetts, Inc.
Valuation & Advisory
225 Franklin Street, Suite 300
Boston, MA 02110
Cushman & Wakefield File ID: 20-27001-901162-001





Flex Energy
30 New Hampshire Avenue
Portsmouth, Rockingham, NH 03801



225 Franklin Street, Suite 300
Boston, MA 02110
Tel +1 (617) 330-6966
cushmanwakefield.com

October 23, 2020

Mr. Eric Nelson
COO
The Kane Company
210 Commerce Way, Suite 300
Portsmouth, NH 03801

Re: Restricted Appraisal Report

Flex Energy
30 New Hampshire Avenue
Portsmouth, Rockingham, NH 03801

Cushman & Wakefield File ID: 20-27001-901162-001

Dear Mr. Nelson:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with USPAP, the use of this report is restricted to the client only.

The report presents limited discussions of the data, reasoning, and analyses used in the appraisal process to develop the appraiser's opinion of value. It may not be understood without additional information in the appraiser's work file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in the following pages.

In recent times, the CRE market has been driven by investor demand and strong liquidity. Asset values can fall significantly in short periods of time if either of these two factors, often in conjunction with many others, change significantly. While Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic, and will continue to provide updates as events unfold, the reader is cautioned to consider that values and incomes are likely to change more rapidly and significantly than during standard market conditions. Furthermore, the reader should be cautioned and reminded that any conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property(ies) of this event, or any event, subsequent to the effective date of the appraisal.

Client:	Mr. Eric Nelson The Kane Company 210 Commerce Way, Suite 300 Portsmouth, NH 03801
Intended User:	The Client is the only Intended User
Intended Use:	Internal review by the client
Identification of the Real Estate:	Flex Energy 30 New Hampshire Avenue Portsmouth, NH 03801
Current Use:	<p>The subject property is a two-story industrial building with a total building area of 52,500 square feet, located on an 8.49-acre, ground-leased site. The property was built in 1960 and expanded in 2002 (new attached 16,500 square foot office addition). The subject of our analysis is the manufacturing portion of the property, which totals 36,000 square feet, built in 1960 and in average condition.</p> <p>The manufacturing areas are open assembly and storage space with heavy power and various drive-in bay doors. There are also two levels of finished office areas, as well as shared parking for 176 cars in various lots.</p> <p>The master property is currently encumbered by a ground lease with Pease Development Authority (PDA), through July 2032. The subject's improvements reflect an overall percentage of the total improvements at 68.57 percent. As a result, we have allocated the ground lease payment at this percentage and utilized a ground lease payment for the subject at \$186,476 ($\\$271,950 \times 0.6857$).</p>
Assessor's Parcel No.	301-003
FY21 Assessment and Taxes:	\$4,982,900 / \$74,045 – master property \$50,772 allocated to manufacturing portion (subject)
Highest and Best Use (As If Vacant):	It is our opinion that the Highest and Best Use of the subject site as if vacant is an industrial use built to its maximum feasible building area.
Highest and Best Use (As Improved):	It is our opinion that the Highest and Best Use of the subject property as improved is an industrial building as it is currently improved.
Type of Value:	Market Value (defined later in this report)
Real Property Interest Valued:	Leasehold
Current Ownership:	Spyglass Development LLC (ground tenant)

Sales History:	To the best of our knowledge, the property has not transferred within the past three years. It is not currently listed for sale.
Date of Inspection:	September 16, 2020
Effective Date of Value:	September 16, 2020
Date of Report:	October 23, 2020
Extraordinary Assumptions:	This appraisal does not employ any extraordinary assumptions.
Hypothetical Conditions:	This appraisal does not employ any hypothetical conditions.
Opinion of Value:	\$1,175,000 (<i>Market Value As-Is on September 16, 2020</i>)
Exposure Time:	8 months

Market Value Definition

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 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.
- Source: (12 C.F.R. Part 34.42(g) Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Scope of Work

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.

- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

This report is intended to comply with the reporting requirements outlined under USPAP for a Restricted Appraisal Report. The report was also prepared to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

Cushman & Wakefield of Massachusetts, Inc. has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

For this assignment, Quality Control Oversight was provided by Robert N. Skinner, MAI, MRICS.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as a Restricted Appraisal Report in accordance with USPAP guidelines. The terms "describe," "summarize," and "state" connote different levels of detail, with "describe" as the most comprehensive approach and "state" as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- States the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- States the Scope of Work used to develop the appraisal
- States the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- States the rationale for the Highest and Best Use opinion (if included)

Appraisal Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches should be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value. The exclusion of this approach to value does not reduce the credibility of the assignment results.

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against Cushman & Wakefield or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Cushman & Wakefield or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Stefan J. Sargeant, MAI, MRICS did make a personal inspection of the property that is the subject of this report.
- Stefan J. Sargeant, MAI, MRICS has not provided prior services, as an appraiser or in any other capacity, within the three-year period immediately preceding acceptance of this assignment.
- No one provided significant real property appraisal assistance to the persons signing this report.
- As of the date of this report, Stefan J. Sargeant, MAI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD OF MASSACHUSETTS, INC.



Stefan J. Sargeant, MAI, MRICS
Executive Director
NH Certified General Appraiser
License No. NHCG-715
stefan.sargeant@cushwake.com
(617) 204-4178 Office Direct

Addenda Contents

Addendum A:	Client Satisfaction Survey
Addendum B:	Engagement Letter
Addendum C:	Subject Photographs
Addendum D:	Valuation Addendum
Addendum E:	Comparable Sale Datasheets
Addendum F:	Comparable Lease Datasheets
Addendum G:	Qualifications of the Appraiser

Addendum A: Client Satisfaction Survey

Survey Link: <https://www.surveymonkey.com/r/LQKCGLF?c=20-27001-901162-001>

Cushman & Wakefield File ID: 20-27001-901162-001

Fax Option: (713) 963 2870

1. Based on the scope and complexity of the assignment, please rate the development of the appraisal relative to the adequacy and relevance of the data, the appropriateness of the techniques used, and the reasonableness of the analyses, opinions, and conclusions:

- Excellent
- Good
- Average
- Below Average
- Poor

Comments: _____

2. Please rate the appraisal report on clarity, attention to detail, and the extent to which it was presentable to your internal/external users without revisions:

- Excellent
- Good
- Average
- Below Average
- Poor

Comments: _____

3. The appraiser communicated effectively by listening to your concerns, showed a sense of urgency in responding, and provided convincing support of his/her conclusions:

- Not Applicable
- Excellent
- Good
- Average
- Below Average
- Poor

Comments: _____

4. The report was on time as agreed, or was received within an acceptable time frame if unforeseen factors occurred after the engagement:

- Yes
- No

Comments: _____

5. Please rate your overall satisfaction relative to cost, timing, and quality:

- Excellent
- Good
- Average
- Below Average
- Poor

Comments: _____

6. Any additional comments or suggestions you feel our National Quality Control Committee should know?

7. Would you like a representative of our National Quality Control Committee to contact you?

Yes

No

Name & Phone (if contact is desired):

Contact Information: Rick Zbranek, MAI
Senior Managing Director, National Quality Control
T +1 (713) 963 2863
F +1 (713) 963 2870

Addendum B: Engagement Letter

Robert N. Skinner, MAI, MRICS
Executive Managing Director



September 9, 2020

Mr. Eric Nelson
COO
THE KANE COMPANY
210 Commerce Way, Suite 300
Portsmouth, NH 03801

Re:
**30 New Hampshire Avenue
Portsmouth, NH**

Dear Mr. Nelson:

Thank you for requesting our proposal for appraisal services. This proposal letter will become, upon your acceptance, our letter of engagement to provide the services outlined herein.

TERMS OF ENGAGEMENT

I. PROBLEM IDENTIFICATION

The Parties to This Agreement:	Cushman & Wakefield of Massachusetts, Inc. ("C&W") and THE KANE COMPANY (the "Client").
Intended Users:	The appraisal will be prepared for the Client and is intended only for the use specified below. The Client agrees that there are no other Intended Users
Intended Use:	For internal planning purposes.
Type of Opinion and Rights Appraised:	Market value of the Leasehold Interest.
Date of Value:	<ul style="list-style-type: none">• Date of inspection
Subject of the Assignment and Relevant Characteristics:	The property to be appraised is a +/- 52,000 square foot, ground-leased, office/industrial asset located in Portsmouth, NH
Assignment Conditions:	We do not anticipate the use of any extraordinary assumptions or hypothetical conditions.

II. ANTICIPATED SCOPE OF WORK

USPAP Compliance:	C&W will develop an appraisal in accordance with USPAP and the Code of Ethics and Certification Standards of the Appraisal Institute.
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General Scope of Work:

- Property Inspection to the extent necessary to adequately identify the real estate
- Research relevant market data, in terms of quantity, quality, and geographic comparability, to the extent necessary to produce credible appraisal results
- Consider and develop those approaches relevant and applicable to the appraisal problem. Based on our discussions with the Client, we anticipate developing the following valuation approaches:
 - Income Capitalization Approach
 - Sales Comparison Approach

III. REPORTING AND DISCLOSURE

Scope of Work Disclosure: The actual Scope of Work will be reported within the report.

Reporting Option: The appraisal will be communicated in a Restricted Appraisal Report.

IV. FEE, EXPENSES AND OTHER TERMS OF ENGAGEMENT

Fee: All invoices are due upon receipt. The Client shall be solely responsible for C&W's fees and expenses hereunder. **Acknowledgement** of this obligation is made by the countersignature to this agreement by an authorized representative of the Client.

Additional Expenses: Fee quoted is inclusive of expenses related to the preparation of the report.

Retainer: A retainer for this assignment is not required in order for us to commence work.

Report Copies: The final report will be delivered in electronic format. Up to two hard copies will be provided upon request.

Start Date: The appraisal process will initiate upon receipt of signed agreement, applicable retainer, and the receipt of the property-specific data.

Acceptance Date: This proposal is subject to withdrawal if the engagement letter is not executed by the Client within four (4) business days.

Final Report Delivery: September 22, 2020, assuming prompt receipt of necessary property information. Payment of the fee shall be due and payable upon delivery of the report.

Changes to Agreement: The identity of the Client, Intended User(s) identified herein, or Intended Use identified herein; the date of value; type of value or interest appraised; or property appraised cannot be changed without a new agreement.

- Prior Services Disclosure:** USPAP requires disclosure of prior services performed by the individual appraiser within the three years prior to this assignment. The undersigned appraiser(s) have not provided prior services within the designated time frame.
- Future Marketing Disclosure:** Unless otherwise directed, at the conclusion of this engagement, we may disclose that we have appraised the subject property in future marketing documents and materials.
- Conflicts of Interest:** C&W adheres to a strict internal conflict of interest policy. If we discover in the preparation of our appraisal a conflict with this assignment, we reserve the right to withdraw from the assignment without penalty.
- Cancellation of Engagement:** Client may cancel this agreement at any time prior to C&W's delivery of the appraisal report upon written notification to C&W. Client shall pay C&W for work completed on the assignment prior to C&W's receipt of written cancellation notice, unless otherwise agreed upon by C&W and Client in writing.
- Withdrawal of Appraiser Prior to Completion of Assignment:** C&W may withdraw without penalty or liability from the assignment(s) contemplated under this agreement before completion or reporting of the appraisal in the event that C&W determines, at C&W's sole discretion, that insufficient information was provided to C&W prior to the engagement, that Client or other parties have not or cannot provide C&W with documentation or information necessary to C&W's analysis or reporting, that conditions of the subject property render the original scope of work inappropriate, or that the Client has not complied with its payment obligations under this agreement. C&W shall notify the Client of such withdrawal in writing.
- Further Conditions of Engagement:** The Conditions of Engagement attached hereto are incorporated herein and are part of this letter of engagement.

Mr. Eric Nelson
The Kane Company
September 9, 2020
Page 4

Thank you for calling on us to render these services and we look forward to working with you.

Sincerely,
CUSHMAN & WAKEFIELD OF MASSACHUSETTS, INC.



Robert N. Skinner, MAI, MRICS
Executive Managing Director

AGREED:
CLIENT: THE KANE COMPANY

By:  Date: 9/9/20
Name: ERIC NELSON
Title: C.O.O.

E-mail Address: enelson@netkane.com

Phone Number: 603.559.9027

CONDITIONS OF ENGAGEMENT

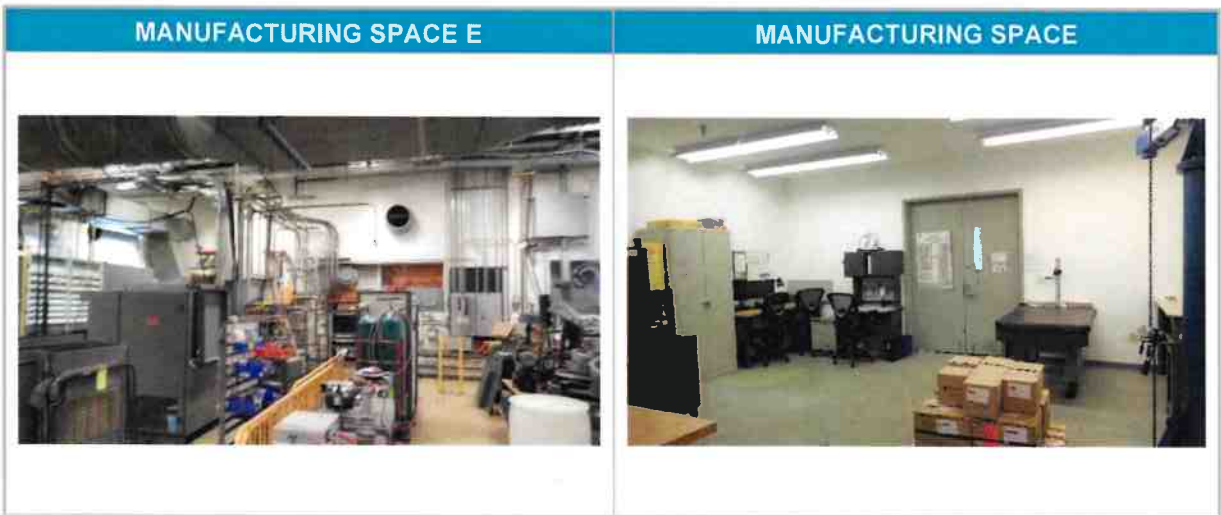
- 1) Each Intended User identified herein should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. The appraisal cannot be used by any party or for any purpose other than the Intended User(s) identified herein for the Intended Use described herein.
- 2) **Unless identified expressly** in this agreement, there are **no third-party beneficiaries** of agreement pertaining to the appraisal, and no other person or entity shall have any right, benefit or interest under such agreement. The identification of a party as an intended user of the appraisal does not mean that the party is a third-party beneficiary of the agreement.
- 3) The appraisal report will be subject to our standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal. All users of the appraisal report are specifically cautioned to understand the standard Assumptions and Limiting Conditions as well as any Extraordinary Assumptions and Hypothetical Conditions which may be employed by the appraiser and incorporated into the appraisal.
- 4) **C&W shall have the right to utilize its affiliates in the performance of its services, provided that they comply with the obligations of C&W pursuant to this engagement.**
- 5) The appraisal report or our name may not be used in any offering memoranda or other investment material without the prior written consent of C&W, which may be given at the sole discretion of C&W. Any such consent, if given, shall be conditioned upon our receipt of an indemnification agreement from a party satisfactory to us and in a form satisfactory to us. Furthermore, Client agrees to pay the fees of C&W's legal counsel for the review of the material which is the subject of the requested consent. C&W disclaims any and all liability with regard to the appraisal prepared pursuant to the engagement to any party other than the Intended User(s). Under no circumstances will C&W consent to the quote, reference or inclusion of the appraisal in connection with crowd funding activities. Further, crowd funding investors are specifically excluded from any class of Intended Users.
- 6) In the event the Client provides a copy of the appraisal to, or permits reliance thereon by, any party not identified herein as an Intended User, Client hereby agrees to indemnify and hold C&W, its affiliates and the respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the appraisal by any such party.
- 7) The balance of the fee for the appraisal will be due upon delivery of a report. Payment of the fee is not contingent on the appraised value, a loan closing, or any other prearranged condition. Additional fees will be charged on an hourly basis for any work, which exceeds the scope of this proposal, including performing additional valuation scenarios, additional research and conference calls or meetings with any party, which exceed the time allotted by C&W for an assignment of this nature. If we are requested to stop working on this assignment, for any reason, prior to our completion of the appraisal, C&W will be **entitled** to bill the Client for the time expended to date at C&W's hourly rates for the personnel involved.
- 8) If C&W or any of its **affiliates** or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, C&W will use reasonable **efforts** to notify the Client of our receipt of same. However, if C&W or any of its affiliates are not a party to **these** proceedings, Client **agrees** to compensate C&W or its **affiliate** for the professional time and reimburse C&W or its **affiliate** for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. C&W or its affiliate will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 9) By signing this agreement Client expressly agrees that **its sole and exclusive remedy for any and all losses or damages relating to this agreement or the appraisal shall be limited to the amount of the appraisal fee paid by the Client. In the event that the Client, or any other party entitled to do so, makes a claim against C&W or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from C&W or any of its affiliates or their respective officers or employees shall be the amount of the monies actually collected by C&W or any of its affiliates for this assignment and under no circumstances shall any claim for consequential, indirect, special, punitive or liquidated damages be made.**
- 10) C&W disclaims any and all liability to any party with regard to the appraisal report other than an Intended User identified herein.
- 11) The fees and expenses shall be due C&W as agreed in this letter. If it becomes necessary to place collection of the fees and expenses due C&W in the hands of a collection agent and/or an attorney (whether or not a legal action is filed) Client agrees to pay all fees and expenses including attorneys' fees incurred by C&W in connection with the collection or attempted collection thereof.
- 12) Unless the time period is shorter under applicable law, any legal action or claim relating to the appraisal or this agreement shall be **filed** in court (or in the applicable arbitration tribunal, if the parties to the dispute have executed an arbitration **agreement**) within two (2) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after

delivery of the report, two (2) years from the date of the alleged acts or conduct. The time period stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time period stated in this section shall apply to all non-criminal claims or causes of action of any type.

- 13) Notwithstanding that C&W may comment on, analyze or assume certain conditions in the appraisal, C&W shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations and other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise.
- 14) Legal claims or causes of action relating to the appraisal or this agreement are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.
- 15) Each party represents and warrants to the other that it, and all persons and entities owning (directly or indirectly) an ownership interest in it: (a) are not, and will not become, a person or entity with whom a party is prohibited from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order or other governmental action; and (b) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in clause (a) above.
- 16) Each party represents and warrants to the other that it (and any party acting on its behalf) has not, in order to enter into this agreement, offered, promised, authorized or made any payments or transfers of anything of value which have the purpose or effect of public or commercial bribery, kickbacks or other unlawful or improper means of doing business ("Prohibited Activity") and will not engage in Prohibited Activity during the term of this agreement. In the event of any violation of this section, the non-offending party shall be entitled to immediately terminate this agreement and take such other actions as are permitted or required to be taken under law or in equity.

Addendum C: Subject Photographs





Addendum D: Valuation Addendum

The following tables provide support for our value conclusions stated herein.

VALUATION INDICES		Market Value
VALUE DATE		September 16, 2020
As-Is		
SALES COMPARISON APPROACH		
Indicated Value:		\$1,175,000
Per Square Foot (NRA):		\$32.64
INCOME CAPITALIZATION APPROACH		
Direct Capitalization		
Net Operating Income (stabilized):		\$81,729
Capitalization Rate:		7.50%
Indicated Value:		\$1,089,716
Indicated Value Rounded:		\$1,100,000
Per Square Foot (NRA):		\$30.56
FINAL VALUE CONCLUSION		
Real Property Interest:		Leasehold
Concluded Value:		\$1,175,000
Per Square Foot (NRA):		\$32.64
Implied Capitalization Rate:		6.96%
EXPOSURE AND MARKETING TIMES		
Exposure Time:		8 Months
Marketing Time:		10 Months

Sales Comparison Approach

Methodology

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per square foot of net rentable area, effective gross income multiplier, or net income per square foot;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property; and
- Interpret the adjusted sales data and draw a logical value conclusion.

The most widely used and market-oriented unit of comparison for properties such as the subject is the sales price per square foot of net rentable area. All comparable sales were analyzed on this basis. The following pages contain a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.

SUMMARY OF IMPROVED SALES

PROPERTY INFORMATION														TRANSACTION INFORMATION				
Property Name	Building	Land (SF)	Year Built	Dock High Doors	Driv-in Doors	Percent Office	Clear Height	Grantor	Grantee	Sale Date	Sale Price	\$/SF	NOISF	OAR	Occup.	Comments		
S Subject Property	36,000	369,824	1960	3		12.4%	18.0'								100%			
1 11 Industrial Way Atkinson, NH	14,140	80,150	1989	5	1	25.0%	17.6'	NEW Realty, LLC	MRWT, LLC	1/20	\$1,000,000	\$70.72	-	-	0%	The block building is located in an industrial neighborhood. The building has HVAC in the office area, and heated industrial area. The property could be subdivided. The property was listed for sale at \$1,050,000 and was on the market for 136 days. The buyer was an owner-user.		
2 9 Batchelder Road Seabrook, NH	43,808	199,069	1997	2	1	10.0%	30.0'	Corium Real Estate Corporation	JPO Seabrook LLC	4/19	\$4,300,000	\$98.16	\$7.66	7.80%	0%	This is the sale of a 43,808 square foot industrial building located directly off Interstate 95 and less than a mile from the Massachusetts border. The buyer, Torrington Properties, Inc. signed a lease with Functional Coatings at the time of purchase. The building was originally listed for \$4,500,000 and was on the market for 7 months. The tenant manufactures adhesive membranes. While the tenant is using the facility for warehousing, it is unclear if they also intend to move their manufacturing operations to this facility.		
3 15 Batchelder Road Seabrook, NH	11,563	31,363	1966	1	1	25.0%	19.0'	1994 Seacoast Holdings Realty Enterprises, LLC	RigZ	9/18	\$1,010,000	\$87.20	-	-	0%	This pre-fabricated steel building consists of 8,667 square feet of warehouse space, 1,458 square feet of first floor office space and 1,458 square feet of finished mezzanine office space. The building is on town water/sewer and has natural gas and is fully sprinklered with 25' x 40' column spacing.		
4 111 Ledge Road Seabrook, NH	32,000	261,360	1997	1	2	25.0%	32.0'	Bell - 111 Ledge Road LLC	Four Springs Capital Trust	9/18	\$3,600,000	\$112.50	\$8.02	7.13%	100%	This is the sale of a good quality manufacturing use located in an active Southern NH market. The property includes a two-story office component, with showroom area and high-bay manufacturing/repair space. The tenant recently extended their lease through 2028, with the buyer being a national investor.		
5 235 Heritage Avenue Portsmouth, NH	51,700	204,732	1978	6	3	19.0%	20.0'	The Nash Group	Cooper Malt LLC	10/16	\$3,475,000	\$67.21	\$5.38	8.00%	100%	This single story light industrial building is fully leased to four tenants. The original 25,400 square foot building (16' ceiling) was built in 1978 and is fully leased to two tenants. An additional 26,300 square feet (20' ceiling) was constructed in 1995. The building has a total of 10,000 square feet of air conditioned office space. The building has 400A/208V 3 phase power, ample parking and municipal water and sewer. The building was listed for sale at \$4,500,000 and was on the market for over four years. It was purchased by a regional investor.		
6 FedEx Distribution Facility 218 Griffin Road Portsmouth, NH	34,705	196,634	1988	6	10	19.0%	17.0'	Elder Family Portland Assoc	Griffin Road Realty LLC	8/16	\$3,535,000	\$101.86	\$6.50	6.38%	100%	This is the sale of a warehouse use located off Interstate 95. The property has a front office area with retail counter, with open sorting areas in the rear. This facility is leased in its entirety to FedEx with four years remaining on their current lease term. The tenant has one (1) additional 5-year option to renew.		

STATISTICS

Low	31,363	11,563	1978	1	1	10.0%	17.0'			8/16	\$1,000,000	\$67.21	\$5.38	6.38%	0%	
High	261,360	51,700	1997	6	10	25.0%	32.0'			1/20	\$4,300,000	\$112.50	\$8.02	8.00%	100%	
Average	162,551	31,323	1991	4	3	20.5%	22.6'			5/18	\$2,620,000	\$89.61	\$6.89	7.33%	50%	

Compiled by Cushman & Wakefield of Massachusetts, Inc.

IMPROVED SALE ADJUSTMENT GRID																	
ECONOMIC ADJUSTMENTS (CUMULATIVE)					PROPERTY CHARACTERISTIC ADJUSTMENTS (ADDITIVE)												
No.	Price PSF & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market ⁽¹⁾ Conditions	Subtotal	Location	Size	Age, Quality & Condition	Loading Facilities	Clear Height	Percent Office	Utility ⁽²⁾	Economics	Other	Adj. Price PSF	Overall
1	\$70.72 1/20	Fee Simple	Arm's-Length	None	Inferior	\$70.94	Inferior	Similar	Similar	Similar	Similar	Superior	Similar	Similar	Similar	\$81.58	Inferior
2	\$98.16 4/19	Fee Simple	Arm's-Length	None	Inferior	\$100.71	Similar	Similar	Superior	Similar	Similar	Similar	Similar	Similar	Similar	\$90.64	Superior
3	\$87.20 9/18	Fee Simple	Arm's-Length	None	Inferior	\$91.08	Similar	Similar	Superior	Similar	Similar	Superior	Similar	Similar	Similar	\$77.41	Superior
4	\$112.50 9/18	Leased Fee	Arm's-Length	None	Inferior	\$117.55	Similar	Similar	Superior	Similar	Similar	Superior	Similar	Similar	Similar	\$99.92	Superior
5	\$87.21 10/16	Leased Fee	Arm's-Length	None	Inferior	\$74.35	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	\$74.35	Similar
6	\$101.86 8/16	Leased Fee	Arm's-Length	None	Inferior	\$113.24	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Superior	Similar	\$101.92	Superior
STATISTICS																	
	\$67.21	- Low														\$74.35	Low -
	\$112.50	- High														\$101.92	High -
	\$89.61	- Average														\$87.64	Average -

Compiled by Cushman & Wakefield of Massachusetts, Inc.

⁽¹⁾ Market Conditions Adjustment

See Variable Growth Rate Assumptions Table

Date of Value (for adjustment calculations): 9/16/20

⁽²⁾ Utility Footnote

Utility includes other features including raised flooring, cross docks, column spacing, etc.

Variable Growth Rate Assumptions

Starting Growth Rate: 3.0%

Inflection Point 1 (IP1): 3/1/2020

Change After IP1: 0.0%

IMPROVED SALE LOCATION MAP



Summary of Percentage Adjustment Method

We used the Sales Comparison Approach to estimate the Market Value As-Is of the subject property. Prior to adjustments the comparable improved sales reflect unit prices ranging from \$67.21 to \$112.50 per square foot with an average pre adjusted price of \$89.61 per square foot. After adjustments the comparable improved sales reflect unit prices ranging from \$74.35 to \$101.92 per square foot with an average adjusted price of \$87.64 per square foot.

The six sales are all similar industrial uses in the greater Portsmouth and Southern New Hampshire markets. We have considered all of the sales meaningful and concluded to a value near the middle of the adjusted average, given the good location in Pease, as well as modern layout and supporting office areas.

Therefore, we conclude that the indicated value by the Percentage Adjustment Method is:

APPLICATION TO SUBJECT	
Market Value As-Is	
Indicated Value per Square Foot NRA	\$90.00
Net Rentable Area in Square Feet	x 36,000
Indicated Value	\$3,240,000
LESS Leasehold Adjustment	(\$2,071,956)
Adjusted Value	\$1,168,044
Rounded to nearest \$25,000	\$1,175,000
Per Square Foot	\$32.64

Compiled by Cushman & Wakefield of Massachusetts, Inc.

Leasehold Adjustment

Given the presence of the ground lease in place, we must made an additional adjustment to account for the lack of land ownership. The subject's current allocated ground lease payment is \$186,476 per year. Within the Income Capitalization analysis in this report, we concluded to an overall capitalization rate of 7.50 percent. We have included a 150 basis point premium to this rate, due to the lease term and lack of control, to derive the ground lease rate of 9.00 percent.

This results in a land allocation of \$2,071,956, which we have deducted from the overall value.

Income Capitalization Approach

Methodology

The Income Capitalization Approach determines the value of a property based on the anticipated economic benefits. The principle of “anticipation” is essential to this approach, which recognizes the relationship between an asset’s potential future income and its value. To value the anticipated economic benefits of a property, potential income and expenses must be projected, and the most appropriate capitalization method must be selected.

The most common methods of converting net income into value are Direct Capitalization and Yield Capitalization. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the yield capitalization method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return).

Subject Tenancy

The subject has been operating as an owner-occupied property. Hence there are no subject leases to analyze. As such, we will determine market rent for the property by analyzing rent levels and lease terms at comparable properties.

Market Rent Estimate

Analysis of Comparable Industrial Rents

The following table summarizes rental activity for comparable space in similar properties in the market.

