

TOWN COUNCIL AGENDA
February 12, 2018
7:00 P.M.

The Town Council meeting will be held in the Moose Hill Council Chambers, Town Hall, 268B Mammoth Road, Londonderry, NH. Regular meetings are cablecast live and videotaped for the convenience of our viewers at home. 7:00 PM.

A. CALL TO ORDER

B. PUBLIC COMMENT

- 1.) Londonderry Police Department Annual Report
Presented by Chief Bill Hart
- 2.) Presentation on Opioid Litigation
Presented by Attorney Thomas Colantuono

C. PUBLIC HEARING

- 1.) The Purchase of 66.9 acres located along Griffin Road, 36.9 acres of which are located on Map 1, Lo 26 and 30.0 acres of which are located on Map 3, Lot 40, for the purpose of placing it into conservation.
(Continuation from the January 8th & February 5th meeting)

D. OLD BUSINESS

- 1.) **Town Council Public Comment Rules Update**

E. NEW BUSINESS

F. APPROVAL OF MINUTES

Approval of February 5th, 2018 Town Council Minutes

G. OTHER BUSINESS

1. Liaison Reports
2. Town Manager Report
3. Assistant Town Manager Report
4. Board/Committee Appointments/Reappointment

H. ADJOURNMENT

I. MEETING SCHEDULE

1. Town Council Meeting – 03/05/18 Moose Hill Council Chambers, 7:00PM
2. Town Council Meeting – 03/19/18 Moose Hill Council Chambers, 7:00PM
3. Town Council Meeting – 04/02/18 Moose Hill Council Chambers, 7:00PM
4. Town Council Meeting – 04/16/18 Moose Hill Council Chambers, 7:00PM



**Town of Londonderry
Planning and Economic Development Department**

268B Mammoth Road
Londonderry, NH 03053
Phone 603.432.1100 x 134
www.londonderrynh.org

To: Town Council
From: Colleen Mailloux, AICP, Town Planner & Amy Kizak, GIS Manager/Comprehensive Planner
CC: Kevin Smith, Town Manager
Date: August 28, 2017
Re: Development review of Map 1, Lot 26, and Map 3, Lot 40 – 24 Griffin Road & 101 Rear Mammoth Road

The Town Council was presented with a 48-acre parcel of land on Map 1, Lot 26, owned by Chestnut Realty Partners, LLC, and a 30-acre parcel of land on Map 3, Lot 40, owned by Forest Land Preservation and Management Realty Trust, as candidates for town purchase as conservation land. Prior to consideration of these parcels for acquisition by the Joint Negotiating Committee, the Council requested that the Planning and Economic Development (PED) Department prepare an analysis of the development potential of the parcels.

Property Narrative

Map 1 Lot 26 is located along Griffin Road, in the southern area of Londonderry, and consists of 48 acres (see Figure 1). The parcel has 825' +/- of frontage along Griffin Road, and an existing Right of Way (ROW) potentially provides access off Lantern Lane. A named wetland, "Long Swamp", is located on the northern end of the parcel and an unnamed wetland system encompasses approximately half of the parcel, with upland pockets throughout, and a larger upland area to the rear of the parcel, near the Lantern Lane ROW. The parcel is included in the green infrastructure map and was identified as a priority parcel for protection in the 2011 Open Space Plan.

The Planning Board has granted conditional approval of a residential subdivision of the parcel, creating four house lots with frontage on Griffin Road, and a remainder parcel of 36.9 acres.