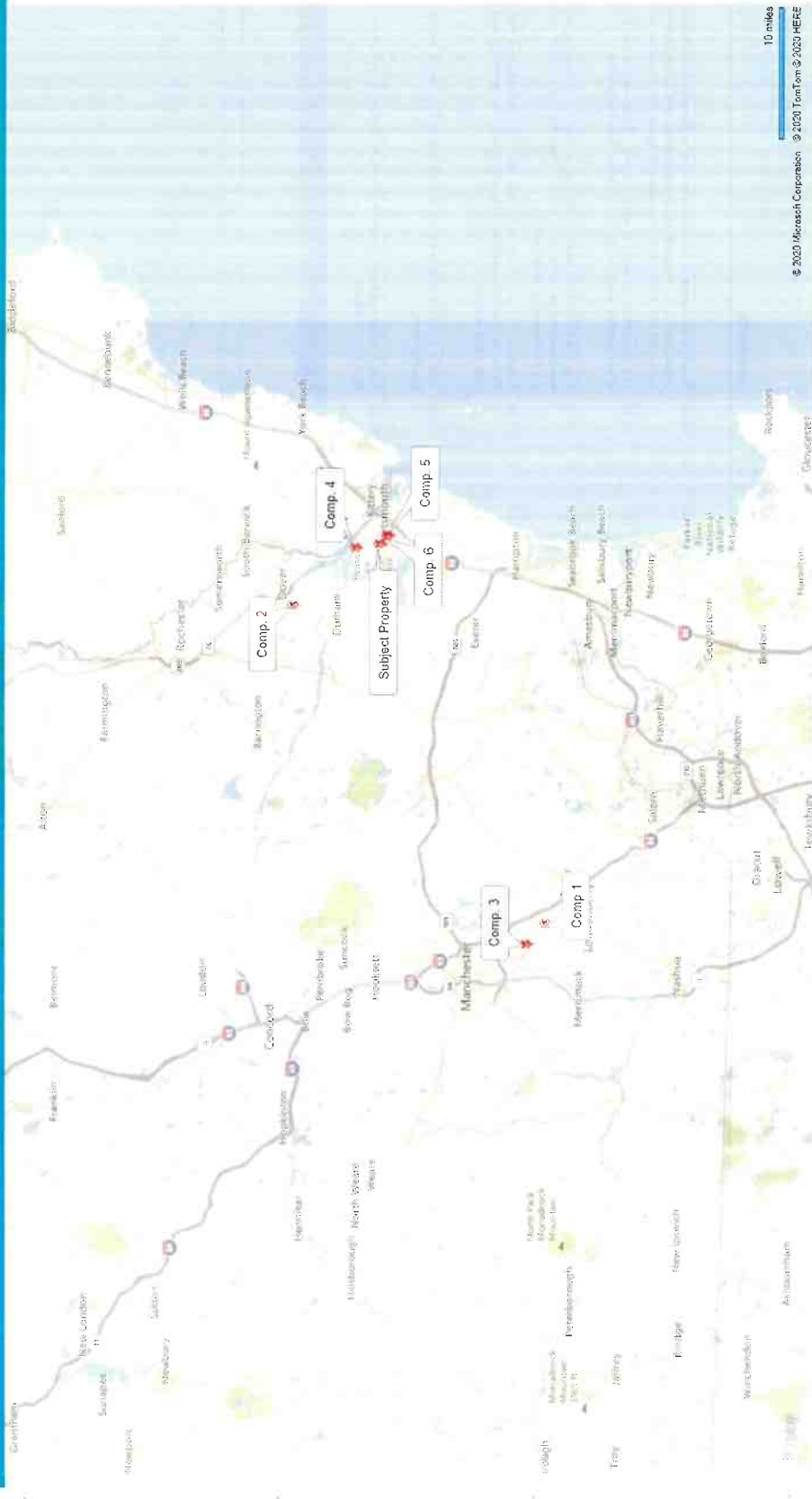
Analysis of Comparable Industrial Rents

The following table summarizes rental activity for comparable space in similar properties in the market.

INDUSTRIAL RENT COMPARABLES																		
PROPERTY INFORMATION										LEASE INFORMATION								
NO.	Property Name Address, City, State	NRA	YEAR BUILT	YEAR RENOVATED	DOCK-HIGH DOORS	DRIVE-IN DOORS	PERCENT OFFICE	CLEAR HEIGHT	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE	MONTHS FREE	T/SF	COMMENTS
S	Subject Property	36,000	1960	2002	3	0	12.4%	18.0'										
1	34B Londonderry Road Londonderry, NH	72,000	2000	-	10	1	15.0%	20.0'	FARO Technologies Inc.	7/19	30,000	6	\$7.34	None	Net	0	\$5.00	This is a new lease of 30,000 square feet of flex space located off 93 in Londonderry, New Hampshire. The space includes 6,000 square feet of office space, 24,000 square feet of warehouse space and 5 loading docks with levelers.
2	1 Progress Drive Dover, NH	121,350	1977	-	3	1	0.0%	27.0'	Tradeport USA, LLC	1/19	34,500	5	\$4.50	2% Annual	Net	0	\$0.00	The represents the lease of approximately 35,000 square feet of manufacturing space located along Route 155 in Dover, New Hampshire.
3	Former FedEx 4 Kitty Hawk Landing Londonderry, NH	65,518	2004	2009	19	14	5.5%	24.0'	Kluber Lubrication	3/18	65,515	5	\$6.00	2.0% annual increases	Net	0	\$0.00	This is a full building lease for the former FedEx built warehouse facility abutting Manchester-Boston Regional Airport. There are three, 5-year renewal options with 2.0 percent annual increases.
4	25 Nimble Hill Road Newington, NH	140,885	1983	-	5	3	16.0%	16.0'	Thermo Fisher	11/17	39,749	5	\$6.25	2.0% per year	Net	0	\$2.00	This is a 2017 sale lease which was part of a sale/leaseback transaction. Thermo Fisher retained the manufacturing space, with the remaining space being leased to third party tenants.
5	200 International Way Portsmouth, NH	81,851	2001	2010	0	9	60.0%	24.0'	Siemens Medical	11/17	9,241	5	\$9.50	None	Net	0	\$10.00	This is a ground floor flex suite located in a multi-tenanted facility located on a ground lease.
6	222 International Way Portsmouth, NH	145,394	2001	2010	0	12	60.0%	24.0'	Kat Implants	9/17	4,042	7	\$9.25	3.0% per year	Net	0	\$6.00	This is a flex suite well located in Pease International. The property is encumbered by a ground leasee.
STATISTICS																		
Low		65,518	1977	2009	0	1	0.0%	16.0'		9/17	4,042	5	\$4.50			0	\$0.00	
High		145,394	2004	2010	19	14	60.0%	27.0'		7/19	65,515	7	\$9.50			0	\$10.00	
Average		104,500	1994	2010	6	7	26.1%	22.5'		5/18	30,508	6	\$7.14			0	\$4.17	

Compiled by Cushman & Wakefield of Massachusetts, Inc.

COMPARABLE RENTAL LOCATION MAP



Discussion of Comparable Rents

We analyzed recent leases negotiated in competitive buildings in the marketplace. The comparables range in size from 4,042 square feet to 65,515 square feet. These are all located in buildings similar in class to the subject, and in the subject's competitive market. The comparable leases have terms ranging from 5 to 7 years. The comparables exhibit a range of rents from \$4.50 to \$9.50 per square foot, with an average of \$7.14 per square foot. Tenant improvement allowances ranged from \$0.00 to \$10.00 per square foot, averaging \$4.17 per square foot. The comparable leases are all industrial uses located in the inner Boston markets.

Market Rent Conclusion

The Market Rent Synopsis table shows all of the market rent conclusions for the various tenant types at the subject.

MARKET RENT SYNOPSIS	
TENANT CATEGORY	Industrial
Market Rent	\$8.00
Lease Term (years)	5
Lease Type (reimbursements)	Net
Contract Rent Increase Projection	3.0% per year

Compiled by Cushman & Wakefield of Massachusetts, Inc.

Income and Expense Pro Forma

The following chart summarizes our opinion of income and expenses for year one, which is the first stabilized year in this analysis.

SUMMARY OF REVENUE AND EXPENSES				
Stabilized Year For Direct Capitalization:		Year One		
REVENUE	Assumptions	Annual	\$/SF	% of EGI
Base Rental Revenue	\$8.00	\$288,000	\$8.00	
Expense Reimbursement		\$120,972	\$3.36	
Other Income		\$0	\$0.00	
POTENTIAL GROSS REVENUE		\$408,972	\$11.36	
Global Vacancy	2.0%			
Global Collection Loss	0.0%			
Total Vacancy and Collection Loss	2.0%	(\$8,179)	(\$0.23)	
EFFECTIVE GROSS REVENUE		\$400,793	\$11.13	100.00%
OPERATING EXPENSES				
Insurance		\$7,200	\$0.20	1.80%
Utilities		\$36,000	\$1.00	0.00%
Repairs & Maintenance		\$27,000	\$0.75	6.74%
Management Fees		\$8,016	\$0.22	2.00%
Other Expenses		\$3,600	\$0.10	0.90%
Total Operating Expenses		\$81,816	\$2.27	66.94%
Real Estate Taxes		\$50,772	\$1.41	12.67%
Ground Rent Allocation		\$186,476	\$5.18	46.53%
TOTAL EXPENSES		\$319,064	\$8.86	79.61%
NET OPERATING INCOME		\$81,729	\$2.27	20.39%

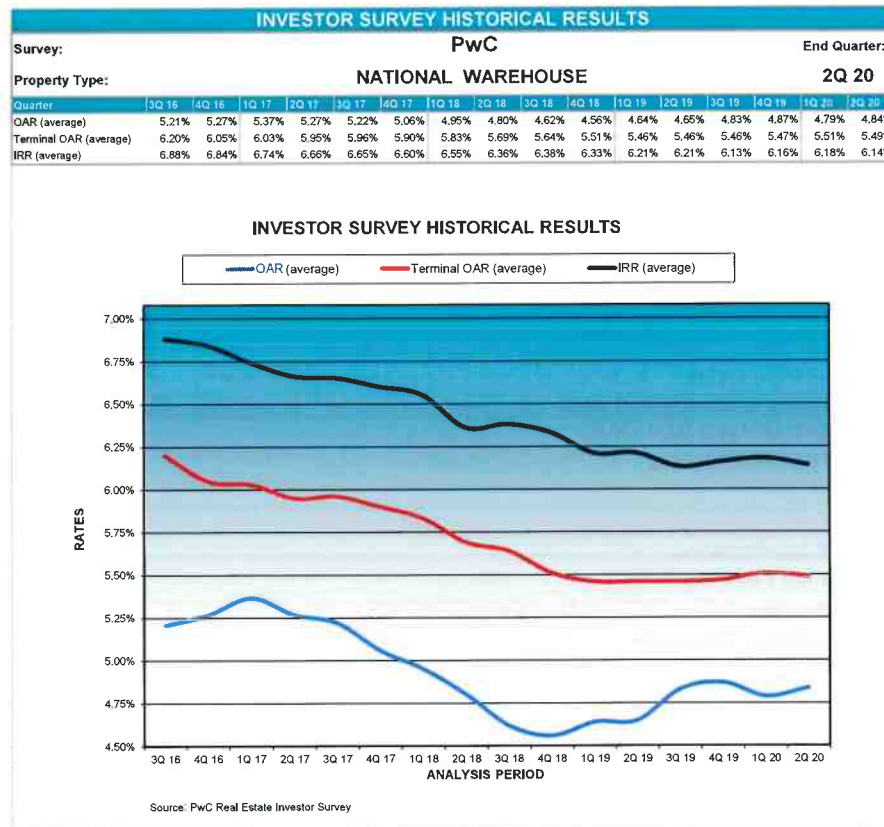
Compiled by Cushman & Wakefield of Massachusetts, Inc.

The factors listed in the following table have been considered in our valuation of this property and will have an impact on our selection of all investor rates.

INVESTMENT CONSIDERATIONS	
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently improving.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

Investor Survey Trends

Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.



Capitalization Rate Analysis

On the following pages we discuss the process of how we determine an appropriate overall capitalization rate to apply to the subject's forecast net income.

Capitalization Rate from Comparable Sales

The comparable sale presented suggests an overall capitalization rate for the subject of approximately 7.00 to 8.00 percent.

Capitalization Rate from Investor Surveys

We considered data extracted from the Investor Survey for institutional grade assets. Earlier in the report, we presented historical capitalization rates for the prior four-year period. The most recent information from this survey is listed in the following table:

CAPITALIZATION RATES			
Survey	Date	Range	Average
PwC Institutional	Second Quarter 2020	3.40% - 7.00%	4.84%
PwC Noninstitutional	Second Quarter 2020		6.14%
PwC Institutional - Refers to National Warehouse market regardless of class or occupancy			
PwC Noninstitutional - Reflects the average rate for this property type, adjusted by the average premium			

Derivation of R_o from Band of Investment

Most properties are purchased with debt and equity capital; therefore, the overall capitalization rate must satisfy the market return requirements of both investment positions. The lender/mortgagee must anticipate a rate of return that is appropriate for the investment's perceived risk in order to make the loan; the loan principal is typically repaid through periodic amortization payments. The equity investor/mortgagor must also anticipate a rate of return that is commensurate with the investment's perceived risk or they opt for an alternative investment. Thus, we analyze capitalization rates for debt and equity.

The capitalization rate for debt is known as the mortgage constant (R_M); it is the ratio of annual debt service to the principal amount of the mortgage loan. A mortgage interest rate of 3.50 percent, coupled with an amortization term of 30 years, was employed to derive a mortgage constant of 5.39 percent. It is calculated as follows:

$$R_M = \frac{\text{Monthly Payment} \times 12}{\text{Amount of Loan}}$$

The monthly payment of a loan is calculated using the following formula:

$$\text{Monthly Payment} = \frac{\text{Interest Rate (i)}}{1 - \text{Present Value Factor}}$$

The Present Value Factor can be obtained from financial tables that show the six functions of a dollar.

The rate used to capitalize equity income is called the equity capitalization rate (R_E); it is the ratio of annual pre-tax cash flow (usually in the first year of the holding period) to the amount of the equity investment.

The R_o indicated by the band of investment is a weighted average of the R_M and R_E . Using the loan-to-value ratio (M) and the equity ratio (E or $1-M$) the R_o is calculated as follows:

$$R_o = (M \times R_M) + (E \times R_E)$$

Mortgage Terms

The following mortgage interest rate is based on periodic conversations with representatives of lending institutions providing local mortgage financing. Thus, given the physical and economic characteristics of the subject property, and on the basis of our research, the market terms for conventional loans made on properties similar to the subject are as follows:

MORTGAGE COMPONENT	
TYPICAL LOAN TERMS	
Mortgage Rate	3.50%
Amortization Term (Years)	30
Number of Payments	360
Loan-to-Value Ratio (M)	70.00%
Equity Ratio (E)	30.00%
Mortgage Constant (R_M)	5.39%

Compiled by Cushman & Wakefield of Massachusetts, Inc.

The preceding data are used in the development of an overall capitalization rate (R_o) for the subject property using the Band of Investment Technique.

Equity Dividend Rate (R_E)

The Appraisal Institute defines equity dividend rate as an income rate that reflects the relationship between a single year's equity cash flow expectancy and the equity investment. Also known as the equity capitalization rate, cash on cash rate or cash flow rate, this rate is used to convert equity dividend into an equity value indication.

Our selected R_E is as follows:

EQUITY COMPONENT	
Equity Dividend Rate (R_E)	12.00%

Compiled by Cushman & Wakefield of Massachusetts, Inc.

Calculation of Overall Capitalization Rate (R_o)

The calculation of the overall capitalization rate (R_o) using the band of investment technique is as follows:

R_o BY BAND OF INVESTMENT		
Mortgage Ratio	70.00%	
Annual Mortgage Constant	5.39%	
Mortgage Component		3.77%
Equity Ratio	30.00%	
Equity Dividend Rate	12.00%	
Equity Component		3.60%
Indicated Overall Rate (R_o)		7.37%

Compiled by Cushman & Wakefield of Massachusetts, Inc.

Capitalization Rate Conclusion

We considered all aspects of the subject property that would influence the overall rate. We considered OARs indicated by sales of comparable properties, national investor surveys, and the opinions of brokers, owners, and prospective purchasers. The indications from these various sources are:

CAPITALIZATION RATE SUMMARY	
Comparable Sales	7.00-8.00%
PwC Institutional	4.84%
PwC Noninstitutional	6.14%
Market Participants	7.50%
Band-of-Investment	7.37%
Conclusion	7.50%

Compiled by Cushman & Wakefield of Massachusetts, Inc.

We believe that data derived from the comparable sale and our discussions with market participants most clearly reflects current market parameters. Given the property attributes and prevailing market return rates, we conclude that a 7.50 percent OAR is applicable to the subject NOI forecast, given the ground lease in place. The rate selected is within range of the investor survey and the recent sales comparables identified.

Direct Capitalization Method Conclusion

In the Direct Capitalization Method, we developed an opinion of market value by dividing year one net operating income by our selected overall capitalization rate. Our conclusion using the Direct Capitalization Method is as follows:

DIRECT CAPITALIZATION METHOD		
Market Value As-Is		
NET OPERATING INCOME	\$81,729	\$2.27
Sensitivity Analysis (0.50% OAR Spread)	Value	\$/SF NRA
Based on Low-Range of 7.00%	\$1,167,553	\$32.43
Based on Most Probable Range of 7.50%	\$1,089,716	\$30.27
Based on High-Range of 8.00%	\$1,021,609	\$28.38
Indicated Value	\$1,089,716	\$30.27
Rounded to nearest \$25,000	\$1,100,000	\$30.56

Compiled by Cushman & Wakefield of Massachusetts, Inc.

Addendum E: Comparable Sale Datasheets

IMPROVED SALE COMPARABLE 1



Address: 11 Industrial Way
City, State, Zip: Atkinson NH 03811
MSA: Boston
County: Rockingham
Submarket:
Property Type: Industrial
Property Subtype: Other (Industrial)
Classification: N/A
ID: 540647
Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	1.84	Number of Buildings:	1
Site Area (Sq.Ft.):	80,150	Number of Stories:	1
Gross Bldg Area:	14,140	L:B Ratio:	5.67:1
Net Bldg Area:	14,140	Dock High Doors:	5
Year Built:	1989	Drive In Doors:	1
Last Renovation:	N/A	Percent Office:	25.00%
Quality:	Good	Clear Height Min:	10.0
Condition:	Average	Clear Height Max:	17.6
Mezzanine:	No	Tenancy:	Owner Occupied
		Rail Access:	No

SALES INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	6077/2183	NOI:	N/A
Sale Date:	1/2020	NOI per Sq.Ft.:	N/A
Sale Price:	\$1,000,000	Occupancy:	N/A
Price per Sq.Ft.:	\$70.72	Expense Ratio:	N/A
Value Interest:	Fee Simple	EGIM:	N/A
Grantor:	NEW Realty, LLC	Buying Entity:	Owner-User
Grantee:	MRMT, LLC	No. of Years Remaining on Primary Lease:	N/A
Financing:	N/A	Investment Grade Credit:	N/A
Condition of Sale:	Arm's Length	Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

Municipal records, NECPE, Broker-Norwood

COMMENTS

The block building is located in an industrial neighborhood. The building has HVAC in the office area, and heated industrial area. The property could be subdivided. The property was listed for sale at \$1,050,000 and was on the market for 136 days. The buyer was an owner-user.

IMPROVED SALE COMPARABLE 2



Address: 9 Batchelder Road
City, State, Zip: Seabrook NH 03874
MSA: Boston
County: Rockingham
Submarket:
Property Type: Industrial
Property Subtype: Warehouse
Classification: N/A
ID: 463589
Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	4.57	Number of Buildings:	1
Site Area (Sq.Ft.):	199,069	Number of Stories:	1
Gross Bldg Area:	43,808	L:B Ratio:	4.54:1
Net Bldg Area:	43,808	Dock High Doors:	2
Year Built:	1997	Drive In Doors:	1
Last Renovation:	N/A	Percent Office:	10.00%
Quality:	Average	Clear Height Min:	30.0
Condition:	Good	Clear Height Max:	30.0
Mezzanine:	No	Tenancy:	Single-Tenant
		Rail Access:	No

SALES INFORMATION

Status:	Recorded Sale	OAR:	7.80%
Deed Reference:	5993/2159	NOI:	\$335,400
Sale Date:	4/2019	NOI per Sq.Ft.:	\$7.66
Sale Price:	\$4,300,000	Occupancy:	0.00%
Price per Sq.Ft.	\$98.16	Expense Ratio:	N/A
Value Interest:	Fee Simple	EGIM:	N/A
Grantor:	Corium Real Estate Corporation	Buying Entity:	Investor
Grantee:	JPO Seabrook LLC	No. of Years Remaining on Primary Lease:	N/A
Financing:	N/A	Investment Grade Credit:	N/A
Condition of Sale:	None	Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

Listing broker

COMMENTS

This is the sale of a 43,808 square foot industrial building located directly off Interstate 95 and less than a mile from the Massachusetts border. The buyer, Torrington Properties, Inc. signed a lease with Functional Coatings at the time of purchase. The building was originally listed for \$4,500,000 and was on the market for 7 months. The tenant manufactures adhesive membranes. While the tenant is using the facility for warehousing, it is unclear if they also intend to move their manufacturing operations to this facility.

IMPROVED SALE COMPARABLE 3



Address: 15 Batchelder Road
 City, State, Zip: Seabrook NH 03874
 MSA: Boston
 County: Rockingham
 Submarket:
 Property Type: Industrial
 Property Subtype: Warehouse
 Classification: N/A
 ID: 481020
 Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	0.72	Number of Buildings:	1
Site Area (Sq.Ft.):	31,363	Number of Stories:	1
Gross Bldg Area:	11,583	L:B Ratio:	2.71:1
Net Bldg Area:	11,583	Dock High Doors:	1
Year Built:	1996	Drive In Doors:	1
Last Renovation:	N/A	Percent Office:	25.00%
Quality:	Average	Clear Height Min:	14.0
Condition:	Average	Clear Height Max:	19.0
Mezzanine:	No	Tenancy:	N/A
		Rail Access:	No

SALES INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	9/2018	NOI:	N/A
Sale Price:	\$1,010,000	NOI per Sq.Ft.:	N/A
Price per Sq.Ft.:	\$87.20	Occupancy:	N/A
Value Interest:	Fee Simple	Expense Ratio:	N/A
Grantor:	1994 Seacoast Holdings Realty	EGIM:	N/A
Grantee:	Rigz Enterprises, LLC	Buying Entity:	N/A
Financing:	N/A	No. of Years Remaining on Primary Lease:	N/A
Condition of Sale:	N/A	Investment Grade Credit:	N/A
		Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

Knowledgeable Third party

COMMENTS

This pre-fabricated steel building consists of 8,667 square feet of warehouse space, 1,458 square feet of first floor office space and 1,458 square feet of finished mezzanine office space. The building is on town water/sewer and has natural gas and is fully sprinklered with 25' x 40' column spacing.

IMPROVED SALE COMPARABLE 4



Address: 111 Ledge Road
 City, State, Zip: Seabrook NH
 County: Rockingham
 Submarket:
 Property Type: Industrial
 Property Subtype: Manufacturing
 Classification: N/A
 ID: 484774
 Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	6.00	Number of Buildings:	1
Site Area (Sq.Ft.):	261,360	Number of Stories:	2
Gross Bldg Area:	32,000	L:B Ratio:	8.17:1
Net Bldg Area:	32,000	Dock High Doors:	1
Year Built:	1997	Drive In Doors:	2
Last Renovation:	2013	Percent Office:	25.00%
Quality:	Good	Clear Height Min:	32.0
Condition:	Average	Clear Height Max:	32.0
Mezzanine:	No	Tenancy:	Single-Tenant
		Rail Access:	No

SALES INFORMATION

Status:	Recorded Sale	OAR:	7.13%
Deed Reference:		NOI:	\$256,680
Sale Date:	9/2018	NOI per Sq.Ft.:	\$8.02
Sale Price:	\$3,600,000	Occupancy:	100.00%
Price per Sq.Ft.:	\$112.50	Expense Ratio:	N/A
Value Interest:	Leased Fee	EGIM:	N/A
Grantor:	Bell - 111 Ledge Road LLC	Buying Entity:	Investor
Grantee:	Four Springs Capital Trust	No. of Years Remaining on Primary Lease:	N/A
Financing:	N/A	Investment Grade Credit:	N/A
Condition of Sale:	N/A	Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

Broker, inspection

COMMENTS

This is the sale of a good quality manufacturing use located in an active Southern NH market. The property includes a two-story office component, with showroom area and high-bay manufacturing/repair space. The tenant recently extended their lease through 2028, with the buyer being a national investor.

IMPROVED SALE COMPARABLE 5



Address: 235 Heritage Avenue
City, State, Zip: Portsmouth NH 03801-5976
County: Rockingham
Submarket:
Property Type: Industrial
Property Subtype: Warehouse
Classification: Distribution Warehouse
ID: 358729
Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	4.70	Number of Buildings:	1
Site Area (Sq.Ft.):	204,732	Number of Stories:	1
Gross Bldg Area:	51,700	L:B Ratio:	3.96:1
Net Bldg Area:	51,700	Dock High Doors:	6
Year Built:	1978	Drive In Doors:	3
Last Renovation:	1995	Percent Office:	19.00%
Quality:	Average	Clear Height Min:	N/A
Condition:	Average	Clear Height Max:	20.0
Mezzanine:	No	Tenancy:	Multi-Tenant
		Rail Access:	No

SALES INFORMATION

Status:	Recorded Sale	OAR:	8.00%
Deed Reference:		NOI:	\$278,000
Sale Date:	10/2016	NOI per Sq.Ft.:	\$5.38
Sale Price:	\$3,475,000	Occupancy:	100.00%
Price per Sq.Ft.:	\$67.21	Expense Ratio:	N/A
Value Interest:	Leased Fee	EGIM:	N/A
Grantor:	The Nash Group	Buying Entity:	Investor
Grantee:	Cooper Malt LLC	No. of Years Remaining on Primary Lease:	N/A
Financing:	N/A	Investment Grade Credit:	N/A
Condition of Sale:	None	Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

Inspection, public records

COMMENTS

This single story light industrial building is fully leased to four tenants. The original 25,400 square foot building (16' ceiling) was built in 1978 and is fully leased to two tenants. An additional 26,300 square feet (20' ceiling) was constructed in 1995. The building has a total of 10,000 square feet of air conditioned office space. The building has 400A/208V 3 phase power, ample parking and municipal water and sewer. The building was listed for sale at \$4,500,000 and was on the market for over four years. It was purchased by a regional investor.

IMPROVED SALE COMPARABLE 6



Property Name: FedEx Distribution Facility
Address: 218 Griffin Road
City, State, Zip: Portsmouth NH 03801-7114
MSA: Boston
County: Rockingham
Submarket:
Property Type: Industrial
Property Subtype: Warehouse
Classification: Distribution Warehouse
ID: 124883
Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	4.56	Number of Buildings:	1
Site Area (Sq.Ft.):	198,634	Number of Stories:	1
Gross Bldg Area:	34,705	L:B Ratio:	5.72:1
Net Bldg Area:	34,705	Dock High Doors:	6
Year Built:	1988	Drive In Doors:	10
Last Renovation:	N/A	Percent Office:	19.00%
Quality:	Good	Clear Height Min:	N/A
Condition:	Good	Clear Height Max:	17.0
Mezzanine:	No	Tenancy:	Single-Tenant
		Rail Access:	No

SALES INFORMATION

Status:	Recorded Sale	OAR:	6.38%
Deed Reference:		NOI:	\$225,533
Sale Date:	8/2016	NOI per Sq.Ft.:	\$6.50
Sale Price:	\$3,535,000	Occupancy:	100.00%
Price per Sq.Ft.	\$101.86	Expense Ratio:	N/A
Value Interest:	Leased Fee	EGIM:	N/A
Grantor:	Elder Family Portland Assoc	Buying Entity:	Investor
Grantee:	Griffin Road Realty LLC	No. of Years Remaining on Primary Lease:	N/A
Financing:	N/A	Investment Grade Credit:	N/A
Condition of Sale:	None	Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

Owners, inspection

COMMENTS

This is the sale of a warehouse use located off of Interstate 95. The property has a front office area with retail counter, with open sorting areas in the rear. This facility is leased in its entirety to FedEx with four years remaining on their current lease term. The tenant has one (1) additional 5-year option to renew.

Addendum F: Comparable Lease Datasheets

LEASE COMPARABLE 1



Address: 34B Londonderry Road
City, State, Zip: Londonderry NH 03053
MSA: Boston
County: Rockingham
Submarket:
Property Type: Industrial
Property Subtype: Flex Space
Classification: N/A
ID: 462269
Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	16.50	Number of Buildings:	1
Site Area (Sq.Ft.):	718,740	Number of Stories:	1
Gross Bldg Area:	72,000	L:B Ratio:	9.98 :1
Net Bldg Area:	72,000	Dock High Doors:	10
Year Built:	2000	Drive In Doors:	1
Last Renovation:	N/A	Percent Office:	15.00%
Quality:	Good	Clear Height Min:	20.0
Condition:	Good	Clear Height Max:	20.0
Mezzanine:	No	Tenancy:	Multi-Tenant
		Rail Access:	No

LEASE INFORMATION

Tenant Name:	FARO Technologies Inc.	Term (Years):	6.00
Lease Date:	7/2019	Lease Type:	Net
Size Leased (Sq.Ft.):	30,000	Reimbursements/SF:	N/A
Floor:	1	Rent Concessions:	N/A
Initial Rent/SF:	\$7.34	TI/SF:	\$5.00
Rent Steps:	N/A		

VERIFICATION COMMENTS

Knowledgeable third party

COMMENTS

This is a new lease of 30,000 square feet of flex space located off 93 in Londonderry, New Hampshire. The space includes 6,000 square feet of office space, 24,000 square feet of warehouse space and 5 loading docks with levelers.

LEASE COMPARABLE 2



Address: 1 Progress Drive
 City, State, Zip: Dover NH 03820
 MSA: Boston
 County: Strafford
 Submarket:
 Property Type: Industrial
 Property Subtype: Flex Space
 Classification: N/A
 ID: 461710
 Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	14.30	Number of Buildings:	1
Site Area (Sq.Ft.):	622,908	Number of Stories:	1
Gross Bldg Area:	121,350	L:B Ratio:	5.13 :1
Net Bldg Area:	121,350	Dock High Doors:	3
Year Built:	1977	Drive In Doors:	1
Last Renovation:	N/A	Percent Office:	N/A
Quality:	Average	Clear Height Min:	16.0
Condition:	Average	Clear Height Max:	27.0
Mezzanine:	No	Tenancy:	Multi-Tenant
		Rail Access:	No

LEASE INFORMATION

Tenant Name:	Tradeport USA, LLC	Term (Years):	5.00
Lease Date:	1/2019	Lease Type:	Net
Size Leased (Sq.Ft.):	34,500	Reimbursements/SF:	N/A
Floor:	N/A	Rent Concessions:	0
Initial Rent/SF:	\$4.50	TI/SF:	\$0.00
Rent Steps:	2% Annual		

VERIFICATION COMMENTS

CoStar, Knowledgeable 3rd party

COMMENTS

The represents the lease of approximately 35,000 square feet of manufacturing space located along Route 155 in Dover, New Hampshire.

LEASE COMPARABLE 3



Property Name: Former FedEx
Address: 4 Kitty Hawk Landing
City, State, Zip: Londonderry NH
County: Hillsborough
Submarket:
Property Type: Industrial
Property Subtype: Warehouse
Classification: N/A
ID: 468227
Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	10.37	Number of Buildings:	1
Site Area (Sq.Ft.):	451,717	Number of Stories:	1
Gross Bldg Area:	65,518	L:B Ratio:	6.89 :1
Net Bldg Area:	65,518	Dock High Doors:	19
Year Built:	2004	Drive In Doors:	14
Last Renovation:	2009	Percent Office:	5.50%
Quality:	Good	Clear Height Min:	24.0
Condition:	Average	Clear Height Max:	24.0
Mezzanine:	No	Tenancy:	Single-Tenant
		Rail Access:	No

LEASE INFORMATION

Tenant Name:	Kluber Lubrication	Term (Years):	5.00
Lease Date:	3/2018	Lease Type:	Net
Size Leased (Sq.Ft.):	65,515	Reimbursements/SF:	N/A
Floor:	1	Rent Concessions:	N/A
Initial Rent/SF:	\$6.00	TI/SF:	N/A
Rent Steps:	2.0% annual increases		

VERIFICATION COMMENTS

Broker, inspection

COMMENTS

This is a full building lease for the former FedEx built warehouse facility abutting Manchester-Boston Regional Airport. There are three, 5-year renewal options with 2.0 percent annual increases.

LEASE COMPARABLE 4



Address: 25 Nimble Hill Road
 City, State, Zip: Newington NH 03801-2727
 County: Rockingham
 Submarket:
 Property Type: Industrial
 Property Subtype: Manufacturing
 Classification: Light
 ID: 500926
 Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	13.96	Number of Buildings:	2
Site Area (Sq.Ft.):	608,098	Number of Stories:	1
Gross Bldg Area:	140,885	L:B Ratio:	4.32 :1
Net Bldg Area:	140,885	Dock High Doors:	5
Year Built:	1983	Drive In Doors:	3
Last Renovation:	N/A	Percent Office:	16.00%
Quality:	Fair	Clear Height Min:	N/A
Condition:	Good	Clear Height Max:	16.0
Mezzanine:	No	Tenancy:	Single-Tenant
		Rail Access:	No

LEASE INFORMATION

Tenant Name:	Thermo Fisher	Term (Years):	5.00
Lease Date:	11/2017	Lease Type:	Net
Size Leased (Sq.Ft.):	39,749	Reimbursements/SF:	N/A
Floor:	1	Rent Concessions:	0
Initial Rent/SF:	\$6.25	TI/SF:	\$2.00
Rent Steps:	2.0% per year		

VERIFICATION COMMENTS

Broker

COMMENTS

This is a 2017 sale lease which was part of a sale/leaseback transaction. Thermo Fisher retained the manufacturing space, with the remaining space being leased to third party tenants.

LEASE COMPARABLE 5



Address: 200 International Way
City, State, Zip: Portsmouth NH
County: Rockingham
Submarket:
Property Type: Industrial
Property Subtype: Flex Space
Classification: N/A
ID: 447823
Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	10.19	Number of Buildings:	1
Site Area (Sq.Ft.):	443,876	Number of Stories:	2
Gross Bldg Area:	86,000	L:B Ratio:	5.16 :1
Net Bldg Area:	81,851	Dock High Doors:	0
Year Built:	2001	Drive In Doors:	9
Last Renovation:	2010	Percent Office:	60.00%
Quality:	Good	Clear Height Min:	24.0
Condition:	Good	Clear Height Max:	24.0
Mezzanine:	No	Tenancy:	Multi-Tenant
		Rail Access:	No

LEASE INFORMATION

Tenant Name:	Siemens Medical	Term (Years):	5.00
Lease Date:	11/2017	Lease Type:	Net
Size Leased (Sq.Ft.):	9,241	Reimbursements/SF:	N/A
Floor:	1	Rent Concessions:	0
Initial Rent/SF:	\$9.50	TI/SF:	\$10.00
Rent Steps:	None		

VERIFICATION COMMENTS

Owner, inspection

COMMENTS

This is a ground floor flex suite located in a multi-tenanted facility located on a ground lease.

LEASE COMPARABLE 6



Address: 222 International Way
 City, State, Zip: Portsmouth NH
 County: Rockingham
 Submarket:
 Property Type: Industrial
 Property Subtype: Flex Space
 Classification: N/A
 ID: 447824
 Tax Number(s): N/A

PROPERTY INFORMATION

Site Area (Acres):	20.52	Number of Buildings:	2
Site Area (Sq.Ft.):	893,851	Number of Stories:	2
Gross Bldg Area:	155,000	L:B Ratio:	5.77 :1
Net Bldg Area:	145,394	Dock High Doors:	0
Year Built:	2001	Drive In Doors:	12
Last Renovation:	2010	Percent Office:	60.00%
Quality:	Good	Clear Height Min:	24.0
Condition:	Average	Clear Height Max:	24.0
Mezzanine:	No	Tenancy:	Multi-Tenant
		Rail Access:	No

LEASE INFORMATION

Tenant Name:	Kat Implants	Term (Years):	7.00
Lease Date:	9/2017	Lease Type:	Net
Size Leased (Sq.Ft.):	4,042	Reimbursements/SF:	N/A
Floor:	1	Rent Concessions:	0
Initial Rent/SF:	\$9.25	TI/SF:	\$8.00
Rent Steps:	3.0% per year		

VERIFICATION COMMENTS

Broker

COMMENTS

This is a flex suite well located in Pease International. The property is encumbered by a ground leasee.

Addendum G: Qualifications of the Appraiser



Stefan Sargeant, MAI, MRICS Executive Director

Valuation & Advisory
Cushman & Wakefield of Massachusetts, Inc.

Professional Expertise


Mr. Sargeant began his career with Cushman & Wakefield in March of 2000. He is an Executive Director within Cushman & Wakefield's Valuation & Advisory group in New England. He is responsible for the appraisal and valuation of land, commercial, office, industrial, and retail properties throughout the United States. He is a member of both the Valuation & Advisory Industrial and Senior Housing/Healthcare Practices Groups.

Mr. Sargeant has appraised a wide variety of property including land, office, industrial, and retail. He specializes in the appraisal of industrial use real estate including single and multi-tenanted warehouse, manufacturing and flex uses, cold storage facilities, tank farms, and marine related properties. Other appraisal experience includes medical and traditional office buildings, as well as various retail properties. Mr. Sargeant has also managed several portfolio assignments of multiple gas stations, c-stores, bank branches, and self-storage uses.

Memberships, Licenses, Professional Affiliations and Education

- Designated **Member**, Appraisal Institute (MAI #12418). As of the current date, **Stefan Sargeant, MAI** has completed the requirements of the continuing education program of the Appraisal Institute.
- Designated **Member**, Royal Institution of Chartered Surveyors No.130114
- Certified General Real Estate Appraiser in the following states:
 - Maine – CG 2875
 - Massachusetts – 70047
 - New Hampshire – NHCG-715
 - Rhode Island – A01322G
 - Vermont – 080.0000217
- Bachelor of Science in Business Administration, University of Vermont

MAINE

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

License Number CG2875

Be it known that
STEFAN J. SARGEANT
has qualified as required by Title 32 MRS Chapter 123 and is licensed as:
CERTIFIED GENERAL APPRAISER

Anne L. Head
Commissioner

ISSUE DATE: December 10, 2019
EXPIRATION DATE: December 31, 2020

MASSACHUSETTS

COMMONWEALTH OF MASSACHUSETTS
DIVISION OF PROFESSIONAL LICENSURE
BOARD OF
REAL ESTATE APPRAISERS
ISSUES THE FOLLOWING LICENSE CERT
GEN. REAL ESTATE APPRAISER

STEFAN J SARGEANT
13 COURTYARD PL
READING, MA 01867-4606

[Signature]
LICENSEE SIGNATURE

70047 06/10/2022 932389

LICENSE NUMBER EXPIRATION DATE SERIAL NUMBER

NEW HAMPSHIRE

State of New Hampshire

REAL ESTATE APPRAISER BOARD

APPROVED TO PRACTICE AS A

CERTIFIED GENERAL APPRAISER

ISSUED TO: STEFAN J SARGEANT



Certificate No: NHCG-715

EXPIRATION DATE: 06/30/2022

RHODE ISLAND

 *State of Rhode Island and Providence Plantations*
Department of Business Regulation
Real Estate Appraisers Section
John O. Pastore Complex, Bldg. 68-1
1511 Pontiac Avenue
Coxsack, RI 02929-0942



Certified General Appraiser

Certification No. CGA-0A01332 This Certification Expires on: 04/30/2021

In accordance with Title V, Chapter 20.7 of the General Laws of Rhode Island relating to Real Estate Appraisers' Payments as varied authority and having received full payment of the required fee, the Department of Business Regulation has licensed/licensed

Stefan J. Sargeant

The person named herein may engage in the business of appraisal practice, provided he shall in all respects conform to the Provisions of Title V, Chapter 20.7 of the General Laws of Rhode Island 1967, as amended, and the rules and regulations issued under authority thereof beginning 04/16/2019 and ending 04/18/2021 unless this license is suspended, revoked or voluntarily returned to the Department during this period.


Chairperson, Real Estate Appraisers Board

VERMONT



State of Vermont
Real Estate Appraisers
Certified General Real Estate
Appraiser



Stefan John Sargeant
13 Courtyard Pl
Reading , Massachusetts **01867-4606**

Credential #: **080.0000217**
Status: **Active**
Effective: **Jun 01, 2020**
Expires: **May 31, 2022**



James C. Condos
Secretary of State

For the most accurate and up to date record of licensure, please visit <https://secure.professionals.vermont.gov/>

APPRAISAL REPORT



**FLEX OFFICE/INDUSTRIAL BUILDING
(WAREHOUSE PORTION OF THE ENTIRE BUILDING)**

LOCATION

**30 NEW HAMPSHIRE AVENUE
PORTSMOUTH NH 03801**

OWNER OF RECORD

SPYGLASS DEVELOPMENT LLC

CLIENT

THE KANE COMPANY

PREPARED BY

**RMA ASSOCIATES
25 YORK LANE
LEE, NH 03861**

**RMA GROUP FILE #332020
VALUE ESTIMATE AS OF
SEPTEMBER 16, 2020**



October 6, 2020

The Kane Company
210 Commerce Way, Suite 300
Portsmouth, NH 03801

RE: Flex Office Industrial Building
30 New Hampshire Avenue
Portsmouth, New Hampshire
RMA Group File #322020

Dear Mr. Kane:

In accordance with your request for appraisal services, we have completed an appraisal on the real estate referenced above. This appraisal is presented in an *Appraisal Report* format. This appraisal report summarizes our *Assignment Results*. It is prepared in accordance with the 2020-2021 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP). It also conforms to Title XI of FIRREA.

The purpose of this appraisal is to conclude an opinion of the most probable "as is" *market value of the fee simple interest* of the subject property. Support for this market value is documented in the attached appraisal report. This letter of transmittal is not an appraisal report, but a component thereof.

As a result of our investigation and analysis of the data contained in this report, we find the most probable "as is" *market value of the fee simple interest*, as of September 16, 2020 for the warehouse portion of the subject property (not the entire property), based upon the scope of work outlined on pages 8-9, to be:

("AS IS")
(ONE MILLION FIVE HUNDRED AND FIFTY THOUSAND
DOLLARS)
(\$1,550,000*)

***Extraordinary Assumptions (An extraordinary assumption is defined by USPAP as an assumption, directly relating to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusion):**

- 1) The subject section of the building totals 36,000SF of space.

***Hypothetical Conditions (A hypothetical condition is defined by USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the appraisal results, but is used for the purpose of analysis.):**

- 1) The subject value assumes that there is no existing lease agreement in place between the owner and Flex Energy.

Probability of Value Change:

The estimated market/use values of the property appraised in this report are estimated as of the aforementioned date. Constantly changing economic, social, political and physical conditions have varying effects upon real property values. Even after the passage of a relatively short period of time, property values may change substantially and require a new appraisal.

The value indicated is subject to the General Assumptions and General Limiting Conditions located at the end of the report.

Sincerely,

A rectangular box containing a handwritten signature in dark ink, which appears to read "Robert P. Concannon".

Robert P. Concannon, MAI
Chief Appraiser – NHCG-657

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ADDENDA

- Subject Photographs
- Tax Map
- Area Maps
- Municipal Tax Card
- Appraiser Qualifications

ASSIGNMENT ELEMENTS

SUBJECT: Flex Office/Industrial Building
City of Portsmouth Parcel ID 37835
30 New Hampshire Avenue, Portsmouth New Hampshire

APPRAISAL REPORT: *Appraisal Report*
Defined as a written report prepared under Standards Rule 2-2(b) performed under Standard 1 of the Uniform Standards of Professional Appraisal Practice (USPAP).

DATE OF INSPECTION: September 16, 2020
DATES OF VALUE: September 16, 2020
DATE OF REPORT: October 6, 2020

PROPERTY RIGHTS: Leasehold Interest
The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions. (Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, (Chicago, 2010).

VALUE TYPE: Market Value

ASSIGNMENT COND: *Extraordinary Assumptions* – (See Transmittal Letter)
Hypothetical Conditions – None
Jurisdictional Exceptions – None

CLIENT: The Kane Company, Mr. Eric Nelson

INTENDED USER: The Kane Company, Mr. Eric Nelson

PROBLEM TO BE SOLVED: The purpose of this appraisal is to estimate the most probable “as is” market value of the “leasehold interest” of the flex portion (office/industrial section) of the subject property.

USE: The intended use of the report is for estimating market value for a potential sale of a portion of the subject property. The appraiser does not intend use of this appraisal by any other party than those disclosed above, or for any other purpose by the client.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. The buyer and seller are typically motivated;
2. Both of the parties are well informed or well advised, and are each acting in what they consider to be their own best interest;
3. A reasonable period of time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U. S. dollars or in terms of financial arrangement comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The definition of market value was taken from the Department of the Treasury, Office of the Comptroller of the Currency, 12CFR Part 34, dated 8/24/90 (Section 34.42 Definitions)

Market Value Comments: The factors of utility, scarcity, desire and effective purchasing power is apparent in the definition. The implication that buyer and seller are working under equal pressure is seldom completely true, although typical motivation for each does imply a reasonable balance for a market value transaction. Market prices do not necessarily follow all of these concepts, and are often affected by salesmanship and the urgency and need of the buyer and/or seller. The central difference between market price and market value lies in the premise of knowledge and willingness both of which are contemplated in market value, but not in market price. Stated differently, at any given moment of time, market value denotes what a property is actually worth under certain specified conditions, while market price denotes the actual sales price.

Probability of Value Change: The estimated market value of the property appraised in this report is estimated as of the aforementioned date. Constantly changing economic, social, political and physical conditions have varying effects upon real property values. Even after the passage of a relatively short period of time, property values may change substantially and require a new appraisal.

SCOPE OF WORK

According to the 2020-2021 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP), for each appraisal assignment an appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the scope of work necessary to develop credible assignment results; and
3. Disclose the scope of work in the report.

In order to determine the appropriate scope of work, the appraiser must properly identify the problem to be solved. That scope of work must be sufficient to produce assignment results that are credible. For a scope of work to be acceptable, it must meet or exceed:

1. The expectations of parties who are regularly intended users for similar assignment; and
2. What an appraiser's peers' actions would be in performing the same or a similar assignment.

Identification of Relevant Property Characteristics

Physical

- The appraiser will inspect the subject parcel and the existing improvements at a level necessary to gather information about the physical characteristics of the parcel and improvements that are relevant in the valuation problem.
- The appraiser will interview the property manager.

Legal

- The appraiser will review the site leasing agreement.
- The appraiser will examine the municipal tax card and tax map, and fully review all pertinent ordinances relevant to the property in Portsmouth.
- The appraiser will review all provided the lease documents.

Economic

- The appraiser will review the Portsmouth and Seacoast flex office/ industrial market.

Development of the Highest and Best Use Opinion(s)

In developing an opinion of highest and best use, the appraiser applied the four tests (physically possible, legally permissible, financially feasible, and maximally productive) with research into each factor, testing for feasibility.

Application of the Three Approaches to Value

The **Cost Approach** was considered but not developed. It is not relevant when the improvements are over 20+ years old as any attempt to estimate physical depreciation or functional obsolescence would not be reliable, or credible.

The **Income Approach** was fully developed. The subject is an office/industrial building that has historically been leased on a multiple tenancy basis. The income, expenses, and NOI were accurately estimated. A credible capitalization rate (OAR) rate was obtained from national and regional survey data. Since this type building would initially appeal to an owner occupant and secondarily to an investor, this approach produced a slightly less credible, and secondary value conclusion.

The **Sales Comparison Approach** was fully developed. A search within the Southern New Hampshire industrial market(s) produced a number of recent office/industrial building sales. Although, none of the sales were completely analogous to the subject, they were considered reasonably similar enough in terms of location, size, condition and occupancy to develop a credible analysis. While the subject building is currently rented out to a single tenant, it could be used by an owner-occupant who could occupy the entire space. Since the building could also appeal to an owner occupant, this is deemed to produce a credible and primary value conclusion.

Reporting Type

This results of this appraisal assignment is being reported as an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of USPAP. As such, it presents 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 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.

Sources of Information Included:

- Physical inspection of the property performed on September 16, 2020
- Property Manager's Representatives – Mr. Eric Nelson & Ms. Stacey Abel
- City of Portsmouth
- Real estate brokers active in the office market
- NECPE
- Appraiser's files and published data

HAZARDOUS CONDITIONS

An opinion as to the extent of any hazardous waste on the subject property and any associated removal and/or remediation costs is beyond the scope of this assignment and the expertise of the appraiser. No environmental issues were noted at inspection.

COMPETENCY STATEMENT

Mr. Robert P. Concannon, MAI is competent to perform the appraisal in which they have been engaged. The appraisers are experienced in the valuation of all types of real estate, including but not limited to, general and medical office buildings, industrial/warehouse buildings, research and development facilities, retail developments, mixed-use projects, multi-family residential developments, and undeveloped land. Qualifications of the appraisers are included in the Addenda of the report.

DESCRIPTION OF THE MUNICIPALITY

Location: Portsmouth is located in southeastern New Hampshire within Rockingham County. Manchester is approximately 50 miles west; Boston, Massachusetts is approximately 50 miles south; and Portland, Maine is approximately 50 miles north. The city is bordered by the State of Maine to the north, Newington and Greenland to the West, New Castle to the east and Rye to the south. Within a short proximity are a number of state beaches in New Hampshire, Massachusetts, and Maine. Other attractions include the University of New Hampshire in Durham, a number of public and private golf courses, and various historical sites. Given the city's location and access to Interstate 95, makeup of its downtown area and numerous attractions, the city has become a tourist destination for a significant portion of the year.

Transportation/Road Access: Both Interstate 95 and U.S. Route 1 run north/south through the city. Additionally, the Spaulding Turnpike provides access northwest to the cities of Dover, Somersworth and Rochester. N.H. Routes 4 and 101 provide access west to the cities of Concord and Manchester, respectively. Also, N.H. Route 33 provides access to the south to Greenland, Stratham, and Exeter. Accessibility to the city is considered excellent. The airport at the Pease Tradeport offers limited commercial flights. Much larger commercial airports in Boston, Manchester, and Portland are all within one hour's drive. The city has a deep-water port and access to the Boston & Maine Railroad.

Size: 15.6+/- square miles. Most of the developable land area has been improved. The majority of the remaining vacant land is wetlands.

Population: 21,426 (2015). There has been little change in the population since 2000.

Demographics: Per capita and median household income in 2015 was \$45,062 and \$71,392, respectively. Residential improvements as of 2014 included 5,326 single-family units, 4,384 multi-family units and 292 mobile homes. The 2015 civilian labor force totaled 13,155. Approximately 50% of the city's resident's work in Portsmouth, with the remaining commuting to other municipalities.

Government: Portsmouth has a City Manager/City Council form of government.

City Services: Eversource supplies electricity. The City of Portsmouth has water provided by the Portsmouth Water Works. There is a municipal sewerage system covering approximately 85% of the city. Unutil provides natural gas to a portion of Portsmouth. There are full-time police and fire departments. The city offers curbside trash pickup and a mandatory recycling program. The city has a public library and the Portsmouth Regional Hospital (209 beds) is located on Borthwick Avenue. There are four elementary schools, one middle school and one high school in Portsmouth.

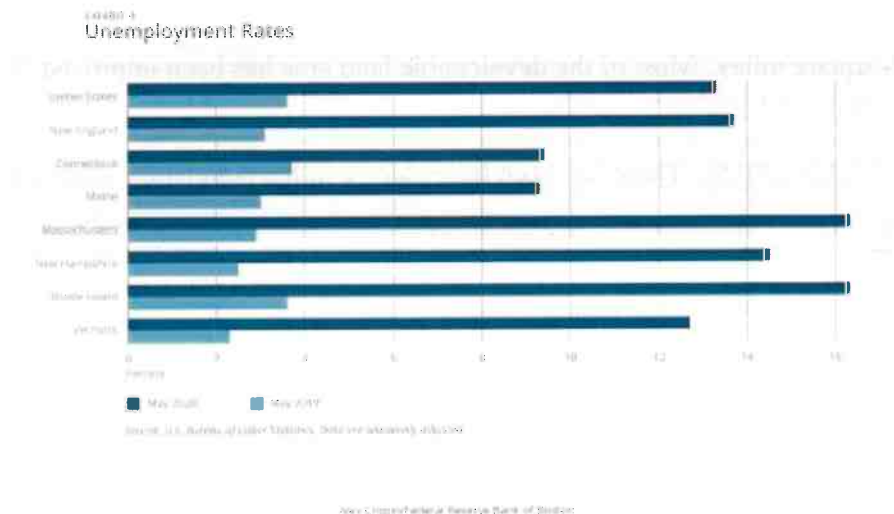
Area Unemployment

Unemployment rates also provide a window into the health of not only an areas general economy, but also the health of its real estate market (often with some lag time). Since people use buildings, the more people working, the more space that is needed. The following compares and contrasts unemployment rates in, around, and outside of the subject market area:

Unemployment

Unemployment rates increased in all six New England states relative to one year prior

Unemployment rates across the US and New England increased year-over-year. The May 2020 unemployment rate was 13.3 percent nationally and 13.7 percent regionally. All six New England states saw unemployment rate increases between May 2019 and May 2020, with Massachusetts and Rhode Island posting the largest increases landing them each at 15.3 percent (Exhibit 4). The unemployment rate in New Hampshire was also above the national average at 14.5 percent. Maine (9.3 percent), Connecticut (9.4 percent), and Vermont (12.7 percent) saw rates lower than the national average, but each state had significant increases compared to February 2020, prompted by state policies requiring non-essential businesses to close to support public health.



In general, unemployment has been declining in most markets since the recession began in 2008. In particular, NH is doing better than the US, New England, MA, and Maine; and the Portsmouth area (even during the recession that started near the end of 2008) better than all submarkets even relative to other major NH Cities. Since people use buildings, the more people working, the more space that is needed.

DESCRIPTION OF THE MARKET AREA

According to the Dictionary of Real Estate Appraisal, a market area is defined as “the geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users.”

The subject property consists of a single tenant (flex) office/industrial building at the highly desirable Pease Tradeport. The market area is considered to include New England.

MARKET ASSESSMENT

The subject is located in the seacoast portion of Rockingham County, the most southern county within eastern NH. With a population in 2015 of 302,000 (rounded), Rockingham is the second largest NH County. Combined with abutting Strafford County, the population in 2015 was 431,000 (rounded). From 2010 to 2015, these two counties had the largest population growth in NH: Rockingham County at 2.2% (+6,557), and Strafford at 3%, (+3,679).

Portsmouth, the community in which the subject resides (including Pease), unlike the rest of the country, New England, MA, northern MA, and even much of the rest of NH, never suffered economically to the same extent during the rest of the country’s recession. While cranes were in mothballs and crane operators unemployed in nearly all other areas nationwide from 2009 to 2013 and 2014, newly developed commercial properties at Pease and in Portsmouth were being developed due the overall attractiveness of the area. While many empty see-through buildings dotted the landscape along I-93 from Woburn, MA to Manchester, NH including Nashua, the only see-through buildings in Portsmouth were the new ones just being built where the windows had yet to be installed and were in process.

The following is a brief synopsis of the New Hampshire industrial market from Colliers International for the 2nd quarter of 2020. The report provides the most recent update for occupancy levels, available space and average rental rates by various submarkets in New Hampshire for industrial space. The reported is followed by a second quarter (newsletter update) from Colliers International for industrial sub-market.

SEACOAST NEW HAMPSHIRE INDUSTRIAL MARKET FORECAST

MARKET OVERVIEW

The occupancy rate in the new Hampshire industrial sector remained relatively flat, with a dip of 0.02% year-over-year, while rents increased by 60.21 PPS, or 3.1%, with occupancy remaining above 94%, a steady amount of square feet construction was either started or completed during the quarter.

Two notable expansions took ground, 110,000 SF in the Manchester in Bedford and 15,000 SF in Westbury in Hampton. Additionally, MultiRate completed its 2,000 SF expansion of its facility in Dover, which is a steady amount of square feet construction was either started or completed during the quarter.

Due to the pandemic, some industrial companies are experiencing growth. Companies are working to expand their manufacturing capabilities due to COVID and could add 250 manufacturing jobs in Dover. The company is focused on developing and commercializing its 44 MW technology products used to treat patients in respiratory distress. Lytel, a Rollins company, is ramping up manufacturing efforts to produce more N95 respirators and surgical masks, adding two new production lines. The company plans to produce two times its current capacity by May 2021, creating a need for more employees on both floors and just a couple decades of manufacturing experience training, which could lead to an increased need for occupation of jobs in the state.

As the market moves through the pandemic, such as the onset of the long-term impact it will have on commercial real estate. The industrial market has such a high demand for space, occupancy rates will rise, lease rates will rise. We will need to update our market forecast from the pandemic to fully understand the lasting impact it will have on the commercial real estate market.