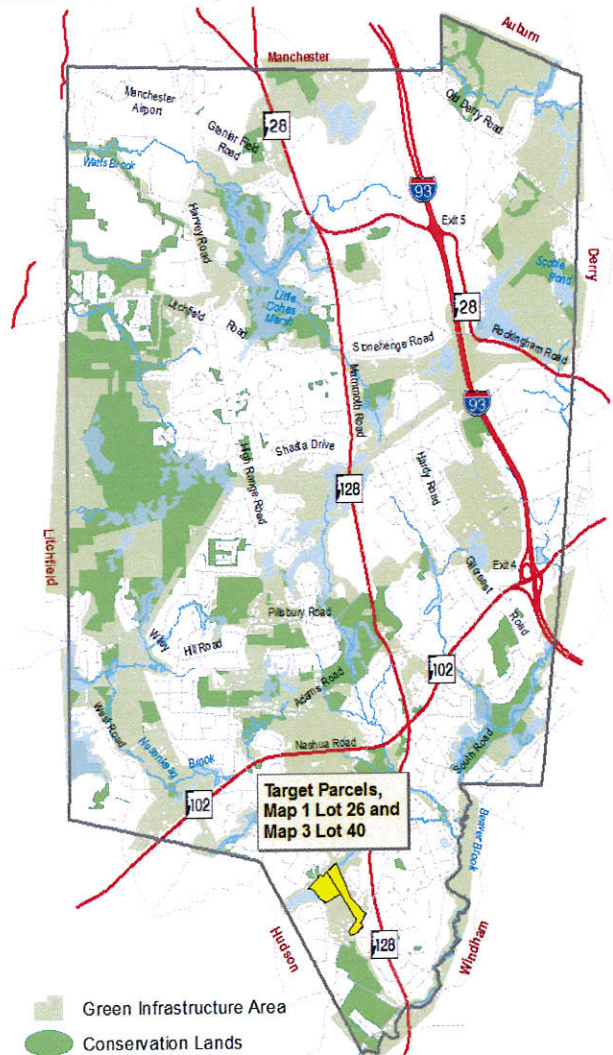


Figure 1: Parcel Location

Map 3 Lot 40 is located to the east of Map 1 Lot 26, and consists of 30 acres (see Figure 1). The parcel does not have frontage on any Town Road, but access is possible either via an existing ROW on Holstein Ave, or by crossing Map1, Lot 26. A named wetland, "Long Swamp" is located on the northern and eastern edge of the parcel. The parcel is included in the green infrastructure map and was identified as a priority parcel for protection in the 2011 Open Space Plan.

The parcels are located in the Agricultural-Residential (AR-1) zone. There is no access to public water or sewer. The following analysis is based on the assumption that development of the parcel will most likely take place in the form of a single-family residential subdivision.

Analysis of Development Potential

This analysis of development potential has been performed assuming that the remainder of Map 1, Lot 26 (36.9 acres) and the entirety of Map 3, Lot 40 (30 acres) are to be merged under single ownership and developed jointly.

Theoretical Lot Yield

Typical PED Department protocol for an analysis of the development potential of a parcel begins with a theoretical lot yield based upon assumed soil types and standard lot sizing. Lot sizing in the AR-1 district is soil based, with the best possible conditions supporting lots as small as 43,560 square feet. Soil, slope and drainage conditions on most subdivisions contribute to larger lot sizes and thus the typical lot in Londonderry is approximately 1.5 acres in size.

Theoretical lot yield is normally calculated by assuming a minimum lot size based on known soil characteristics on the subject parcel and abutting properties, analysis of average lot sizing in the area, and assumptions on potential road infrastructure and lot distribution. While the subject parcels are large in area (66.9 acres), development potential is limited not only by soil sizing, but also by the parcel configuration, the distribution of wetlands through the parcel, and steep slopes, making it infeasible to create a theoretical lot yield as is customarily provided.

Feasible Lot Yield

Due to the unique circumstances of the parcels, feasible development scenarios were reviewed that were more realistic with the land potential, including a practicable road location and consideration of development constraints. The scenarios reviewed include:

- Parcel access via through road from Holstein Avenue and Lantern Lane
- Conventional subdivision via Lantern Lane cul de sac
- Conservation subdivision via Lantern Lane cul de sac

Development Parcel Access

In determining the potential for maximum lot development, potential access points were reviewed in detail. The subject parcels have frontage on Griffin Road, and dedicated ROWs provide potential access points from Holstein Avenue and Lantern Lane.