NEW HAMPSHIRE SNAPSHOT

Industrial SF Tracked
67.4M SF in 1H

- MANUFACTURING
- WAREHOUSE/WAREHOUSE/DISTRIBUTION

Occupancy Rate per Submarket

BUILDING	DIRECT AVAILABLE SF	SUBLEASE AVAILABLE SF	OCCUPANCY RATE	CURRENT ABSORPTION SF	YTD ABSORPTION SF	RENTS (PSF)
NEW HAMPSHIRE AVERAGE						
TOTAL	67,981,310	3,583,348	97.02%	64,407	154,588	\$6.89
CONCORD SUBMARKET						
MPS	18,112,044	2,710	95.17%	-	10,071	\$7.62
PLR	1,903,749	882,281	92.04%	1,040	13,070	\$7.76
WFO	2,995,297	10,886	97.04%	18,000	150,740	\$6.25
TOTAL	22,011,090	2,803,067	94.92%	19,040	163,881	\$6.74
MANCHESTER SUBMARKET						
MPS	2,044,055	25,750	98.74%	-	23,150	\$7.60
PLR	3,270,170	449,148	88.63%	10,840	10,840	\$7.01
WFO	6,871,987	321,842	95.34%	80,000	112,000	\$6.60
TOTAL	12,186,212	896,740	93.00%	90,840	136,000	\$7.20
NASHUA SUBMARKET						
MPS	3,332,570	126,800	96.25%	66,900	160,000	\$7.00
PLR	5,079,272	99,000	98.14%	100,000	100,000	\$8.27
WFO	6,728,687	130,710	98.01%	18,000	163,000	\$6.24
TOTAL	15,140,529	356,510	98.01%	184,900	323,000	\$7.44
SALEM SUBMARKET						
MPS	450,000	-	100.0%	-	-	-
PLR	1,076,643	60,000	94.54%	10,000	1,000	\$6.76
WFO	2,446,112	512,000	83.43%	20,000	157,000	\$6.14
TOTAL	4,972,755	1,172,000	86.74%	30,000	157,000	\$6.26
PORTSMOUTH SUBMARKET						
MPS	1,232,440	10,000	99.18%	-	3,000	\$7.45
PLR	1,634,120	68,000	96.34%	10,000	10,000	\$7.77
WFO	2,121,364	100,710	95.52%	100,000	10,000	\$6.25
TOTAL	4,988,924	178,710	96.95%	110,000	23,000	\$7.20
DOVER SUBMARKET						
MPS	2,962,750	52,124	98.24%	-	24,761	\$7.60
PLR	882,276	246,000	83.43%	10,000	10,000	\$6.76
WFO	972,000	190,000	83.80%	10,000	10,000	\$7.04
TOTAL	4,817,026	388,124	92.24%	24,761	34,761	\$7.40

Average Submarkets Rents

Q3 2020: \$6.00 | Q4 2020: \$6.50 | Q1 2021: \$7.00

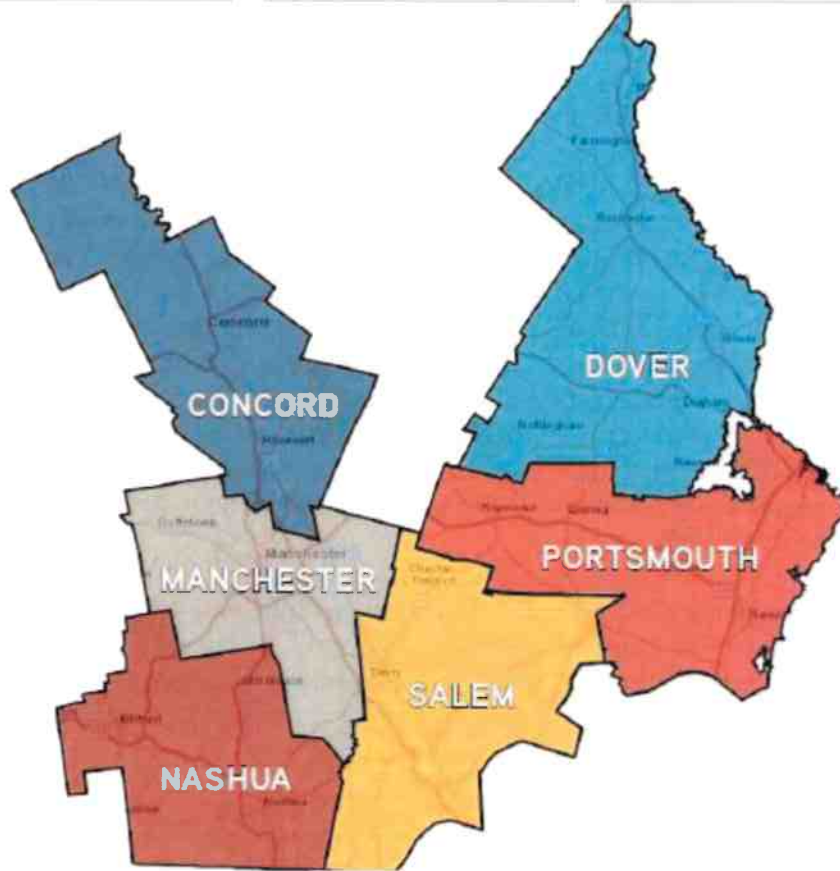
Q2 2021: \$7.50 | Q3 2021: \$8.00 | Q4 2021: \$8.50 | Q1 2022: \$9.00 | Q2 2022: \$9.50

NASHUA: \$7.44 | MANCHESTER: \$6.63 | PORTSMOUTH: \$6.26

CONCORD	
Building Inventory SF	5,793,350
Occupancy Rate	91.90%
Direct Available SF	469,343
Sublease Available SF	-
Avg. Rent (NNN)	\$6.16

DOVER	
Building Inventory SF	8,510,635
Occupancy Rate	91.98%
Direct Available SF	502,771
Sublease Available SF	178,003
Avg. Rent (NNN)	\$6.88

PORTSMOUTH	
Building Inventory SF	13,239,267
Occupancy Rate	97.87%
Direct Available SF	319,736
Sublease Available SF	14,997
Avg. Rent (NNN)	\$8.20



MANCHESTER	
Building Inventory SF	15,446,181
Occupancy Rate	96.88%
Direct Available SF	493,979
Sublease Available SF	110,222
Avg. Rent (NNN)	\$6.53

NASHUA	
Building Inventory SF	19,080,787
Occupancy Rate	93.01%
Direct Available SF	1,431,018
Sublease Available SF	4,000
Avg. Rent (NNN)	\$6.41

SALEM	
Building Inventory SF	5,310,953
Occupancy Rate	92.74%
Direct Available SF	345,002
Sublease Available SF	42,000
Avg. Rent (NNN)	\$8.26

The occupancy rate in the New Hampshire industrial sector remained relatively flat, with a dip of 0.02% year-over-year, while rents increased by \$0.21 PSF, or 3.1%. With occupancy remaining above 94%, a steady amount of owner-user construction was either started or completed during the quarter.

Two notable expansions broke ground; 13,000 SF at TRM Microwave in Bedford and 15,810 SF at Integra in Nashua. In Londonderry, MuShield completed its 6,000 SF expansion of manufacturing space on Ricker Avenue, bringing the total building up to 18,000 SF. This activity is a positive indicator for the industrial market and we hope this trend continues.

Due to the pandemic, some industrial companies are experiencing growth. Vapotherm announced plans to expand its manufacturing capabilities due to COVID and could add 350 manufacturing jobs in Exeter. The company is focused on developing and commercializing its HI-VNI technology products used to treat patients in respiratory distress. Lydall, a Rochester company, is ramping up manufacturing efforts to produce more N95 respirators and surgical masks, adding two new production lines. The company plans to produce five times its current capacity by May 2021, creating a need for more employees as well. These are just a couple examples of manufacturing companies thriving, which could lead to an increased need for production space in the state.

As NH moves through the pandemic, much is unknown of the long-term impact this will have on commercial real estate. The industrial market has such a high demand for space, occupancy rates will most likely stay strong. We will need to distance ourselves further from the pandemic to fully understand the lasting impact it will have on the commercial real estate market.

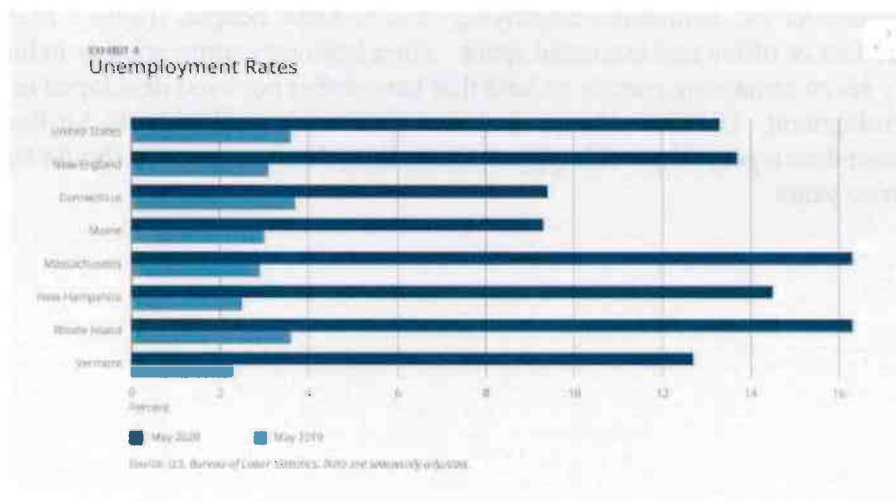
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In general, unemployment has been declining in most markets since the recession began in 2008. In particular, NH is doing better than the US, New England, MA, and Maine; and the Portsmouth area (even during the recession that started near the end of 2008) better than all submarkets even relative to other major NH Cities. Since people use buildings, the more people working, the more space that is needed.

DESCRIPTION OF THE PEASE TRADEPORT

The 59-year-old Pease Air Force Base, the home of SAC's 509th Bomb Wing closed on March 31, 1991. The Pease Development Authority was created in 1990. The PDA is an independent state agency. The base was officially transferred from military to civilian control in 1991. The PDA was granted powers needed to implement the base redevelopment plan. Those included the authority to accept title of the land disposed by the Air Force, and the authority to market and develop the land. Zoning at the Pease Tradeport includes 797 acres in the airport zone, 448 acres in the airport industrial zone, 333 acres in the industrial zone, and 466 acres in the business/commercial zone. 781 acres were set aside for natural resource protection and wetlands mitigation.

Pease is located just off Interstate 95 and the Spaulding Turnpike in Portsmouth and Newington, NH. There is an extensive network of roads that existed from the former air force base. The PIT is served with municipal water and sewer, and natural gas. The PIT offers a Foreign Trade Zone and customs facilities. Portsmouth International Airport offers an 11,321-foot runway. There is also a 27-hole public golf course.

Pease is home to over 245 companies employing close to 8,000 people. There is roughly 4 million square feet of office and industrial space. For a business/commercial or industrial use, there are only seven remaining parcels of land that have either not been developed or controlled for future development. There are also several sites under improved with old Air Force buildings. Most developers think with typical absorption, those seven sites should be developed within five or so years.

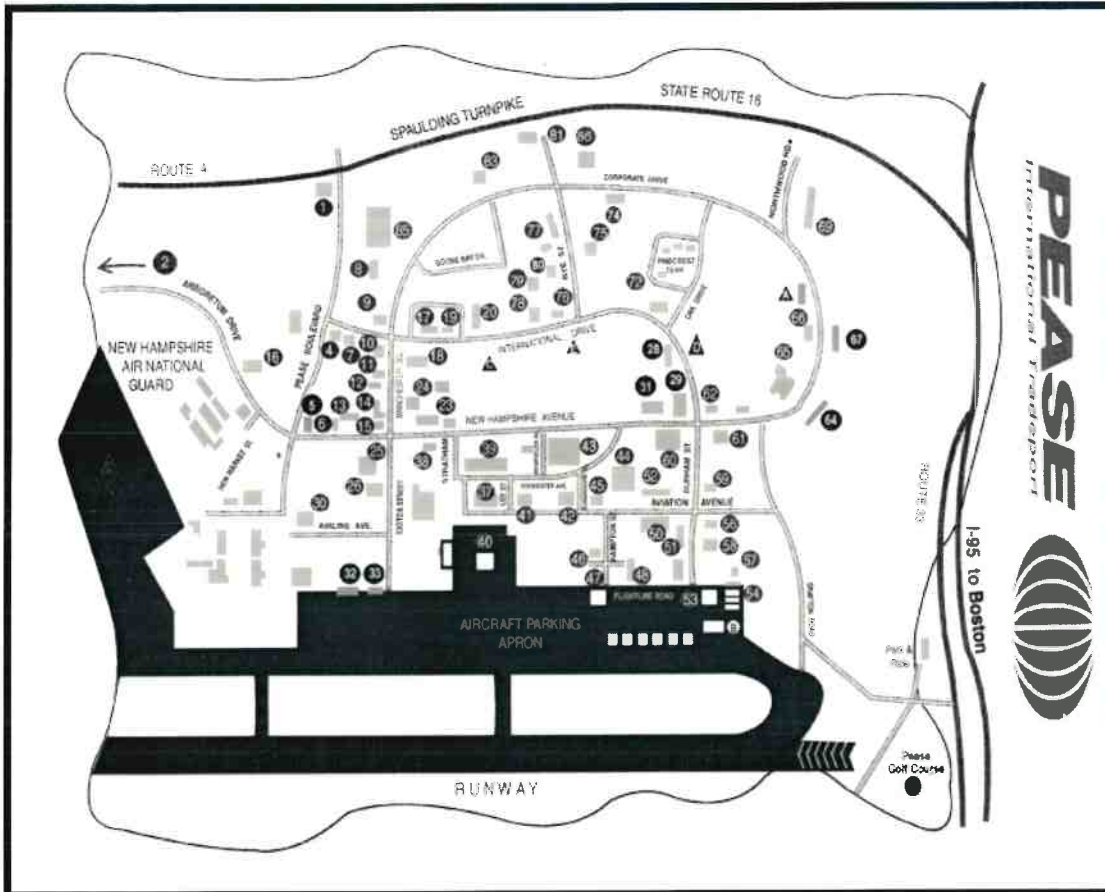
Pease is improved with a variety of building types and uses. In addition to those connected with the airport, they include the following:

- Newly constructed single and multi-tenant class A office buildings
- Newly constructed research and development buildings
- Newly constructed light industrial buildings
- Former air base buildings renovated for a variety of uses
- Vacant former air base buildings
- Hotels
- Restaurants
- Retail
- Financial institutions
- Health care facilities
- Colleges
- Day care facilities

An aerial of the Pease Tradeport is below:



From a flex space perspective, the number of sites that may accommodate new development providing office/industrial space for rent is rapidly diminishing. On the following page is the most recent chart from the Pease Development Authority showing the unimproved development sites:



11.2 Acres / 5.6 Acres Useable-Arboretum Drive

This site is adjacent to the Sig Sauer facility and they have a right of first refusal. It is doubtful they will not eventually take the site for future expansion of their facility.

9.3 Acres / 7.1 Acres Useable-Corporate Drive

This site is adjacent to the Wentworth Douglass office building and they have it under option for future medical office expansion.

5.4 Acres / 4.0 Acres Useable-Corporate Drive

This site is adjacent to the Wentworth Douglass office building and they have it under option for future medical office expansion.

24.1 Acres / 22.0 Acres Useable-Corporate Drive

This site is adjacent to the Lonza Biologics facility and they have it under option for future expansion.

8.7 Acres / 8.7 Acres Useable-160 Corporate Drive

Summit Development of Dover is in the process of permitting the site for a total of 100,000 square feet of office. Phase I which is 45,000 square feet will commence shortly and will be taken by a single tenant. Phase II which is 55,000 square feet is slated for that tenant's future expansion.

7.1 Acres / 3.3 Acres Useable-Corporate Drive

Summit Development has this parcel under option. They have conceptual designs for a single or multiple buildings with a total of 100,000 square feet of office.

11.2 Acres / 3.2 Acres Useable-Corporate Drive

This site is available. According to Two International Group, it has the potential for 30,000,000 square feet of office.

6.1 Acres / 5.2 Acres Useable-New Hampshire Avenue

This site is adjacent to the Great Bay Community College facility and they have it under option for future college expansion.

11.0 Acres / 11.0 Acres Useable-100 New Hampshire Avenue

Two International Group has this parcel under option. They have conceptual designs for 200,000 square feet of office.

6.6 Acres / 2.4 Acres Useable-Durham Street & Aviation Avenue

This site is available. According to Two International Group, it has the potential for 20,000 square feet of office.

The appraiser is aware of two existing site infill possibilities. 50 International Drive that is a part of current 75 International Drive has a 30,000 square foot office building under construction. The developer is Two International Group. They indicated they have two LOIs in place for the entire building. Two International Group owns 14 Manchester Square. They indicate there is roughly 4 excess acres that may accommodate 100,000 square feet of office.

The thirteen remaining sites are all on land that requires an airport use.

By removing owner user sites and sites where tenants have already been secured, there are five remaining development sites with the ability to produce roughly 360,000 square feet of leasable office space. With a total buildout of around 2,400,000 square feet, this represents only an additional 15%. Looking at Pease and Portsmouth in totality, this only represents an increase of 9%. Given the recent absorption rates at Pease, this amount of space should be built and occupied within the next five to ten years.

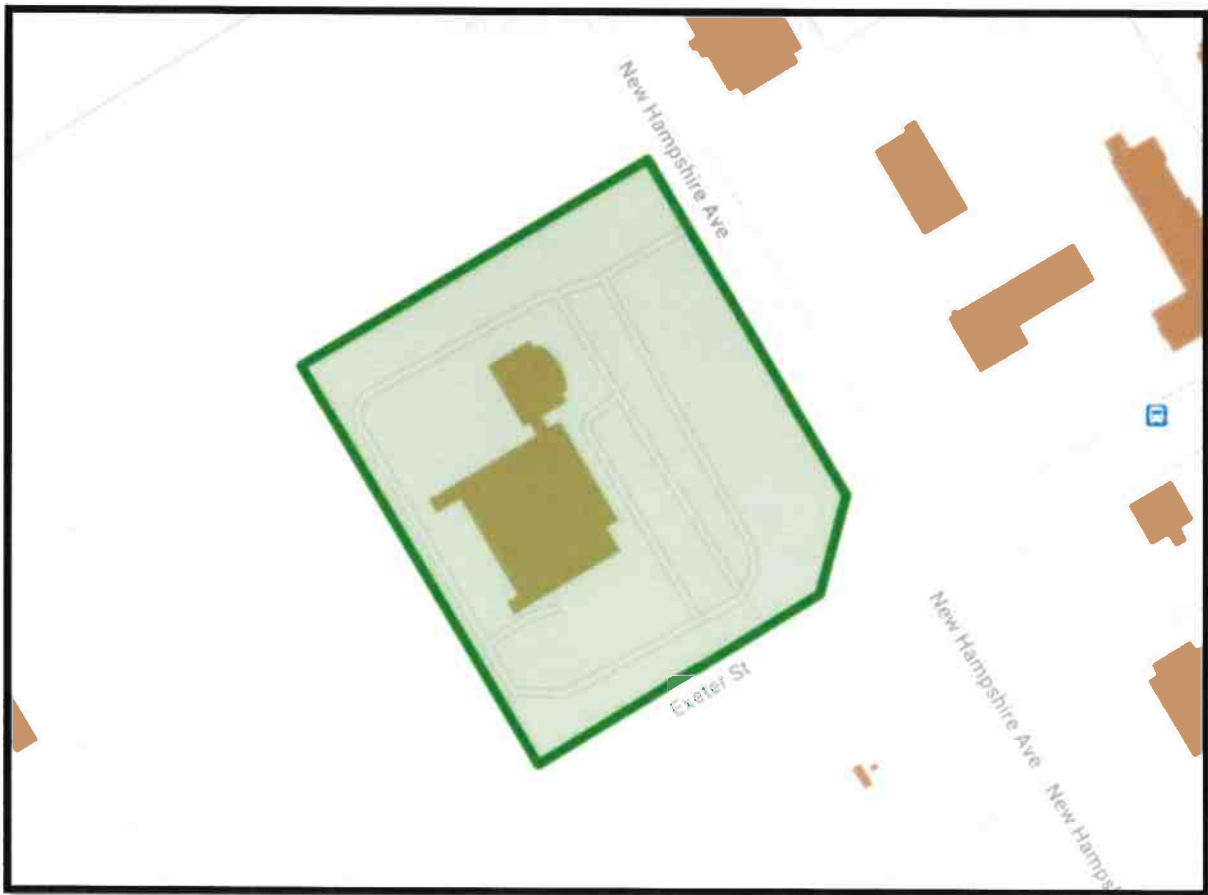
DESCRIPTION OF THE PROPERTY

The following is a summary of the site and building components of the subject property. This has been based upon property data provided by the subject ownership, on-site property inspections, and on information provided from public sources.

The existing improvements are situated on land leased by Spyglass Development LLC (ground tenant) from the Pease Development Authority. Based upon a review of city of Portsmouth Flood Insurance Rate Map #330139 0005 B, effective May 17, 1982, the subject is not located in a flood hazard area. According to municipal records, the leased land is identified as Map 301 / Lot 3.

The leased land may be summarized as follows:

SITE



The subject lot is 8.49 acres with 625+/- feet of frontage along New Hampshire Avenue and 545+/-feet along Exeter Street. The subject is a highly visible and a highly accessible lot from New Hampshire Avenue. Traffic counts here are minimal, however, there is easy access to Route 16 and Interstate 95 within one mile of the subject property. Most of the lot is level or nearly level to street grade. Utilities include municipal water and sewer, natural gas, three-phase electrical, land line and cell phone service, and cable.

The character of the site is almost entirely open areas with no woodlands along the left and right sides. The entire site appears suitable for development.

Access is via New Hampshire Avenue (one access point) and Exeter Street (one access point). Otherwise, no easements or encroachments exist that would materially diminish the utility of the subject property. The subject site does not appear to possess any expansion potential based upon its current layout.

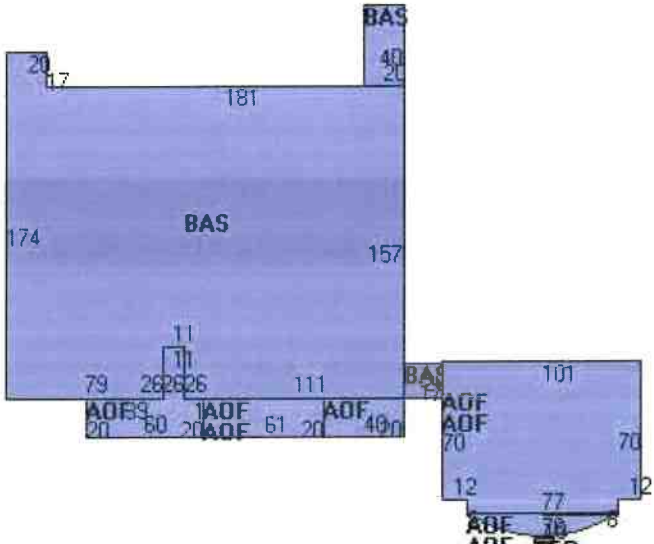
There are no wetlands or wetlands boundaries on the subject lot. In addition, the lot is in Zone X, an area determined to be outside the floodplain area.

AERIAL VIEW



STRUCTURAL DESIGN AND ANALYSIS

Building Layout



Building Sub-Areas (sq ft)			Legend	
Code	Description	Gross Area	Living Area	
BAS	First Floor	32,751	32,751	
AOF	Office	21,284	21,284	
FEP	Porch, Enclosed	30	0	
		54,065	54,035	



The subject property consists of a mixed-use complex with an original flex office/industrial building constructed in 1960 connected to a two story office building constructed in 2002. The subject section consists of a large warehouse and office space (ground floor and mezzanine) with 36,000SF of space. This section of the property is steel frame construction with fabricated steel exterior and roof on a concrete slab. The building possesses 4 bay doors (drive in), numerous exterior windows and 4 entry doors. The building possesses a 15' 3" clear height in the warehouse. The gross building area (GBA) is 54,065SF and the gross leasable area is 54,035SF. The building is fully sprinklered. There are no elevators. The building possesses office space (26,012SF) on two floors at the front of the building and warehouse space (single floor – 15' 3" ceiling height) at the rear of the building.

The building is occupied by one tenant (Flex Energy). This tenant also occupies the office section of the complex. The office space was deemed to be in average to above average condition with recent updates. It is fully heated, air-conditioned, and sprinklered. The finishes are in average to above average quality with primarily painted sheetrock walls, suspended acoustic tile ceilings and with thin-tube efficient fluorescent lighting. The flooring is a mix of carpet, linoleum and ceramic tile. The warehouse space is not clear space (various columns) with unfinished concrete floors, open fabricated steel ceilings and insulated walls.

The subject section of the complex was constructed in 1960. Overall this property is in average to above average condition and deemed to be **Class C flex (office/industrial) space**.

On the grounds, mostly in the front and rear, there are an ample about of well-lit, asphalt-paved and lined parking spaces with 176 spaces shared by both sections of the building. There is a limited amount of landscaping at the front of the property.

HISTORY OF CONVEYANCE

In accordance with the Standards of Professional Practice of the Appraisal Institute, we are required to indicate the subject's ownership history for the preceding three-year period; no transfers of the subject property have occurred within this time period. **The property is not currently being marketed for sale.**

OCCUPANCY & USE

The subject property is occupied by one tenant. The subject property (entire complex) is occupied by one tenant. The entire property is subject to a master lease agreement with Flex Energy.

No lease information was provided to the appraiser by the owner.

At the request of the client, the appraiser is valuing the subject (section) space assuming no lease agreement is in place.

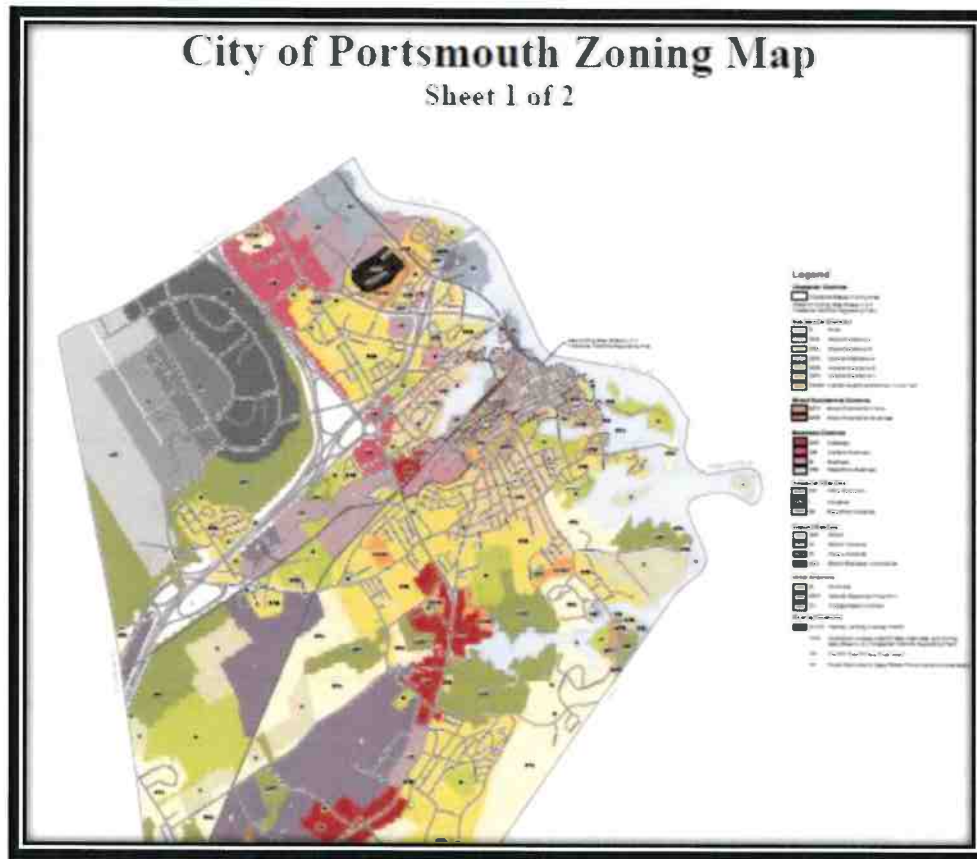
ASSESSMENT AND TAXES

The Assessor identifies the properties as Map 301 Block 003. The (entire) subject property is currently assessed for \$4,982,900. The City of Portsmouth's current tax rate is \$14.86 (2019).

The State of NH Department of Revenue Administration's determined the median valuation ratio for Portsmouth for 4/1/20 at 91.3%.

ZONING

Zoning is the public regulation of the character and intensity of the use of real estate through the employment of police power. This is accomplished by the establishment of districts or areas in each of which uniform restrictions relating to structure heights, lot sizes, setbacks, frontage, impervious coverage, density and other limitations are imposed upon the use and development of private property.



Zone

The subject is located in the ABC (Airport Business Commercial) Zoning District. The purpose of this district is to provide for business, commercial and trade related enterprises in a campus setting.

Within the ABC zone allowed uses include military aviation, medical emergency flights, school, performance indoor facility, outdoor recreational use, office, medical services, restaurant, hotel/motel, industrial, manufacturing, passenger terminals, parking, and wireless telecommunication facilities.

Dimensional requirements for the ABC Zoning District are as follows:

	Air	PI	AI	ABC
Minimum Lot Dimensions				
Area	NR	5 acres	5 acres	10 acres
Continuous street frontage	NR	NR	100'	300'
Depth	NR	NR	100'	200'
Minimum Yard Dimensions				
Front	NR	70'	70'	70'
Side	NR	50' + 50'	50' + 50'	30' + 30'
Rear	NR	50'	50'	50'
Maximum Structure Dimensions				
Structure height	85'	85'	85'	85'
Roof appurtenance height	10'	10'	10'	10'
Building coverage	NR	30%	50%	60%
Minimum open space	NR	50%	50%	50%

NR = No requirement.

Status of Conformity

The subject site does not meet current dimensional requirements but is grandfathered. The improvements are deemed to be a permitted use in the ABC Zoning District.

A definitive opinion regarding conformity to zoning is beyond the scope of the appraisal assignment and the professional expertise of the appraiser. Should the client require a definitive conclusion as to zoning conformity, it is suggested that either a licensed surveyor and/or attorney be consulted.

HIGHEST AND BEST USE

Highest and Best Use is a basic concept in real estate appraisal. It is an analysis of the subject property's optimum use. It reflects the assumption that the price a buyer will pay is based on his or her conclusions about the most profitable use of the property.

The determination of highest and best use carefully considers prevailing market conditions, trends affecting market participation and change, and the existing use of the subject property.

Highest and best use is defined as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.”
(The Dictionary of Real Estate Appraisal, 4th Edition, dated 2002, Appraisal Institute)

The four criteria are defined as follows:

Legally Permissible:

Those uses that are permitted by zoning and other legal restrictions.

Physically Possible:

Those uses that are physically possible for the site.

Financially Feasible:

Those permissible and possible uses that will produce any net return to the owner.

Maximally Productive:

That use among the feasible uses that will produce the highest net return. This is the highest and best use of the property.

Based on the lot size, configuration, and zoning, as a hypothetical vacant lot and with office/industrial use allowed, considering it has grandfathered rights, it could be developed with office/industrial space, which would bring the highest return to the land if vacant.

With the present improvements in place the current use adds significant value to the site. Therefore, as improved, it is considered the highest and best use. *It is noted that the subject property is located on leased land provided by the Pease Development Authority (PDA).*

As Improved Analysis

Legal Permissibility

The building improvements and use are all legally permissible based upon the site plan approval obtained from the city of Portsmouth Planning Board.

Physical Possibility

The improvements evidence their physical possibility. For a single tenant office/industrial use, no modifications are required.