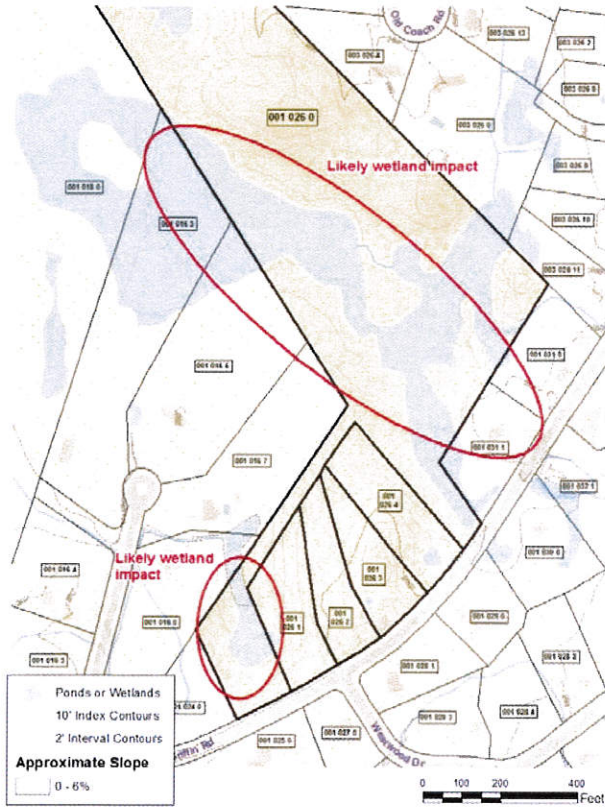


Figure 2: Access Constraints - Wetlands

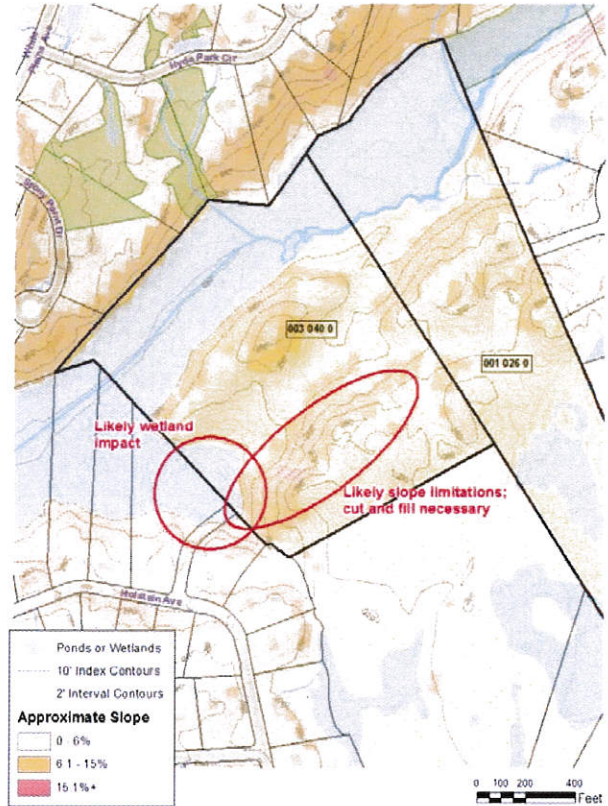


Figure 3: Access Constraints – Wetlands & Steep Slopes

Due to the configuration of the conditionally approved subdivision creating frontage lots on Griffin Road, while sufficient frontage on Griffin Road was preserved for the remainder lot to be considered a legal lot of record, it is unlikely that any development of the rear portion of the site would be accessed via Griffin Road. The parcel is bisected by a significant wetland system that separates the Griffin Road frontage from the rear uplands (Figure 2). The wetland delineation performed for the conditionally approved subdivision plan confirms that the wetlands onsite are more substantial than the GIS layers indicate. In addition to wetland impact, infrastructure costs, roadway design standards and cul de sac limitations make access to the buildable portion of the lot via Griffin Road infeasible.

Accessing the buildable area of the parcel via Holstein Avenue and a potential through-road connection to Lantern Lane is also an unlikely scenario. Access via the Holstein Avenue ROW would impact the named wetland and its buffer, and steep slopes would require extensive cut and fill to moderate the topography in order to support a road that meets Londonderry’s road design standards (Figure 3). The required grading would further impact the wetland resources in the area. The required improvements

to utilize the Holstein Avenue ROW would be costly and consumptive of land for easements and drainage and is not likely to be a feasible access point.

Access to the lot for development purposes is assumed to come from the Lantern Lane ROW. While an access road in that location will require wetland permit for impacts to an isolated wetland adjacent to the ROW, it appears to be a practicable access to the upland area of the subject parcel.

Conventional Subdivision

A conventional subdivision scenario was carried out and was based on the following assumptions:

- 1 acre minimum lot size
- 150' minimum frontage
- Apparent best location for roadway using an existing right of way on Lantern Ln.
- Maximum cul-de-sac length to maximize number of lots
- Conservation Overlay District setback from Long Swamp (100')
- Conservation Overlay District setback from un-named wetland (50')

The scenario yielded 9 lots off a new road of varying shapes and sizes (Figure 4). The shape of the parcel and the location of slopes lent to irregularly shaped parcels. The lot sizes varied from 1.75 acres to 16.7 acres. No assumptions were made about soil sizing or land required to be set aside as easements for drainage or slope easements to permit grading for an acceptable roadway, which, when imposed, may further limit the potential lot yield.

Conservation Subdivision

A conservation subdivision scenario was also carried out based on the following assumptions:

- 1 acre minimum lot size
- 50' minimum frontage
- Apparent best location for roadway using an existing right of way on Lantern Ln.
- Maximum cul-de-sac length to maximize number of lots
- At least 40% of the combined parcels land needs to be put in conservation
- At least 25% of the conservation land needs to be upland and buildable.