Financially Feasible & Maximally Productive:

The subject section was constructed roughly 60+/-years ago as an office/industrial property. The subject property (entire complex) consists of a larger sized (Class C) office/industrial property with a large amount of office space compared to flex style industrial buildings. The office section was reportedly constructed 20+/- years ago. Although most office/industrial buildings can be converted to other uses, typically these properties are repositioned (older buildings) or further subdivided (newer properties). When there is demand, functional utility depends on whether or not the building conforms to competitive standards. This translates to the amount of office space is offered in a building. Additional office space beyond 10% to 20% of the gross building area is typically deemed to be a superadequacy. The subject section (not the entire property) meets this requirement.

Based upon the other improvements and uses in the area, it would appear that the highest and best use (subject section) is office/industrial uses. While the property could be modified or altered for additional tenants or a single tenant, the current improvements are consistent with current demand at Pease.

When valuing an office/industrial building, the key components are demand and functional utility. In the case of the subject, those components must be considered through the eyes of an investor as the rights being appraised are the leased fee. In other words, is the potential rent to be paid by an office user(s), the highest rent possible based upon those higher end office improvements.

When analyzing the functional utility of a property, some of the key components to consider include: 1) Compatibility 2) Suitability 3) Comfort 4) Efficiency 5) Safety 6) Security 7) Accessibility 8) Ease and cost of maintenance 9) Market standards 10) Attractiveness 11) Economic Productivity.

THE APPRAISAL PROCESS

The appraisal process is a systematic analysis of factors that affect the value of real estate. The objective is to utilize the process to develop support for a final value estimate of the subject property.

The analysis is based on market data for each of the three approaches that are commonly used by appraisers:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

Depending on the availability of data, one or more of these approaches may be developed. The value indication and relative strength of each developed approach is summarized in the reconciliation. The final value estimate, which completes the valuation process, is the value suggested by the analysis.

The Cost Approach

The Cost Approach assumes the principal of substitution. This principal affirms that no prudent buyer would purchase a property for more than it would cost to purchase a site and construct a property of similar desirability and utility. It is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land.

The following outline is a step-by-step procedure utilizing the Cost Approach to derive a property value:

1. Estimate the value of the site as though vacant and available to be developed to its highest and best use.
2. Estimate the direct and indirect costs of the improvements as of the effective appraisal date.
3. Estimate an appropriate entrepreneurial incentive from analysis of the market.
4. Add estimated direct costs, indirect costs, and the entrepreneurial incentive to arrive at the total cost of the improvements.
5. Estimate the amount of depreciation in the structure and, if necessary, allocate it among the three major categories: physical deterioration, functional obsolescence, and external obsolescence.
6. Deduct the estimated depreciation from the total cost of the improvements to derive an estimate of their depreciated cost.
7. Estimate the contributory value of the site improvements not already considered.
8. Add the site value to the total depreciated cost of all the improvements to arrive at the indicated value of the property.
9. Adjust the indicated value of the property for any personal property that may be included in the cost estimate.

The Income Approach

The Income Approach is defined as “that procedure in appraisal analysis that converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate”. The Income Approach is a basic tool for estimating the value of income producing property, based on the thinking and motivation of the typical investor. 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. The basic steps in the procedure of the Income Approach when Direct Capitalization is used are:

1. Estimate the market rent or rents.
2. From the market rent(s) calculate the stabilized potential gross income.
3. Estimate and deduct the forecast vacancy and credit loss allowance to arrive at effective gross income.
4. Estimate the fixed expenses, variable expenses and a replacement allowance and deduct them from effective gross income to arrive at net operating income.
5. Select an appropriate capitalization method and develop the capitalization rate.
6. Use the formula of VALUE equals INCOME divided by RATE to arrive at the value estimate by this approach.

The Sales Comparison Approach

The Sales Comparison Approach involves a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and adjusting the sale prices of the comparables based on the elements of comparison. The basic steps in the procedure of the Sales Comparison Approach are:

1. Research the market to identify similar properties for which sales, listings, and/or offering data is available.
2. Qualify the prices as to those factors that appear to have affected price. These factors are property rights, financing (including favorable financing), conditions of sale (motivational factors), and market conditions (including appreciation or depreciation over time).
3. Compare each of the important attributes of the comparable properties to the corresponding ones of the property being appraised. These general categories include location, physical characteristics, and conditions of sale.
4. Analyze all dissimilarities and adjust for their probable effect on the price of each property to derive new market value indications for the comparable properties.
5. From the pattern developed, formulate an opinion of market value for the subject property.

Methods Considered and Applied

The **Cost Approach** was considered but not developed. It is not relevant when the improvements are over 20+ years old as any attempt to estimate physical depreciation or functional obsolescence would not be reliable, or credible.

The **Income Approach** was fully developed. The subject is an office/industrial building that has historically been leased on a multiple tenancy basis. The income, expenses, and NOI were accurately estimated. A credible capitalization rate (OAR) rate was obtained from national and regional survey data. Since this type building would initially appeal to an owner occupant and secondarily to an investor, this approach produced a slightly less credible, and secondary value conclusion.

The **Sales Comparison Approach** was fully developed. A search within the Southern New Hampshire industrial market(s) produced a number of recent office/industrial building sales. Although, none of the sales were completely analogous to the subject, they were considered reasonably similar enough in terms of location, size, condition and occupancy to develop a credible analysis. While the subject building is currently rented out to a single tenant, it could be used by an owner-occupant who could occupy the entire space. Since the building could also appeal to an owner occupant, this is deemed to produce a credible and primary value conclusion.

INCOME APPROACH

The income capitalization approach using direct capitalization is the most commonly applied approach and typically provides the most accurate measure of value for a stabilized industrial building.

The steps in this approach are as follows:

1. Analyze the subject property's leases if there are any in place.
2. Analyze the market to determine a market rate for any vacant space.
3. Analyze the subject property's operating expenses for the past several years.
4. Forecast gross revenues.
5. Forecast a vacancy level for the building and all operating expenses.
6. Select an appropriate capitalization rate.
7. Capitalize the projected net cash flow into an estimate of market value.

INCOME ANALYSIS

Rental Survey

Current market rent or economic rent form the basis of this approach to value. According to Real Estate Appraisal Terminology, economic rent is defined as "*the rental income that a property would most probably command on the open market as of the effective date of the appraisal*". A survey of the marketplace was conducted to determine what market rent would be applicable to the subject.

Contract Rent

The subject property (entire complex) is occupied by one tenant. The entire property is subject to a master lease agreement with Flex Energy. No lease information was provided to the appraiser by the owner.

At the request of the client, the appraiser is valuing the subject (section) space assuming no lease agreement is in place.

Market Rents

A survey of the marketplace was performed to analyze market rents. The following comparables indicate typical rental rates for industrial/office space (medium size properties) in the subject's location. Details are as follows:



Lease 1

Property: Industrial Building
Location: 200 West Road, Portsmouth NH
Lease Date: 5/1/19
Lessee: Cirrus Systems
Size: 31,058SF (Light Industrial Space)
Rental Rate: \$7.50/SF – NNN basis (2% rent escalations)
Term: 5 years
Source: Appraiser Files
Comment: Slightly inferior location compared to subject property. This light industrial building contains 31,058SF of space. The space is in good condition. The building was constructed in 1995 and is in an industrial park along Route 1. There is adequate on-site parking. This deemed to be a good industrial location.



Lease 2

Property: Industrial /Office Condominium Units
Location: 199 Constitution Avenue, Building #1 Portsmouth NH
Lease Date: 2/1/17
Lessee Type: Regional Dunkin Donuts Franchises Owner
Size: 14,515SF (Industrial/Office Space)
Rental Rate: \$7.00/SF – NNN basis (CAM - \$2.00SF)
Term: 5 years (1 – 5 year renewal)
Source: RPC (10/18)
Comment: Slightly inferior location compared to subject property. The space was leased on a shell basis with the lessee fitting it out as a bakery to supply various Dunkin Donuts stores. This is a multiple unit flex building with 17,500SF footprint. The space was in average condition. There are multiple loading docks areas. This deemed to be a good flex space location.



Lease 3

Property: Industrial /Office Condominium Unit
Location: 199 Constitution Avenue, Building #2 Portsmouth NH
Lease Date: 6/1/17
Lessee Type: Expansion of Existing Tenant (Computer Parts Company)
Size: 6,050SF (Industrial/Office Space)
Rental Rate: \$7.00/SF – NNN basis (CAM - \$2.00SF)
Term: 5 years (No renewals)
Source: RPC (10/18)
Comment: Slightly inferior location compared to subject property. This is a multiple unit flex building with a 22,000SF footprint. The space is in average condition. There was mostly warehouse space with a minimal amount of office space. There are multiple loading docks areas. This deemed to be a good industrial location.



Lease 4

Property: Industrial Office Condominium Unit

Location: 170 West Road, Unit #1, Portsmouth NH

Lease Date: 1/1/17

Lessee Type: Undisclosed

Size: 23,775SF (First & Second Floor)

Rental Rate: \$6.19/SF – NNN basis

Term: 61 months

Source: Leasing Broker's Representative

Comment: Slightly inferior location compared to subject property. This is a multiple unit flex building with a 50,000SF footprint. The space is in average condition. There are multiple loading docks areas. There is limited rear parking at the complex. This deemed to be a good industrial location.



Lease 5

Property: Industrial Office Condominium Unit
Location: 170 West Road, Unit #8 & #10, Portsmouth NH
Lease Date: 1/1/17
Lessee Type: Home Audio & Visual Company
Size: 23,775SF (First & Second Floor)
Rental Rate: \$6.19/SF – NNN basis
Term: 61 months
Source: Leasing Broker's Representative
Comment: Slightly inferior location compared to subject property. This is a multiple unit flex building with 50,000SF footprint. The space is in average condition. There is approximately 1,846SF of finished office space (14.4%) with the remainder being warehouse and delivery space. There are multiple loading docks areas. There is limited rear parking at the complex. This deemed to be a good industrial location.



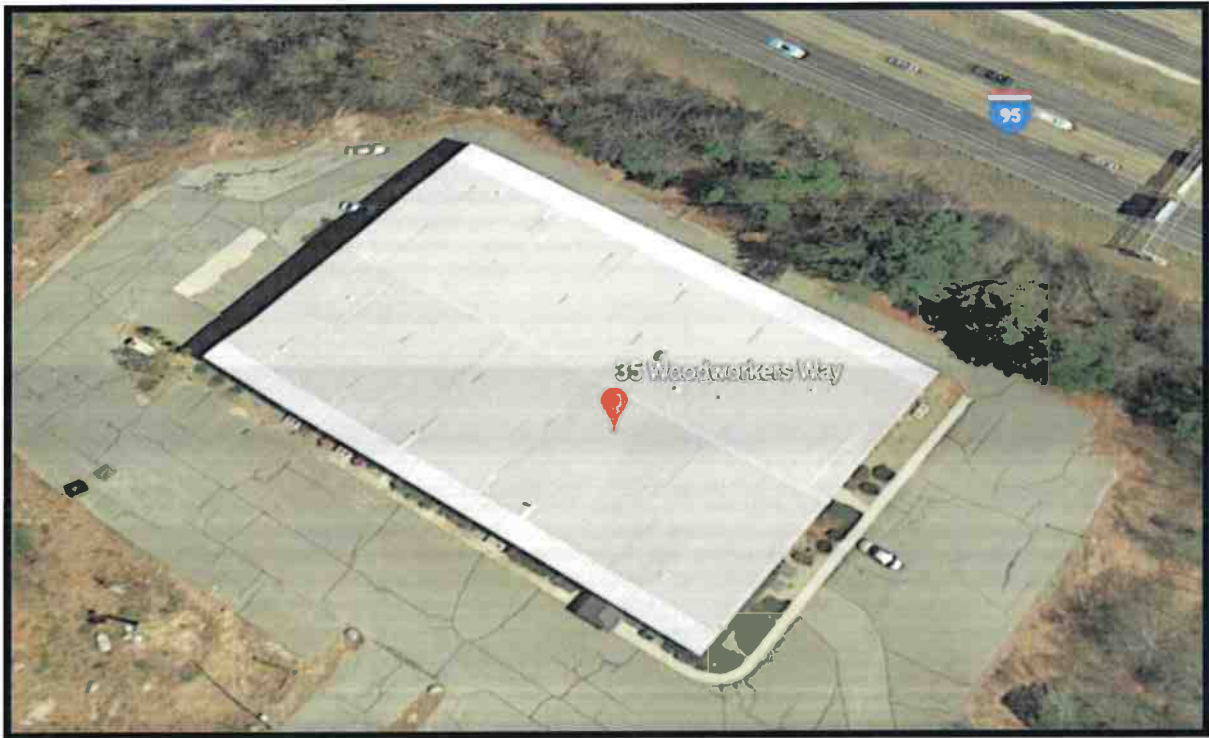
Lease 6

Property: Industrial Building
Location: 166 Corporate Road, Portsmouth NH
Lease Date: October 2016
Lessee: Lonza
Size: 102,400SF (Light Industrial Space)
Rental Rate: \$8.75/SF – NNN basis (3% rent escalations)
Term: 10 years
Source: Appraiser Files
Comment: Similar location compared to subject property. This light industrial building contains 102,400SF of space. The space is in good condition. The building was constructed in 2001 with 18' clear height. There is adequate on-site parking. This deemed to be a very good industrial location.



Lease 7

Property: Industrial Building
Location: 9 Batchelder Drive, Seabrook NH
Lease Date: 5/1/19
Lessee: Functional Coatings (Guaranteed by Tesa Tape)
Size: 43,808SF (Light Industrial Space)
Rental Rate: \$7.85/SF – NNN basis (2% rent escalations)
Term: 5 years
Source: Appraiser Files
Comment: Similar location compared to subject property. This light industrial building contains 43,808SF of space. The space is in good condition. The building was constructed in 1997. There is adequate on-site parking. This deemed to be a good industrial location.



Lease 8

Property: Industrial Building
Location: 35 Woodworkers, Seabrook NH
Lease Date: June 2019
Lessee: Arch Medical Solutions
Size: 15,498SF (Light Industrial Space)
Rental Rate: \$7.50/SF – NNN basis (escalations in Years 3 & 5)
Term: 5 years
Source: Appraiser Files
Comment: Similar location compared to subject property. This light industrial building contains 36,800SF of space in two units. The space is in good condition. The tenant completed significant improvements to build out FDA certified production area. There is adequate on-site parking. This deemed to be a good industrial location.

Comments on Comparable Leases

Emphasis was placed on Comparables #1, #6, #7, & #8. These are most similar to the subject's location and time of valuation. The Pease Complex office is uniquely situated near the Spaulding Turnpike and Interstate 95, providing a leverage point for businesses operating north of greater Boston.

The comparable leases reflect current rentals rates for flex space near and around Portsmouth. All were rents are on a triple-net (net) basis. As shown, lease rates range from \$6.19/SF to \$8.75/SF with older leases at the lower of the range and newer leases at the middle to upper end of the range. There was one comparable rent (#6) in the Pease Complex. The majority of comparables were considered generally similar to the subject in terms of location, building type, configuration and functional utility.

For additional guidance with regard to market rental rates, we have also held discussions with numerous real estate professionals and market participants active within the local marketplace, including, Kent White – CBRE, Jean Kane – Kane Real Estate, David Choate – CBREW and leasing brokers from the other local firms. All of the participants were active within the local market and familiar with the subject property. These discussions indicated a general market rental range between \$7.00/SF and \$9.00/SF to a single-tenant on a NNN basis for flex (industrial/office) space at Pease.

As such, based upon the available market rent data and from our discussions with market participants, I estimate a market lease rate of \$8.00 per square foot on a NNN basis to be appropriate for the subject property. This proposed rental rate will be applied within our direct capitalization analysis.

Direct Capitalization Method – “As Is”

The Direct Capitalization Method is an estimation of value prepared on a fee simple basis. One year's income expectancy or an average of several years' income expectancies is capitalized at a market-derived capitalization rate.

Direct capitalization involves developing an estimated net operating income for the subject with forecast market rental rates, a vacancy factor, and fixed and variable property expenses. That net operating income is then capitalized into an estimate of value using an appropriate overall capitalization rate comprised of several component rates, which include provisions for risk, recapture of wasting assets, etc.

The Direct Capitalization Method is considered the most appropriate based upon the subject's location, condition and highest and best use. The method is considered the most accurate in mirroring investor assumptions in this type real estate transaction.

Stabilized Year One Potential Gross Income (PGI)

Synonymous herein with overall gross income. The income applied reflects the rent deemed representative of the market as summarized in the market rent survey section of this report. The rent for the subject is applied on a NNN basis. In this type lease, the tenant is responsible for real estate taxes, insurance, maintenance and repairs (normal), management fees, utilities, and utility expenses. The landlord is responsible for administrative expenses, leasing commissions and replacement reserves. Stabilized Year One PGI is projected to be **\$288,000** for the holding period.

Vacancy & Collection Loss

The Colliers 2019 analysis and 2020 outlook representing industrial space within Portsmouth is as follows:

		CONCORD	MANCHESTER	NASHUA	SALEM	PORTSMOUTH	DOVER
 BUILDING INVENTORY (SF)	GI	3,155,150	6,590,824	11,000,043	1,815,014	7,098,216	6,072,552
	R&D	253,740	1,598,067	4,770,637	1,468,462	1,185,255	643,558
	W/D	2,284,952	6,987,648	4,092,274	1,819,920	4,749,747	2,185,933
	Total	5,693,842	15,176,539	19,862,954	5,103,396	13,033,218	8,902,043
 OCCUPANCY (%)	GI	87.04	97.01	97.27	97.79	98.72	99.41
	R&D	93.94	93.16	92.94	93.19	99.24	91.47
	W/D	98.58	97.21	83.48	89.77	98.08	98.19
	Total	91.98	96.70	93.39	93.61	98.53	94.20
 DIRECT AVAILABLE (SF)	GI	408,968	193,043	390,996	32,346	90,963	38,871
	R&D	15,367	85,086	336,780	80,002	9,000	263,000
	W/D	32,486	141,147	672,227	185,811	96,544	39,584
	Total	456,821	419,276	1,400,003	298,159	196,507	341,455
 SUBLEASE AVAILABLE (SF)	GI	-	3,700	-	6,300	24,270	-
	R&D	-	24,170	-	42,000	-	178,003
	W/D	-	33,540	3,881	-	-	-
	Total	-	61,410	3,881	48,300	24,270	178,003
 RENTS (NNN)	GI	\$5.86	\$6.04	\$5.22	\$7.93	\$6.86	\$7.37
	R&D	\$5.64	\$7.28	\$8.68	\$10.34	\$14.72	\$6.75
	W/D	\$6.00	\$6.28	\$5.83	\$7.88	\$9.56	\$6.97
	Avg	\$5.86	\$6.37	\$6.35	\$8.74	\$8.55	\$6.81

As can be seen above, the recent vacancy rate was below 3% in all segments of the industrial market in Portsmouth. It is also similar in the Dover industrial market area.

Based on the above, a vacancy and collection factor of 2.5% shall be used for the subject property.

The survey of rentals shows that most space similar to the subject is predominantly leased on a triple net (NNN) basis. This means that the owner might incur the following expenses:

- Property Operating Costs (vacant space only)
- Property Taxes (vacant space only)
- Leasing Commissions
- Tenant Improvements
- Reserves

Vacancy and Real Estate Taxes - During times of possible vacancy the owner would pay RE taxes and other minimized expenses on the property. Assuming the vacancy allowances of 3.0%, that percent of the effective tax rate will be added to the cap rate to account for the period of time when the owner might be paying the RE tax expense. When a space is vacant there is no tenant to reimburse the property owner for that portion of the facility.

Additionally, approximately 3.0% of the gross leasable area, or 1,080SF are expected to be vacant or in this case to the same effect, the subject (section) of the property about 3.0%+/- of the time. Expenses without RE taxes, land rent, management, and reserves are estimated at \$6.50 to \$7.00 per SF based on comparable spaces under full operation. That would translate to the equivalent of about \$7,300 SF per year. Since during unoccupied periods (many expenses could be minimized such as utilities including heat, A/C, lights, and water/sewer as well as many maintenance items) this expense while unoccupied is estimated at \$5.00 per SF. Therefore, for when the building may be unoccupied, \$5,400 both years will be included to accrue for owner expenses that may result from expected vacancy periods over a holding period.

Lease Commissions – Most investors (over 80%), according to PWCoopers RE Investor Survey, incorporate leasing commissions into a cash flow item only as a “below-the-line” item. Since, most investors don’t consider them as a recurring expense item, but instead consider them to be part of the risk of ownership, which is part of the cap rate or discount rate, rarely are they an allowable expense.

Tenant Improvements - Since the tenant sometimes pays tenant improvements (TIs) either up front or as additional rent to amortize their costs, and in cases where they are paid by the owner according to PWCoopers RE Investor Survey more than 80% incorporate TIs into a cash flow item only as a “below-the-line” item. Since most investors don’t consider them as an expense item, but instead consider them to be part of the risk of ownership, which is part of the cap rate or discount rate, no allowance will be explicitly included. The subject (section) of the subject property warrants minimal upgrades/renovations at this time.

Leasehold Estate Adjustment – The subject property is under a master land lease with the Pease Development Authority (PDA). The subject (section) is currently responsible for **\$186,476** of an annual land leased payment of \$271,950 for the entire property. This amount shall be included as a deduction from the subject’s operating results

Replacement Reserves - Under most of the current lease structures, the property owner is responsible for building structural repairs. Because these repairs generally do not occur on an annual basis, most property owners will establish a reserve account in anticipation of repairs at some future date. Local brokers report a estimated reserve replacement expense of between 0.10/SF (newer effective age) to \$0.50/SF (older effective age) with an average of \$0.20/SF. Based upon the subject’s newer effective age and average to above average condition, an estimate of **\$0.20/SF** shall be utilized.

Development of Income Statement

<u>Estimated Annual Rent</u>	<u>Year 1</u>
36,000SF x \$8.00/SF =	\$288,000
POTENTIAL GROSS RENT =	\$288,000
Vacancy @ 2.5%	\$ 7,200
EFFECTIVE GROSS INCOME	\$280,800
EXPENSES:	
Vacancy and RE Taxes	\$ 5,400
Leasing Commissions	\$ 0
Land Lease (Subject's Section)	\$186,476
Replacement Reserves @ \$0.20/SF x 36,000SF	<u>\$ 7,200</u>
Total Expenses	\$199,076
NET OPERATING INCOME	\$ 81,724

Development of the Overall Capitalization Rate

The next step in this approach is choosing an appropriate overall capitalization rate, which is defined as: "An income rate for a total real property interest that reflects the relationship between a single year's net operating income expectancy, or an average of several year's income expectancies, and a total price or value; used to convert net operating income into an indication of overall property value."

The overall capitalization rate (R_o) in this case may be developed via Market Extraction from comparable sales, via the Band of Investment-Mortgage & Equity Components or the Debt Coverage Formula. Market extraction is the preferred technique when sufficient comparable sales are available as it is an actual rate in the market, and not one created by the appraiser. The appraiser conducted a search and reviewed his database of recent sales of industrial buildings that were fully leased at the time of sale and sold to an investor. There was very limited capitalization rate data available in the greater Portsmouth. The available data (obtained by the appraiser) is summarized below:

LOCATION	PROPERTY TYPE	SALE DATE	SALE PRICE	O.A.R
Unit A, 280 Heritage Ave., Portsmouth, NH	Single-tenant industrial	12/2015	\$550,000	6.15%
218 Griffin Road, Portsmouth, NH	Single-tenant industrial	8/2016	\$3,535,000	6.22%
953 Islington Street, Portsmouth, NH	Multi-tenant commercial	11/2012	\$1,850,000	6.51%
4 Kitty Hawk Landing, Londonderry, NH	Single-tenant industrial	9/2018	\$5,500,000	7.15%
6 Old Rochester Road, Dover, NH	Multi-tenant commercial	10/2013	\$1,265,000	7.63%
53 Church Street, Kingston, NH	Multi-tenant commercial	12/2013	\$5,050,000	7.63%
71 Venture Drive, Dover, NH	Single-tenant industrial	8/2013	\$700,000	7.92%
209 Route 101, Bedford, NH	Multi-tenant commercial	12/2012	\$2,500,000	8.00%
1 South River Road, Bedford, NH	Multi-tenant commercial	9/2012	\$3,850,000	8.23%
40-42 Portsmouth Avenue, Stratham, NH	Two-tenant commercial	12/2012	\$1,375,000	8.91%
28 Pond View Drive, Scarborough, Me	Single-tenant industrial	4/2015	\$5,380,000	8.92%
22 Industrial Drive, Exeter, NH	Two-tenant industrial	4/2015	\$3,400,000	9.77%
1 Progress Drive, Dover, NH	Multi-tenant industrial	2/2018	\$3,470,000	10.33%

The above produces a capitalization rate range of 6.15% to 10.33%. All of the properties were in slightly inferior to similar locations in Southern New Hampshire. Most however were sold without credit tenant(s) in place.

As a check on the locally extracted rates, the appraiser consulted the Realty Rates Investor survey (1st Quarter of 2020) that is detailed below:

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2020*						
INDUSTRIAL - FLEX/R&D						
Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.24%	DCR Technique	1.40	0.050917	0.75	5.35
Debt Coverage Ratio	1.40	Band of Investment Technique				
Interest Rate	3.05%	Mortgage	75%	0.050917	0.038187	
Amortization	30	Equity	25%	0.073484	0.018371	
Mortgage Constant	0.050917	OAR				5.66
Loan-to-Value Ratio	75%	Surveyed Rates				5.37
Equity Dividend Rate	7.35%					
Maximum						
Spread Over 10-Year Treasury	5.86%	DCR Technique	2.05	0.112404	0.50	11.52
Debt Coverage Ratio	2.05	Band of Investment Technique				
Interest Rate	7.67%	Mortgage	50%	0.112404	0.056202	
Amortization	15	Equity	50%	0.157950	0.078975	
Mortgage Constant	0.112404	OAR				13.52
Loan-to-Value Ratio	50%	Surveyed Rates				12.84
Equity Dividend Rate	15.80%					
Average						
Spread Over 10-Year Treasury	3.55%	DCR Technique	1.73	0.076593	0.63	8.26
Debt Coverage Ratio	1.73	Band of Investment Technique				
Interest Rate	5.36%	Mortgage	60%	0.076593	0.047871	
Amortization	23	Equity	38%	0.111493	0.041810	
Mortgage Constant	0.076593	OAR				8.97
Loan-to-Value Ratio	60%	Surveyed Rates				9.31
Equity Dividend Rate	11.15%					

*4th Quarter 2019 Data

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This is a national survey so a property like the subject should fall slightly below the average 9.31% surveyed rate.

Capitalization rates are driven by a number of factors. Those include:

- Location of property
- Type of improvements
- Age and condition of improvements
- Quality of tenant and length/terms of lease

The subject is located in a desirable area at Pease. It is noted that there have been very few sales of properties at the complex. This is a result of the limited number of available industrial warehouse properties and lengthy period to develop and construct a new property. This has led to increased demand for this type of space and low vacancy rates. The subject improvement is in good condition for a 20+ year old property. The tenants are mix of different types of users.

Several have retained additional (office) space which has not been fully occupied. If they were to vacate the premises, they would have to build another facility as none would be available in the market. This should lead to a lower than average capitalization rate.

Based upon these factors, it is the appraiser's opinion a capitalization rate of 7.75% is reasonable.

Indicated Value

When applying direct capitalization, Income divided by Rate equals Value

$$\frac{I}{R} = V$$

<u>Projected NOI</u>	<u>\$81,784</u>	=	\$1,054,503 or \$1,055,000
Capitalization Rate	7.75%		

Estimated Market Value via the Income Approach

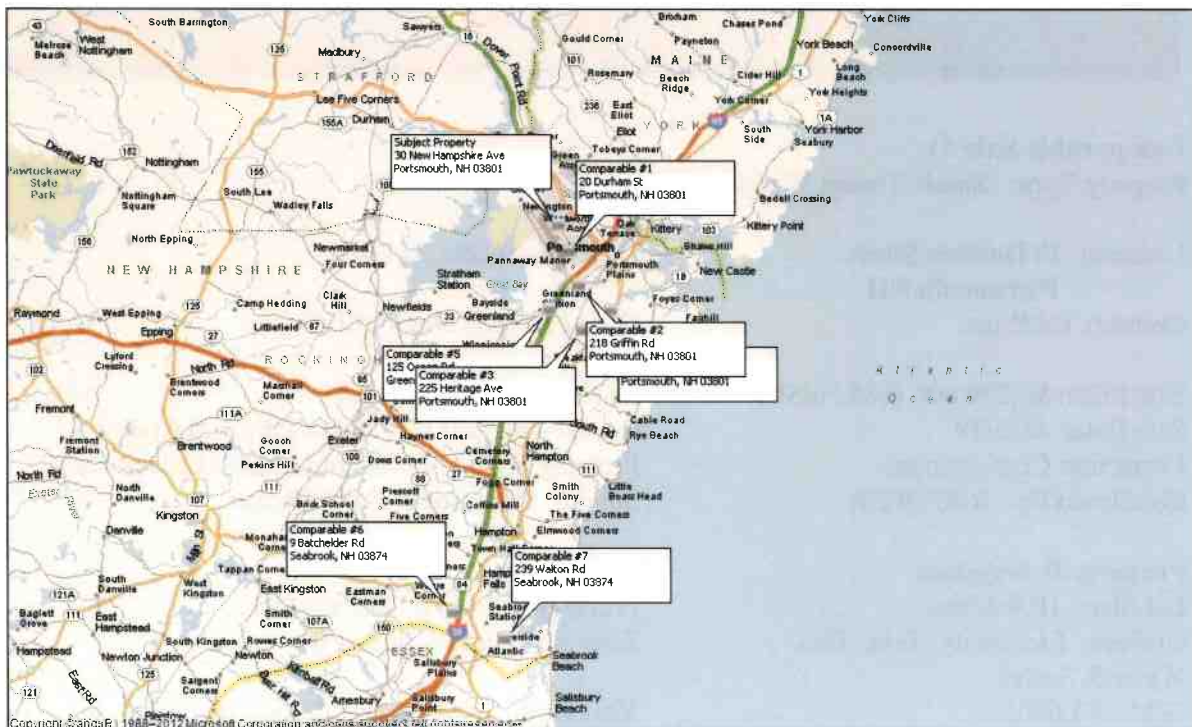
\$1,055,000

SALES COMPARISON APPROACH

The Sales Comparison Approach, or market approach, is based upon a comparison of the prices that are paid for similar competitive properties in the same market. This approach is most effective in an active market where these prices serve as good indicators of the most probable selling price of the subject property as of the valuation date.

Comparable sales are analyzed and adjusted for property rights conveyed, conditions in the market, terms of financing, unusual sale conditions, differences in physical characteristics and location. The adjusted sales price should be what the comparable property would have sold for if it had possessed similar characteristics of the subject property at the time of sale.

A search was conducted for recent sales of medium to larger sized (30,000SF to 80,000SF) flex buildings located in southern New Hampshire. One sale was found the Pease Tradeport in Portsmouth. Three other sales were found in industrial sections of Portsmouth. A fifth sale was found off Interstate 95 in Greenland. Two other sales were found in Seabrook. Based upon this amount of sales data, no further research was required.





Comparable Sale #1

Property Type: Single Tenant Warehouse Building

Location: 20 Durham Street
Portsmouth NH

Map/Block/Lot: 311/3/0

Grantor: GEB Inc.

Grantee: 1635 Realty LLC

Sale Price: \$6,900,000 (\$84.56/SF)

Sale Conditions: Normal

Sale Date: 6/26/19

Book/Page: 6011/2076 Rockingham County

Financing: Conventional

Property Rights: Leasehold Estate (Leased Land)

Confirmed By: RPC (9/20)

Source: Assessor & Sales Broker

Property Description

Lot Size: 10.0 Acres

Frontage: 400' on Durham Street

Utilities: Electricity, Tele., Gas,

Zone: PI (Pease Industrial)

Water & Sewer

GBA: 81,600SF

Year Built: 1996 (New addition in 2001)

Condition: Average to Above Average

Construction: Steel Frame

Comments: The subject property is located in the Pease Complex and was listed for sale at \$7,350,000 in mid 2018. The property was placed under contract within 342 days. The buyer is an owner occupant that operates an electronics manufacturing and distribution company. The building contains 81,600SF of space. The building was deemed to be in average to above average condition with no deferred maintenance. The clear height is between 32' and 37'. There are 2 loading docks and 2 drive in doors. The building is fully sprinklered. There are also 5 remote control cranes and 1 mass crane. There are 66 parking spaces on the site and 3 phase/3,000 amp electrical service. The site has the potential for up to 24,000SF of additional space for the site. The subject property is on leased land (similar to the subject property). The current annual rent is \$39,168 which is paid to the PDA.



Comparable Sale #2

Property Type: Single-Tenant Light Industrial

Location: 218 Griffin Road
Portsmouth NH

Map/Lot: 263/1/5

Grantor: Elder Family Portland Associates

Grantee: Griffin Road Realty LLC

Sale Price: \$3,535,000 (\$101.85/SF)

Sale Conditions: Normal

Sale Date: 8/17/16

Book/Page: 5743/2256 Rockingham County

Financing: None

Property Rights: Leased Fee Estate

Confirmed By: RPC (9/20)

Source: Assessor & Sales Broker

Property Description

Lot Size: 4.56 Acres

Frontage: 210+/- Griffin Road

Utilities: Electricity, Tele., Gas,
Water & Sewer

Zone: Commercial

GBA: 34,705 SF

Year Built: 1990 (Renovated in 2016)

Condition: Above Average

Construction: Steel Frame & Masonry

Comments: This building was listed with an undisclosed price. After being on the market for 5+ years, it sold for \$3,535,000. This is a single tenant building occupied by Federal Express with 4+ year remaining on the existing lease agreement. The light industrial building contains approximately 10% finished office space with the remainder being R&D, manufacturing and warehouse space. The building has a 17' 7" clear height, 6 loading docks, and 10 truck high doors. The site has 89 on-site parking spaces. The building was fully sprinklered and possessed 3 phase 600 ampere electrical service. The property has 34,705SF of space and was in above average condition at the time of sale. There was no deferred maintenance reported on the property. The buyer was a local real estate investor.



Comparable Sale #3

Property Type: Light Industrial Building

Location: 225 Heritage Avenue
Portsmouth NH

Map/Lot: 284/1/0

Grantor: Nash Family Investment
Properties

Grantee: MMCT Realty LLC

Sale Price: \$2,200,000 (\$84.91/SF)

Sale Conditions: Normal

Sale Date: 8/29/19

Book/Page: 6030/815 Rockingham County

Financing: None

Property Rights: Fee Simple

Confirmed: RPC (9/20)

Source: Assessor & Sales Broker

Property Description

Lot Size: 2.75 Acres

Frontage: 300' on Heritage Avenue

Utilities: Electricity, Tele., Gas,
Water & Septic

Zone: I (Industrial)

GBA: 25,909SF

Year Built: 1980 (renovated in 2020)

Condition: Poor

Construction: Concrete Block

Comments: This building was originally listed with an asking price of \$2,200,000. After being on the market for 22 months, the building sold for \$2,200,000. The previous tenant (Smuttynose Brewery) was evicted from the building and left behind a number of pieces of equipment. A legal dispute occurred between the tenant and the landlord and the property was taken off the market for 12 months. The property was deemed to be in poor condition with a new roof, electrical service, gutter, parking lot, etc.) needed. The sales broker reported that the buyer invested \$1,000,000. --The buyer is an owner occupant who decided not to occupy the building and listed it for sale. The building possesses 3,000SF of office space 11.5% of total space. The building possesses 16' clear height and 4 dock doors, and 2 overhead doors. The structure is fully sprinklered.



Comparable Sale #4

Property Type: Industrial/Warehouse Building

Location: 200 West Road
Portsmouth NH

Map/Block/Lot: 267/22/00

Grantor: 200 West Road LLC

Grantee: Cirrus Systems Inc.

Sale Price: \$2,900,000 (\$93.22/SF)

Sale Conditions: Normal

Sale Date: 11/23/15

Book/Page: 6134/2715 Rockingham County

Financing: None

Property Rights: Fee Simple

Confirmed By: RPC (9/20)

Source: Assessor & Sales Broker

Property Description

Lot Size: 2.3 Acres

Frontage: None (ROW access)

Utilities: Electricity, Tele., Gas,
Water & Sewer

Zone: I (Industrial)

GBA: 31,108SF

Year Built: 1995

Condition: Above Average

Construction: Masonry & Steel

Comments: This 31,108 square-foot, industrial warehouse building contains 4,708 square feet (15.1%) of office space with the remainder being open manufacturing and warehouse space. The warehouse areas have clear height of 20' to 24'. There are 3 dock-high delivery doors (2 levelers) and 2 drive-in overhead doors. The building contains an office area and some (25' x 50') of unfinished mezzanine space. The building was deemed to be in above average condition with no deferred maintenance. The property contains an adequate amount of on-site parking and was vacant at closing. The building is fully sprinklered with 3 phase 800 ampere electrical service. The buyer is a local real estate investor that had a tenant to occupy the space. No environmental issues were reported by the sales broker with the property.



Comparable Sale #5

Property Type: Industrial Distribution Building

Location: 125 Ocean Road
Greenland NH

Grantor: Harbour Links Estates, LLC

Sale Price: \$4,388,300 (\$72.28/SF*)

Sale Date: 9/20/16

Financing: Conventional

Confirmed By: RPC (10/18)

Map/Lot: R21/051

Grantee: Bluebird Greenland LLC

Sale Conditions: Normal

Book/Page: 5754/1312 Rockingham County

Property Rights: Fee Simple

Source: Assessor & Sales Broker

Property Description

Lot Sizes: 8.67Acres

Utilities: Electricity, Tele., Gas,
Water & Sewer

GBA: 60,711 SF

Condition: Fair

Frontage: 425.64 feet on Ocean Road

Zone: IND (Industrial)

Year Built: 1976

Construction: Steel Frame & Brick/Masonry
Exterior

Comments: This is the sale of a two story industrial located near Interstate 95 in Greenland. The buyer was a self storage company that converted the building into storage spaces. The building contained a mix of office space (8,320SF) in poor condition and warehouse space (38,400SF) in fair condition. The warehouse has a 22' clear height with various columns. There are 8 loading docks and 3 drive in doors. There was also upper level space that was unfinished. There was adequate parking on the site. The building was vacant at closing. There are no elevators in the building. There are no outbuildings. There was no excess development potential with the site.



Comparable Sale #6

Property Type: Industrial/Warehouse Building

Location: 9 Batchelder Road
Seabrook NH

Map/Block/Lot: 5/14/2

Grantor: Corium Real Estate Corp.

Grantee: JPO Seabrook LLC

Sale Price: \$4,250,000 (\$97.01/SF)

Sale Conditions: Normal

Sale Date: 4/19/19

Book/Page: 5993/2159 Rockingham County

Financing: Conventional

Property Rights: Fee Simple

Confirmed By: RPC (9/20)

Source: Assessor & Sales Broker

Property Description

Lot Size: 4.57 Acres

Frontage: 220.12+/- feet Batchelder Road

Utilities: Electricity, Tele., Gas,

Zone: I (Industrial)

Water & Sewer

GBA: 43,808SF

Year Built: 1997

Condition: Above Average

Construction: Masonry & Steel

Comments: The property is located 1+/- mile off Interstate 95 in Seabrook. This 43,808 square-foot, industrial warehouse building contains 4,528 square feet (10.3%) of ground floor - office space with the remainder being open manufacturing and warehouse space. The warehouse areas have clear height of 27' to 30'. There is 3 phase (1600 amp) electrical service. The building is fully sprinklered. There are 2 dock-high delivery doors and 1 drive-in (10' x 12') overhead door. The buyer is distributor of leather book covers. There was no deferred maintenance at closing. The building was vacant at closing. There are 50 on-site parking spaces at the property. The property is deemed to be in a good location. The buyer was a local real estate investor who brought in a tenant. No environmental issues were reported by the broker.



Comparable Sale #7

Property Type: Industrial/Warehouse Building

Location: 239 Walton Road
Seabrook NH

Grantor: Rebacca Nash

Sale Price: \$2,414,000

Sale Date: 9/1/17

Financing: Conventional

Confirmed By: RPC (10/18)

Map/Block/Lot: 13/47

Grantee: Mowbray CP Realty LLC

Sale Conditions: Normal

Book/Page: 5950/2922 Rockingham County

Property Rights: Fee Simple

Source: Assessor & Sales Broker

Property Description

Lot Size: 24.10 Acres

Utilities: Electricity, Tele., Gas,
Water & Sewer

GBA: 54,859SF

Condition: Average

Frontage: 65+/- feet Walton Road

Zone: C-1

Year Built: 1976

Construction: Masonry & Steel

Comments: The property is located one to two miles off Interstate 95 in Seabrook. This 54,859 square-foot, industrial warehouse building contains 4,459 square feet (8.12%) of office space with the remainder being open manufacturing and warehouse space. The warehouse areas have clear height of 16' to 20'. There are a total of 5 dock-high delivery doors and 2 drive-in overhead doors. The buyer is manufacturer of dumpsters. There was a modest amount of deferred maintenance at closing. The buyer invested \$10.00/SF in office upgrades and made roof repairs. The building was vacant at closing. There is ample on-site parking at the property. The property is deemed to be in a good location.

Comments on Comparable Sales

Comparable sales data for industrial properties within the subject marketplace is limited and generally reflects a significant range of differences from one property to another with regard to market conditions, location, building type, unit size, configuration, and the condition and quality of the improvements. As a result, attempting to quantitatively adjust for each of these differences is difficult, and typically not substantiated by market data. As a result, a qualitative analysis considering each property will be employed. Initially, we compared the seven sales to the subject property in terms of financing terms, conditions of sale and overall market conditions.

Financing arrangements may alter the transaction prices of two identical properties. Therefore, favorable financing terms of the comparable sales must be investigated to determine which sales, if any, require adjustments to reflect normal market financing terms; analysis of the sales indicate that all transacted as either all cash or with conventional financing. With regard to conditions of sale, investigation of the sale comparables revealed that all involved arm's-length transactions reflecting typical buyer motivations.

An adjustment for market conditions may be required to the comparables if property values have appreciated or depreciated between the consummation of the sale and the effective date of appraisal. Price changes for industrial properties could not be reliably extracted from available market data. However, discussions with market participants indicated that prices for industrial properties similar to the subject in terms of use, age and condition have remained generally stable during this time period and are reflective of current market conditions.

We then compared the sales to the subject property in terms of location, type and quality of the improvements, physical condition, building size, land area and occupancy. We have qualitatively rated the building size of the comparables as either inferior, superior or similar, relative to the subject building. Due to economies of scale, smaller properties tend to reflect a higher (superior) price on a per square foot basis, while larger properties reflect a lower (inferior) levels. Those sales considered most similar to the subject property, based on our areas of comparison, were given the most weight in our reconciliation process.

The following is a brief discussion outlining each sale and its relative comparability with the subject property.

Sale 1

This property is located in the former Pease Air Force complex in Portsmouth. The property is deemed to be similar to the subject in terms of condition and location. Constructed in 1996 (new addition in 2001) for use as a warehouse/distribution building, it was reportedly in average condition at the time of sale. The property was considered similar to the subject in terms of overall utility. Overall, this sale was considered similar to the subject property due to all of these factors. This sale has been given significant weight within in our reconciliation process. This property also involves a leasehold estate (ownership interest) with leased land.

Sale 2

This property is also located off Interstate 95 in an established industrial area. The property is deemed to be in a similar location compared to the subject property. Constructed in 1990 (renovated in 2016) for use as a warehouse/industrial building, it was reportedly in above average condition (after renovations) and was considered similar to the subject in terms of overall utility and condition. The building was built out for a single tenant (Federal Express) who has 4+ years remaining on its lease term. Overall, this sale was considered similar to the subject due primarily to its similar condition and similar size. This sale has been given higher weight within in our reconciliation process.

Sale 3

This property is also located just west of Route 1 in Portsmouth in an established industrial area. The property is deemed to be in a slightly inferior location compared to the subject property. Constructed in 1980 (renovated in 2020) for use as a warehouse/industrial building. It was reportedly in poor condition after the time of sale and was considered to be inferior in terms of overall utility and condition. The buyer invested \$1 million of improvements to the property. The building was suited for a single tenant. Overall, this sale was considered inferior to the subject due primarily to its slightly inferior location, inferior condition and smaller size. This sale has been given modest weight within in our reconciliation process.

Sale 4

This property is also located just west of Route 1 in Portsmouth in an established industrial area. The property is deemed to be in a slightly inferior location compared to the subject property. Constructed in 1995 for use as a warehouse/industrial building. It was reportedly in good condition after the time of sale and was considered to be similar in terms of overall utility and condition. The building is suited for a single tenant. Overall, this sale was considered slightly inferior to the subject due primarily to its slightly inferior location. This sale has been given higher weight within in our reconciliation process.

Sale 5

This property is located off Interstate 95 in Greenland in an established retail/office area. The property is deemed to be inferior to the subject in terms of condition and is considered slightly superior in terms of location. Constructed in 1976 for use as a warehouse/distribution building, it was reportedly in poor condition at the time of sale. The property was considered similar to the subject in terms of overall utility. Overall, this sale was considered slightly inferior to the subject property due to its inferior condition. This sale has been given moderate weight within in our reconciliation process.

Sale 6

This property is in a similar location, near Interstate 95 in Seabrook. The property is deemed to be slightly larger in size to the subject. Constructed in 1997 for use as an industrial/warehouse building. It was reportedly in above average condition at the time of sale. The building is occupied by one tenant. Overall, this sale was considered similar to the subject due primarily to its location, condition and size at the time of sale. This sale has also been given significant weight within in our reconciliation process.

Sale 7

This property is in a slightly inferior location, east of Route 1 in Seabrook. The property is larger in size to the subject. Constructed in 1976 for use as an industrial/warehouse building, it was reportedly in average condition at the time of sale. The buyer invested \$10.00/SF in upgrades after its purchase. Overall, this sale was considered slightly inferior to the subject due primarily to its slightly inferior location and larger size at the time of sale. This sale has also been given lower weight within in our reconciliation process.

The matrix located on the following page summarizes our comparative analysis between the subject property and our data set of sale comparables.

Sales Comparison Matrix

SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6	SALE 7
Industrial Buildings							
Corporate Drive Portsmouth NH	20 Durham Street Portsmouth NH	218 Griffin Road Portsmouth NH	225 Heritage Avenue Portsmouth NH	200 West Road Portsmouth NH	125 Ocean Road Greenland NH	9 Batchelder Road Seabrook NH	239 Walton Seabrook NH
BASIC DATA							
Date of Sale	6/29/2019	8/17/2016	8/29/2019	11/23/2015	9/12/2016	4/19/2019	9/1/2017
Use	Industrial/Office	Industrial/Industrial	Warehouse/Industrial	Warehouse/Industrial	Industrial Distribution	Industrial/Warehouse	Industrial/Warehouse
SALE DATE							
Sale Price	\$6,900,000	\$3,535,000	\$2,200,000	\$2,900,000	\$4,388,300	\$4,250,000	\$2,414,000
Land Value*	\$460,800						
Building Size	81,600	34,705	25,909	31,108	60,711	43,808	54,859
Land Area	10.0 Acres	4.56 Acres	2.75 Acres	2.3 Acres	8.67 Acres	4.57 Acres	24.10 Acres
Year Built	1996	1990	1980	1995	1976	1997	1996
Price Per SF	\$90.21	\$101.86	\$84.91	\$93.22	\$72.28	\$97.01	\$44.00
ADJUSTMENTS							
Market Conditions	9/16/2020						
Adjusted Price/SF	\$98.36	\$114.08	\$87.46	\$106.74	\$80.96	\$100.89	\$47.96
Location	Office/Industrial	Similar	Sl. Inferior	Sl. Inferior	Sl. Superior	Similar	Sl. Inferior
Age/Physical Condition	10 years/Good	Sl. Superior	Inferior	Sl. Superior	Inferior	Sl. Superior	Sl. Inferior
Functional Utility	Average	Similar	Similar	Similar	Similar	Similar	Sl. Inferior
Building Size (SF)	36,000SF	15%	Sl. Smaller	Similar	Larger	Sl. Larger	Sl. Inferior
Land Area (Acres)	8.46 Acres	Single Tenant	Single Tenant	Single Tenant	Sl. Smaller	Slightly Smaller	Larger
Occupancy (Tenant)	Owner Occupant	Similar	Similar	Single Tenant	Single Tenant	Single Tenant	Owner Occupant
Use	Industrial/Office	Similar	Similar	Similar	Similar	Similar	Similar
Aggregate Adjustments	15%	\$107.37	-10%	25%	0%	25%	80%
OVERALL	Similar	Inferior	Inferior	Inferior	Similar	Inferior	Slightly Inferior
			\$102.67	\$109.32	\$106.74	\$100.89	\$86.34

*This property is subject to a ground lease with the PDA at an annual rent of \$39,138. The rent was capitalized at 8.5% for an imputed land value of \$460,800. This adjusted allows the sales to be converted to a "fee simple" equivalent similar to the remaining comparable sales.

The following table indicates the apportioned weight applied to each sale in our reconciliation process.

Sale #	Location	Adjusted		Estimated
		Price Per SF	Weight	Price Per SF
1	20 Durham Street	\$107.37	25.00%	\$26.84
2	218 Griffin Road	\$102.67	20.00%	\$20.53
3	225 Heritage Avenue	\$109.32	7.00%	\$7.65
4	200 West Road	\$106.74	20.00%	\$21.35
5	125 Ocean Road	\$101.19	7.00%	\$7.08
6	9 Batchelder Road	\$100.89	20.00%	\$20.18
7	239 Walton	\$86.34	1.00%	\$0.86
Totals			100.00%	\$104.50

Based on the preceding comparable analysis and weighted reconciliation process, the estimated value of the subject property, on an “as is” basis, has been established at **\$104.50** per square foot as of September 16, 2020 per square foot.

$$\begin{aligned}
 36,000\text{SF} \times \$104.50/\text{SF} &= \$3,762,000 \\
 \text{Less Land Value} &= \underline{\$2,193,835} \\
 \text{Adjusted Value} &= \$1,568,165 \\
 \text{Rounded} &= \$1,570,000
 \end{aligned}$$

As a result of this analysis, we estimate the retrospective market value of the fee simple estate of the subject property, on an “as is” basis, as indicated by the Sales Comparison Approach, as of September 15, 2020 to be:

\$1,570,000

***LEASEHOLD ADJUSTMENT**

Based upon the existing ground lease in place, an additional adjustment to account to the land ownership. The subject’s current allocated ground lease payments are \$186,476 per year. Within an Income Capitalization analysis in this report, a capitalization rate of 8.0% of utilized. Adding a 50 Basis Point to this rate given the nature and term of the lease, a ground lease rate of 8.5% will be used.

This results in a land allocation of \$2,193,835 which we have deducted from the overall value.

RECONCILIATION

Reconciliation is the process of coordinating and integrating the facts in order to develop a unified conclusion. Its purpose is to develop the most reliable estimate of value based on an analysis of the quality, quantity and durability of all the data developed. In the estimation of the most probable market value of the subject property, the appraisers considered the Income Approach and Sales Comparison Approach. These approaches have provided the following value indications:

Summation of Value Indications

Income Approach	\$ 1,055,000
Sales Comparison Approach	\$ 1,570,000

Each of the valuation approaches has been employed independently of the other. The following discussion presents our evaluation of the contribution, which each approach lends to a final value estimate.

Income Approach – Income producing properties are purchased on the basis of anticipated net income. The income approach is reliable when rental income, operating expenses, capitalization rate, and method of capitalization are estimated from adequate information relating to the existing market conditions. The subject has been exclusively operated as an income property by the current ownership. As such, the appraisers believe this approach to be an appropriate and reliable indicator of market value for the subject property and has been given weight in our reconciliation process.

Sales Comparison Approach – The Sales Comparison Approach meets the criteria of appropriateness, quality of data, and quantity of data. Both buyers and sellers in the marketplace heavy reliance on transaction data in the negotiation of purchase and sale agreements for properties such as the subject. Industrial properties of similar size and use to the subject are often acquired by owner-occupants who primarily utilize this approach in evaluating target properties. In addition, owner-occupant purchasers often pay a price premium over investors due to long-term property control and stability factors. As such, the appraisers believe this approach to be a reliable indicator of market value for the subject property, and therefore has been given weight in our reconciliation process.

FINAL VALUE ESTIMATE

As a result of our investigation and analysis of the data contained in this report, we find the most probable "as is" *retrospective market value of the leasehold estate*, as of September 15, 2020 based upon the scope of work outlined on pages 8-9, to be:

("AS IS")
(ONE MILLION AND FIVE HUNDRED AND FIFTY THOUSAND DOLLARS)
(\$1,550,000)

MARKETING & EXPOSURE TIME ESTIMATE

We have considered whether a "current" sale, i.e., a sale that can be completed within twelve months, is likely, and concluded that it is. This conclusion was drawn based on a thorough analysis of market activity, market conditions and desirability of the subject property. We have further considered a reasonable exposure times should be between six and twelve months for both valuation periods.

Probability of Value Change:

The estimated market/use values of the property appraised in this report are estimated as of the aforementioned date. Constantly changing economic, social, political and physical conditions have varying effects upon real property values. Even after the passage of a relatively short period of time, property values may change substantially and require a new appraisal.

The value indicated is subject to the General Assumptions and General Limiting Conditions located at the end of the report.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions.

General Assumptions

No responsibility is assumed for the legal description provided of for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

The property is assumed free and clear of any or all liens or encumbrances unless otherwise stated.

Responsible ownership and competent property management are assumed.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

All engineering studies are assumed to be correct. The plot plans and illustrative materials are included only to help the reader visualize the property.

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 obtaining the engineering studies that may be required to discover them.

It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in this forecast of valuation.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described and considered in the value range forecast.

It is assumed that all required licenses, certificates of occupancy, consents, and 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 range forecast is based.

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

The appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or

detailed physical report. The appraisers are not construction, engineering, environmental, or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.

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

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

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

Engineering analyses of the subject property were neither provided for nor made as a part of this value range forecast. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation and the value range forecast is subject to such limitations.

The Americans with Disabilities Act (“ADA”) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value range forecast of the property. Since we have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value range forecast of the property has not been considered.

Unless otherwise stated, the existence of hazardous materials, which may or may not be present on the property, was not observed. The preparer of this value range forecast, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The appraisal value estimate is predicated on the assumption that there is no such

material on or in the property that would cause a loss in value. No responsibility is assumed for 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.

General Limiting Conditions

Any allocation of the total value estimate in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Possession of this report, or a copy thereof, does not carry with it the right of publication.

The appraiser, by reason of this appraisal, is not required to give further consultations or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

Laws of the Appraisal Institute govern disclosure of the contents of this report. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

The appraiser may not divulge the material (valuation) contents of this report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing, (except as may be required by the Bylaws and Regulations of the Appraisal Institute as they request in confidence for ethics enforcement), or by a court of law or body with the power of subpoena.

If this appraisal is used for mortgage loan purposes, the appraiser invites attention to the fact that (1) the equity cash requirements of the sponsor have not been analyzed, (2) the loan ratio has not been suggested, and (3) amortization method and term have not been suggested.

The function of this report is not for use in conjunction with a syndication of real property. This report cannot be used for said purposes and, therefore, any use of this report relating to syndication activities is strictly prohibited and unauthorized. If such an unauthorized use of this report takes place, it is understood and agreed that The Stanhope Group has no liability to the client and/or third parties.

Furnishings and equipment or business operation, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered.

On all appraisals subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner.

The forecasts, projections, or operating estimates contained herein are based on market data and conditions as of the date of this report. Although reasonably expected trends are projected, it is impossible to accurately anticipate the future conditions that could influence the value. Any substantial changes in market conditions could have a favorable or unfavorable influence on the value. There is no responsibility assumed regarding future changes in the market that could not be anticipated as of the date of this report.

Acceptance and Use

Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.

CERTIFICATION

We certify that, to the best of our knowledge and belief:

- we have complied with the client's instructions, standards, and specifications in conducting the research and analysis, and formulating the value conclusion.
- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- we have the requisite knowledge and experience to undertake the assignment.
- this appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our 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.
- our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Robert P. Concannon, MAI has inspected the interior and exterior of the subject property on September 16, 2020.
- no one provided significant professional assistance to the persons signing this report.

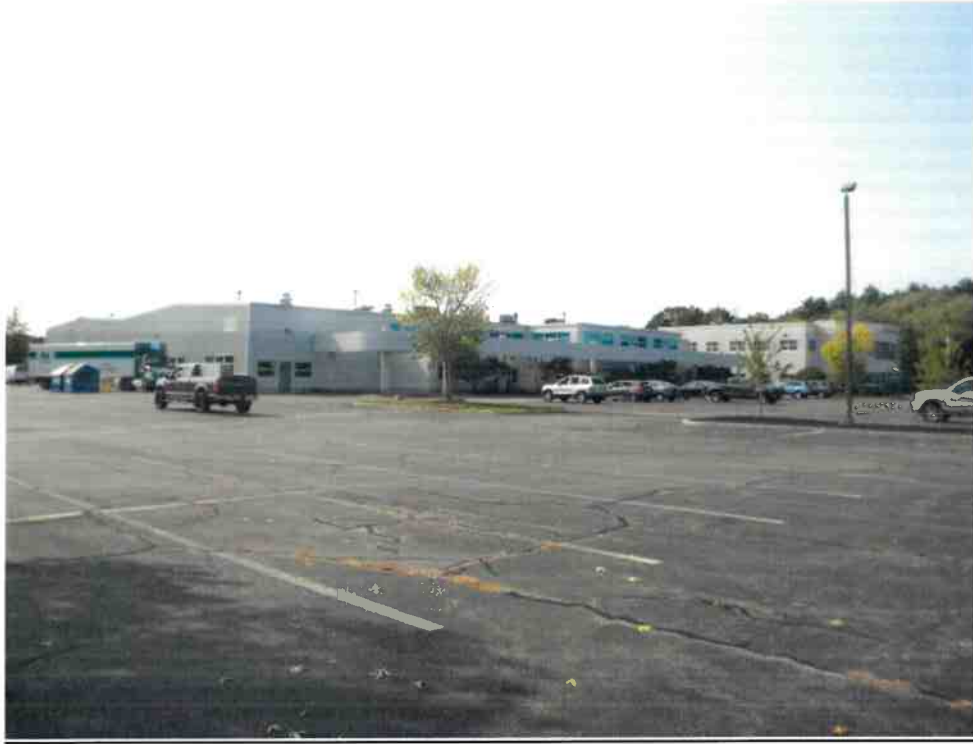
- we certify to the best of our knowledge and beliefs, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- we certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Robert P. Concannon, MAI has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
- Robert P. Concannon, MAI has performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

A rectangular box containing a handwritten signature in cursive script, which appears to read "Robert P. Concannon".

Robert P. Concannon, MAI
Chief Appraiser - NHCG-657

ADDENDA

Subject Photographs



Front of Subject Complex



Front of Subject Complex

Subject Photographs



Front of Subject Section



Left Side of Subject Section

Subject Photographs



Rear of Subject Section



Rear of Subject Section & Office Section

Subject Photographs



Rear of Subject Section



Rear of Office Section

Subject Photographs



Front Entranceway – New Hampshire Avenue



Street Scene – New Hampshire Avenue

Subject Photographs



Street Scene - New Hampshire Avenue



Street Scene – Exeter Road

Subject Photographs



Interior of Warehouse

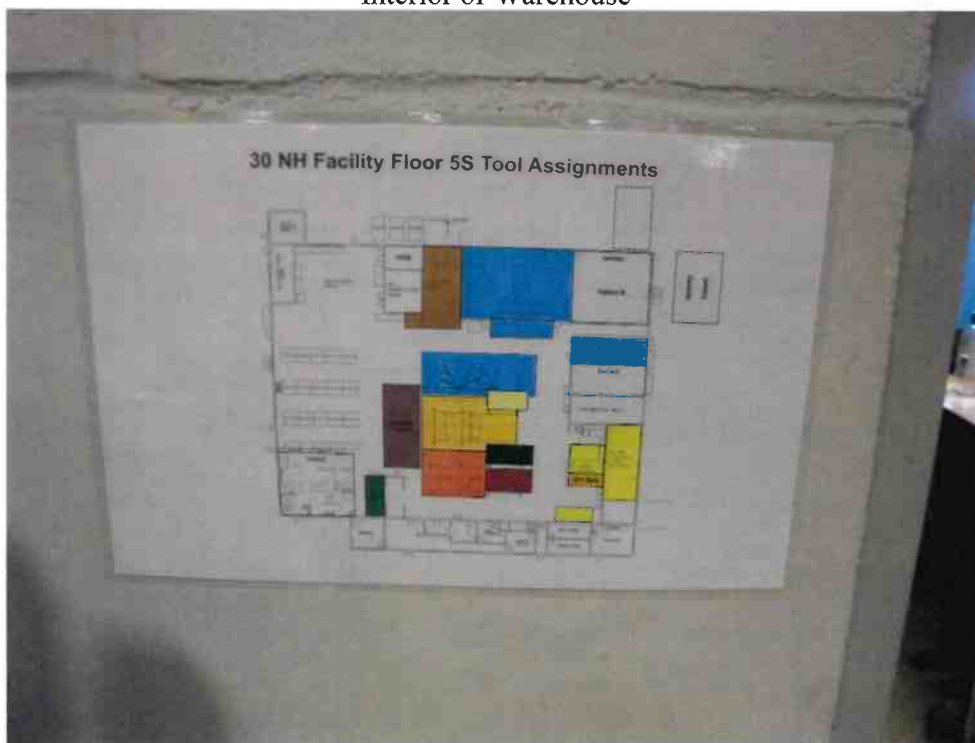


Interior of Warehouse

Subject Photographs



Interior of Warehouse



Building Layout

Area Maps



Municipal Tax Card



Portsmouth, NH



[Search](#)
 [Street Listing](#)
 [Sales Search](#)
 [Feedback](#)
 [Back](#)
 [Home](#)

30 NEW HAMPSHIRE AVE

[Sales](#)
 [Print](#)
 [Field Card](#)
 [Map It](#)

Location 30 NEW HAMPSHIRE AVE Acct# 37835 PBN Appraisal \$4,982,900 Building Count 1	Mblu 0301/ 0003/ 0000/ 1 Owner SPYGLASS DEVELOPMENT LLC Assessment \$4,982,900 PID 37835
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Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2019	\$4,982,900	\$0	\$4,982,900
Assessment			
Valuation Year	Improvements	Land	Total
2019	\$4,982,900	\$0	\$4,982,900

Owner of Record

Owner SPYGLASS DEVELOPMENT LLC Co-Owner C/O THE KANE COMPANY Address 210 COMMERCE WAY SUITE 300 PORTSMOUTH, NH 03801	Sale Price \$0 Certificate Book & Page 0/0 Sale Date Instrument
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30 NEW HAMPSHIRE AVE

[Sales](#)
[Print](#)
[Field Card](#)
[Map It](#)

Location 30 NEW HAMPSHIRE AVE

Mblu 03017 0003/ 0000/ 1

Acct# 37835

Owner SPYGLASS DEVELOPMENT LLC

PBN

Assessment \$4,982,900

Appraisal \$4,982,900

PID 37835

Building Count 1

Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2019	\$4,982,900	\$0	\$4,982,900

Assessment			
Valuation Year	Improvements	Land	Total
2019	\$4,982,900	\$0	\$4,982,900

Owner of Record

Owner SPYGLASS DEVELOPMENT LLC
 Co-Owner C/O THE KANE COMPANY
 Address 210 COMMERCE WAY SUITE 300
 PORTSMOUTH, NH 03801

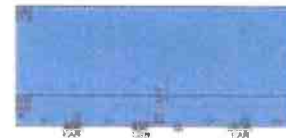
Sale Price \$0
 Certificate
 Book & Page 0/0
 Sale Date
 Instrument

WECDL	Industrial
Grade	0
Stories	3
Construction	1
Basement Area	16,000 sq ft
Center Area	20,000 sq ft
Roof Structure	Flat
Roof Color	T.B. Gray/Black
Interior - Area 1	10,000 sq ft
Interior - Area 2	10,000 sq ft
Interior - Area 3	10,000 sq ft
Interior - Area 4	10,000 sq ft
Interior - Area 5	10,000 sq ft
Interior - Area 6	10,000 sq ft
Interior - Area 7	10,000 sq ft
Interior - Area 8	10,000 sq ft
Interior - Area 9	10,000 sq ft
Interior - Area 10	10,000 sq ft
Interior - Area 11	10,000 sq ft
Interior - Area 12	10,000 sq ft
Interior - Area 13	10,000 sq ft
Interior - Area 14	10,000 sq ft
Interior - Area 15	10,000 sq ft
Interior - Area 16	10,000 sq ft
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Interior - Area 24	10,000 sq ft
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Interior - Area 27	10,000 sq ft
Interior - Area 28	10,000 sq ft
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Interior - Area 30	10,000 sq ft
Interior - Area 31	10,000 sq ft
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Interior - Area 39	10,000 sq ft
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Interior - Area 65	10,000 sq ft
Interior - Area 66	10,000 sq ft
Interior - Area 67	10,000 sq ft
Interior - Area 68	10,000 sq ft
Interior - Area 69	10,000 sq ft
Interior - Area 70	10,000 sq ft
Interior - Area 71	10,000 sq ft
Interior - Area 72	10,000 sq ft
Interior - Area 73	10,000 sq ft
Interior - Area 74	10,000 sq ft
Interior - Area 75	10,000 sq ft
Interior - Area 76	10,000 sq ft
Interior - Area 77	10,000 sq ft
Interior - Area 78	10,000 sq ft
Interior - Area 79	10,000 sq ft
Interior - Area 80	10,000 sq ft
Interior - Area 81	10,000 sq ft
Interior - Area 82	10,000 sq ft
Interior - Area 83	10,000 sq ft
Interior - Area 84	10,000 sq ft
Interior - Area 85	10,000 sq ft
Interior - Area 86	10,000 sq ft
Interior - Area 87	10,000 sq ft
Interior - Area 88	10,000 sq ft
Interior - Area 89	10,000 sq ft
Interior - Area 90	10,000 sq ft
Interior - Area 91	10,000 sq ft
Interior - Area 92	10,000 sq ft
Interior - Area 93	10,000 sq ft
Interior - Area 94	10,000 sq ft
Interior - Area 95	10,000 sq ft
Interior - Area 96	10,000 sq ft
Interior - Area 97	10,000 sq ft
Interior - Area 98	10,000 sq ft
Interior - Area 99	10,000 sq ft
Interior - Area 100	10,000 sq ft



01/20/2018 10:00:00 AM 10/20/2018 10:00:00 AM

Building Layout



Code	Description	Area	Value	Category
001	Plant Floor	20,000	20,000	Plant
002	Office	20,000	20,000	Office
003	Garage	10,000	10,000	Garage
004	Other	10,000	10,000	Other
	Total	60,000	60,000	

Extra Features

Code	Description	Area	Value	Category
001	STAINLESS MET	10,000	10,000	Material
002	WORKING LIGHT	10,000	10,000	Material
003	APR. 100.0000	10,000	10,000	Material
004	LOAD LEXXORS	10,000	10,000	Material

Land

Land Use: Land Line Valuation

Use Code 4010 Size (Acres) 0
 Description TD NH585 Frontage
 Zone R Depth
 Neighborhood 807 Assessed Value 18
 All Land App No Appraised Value 50
 Category

Outbuildings

Outbuildings						Legend
Date	Description	Sub Code	Sub Description	Area	Value	Side #
11/1	2011246 WFL			61877	17,400	1
11/1	2011246 WFL			10000	22,000	2

Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2017	17,516,000	0	17,516,000
2018	18,210,000	0	18,210,000
2019	17,242,700	0	17,242,700

Assessment			
Valuation Year	Improvements	Land	Total
2017	17,516,000	0	17,516,000
2018	17,242,700	0	17,242,700
2019	18,240,700	0	18,240,700

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Qualification of the Appraiser

Robert P. Concannon, MAI

Real Property Appraiser (NHCG-657 & ME 2393)

25 York Lane, Lee New Hampshire

603-767-4987

Education

B.S. Business Administration 1986

Marquette University, Milwaukee, Wisconsin

Appraisal Classes

Real Estate Principals 101	(1987)
Introduction to Real Estate	(2003)
Basic Real Estate Procedures	(2003)
National USPAP Standards	(2004)
Introduction to Income Capitalization	(2004)
Advanced Income Capitalization	(2004)
Report Writing	(2005)
Advanced Applications	(2005)
General Highest and Best Use	(2009)
General Applications	(2011)
Advanced Highest and Best Use	(2012)
Capstone Class	(2013)
Rates and Returns	(2017)
USPAP Updated	(2017)

Employment History

THE STANHOPE GROUP, LLC (Portsmouth, NH)

Staff Appraiser 2002 - 2005

Commercial Staff Appraiser - Performed appraisals on multi-family, apartment complexes, industrial buildings, and proposed sub-divisions and vacant tracts of land. Clients included; small and large sized financial institutions, private parties, developers, and various law firms and accounting practices. Specific work includes marketing studies, rent studies, and feasibility analysis. Work assignment locations range from northern Massachusetts (Essex County) to southern Maine (York County) and throughout New Hampshire.

S & J TRANSPORTATION SERVICES, INC. (Lee, NH)

General Manager 1997 - 2001

Oversaw the daily operation of a \$10 million freight shipment company. Responsibilities include handling the maintenance, safety, operations and accounting departments. Specifically, the company employs 60+ drivers, 12 mechanics and yard people, and an administrative staff of 10-12 individuals. Additionally, successfully handled the negotiation and sale of a storage trailer leasing company for \$2 million in March 1999. Specific work includes; overseeing the letter of intent, financing terms, sale agreements, and disposition of company equipment.

EASTERN BANCORP (Vermont Federal Bank, Williston, VT)

Vice President Risk Management 1993 - 1997

Oversaw the credit administration of a \$100 million troubled commercial loan portfolio, with specific responsibilities including: workout and real estate owned disposition, loan and appraisal review, and loan loss reserve analysis. Managed loan review, internal audit, compliance, workout, collections, and real estate owned activities at this community bank.

OFFICE OF THRIFT SUPERVISION (Boston, MA)

Field Examiner, Team Leader 1986 - 1993

Handled Safety and soundness examinations, compliance examinations, credit updates (bank wide), liquidation assessments, and reviews of formal applications from member banks. Initially, provided support to senior level examiners with increased complexity and administrative responsibilities through successful completion of assignments. With proven technical proficiency and oral/written communication skills, eventually led training teams of up to seven examiners.

Additionally, participated in several special assignments including the examination of Lincoln Savings (controlled by Charles Keating) and an organized crime controlled bank in southern New Jersey. Other assignments including analyzing new applications (mergers, acquisitions, appointments) for regulated institutions and supported internal review of local agency. As a part of this work experience, successfully completed over 20 professional education classes and two separate certification programs.

Personal

Member: R.M.A., Appraisal Institute (MAI), NH & ME & MA Certified General Appraiser, E – Licensed Youth Soccer Coach, VP of NH/VT Appraisal Institute Chapter

REFERENCES UPON REQUEST

State of New Hampshire

REAL ESTATE APPRAISER BOARD
APPROVED TO PRACTICE AS A
CERTIFIED GENERAL APPRAISER
ISSUED TO: ROBERT P CONCANNON



Certificate No: NHCG-657

EXPIRATION DATE: 03/31/2021

State of New Hampshire

REAL ESTATE APPRAISER BOARD
APPROVED TO PRACTICE AS A
Certified General Appraiser
ISSUED TO: ROBERT P CONCANNON



Certificate No:
NHCG-657

EXPIRATION DATE:
03/31/2021

For additional information please contact the Board office at colleen.giffin@oplc.nh.gov or visit our web site at <http://www.oplc.nh.gov/real-estate-appraisers/index.htm>



MOTION – XI.B.4.

Director Lamson:

The Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Executive Director to enter into an agreement with VOLAIRE Aviation Consulting for the purpose of facilitating an application for the 2020 Small Community Air Service Development Grant (SCASD) program in an amount not to exceed \$17,500; all in accordance with the memorandum of Andrew Pomeroy, C.M., Manager, Aviation Planning and Regulatory Compliance, dated December 8, 2020, attached hereto.

In accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement as:

1. VOLAIRE has an existing relationship with Allegiant Air and Punta Gorda and Sanford, Florida Airport Authorities, whose support will be important for a successful application;
2. VOLAIRE will only execute the agreement and apply for the grant if they identify airline support in advance; and
3. VOLAIRE has been writing and negotiating successful SCASD grants since the program’s inception.

NOTE: Roll Call vote required.

This motion requires 5 affirmative votes.

N:\RESOLVES\2020\Voltaire Aviation Consulting 12-17-20.docx



PORTSMOUTH
INTERNATIONAL
AIRPORT

36 Airline Ave. Portsmouth, NH 03801

AT PEASE

To: Paul Brean, Executive Director *feb*
From: Andrew B. Pomeroy, C.M., Manager, Aviation Planning and Regulatory Compliance *ABP*
Date: 12/9/2020
Subj: VOLAIRE Consulting

The Pease Development Authority, Airport Management Department, requests Board approval to enter into an agreement with VOLAIRE Aviation Consulting, for the purpose of facilitating an application for the 2020 Small Community Air Service Development Grant Program (SCASD).

The SCASD program is a US Department of Transportation (US DOT) program that is designed to provide financial assistance, in the form of reimbursable grants, to small communities to enhance their air service.

The Airport is interested in leveraging its existing budgeted air service marketing funds with matching funds through the DOT SCASD program. SCASD's program would allow these existing budgeted funds to be focused on specific airline service development with a match from US DOT. Due to a recent extension granted by US DOT, these matching SCASD funds can be spent over a five (5) year period for specific airline service subsidies.

In accordance with the provisions of RSA 12-G:8 VIII, the Airport recommends waiving the RFP requirement for these consultant services. The Airport would choose VOLAIRE as sole source consultant based on three criteria: first, VOLAIRE has an existing relationship with Allegiant Air, Punta Gorda and Sanford, Florida Airport Authorities and it will need the support of these organizations for a successful application; second, VOLAIRE will only execute the agreement and apply for the grant if they identify airline support, while other consulting companies do not operate this way; and third, VOLAIRE has been writing and negotiating successful SCASD Grants since the program's inception. The consulting agreement with VOLAIRE is not to exceed \$17,500.

With the application deadline for the US DOT application being January 26, 2021, the Airport requests Board Approval at its December 17, 2020, meeting, to waive the RFP requirement and to contract with VOLAIRE Aviation Consulting consistent with the attached VOLAIRE Consulting Services Agreement.

attachment

P:\BOARD\MTG\2020\SCASD memo.docx

CONSULTING SERVICES AGREEMENT

This Consulting Agreement (the “Agreement”) is made and entered into by and between Volaire Aviation, Inc. (the “Consultant”) and Pease Development Authority (PSM) (the “Airport”), hereinafter referred to individually as a “Party” and collectively as “the Parties”.

1. Engagement and Services

(a) Engagement. The Airport hereby engages the Consultant to provide and perform the services set forth in this section of the agreement (the “Services”), and the Consultant hereby accepts the engagement.

(b) Term. This agreement will begin upon signing and be in effect through completion of the Scope of Work elements. Either party can terminate the contract on 90-day notice with or without cause.

(c) Scope of Work. Consultant will complete the following deliverable on a per-project fee basis:

1) 2020 Small Community Air Service Development Grant (SCASD) Application

Subject to airline support of a business case, the Consultant will develop a SCASD grant application for the Airport to submit to the DOT in the timeframe allowed by the 2020 SCASD RFP, which is currently estimated to be sometime during 4Q20. The grant application will follow the DOT outline for such applications and present the business case for DOT grant funding for risk abatement and marketing funding to support new air service at the Airport. The consultant will guide the Airport thru the process of generating matching funds for the Grant application and gathering local letters of support for the Grant application.

The cost of the SCASD grant application project, which includes all expenses, is a not-to-exceed amount of \$17,500.

2. Expenses and Payment Terms

(a) Expenses. Not applicable.

(b) Payment. The Consultant shall submit to the Airport an invoice detailing the Services performed and the amount due. The invoice shall be due and payable within thirty (30) calendar days after receipt thereof by the Airport. Payment made after 30 days after receipt of invoice will be subject to a \$100 late fee.

VOLAIRE
AVIATION CONSULTING

IN WITNESS WHEREOF, the Parties have duly executed this Agreement by their authorized representatives as of the date first written above.

Signed for and on behalf of
Pease Development Authority

Signed for and on behalf of
Volaire Aviation, Inc.

By: Paul Brean
Title: Executive Director
Date:

By: Michael C. Lum
Title: Managing Partner
Date:



*Division of Ports and Harbors Advisory Council
555 Market St.
Portsmouth, NH 03801
Tel 603-436-8500*

**PORT ADVISORY COUNCIL MEETING MINUTES
WEDNESDAY OCTOBER 14, 2020**

1. CALL TO ORDER

The meeting was called to order at 6:00 PM.

PRESENT:

Roger Groux
Brad Cook
Jeff Gilbert
Erik Anderson
Chris Holt
Chris Snow
Mike Donahue
Esther Kennedy

PORT STAFF:

Geno Marconi
Brenda Therrien

2. APPROVE MINUTES

Roger suggested a motion for 3 changes to the September 9, 2020 draft meeting minutes. First is in the Director's report regarding the crushed stone, it should be listed as 30,000 Metric Tons. Second is 3rd paragraph under new business, strike the line "the federal channel stops 20' before the bridge" as that statement did not pertain to the discussion regarding the current challenges. Lastly, Roger would like the final version of letter to the Coast Guard attached to the minutes as part of the record and for submittal to the PDA Board at its next meeting. Mike D. made a motion to accept the minutes, making the aforementioned corrections. Chris S. seconded, no further discussion, all were in favor and the motion carried.

3. FINANCE REPORT

Jeff spoke about the finance report and commented that it appears the Port is slightly behind budget in operating income, by about \$37,000, much of that is operating revenues being about \$60,000 short, reminding the counsel that the report is only 2 months in to the fiscal year. Otherwise, expenses seem to be in line. Geno commented that cargo tonnage was up by 50.2% for the fiscal year ending June 30, 2020 which is impressive. Roger commented that the Port will be moving a lot of material across the dock for the Navy Yard project. Geno said the next phase of the dry dock (at the Navy Yard) will be going out to bid soon.

4. DIRECTOR'S REPORT

Geno gave a verbal update on Cianbro-Navy Yard project-Cianbro has finished with the concrete batching plant and it will be moving over to the project site. The Port staff and Cianbro superintendent have weekly meetings to discuss schedules and movement of aggregate. With the salt truck activity ramping up, the Port added a travel lane through the warehouse to allow more fluid traffic flow,

appropriate safety signs have been posted. Cianbro trucks, and any loaders are now able to travel through the warehouse as they don't need to go across the scale. Also Granite State Minerals trucks that are not required to get the empty truck weighed are also going through the warehouse. The new traffic flow is working well so far. Along with the dockage and storage fees, Cianbro is billed for wharfage on the crushed stone, sand, cement, and fly ash at 85 cents per ton.

- Approvals received from the September 17, 2020 PDA Board, include:
 - Authorized the Division Director to approve change orders for the Portsmouth Seawall repair project, delegation of authority document included in meeting packet. This is to expedite any change orders without waiting for a PDA Board meeting. There have been no change orders to date.
 - Approved sublease by Granite State Whale Watch to Prock Marine for Rye Harbor Dredge, supporting memo and motion documents in meeting packet.
 - Authorized the Executive Director to enter into an agreement for mooring removal and replacement in connection with the Rye Harbor Dredge project, supporting documents in meeting packet. There are about 100 moorings that the Army Corp is requiring to be removed, none can be left in the dredge area, per ACOE. Notifications were sent to all mooring holders, there are a few left in the water and the Division is working with them to see how it can help.
5. Geno gave an update on the Fish Pier Seawall repair project. The new electrical service is stubbed in, to prep for the transformer move, the new utility pole, the transformer pad, and the conduit are installed and the electricians are on site to wire the access to the main panel. The big ice house has been taken down, we have no intention of replacing that ice house as the demand has gone way down and any requests for ice can be handled with the ice machine located inside the building. This also allows for more outdoor space on the pier. The big challenge right now is there has been a change of the conditions of the ledge where the seawall was to go. Geno explained the circumstances surrounding the issue, including comparisons with the original plans, a new SW Cole drilling report, and new sonic testings, that were used by the project's engineers to put the bid documents together and how it was discovered to be different (by the contractor). The result is that it was determined that the new wall will have to be moved out a couple feet. This will involve going to DES to amend the existing permit, and a new design for the footing. The preliminary design plans will be reviewed by Port staff before going to the contractor to provide a quote. Geno indicated that it will be expensive.

6. NEW BUSINESS

An article regarding the new dredge disposal site, Isles of Shoals North, was included in the meeting packet. Geno commented that article is off regarding the actual nautical miles, it quotes 10 NM to the new site, but it is actually 12 NM. Regardless the new site is half the distance of Arundel which is 24 NM. It is unknown if this will save the Division any money at this point. Geno advised the Council that the Division had to go to the CBOC last week to ask (and was approved) to use monies from the Harbor Dredge & Pier Maintenance Fund for the Rye Dredge project because the ACOE estimate to was \$100,000 more than originally estimated (the estimate is over 2 years old), which after paying ACOE \$585,000, there was not enough money left in the State appropriation for the removal & replacement of the moorings. The Division has also asked (and was approved) to use the leftover funds from the Hampton/Seabrook Dredge. Additionally, the Division may be getting a refund from ACOE on the Hampton/Seabrook Dredge, the Division will need to seek approval to deposit those funds back into the HDPM fund.

An article regarding the General Sullivan Bridge was included in the meeting packet. Additionally, a drawing showing the 2 proposed bridge options and an email explaining the difference between the 2 options was included. Roger explained this is a big issue with the folks with large sailboats because if they don't hit it just right, there is a risk of hitting the masts on the bridge. Several minutes of discussion followed. Roger will let the Council know when the public meeting is scheduled. Erik asked when the DOT might be willing to come down to talk to the Port about both bridges (Bascule & Sullivan). Roger and Esther both confirmed that at today's zoom meeting NH DOT indicated it will set something up with the Port staff. The purpose of the meeting today was regarding the historical and natural resources, but Geno did make a comment during the meeting about the Coast Guard requesting a revised navigation report from NH DOT. Also, the CG will require NHDOT resubmit a permit application. Geno advises monitoring the navigational studies that they are doing. Erik commented that (for various reasons) it should be required for NH DOT to notify all abutters in the project area, to include all abutters' leeward of the bridge all the way through Portsmouth, New Castle, and Rye. Esther said that Roger did a good job on the call today mentioning climate change. Roger reminded the council that Senate has passed resolution requiring all essential infrastructure has to withstand the projected sea level rise of 3 ½' to 6' by 2100. Discussion regarding plans, center column, fenders, etc. Chris S. indicated that he received a call (as the Commodore of the Kittery Yacht Club) from Tyler Weninger at HDR who was doing a survey and was surprised that he hadn't seen the bridge so he invited him up and wonders if he could come to one of the Port Council meetings as well. Roger said that would be fine. Geno said Tyler works for HDR who has an open on-call engineering contract with NH DOT. Chris S. also said it came up at the KPYC Board of Directors meeting and they are also unanimously against a fixed bridge will be writing a letter in support of a bascule bridge. Mike mentioned that Tom's letter was very well written especially in regards to the CFR (16) he quoted which governs complaints about an existing bridge that is a hazard to navigation. The point is if the bridge is built the way it was proposed in 2016 is subject to being removed the day it is put up because it doesn't meet the standards.

7. OLD BUSINESS

Discussion regarding the Wentworth/Rye Bridge continued. There is a letter included in the packet from the Coast Guard in response to the PAC letter that was sent last month. It is indicated in the letter that the Coast Guard will require NHDOT prepare a new Navigation Impact Report. Discussion included possible dredging studies and if there is any way to get any information on the cost of the dredging with a fixed bridge vs. a bascule, and possibly getting a letter from a dredge company attesting to that; the value of an ACOE cost to benefit analysis regarding commercial operations; whether the dredging would be put lower on the priority list if it was a fixed bridge; the amount of openings of the bridge in the past vs. the number of vessels went through when it did lift (which would be more indicative of use); commercial traffic in general; kayaks getting stuck on the sandbar (thousands); mooring waitlists in that area; the shortage of moorings; and safe harbor. Erik thinks the letter is very well written and has many good points and that we should give the letter as much visibility as possible. With that he asked, do we want to go to the PDA Board to ask for their concurrence on the letter? Geno said that because of the timing of the monthly PAC and PDA meetings (they were one day apart) the September minutes and letter were not included in the PDA Board Package, however, Geno will present the letter to the PDA board at tomorrow's meeting, and it will be in November's PDA board package along with the approved September minutes. As a reminder, NH DOT will be contacting Geno to set up a discussion meeting in the near future. In the end Roger read RSA 12-G:43 and feels the PAC is acting within the statute and suggested going through the PDA Port Committee prior to going to the entire PDA Board. Geno indicated he will also hand out the Coast Guard's reply letter at tomorrow's PDA Board meeting. Roger said public meetings regarding the bridge should be starting in the spring and if any members can solicit letters from various users of the water way to the Coast Guard that would be very helpful. Erik asked if mooring permit holders could be sent a letter from the Port regarding this topic, Geno said the Port has done mailings to mooring holders in the past, on behalf of NH DOT, notifying them of upcoming public

meetings.

8. PUBLIC COMMENT
No public in attendance.

9. PRESS QUESTIONS
No press in attendance.

10. ADJOURNMENT

Before adjournment, Erik wanted to acknowledge the change of conditions at the Fish Pier, which are not slight, questions where the liability might lie. In his opinion, there could be some liability with Appledore Engineering that led to the circumstances that exist right now. Erik said he will bring it forward as he feels it is important to oversee the funds given by the State of NH to ensure it is being spent wisely. Erik would like to see an investigation into this. Geno replied, that he will be giving a full briefing to the PDA Board tomorrow morning on this issue. He cannot comment on liability that could incur legal action but believes all of the questions will be answered tomorrow. Geno added, that while AME was hired to oversee the project, but they are under direct supervision of him. He reads all of the documents and submittals and knows everything that goes on with the project.

Chris Holt handed out a document regarding the Physical Oceanographic Real-Time Systems (PORTS) that NOAA published. Chris did some research and found while this particular tool is not a bad thing, it may not benefit the Commercial Pilots as the area of coverage is only around the Navy Yard to assist with real time tidal ranges for bringing submarines in and out of the dry docks. One good tool is that it does show real time weather. He did recommended folks check out the website, but warned it is not easy to navigate. The pilots use current velocity more so than tidal ranges which is not available using this system.

Roger asked Geno when the crane is going to be assembled for the Navy Yard, Tom Reis told Roger he has a unit that can be mounted on the top of the crane to measure height. Geno clarified for the Council that this has to do with a crane that is being proposed to be built at the Port and then brought over to PNSY, it appears though that once assembled, the crane may be too tall to fit back under the bridge. Since speaking about this with the some of the bidders for the PSNY project, Geno hasn't heard anything more on the project.

Erik mentioned HB 1245, which is the legislative action investigating wind power, and reminded this could be a 2-3 yr. study for NH and the Council should keep an eye on it. Geno reminded the council that there is an advisory group that was set up through an executive order of the Governor, in that group there is one committee which will investigate existing commercial uses in the area. One of the members of that committee is required to be the Exec. Dir. of PDA or designee. HB 1245 was rolled into in an omnibus bill which was passed last December and indicates PDA to be on the committee. With that, there is still a question about who the Governor meant to serve on that committee and Geno has asked the question and is awaiting a final answer. Erik said there is a meeting coming up in a week.

Jeff made a motion to adjourn, Chris S. seconded. Chris S. asked if the committee reports will start up again, we can add them to the next agenda. All were in favor and the meeting adjourned at 7:30 PM.



P.O. BOX 450, KITTERY, ME 03904

CHANGE ORDER PROPOSAL

#02.2

PROJECT: Portsmouth Commercial Fish Pier – Bulkhead Rehabilitation
Portsmouth, NH
GC: H.L. Patten Construction, Inc.
OWNER: Pease Development Authority

DATE: 11/24/20

CHANGE PROPOSED: Response to RFP email Dated OCT 7 2020

- Reduction of bulkhead overall length
- Floating dock reconfiguration and timber dolphin
- Reduced sheet pile length
- Addition of 23 toe pins between station 0+28.75 and Station 2+28.93 and 4 guide pile pins
- Increase offset for the failure area
- Crane Modifications

Detailed Breakout attached

This COP includes only 27 toe pins. Additional pins that may be required due to conflicts or as built lay outs are not included.

EFFECT ON CONTRACT SUM: Increase to contract sum: \$836,847.00

EFFECT ON CONTRACT TIME: Increase/decrease to date of completion: August 17, 2021

PROPOSAL SUBMITTED:
H.L. Patten Construction

PROPOSAL ACCEPTED:
Pease Development Authority

PROPOSAL ACCEPTED:
Appledore Engineering

Portsmouth Fish Pier
Breakdown of COP 02

23-Nov-20

Work Scope

Subcontractor H.L. Patten

**Floating Dock Reconfiguration and
Timber Dolphin**

5- Additional Floats	Fabricated Material	53060.00	
2- Additional Ladder Platforms	Fabricated Material	8000.00	
1- Transition Plate	Fabricated Material	6400.00	
3- Shaft Pile Guides	Fabricated Material	1500.00	
1- Guide Pile Bracket	Fabricated Material	2240.00	
1- Guide Pile Support	Fabricated Material	1600.00	
1- Guide Pile	Installed		
	Furnish Material	7450.00	
	Equipment	3200.00	
	Labor	1800.00	
	Travel	450.00	
1- Guide Pile support	Labor		1380.00
1-Guide Pile Foundation	Labor		280.00
	Material		200.00
	equipment		200.00
1- Dolphin	Installed		
Riverside Marine	Mobilize	2500.00	
Riverside Marine	Installed	13840.00	
HL Patten	layout/ control		960.00
HL Patten	Labor		1120.00
1- Float System installation	Labor		4200.00
	Equipment		1600.00
	Consumables		100.00
Timber Pile Credit	Installed	-46800.00	

Adjust sheetwall for end wall length
and to encompass failure

10 LF Railing Credit	Material	-850.00	
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	Labor		-150.00
	Consumables		-10.00
Redraw stationing and submittals(Global)	Labor	220.00	
10 LF Concrete Cap - Credit	Explained COP 1		-6100.00
Additional 3/8 stone backfill	Material Delivered		19600.00
	Equipment		7600.00
	Labor		1600.00
Deduct 10 LF Sheetwall - Credit	Explained COP 1	-25650.00	
2 -Additional Sheeppile Corners	Installed	12900.00	

Toe Pins

Sheetwall and Guide Pile Toe Pin	Installed		
Casings	Material	108000.00	
	Consumables	2800.00	
	Equipment	38000.00	
	Labor	7800.00	
	Travel	1400.00	
Drill/Pin	Mobilization	24000.00	
	Consumables	14900.00	
	Furnish Material	19000.00	
	Equipment	279000.00	
	Labor	78000.00	
	Travel	7100.00	
Grout Pins	Mobilization	2000.00	
	Consumables	2100.00	
	Furnish Material	12100.00	
	Equipment	11000.00	
	Labor	10400.00	
	Travel	1400.00	
Maine Drilling Probing Costs	Complete	0.00	
Fleming Spud Probing costs	Complete	0.00	
Site work support for Drill	Equipment		7200.00
	Labor		2640.00

Fuel Structure

Add 3rd wall Galv support framing	Installed	1500.00	350.00
Add siding	Installed		800.00

Crane Modifications

Global	Fabrication	1960.00	
Turnbuckles	Material		900.00
Additional detailing and engineering	Labor	1120.00	
HL Patten	Labor		560.00

Time Extension

Additional GC/ OH for delay and Pins	17000 x 4.0 months		68000.00
Supervisor 40 MH per week			
Site Labor 20 MH per week			
Phase 1 Winter vs original phase 2 winter			
2 month additional rental OH (lull/ tools)			

Credit For Length of Sheet due to bed rock	See attached Letter from Fleming	
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Sub Totals	665440.00	113030.00
Mark up	33272.00	16954.00

ADDITIONAL BOND	\$ 8,151.00
GRAND TOTAL	\$836,847.00

ID	Task Name	Duration	Start	Finish	Predecessors
1	Project Duration	162 days	Mon 1/4/21	Tue 8/17/21	
2	Phase 1	97 days	Mon 1/4/21	Tue 5/18/21	
3	Phase 1 Sheet/ guide/ casing install	15 days	Mon 1/4/21	Fri 1/22/21	
4	Phase 1 Tie Rods and Tie Backs	20 days	Mon 1/25/21	Fri 2/19/21 3	
5	Phase 1 Toe Pins Drill/ grout	20 days	Mon 2/22/21	Fri 3/19/21 4	
6	Dolphin	4 days	Mon 3/22/21	Thu 3/25/21 5	
7	Anodes	2 days	Fri 3/26/21	Mon 3/29/21 6	
8	Float system Installation	5 days	Wed 5/12/21	Tue 5/18/21 18	
9	Phase 1 Backfill	10 days	Mon 3/22/21	Fri 4/2/21 5	
10	Phase 1 Concrete Cap	23 days	Mon 4/5/21	Wed 5/5/21 9	
11	Fuel System Underground	7 days	Mon 3/22/21	Tue 3/30/21 5	
12	Fuel System Concrete	3 days	Mon 4/19/21	Wed 4/21/21	
13	Fuel System Enclosure	7 days	Thu 4/22/21	Fri 4/30/21 12	
14	Fuel System Electrical	3 days	Thu 4/22/21	Mon 4/26/21 12	
15	Fuel System Start Up	7 days	Tue 4/27/21	Wed 5/5/21 14	
16	Davit Cranes	2 days	Thu 5/6/21	Fri 5/7/21 10	
17	Install Cleats	2 days	Thu 5/6/21	Fri 5/7/21 10	
18	Install Pipe Pile supports	2 days	Mon 5/10/21	Tue 5/11/21 17	
19	Install Ladders	2 days	Thu 5/6/21	Fri 5/7/21 10	
20	Install Handrails and Life Rings	3 days	Mon 5/10/21	Wed 5/12/21 19	
21	Phase 1 Paving	3 days	Thu 4/22/21	Mon 4/26/21 12	
22	Phase 2	74 days	Thu 5/6/21	Tue 8/17/21	
23	Phase 2 Timber Demo	2 days	Thu 5/6/21	Fri 5/7/21 10	
24	Phase 2 Sheet / casing Install	12 days	Mon 5/10/21	Tue 5/25/21 23	
25	Phase 2 Excavation	5 days	Wed 5/26/21	Tue 6/1/21 24	
26	Phase 2 Tie Rods and Tie Backs	15 days	Wed 6/2/21	Tue 6/22/21 25	
27	Phase 2 Toe Pins	15 days	Wed 6/23/21	Tue 7/13/21 26	
28	Phase 2 Backfill	5 days	Wed 7/14/21	Tue 7/20/21 27	
29	Phase 2 Pile Cap	17 days	Wed 7/14/21	Thu 8/12/21 28	
30	Phase 2 Timber repair	3 days	Fri 8/13/21	Tue 8/17/21 29	
31	Phase 2 Paving	3 days	Fri 8/13/21	Tue 8/17/21 29	
32	Phase 2 Hand Rail	3 days	Fri 8/13/21	Tue 8/17/21 29	
33	6" Hydrant	2 days	Wed 7/21/21	Thu 7/22/21 28	
34	Phase 2 Electrical	3 days	Wed 7/21/21	Fri 7/23/21 28	

Nov 8, '20 Nov 15, '20

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External Tasks
External Milestone
Deadline

Milestone
Summary
Project Summary

Task
Split
Progress

Project: pier 1105
Date: Wed 11/4/20



H.B. FLEMING, INC.
 CONTRACTING · ENGINEERING
 89 Pleasant Ave. South Portland, ME 04106
 Phone 207-799-8514 Fax 207-799-8538
www.hbfleming.com



PILE DRIVING

BRIDGES

SUBMARINE PIPELINES

PROPOSAL

Proposal Submitted To:

Name: HL Patten

Telephone:

Attention: Bruce

Date: November 23, 2020

Project: Pease Fish Pier

Location: Portsmouth, NH

Scope of Work:

Furnish labor, material and equipment to furnish and install the pipe casing and drilled pins for the proposed bulkhead in accordance with SK005.

Our work will consist of furnishing and installing 27ea 6.625" OD x 0.280 wall pipe casings. The pipe material will be coated with 16 mils of coal tar epoxy coating. The pipe casing will be driven to ledge. After driving, a hydraulic drill mounted on a large excavator will be used to drill a +/- 4" diameter hole to a depth of 6' minimum into ledge. After the holes are drilled, they will be flushed with air, a # 18 epoxy coated rebar pin will be installed in the hole and a neat cement grout will be pumped using a tremie method into the bottom of the hole all the way to the top of the casing.

We anticipate that this work will add +/- 7 weeks to the overall duration for our work.

We exclude excavation, dewatering, removal of obstructions and relocation of utilities.


We will require stable, level access for our crane and drill to complete the work.

Payment:

Mobilization	\$ 26,000.00
Consumables	\$ 19,800.00
Furnish Materials	\$139,100.00
Equipment	\$328,000.00
Labor	\$ 96,200.00
Travel Expenses	\$ 9,900.00
Total	\$619,000.00

Terms: In accordance with the general contract.

Authorized Signature:


 "Scotty" John S. Linscott IV



H.B. FLEMING, INC.
CONTRACTING · ENGINEERING
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Phone 207-799-8514 Fax 207-799-8538
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PILE DRIVING

BRIDGES

SUBMARINE PIPELINES

November 2, 2020

Mr. Bruce Anderson
H.L. Patten
P.O. box 450
Kittery, ME 03904

RE: Reconciliation

Dear Bruce,

The purpose of this letter is to address the questions from Appledore regarding our costs related to the reduced length of sheetpile ordered, and the reduced length of the bulkhead itself.

With regard to the reduced length of sheetpile, at bid time, H.B. Fleming relied upon the soil borings to determine the required length of sheetpile. The specs mentioned sheetpiles should be of sufficient length, so we took that to mean that the risk on the length was on the contractor. We are aware that the NDT report showed conflicting evidence. However, based on our experience with other projects and NDT reports, we have more confidence in the physical evidence provided by the soil borings than with the NDT report. Our probes verified the issues with the NDT reports. In general, the sheetpile lengths that we have ordered are in line with the lengths that we anticipated at bid time therefore we are not offering a credit for shorter sheetpiles. Based on this, we are adding our drill and vibro spud probing costs to our proposal with the final adjustments.

With regard to the shorter bulkhead length, Our proposed sheetpile layout is based on 55 ea PZC-18 sheetpile with corners. This equates to 229 LF of sheetpile bulkhead. The original bulkhead was 239'. The credit for this reduced wall length is shown on our final adjustment proposal as well.

If you have any questions regarding the changes, please let me know.

Best Regards,

H.B. Fleming, Inc.
"Scotty" John S. Linscott IV PE
President



H.B. FLEMING, INC.
 CONTRACTING · ENGINEERING
 89 Pleasant Ave. South Portland, ME 04106
 Phone 207-799-8514 Fax 207-799-8538
www.hbfleming.com



FILE DRIVING

BRIDGES

SUBMARINE PIPELINES

PROPOSAL

Proposal Submitted To:

Name: HL Patten
Telephone:

Date: November 16, 2020
Project: Pease Fish Pier
Location: Portsmouth, NH

Attention: Bruce

Scope of Work:

Furnish labor, material and equipment to furnish and install the following work items.

Our work will consist of furnishing and installing one extra steel guide pile and a timber pile dolphin. We have included an additional mobilization to install the dolphin because we will need to wait until the new bulkhead is backfilled to drive the dolphin piles.

We have also included an add price for two fabricated sheetpile corners. These corners are required at the ends of the bulkhead at stations 0+10 and 2+39.6 to close the gap between the old and the new bulkhead to prevent the infill material from spilling out. A plan showing these corners will be provided.

Lastly, we have included a breakout for the deduct on the timber pile and fender work.

We exclude excavation, dewatering, removal of obstructions and relocation of utilities.

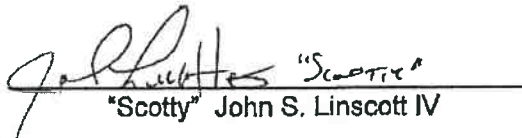
We will require stable, level access for our crane and drill to complete the work.

Payment:

Add 1 ea steel guide pile	Lump Sum	\$12,900.00
Add 2 ea fabrication od sheet corners	Lump Sum	\$12,900.00
Add probing costs Maine Drilling	Lump Sum	\$ 6,700.00
Add Fleming Spud probing costs	Lump Sum	\$ 1,400.00
Deduct 10 LF of Bulkhead	Lump Sum	<\$25,650.00>
Deduct timber pile, chocks/wales	Lump Sum	<\$46,800.00>
TOTAL change	Lump Sum	<\$38,650.00>

Terms: In accordance with the general contract.

Authorized Signature:


 "Scotty" John S. Linscott IV

H.B. Fleming Labor & Equipment Rates
November 2020

Equipment	Hourly Rate	
110 Ton Crane	385	\$/Hr
80 Ton Crane	360	
60 Ton Crane	275	
55 Ton crane	265	
45 Ton Crane	225	
Yard Crane	225	
Vibratory Pile Hammer	110	
Diesel Pile Hammer	110	
Welding Machine	20	
Pick Up Truck	20	
Heavey Truck/ Tractor	90	
Low Bed Trailer	45	
Highbed Trailer	35	
Drop Pile Hammer/Leads	20	
36,000 LB Excavator	175	
60,000 Lb Excavator	225	
TEI Drill	220	
100,000 lb Caisson Drill	275	
180,000 lb Caisson Drill	535	
Rev Drill	250	
RTG Pile Rig	525	

Foreman	102 \$/Hr
Crane operator	98
Drill Operator	99
Pile Driver	94
Welder	87
Truck Driver	78

Travel 110 \$/day

HL Patten

CONSTRUCTION

Hourly Rates

Portsmouth Commercial Fish Pier

No applicable wage rates

Hourly Rates include operator, fuel, and applicable wage rates

Equipment	Rate
Cat 336 or same size w/ bucket	\$ 270.00
w/ GPS	\$ 330.00
Cat 326 with Bucket	\$ 210.00
Cat 326 with Hammer	\$ 330.00
Cat 326 with Bucket and GPS	\$ 270.00
Volvo 145 with Bucket	\$ 160.00
Volvo145 with Hammer	\$ 250.00
Takeuchi TB 290 with Bucket	\$ 150.00
Cat 303.5 with Bucket	\$ 110.00
Cat 303.5 With Hammer	\$ 145.00
Cat D5 Bulldozer	\$ 165.00
w/ GPS	\$ 225.00
Cat 950 Loader	\$ 180.00
Cat 930 Loader	\$ 150.00
Cat 236 Skid Steer	\$ 100.00
Cat 259 Sid Steer	\$ 120.00
w/ pavement mill	\$ 180.00
66" Smooth Drum Roller	\$ 125.00
Remote Trench Roller	\$ 75.00
Tri Axle Dump	\$ 95.00
Tri Axle Dump with trailer	\$ 125.00

Site Labor	\$ 55.00
Skilled Labor	\$70.00
Foreman	\$ 85.00
w/ GPS layout	\$ 165.00
Supervisor	\$ 110.00
Project Manager	\$ 110.00
Support Truck	\$ 45.00

Hourly Rates are based on a four hour minimum and includes an operator and fuel

Daily =8 hours, weekly = 40 hours

Moving Charges not included

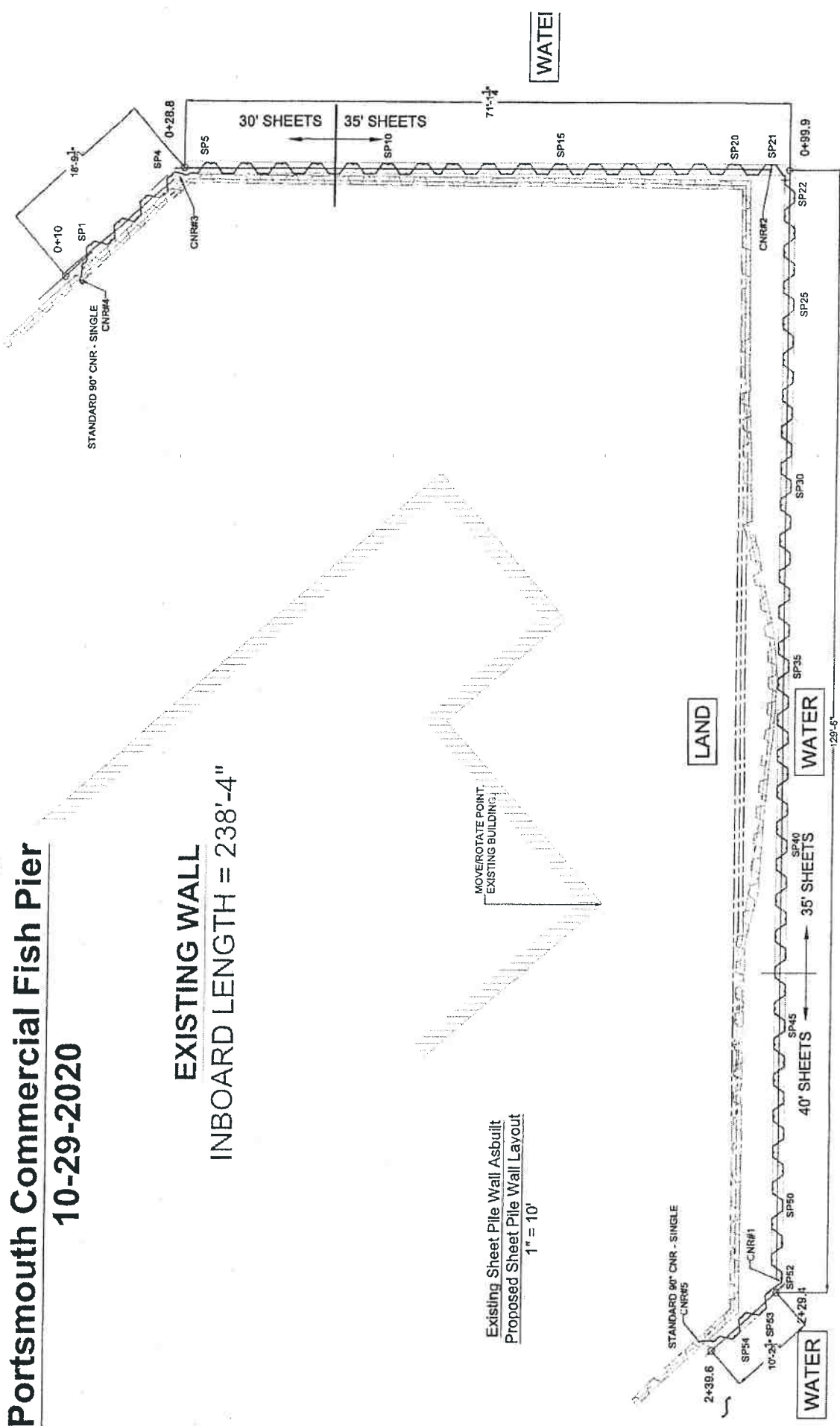
Equipment size and availability subject to change with inventory

Portsmouth Commercial Fish Pier

10-29-2020

EXISTING WALL
 INBOARD LENGTH = 238'-4"

Existing Sheet Pile Wall Asbuilt
 Proposed Sheet Pile Wall Layout
 1" = 10'





Bruce Andersen <bruce@hlpatten.com>

Re: Fwd: Commercial Fish Pier

Bob <bob@globalmetalfab.net>
To: Bruce Anderson <bruce@hlpatten.com>

Wed, Oct 28, 2020 at 10:16 AM

On 10/27/2020 4:21 PM, Bob wrote:

Bruce,

Here's where we're at with the changes thus far.

- 1) Added 1 more Guide File Support... +\$1,600.00
- 2) Adder to re-draw railing submittal... +\$220.00
- 3) Deduction for 10 LF of Railing..... -\$850.00
- Total job adder to date..... \$970.00

Let me know if you have any Q's.

Thank you,

--
 Bob Fournier
 Global Metal Fab LLC
 Project Manager
 1124 Broad Street
 Auburn Maine 04210
 207-753-0001
 207-753-0003 fax

--
 Bob Fournier
 Global Metal Fab LLC
 Project Manager
 1124 Broad Street
 Auburn Maine 04210
 207-753-0001
 207-753-0003 fax



Virus-free. www.avast.com



Bruce Andersen <bruce@hlpatten.com>

RE: Commercial Fish Pier

2 messages

Henri Gignoux <hgignoux@customfloat.com>
To: Bruce Anderson <bruce@hlpatten.com>
Cc: Scott Dyer <sdyer@customfloat.com>

Thu, Oct 29, 2020 at 12:04 PM

Bruce,

Phoenix Welding got back to me with the price on the 5' x 8' aluminum float bridge. It is listed in the table below:

(4) 6' x 20' PTSYP Floats without skids delivered	\$ 42,200.00
(1) 6' x 20' PTSYP Floats with skids delivered	\$ 10,860.00
(1) Pile Guide delivered loose	\$ 2,240.00
(2) Ladder Platforms delivered loose	\$ 8,000.00
(3) Pile shaft Guides delivered loose	\$ 1,500.00
(1) 4' x 8' aluminum transition plate delivered loose	\$ 6,400.00
Total	\$ 71,200.00

Sincerely,

Henri Gignoux

Custom Float Services

11 Wallace Ave.

South Portland ME 04106

207-772-3796 (o)

207-899-7390 (m)

hgignoux@customfloat.com



RIVERSIDE & PICKERING
MARINE CONTRACTORS

34 Patterson Lane
Newington, NH 03801
Phone (603) 427-2824
Fax (866) 571-7132

Proposal

Date: 11/12/20
Job Number: C007-1446-20
Quotation valid until: 12/12/20

To: HL Patten C/O Bruce Anderson
PO Box 450, Kittery ME 03904
(207) 439-2008
bruce@hlpatten.com

Project Location: Portsmouth CO-OP

ITEM #	DESCRIPTION	AMOUNT
	SCOPE OF WORK OVERVIEW:	
	Proposal includes construction required to construct a 3 pile dolphin set at the project location noted above	
	CONSTRUCTION:	
1	MOBILIZATION:	
a)	Mobilize crane barge, push boat, work skiff and equipment to site for construction	\$ 2,500.00
2	DOLPHIN PILE SET CONSTRUCTION:	
a)	Construct the 3 pile dolphin set as shown on plans received on 11/11/2020	\$ 13,840.00
i.	Install two (2) 35' and one (1) 30' PTSYP 2.5CCA Class B foundation grade vertical support pilings	
ESTIMATED CONSTRUCTION TOTAL:		\$ 16,340.00

AUTHORIZED BY:



Doug Anderson, Vice President

STANDARD TERMS AND CONDITIONS OF THE AGREEMENT:

- SPECIAL NOTE:** Due to the recent instability of material costs, any increase in costs associated with materials will be passed on to the OWNER accordingly. OWNER agrees to pay any such increases as incurred by the CONTRACTOR. CONTRACTOR agrees to supply reasonable proof of increases as required.
- Riverside Marine Construction, Inc., dba Riverside & Pickering Marine Contractors (CONTRACTOR) is only responsible for the work as described above. No additional work is included in the estimated cost.
- Changes in the Work may be accomplished after execution of the Agreement. Such changes in the Work will be authorized by written Change Order signed by the OWNER and CONTRACTOR. Adjustments in the Agreement Sum and Agreement Time resulting from a change in the Work shall be determined by mutual agreement of the parties.
- Professional fees, should they be required, are NOT included in this agreement (legal, lobbyist, engineering, surveying, etc.) OWNER is responsible for all professional services and associated fees. OWNER shall decide if professional services are desired.
- CONTRACTOR is not responsible for Acts of God, weather delays, and situations beyond its control (i.e. ice damage, erosion, corrosion, weather systems, supplier delays, labor strikes, etc.) Ice build-up and floe can be significant in this area of the river and no guarantee can be made that damage will not occur to the structure due to ice.
- OWNER to provide storage and access for materials and equipment for the duration of the project if deemed necessary.
- CONTRACTOR agrees to guarantee its work to be free of workmanship like defects for a period of one year from date of completion. Should defects be found to be caused by CONTRACTOR error, OWNERS sole remedy is to have the product substantially repaired (at no charge) by CONTRACTOR.
- If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Agreement or from those conditions ordinarily found to exist, the Agreement Sum and Agreement Time shall be equitably adjusted as mutually agreed between the OWNER and CONTRACTOR; provided that the CONTRACTOR provides notice to the OWNER promptly and before conditions are disturbed.

9. Should the CONTRACTOR be unable to drive pilings in the event that ledge is encountered, the Agreement Sum and Agreement Time shall be equitably adjusted as mutually agreed between the OWNER and CONTRACTOR; provided that the CONTRACTOR provides notice to the OWNER promptly and before additional work is performed.
10. The OWNER assumes all risk and liability and further agrees to indemnify and hold CONTRACTOR harmless for any and all costs, fees or other expenses, including attorneys fees, resulting or arising from any deviations in the construction of the Work, as requested by the OWNER, from the specifications approved by the municipal, state, and federal regulatory agencies.
11. All Lumber used shall be Pressure Treated Southern Yellow Pine (PTSY) at 2.5 CCA or 0.60 ACQ marine grades, designed for salt water submersion and/or splash zone applications, unless otherwise specified. All hardware used shall be commercial grade, heavy duty galvanized steel, unless otherwise specified.
12. Limitation of Liability: CONTRACTOR shall not be liable for any consequential, lost profits, loss of use, punitive or exemplary damages suffered or incurred by OWNER arising out of or relating to this Agreement. In any event, CONTRACTOR shall not be liable for any amount in excess of the Total Estimated Cost.
13. This Agreement can be assigned to an affiliated Riverside Marine Construction, Inc. company.
14. CONTRACTOR has the right to subcontract for any or all of its Work. CONTRACTOR shall be the sole supervisor of CONTRACTORS, employees, or subcontractors to make changes to the Work.
15. Unless caused by delays reasonably beyond OWNER's or CONTRACTOR's control (e.g. weather delays), should work not be completed prior to July 31, 2021, the Agreement price may be adjusted to reflect increased material & fuel costs.
16. CONTRACTOR owns all materials purchased and stored on and off the project site for the project until payment is received in full for the full value of the work described above.
17. MANDATORY ARBITRATION: Any dispute arising out of or relating to this Agreement can be resolved only by mandatory and binding arbitration in Portsmouth, New Hampshire under the rules of the American Arbitration Association. Both parties expressly waive the right to trial by jury and to any other manner of dispute resolution in any other forum. Nothing in this Section shall prevent the CONTRACTOR from initiating a lawsuit to perfect a lien pursuant to New Hampshire law.
18. This Agreement shall be governed in accordance with the laws of the State of New Hampshire. This Agreement shall be binding on the parties hereto, their heirs, successors, personal representatives and assigns.
19. CONTRACTOR, and any subcontractors utilized for this project, shall provide and maintain Worker's Compensation and Liability insurance coverage through the course of construction.
20. OWNER to provide and maintain Liability insurance coverage through course of construction.
21. **NOTE: In addition, all Maine & Massachusetts customers will be charged State Sales Tax as required.**
22. This proposal contains proprietary information of Riverside Marine Construction, Inc. It is intended solely for the person to whom the proposal is addressed. Such proprietary information may not be used, reproduced or disclosed to any other parties for without the expressed written permission of Riverside Marine Construction, Inc.
23. **Fuel surcharge may apply if fuel exceeds \$3.00 per gallon.**

PAYMENT TERMS:

1. 1/2 of total construction cost due upon the execution of this agreement
2. Final balance of the construction total due at project substantial completion

PLEASE NOTE: ALL INVOICES ARE DUE UPON RECEIPT UNLESS OTHERWISE STATED. UNPAID BALANCES SHALL BE SUBJECT TO INTEREST AT A RATE OF 18% PER ANNUM. OWNER IS RESPONSIBLE FOR ALL COSTS OF COLLECTION, INCLUDING REASONABLE ATTORNEY FEES.

ACCEPTANCE:

Riverside Marine Construction, Inc. is hereby authorized to commence work as noted above.

OWNER PRINTED NAME: _____

OWNER SIGNATURE: _____ **DATE:** _____

THANK YOU FOR YOUR BUSINESS!



TO: Paul Brean, Executive Director, PDA
FROM: Geno J. Marconi, Director, DPH
DATE: November 30, 2020
RE: Commercial Mooring Transfer

PKB
W

The Pease Development Authority, Division of Ports and Harbors has received a request for the transfer of a commercial mooring, permit #1313, from Tom Willwerth to Chad Belhumeur.

I have reviewed the attached paperwork and concur with the local Harbormaster and Chief Harbormaster that the request meets all the requirements of the PDA-DPH Code of Administrative Rules regarding commercial mooring transfers. Therefore, I am requesting approval of the transfer.

If you have any questions or need further information, please let me know.

Division of Ports & Harbors
Memorandum

To: Capt. Geno J. Marconi
From: Chief H/M Tracy R. Shattuck *TRS*
Re: Commercial Transfer
Date: November 30, 2020

Tom Willwerth and Chad Belhumeur are requesting the transfer of a Commercial Mooring Permit (#1313) in the Seabrook Harbor mooring field concurrent with the sale of equipment. Attached is documentation of Belhumeur's commercial enterprise in the form of his fishing licenses. Also attached is the transfer request and bill of sale from Willwerth. Chad Belhumeur has asserted that he understands that the mooring must remain in commercial use.

I have reviewed this application and I believe that it is in compliance with the administrative rules.

I recommend that permit #1313 be transferred to:

Chad Belhumeur
9A N Street
Hampton, NH 03842-3420