This scenario yielded 15 lots off of a new road (Figure 5) due to the reduced frontage required under the Conservation Subdivision Ordinance. The lot size varies from 1 acre to 8.7 acres. The 40% of the parcel set aside for conservation is located in the southern part of the parcel and where Long Swamp crosses the parcel. No assumptions were made about soil sizing or land required to be set aside as easements for drainage or slope easements to permit grading for an acceptable roadway, which, when imposed, may further limit the potential lot yield.

It appears, based on preliminary analysis, that 9 to 15 single family residential house lots is a reasonable assumption for the development potential of this parcel.

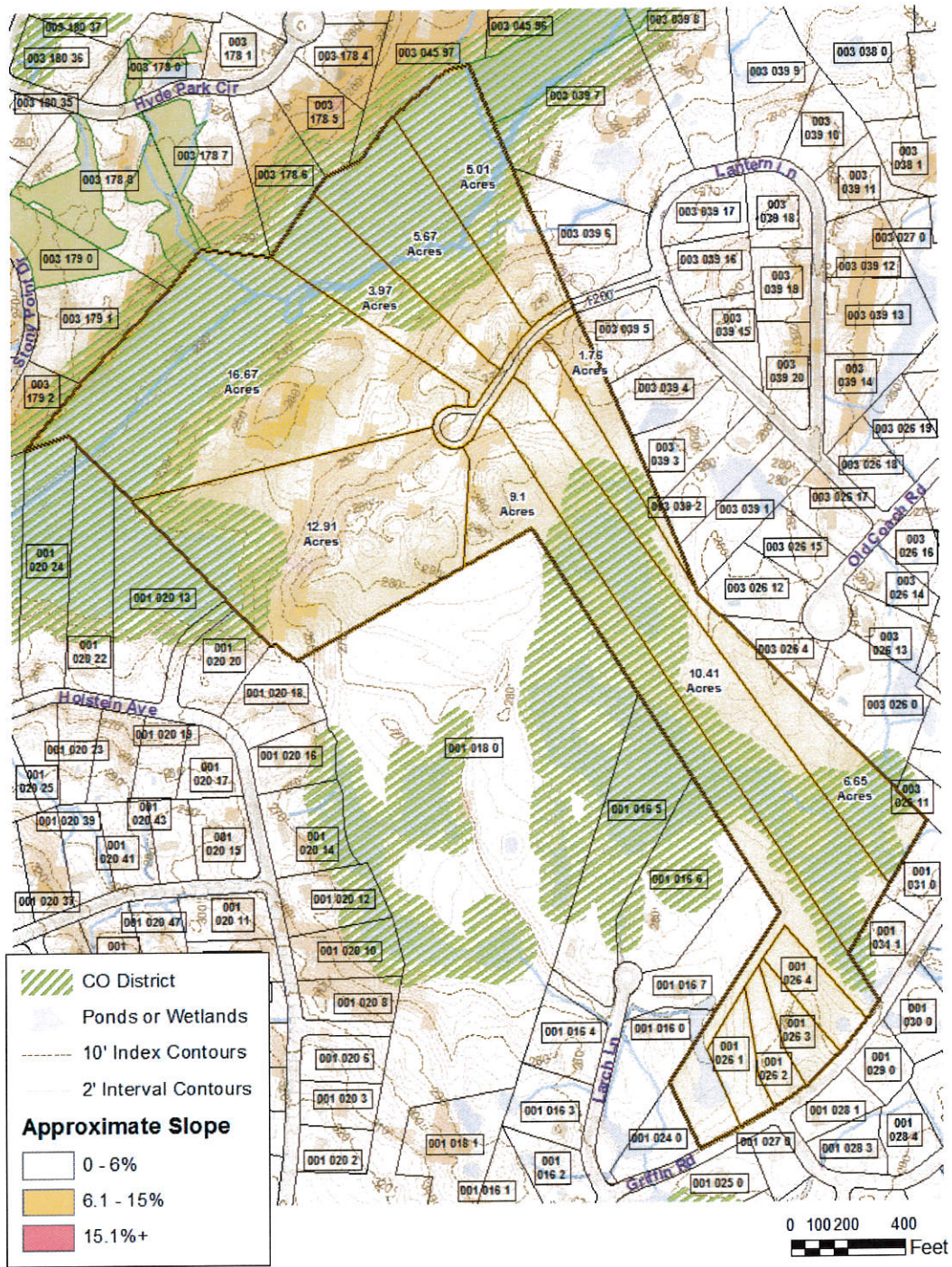


Figure 4 – Conventional Subdivision

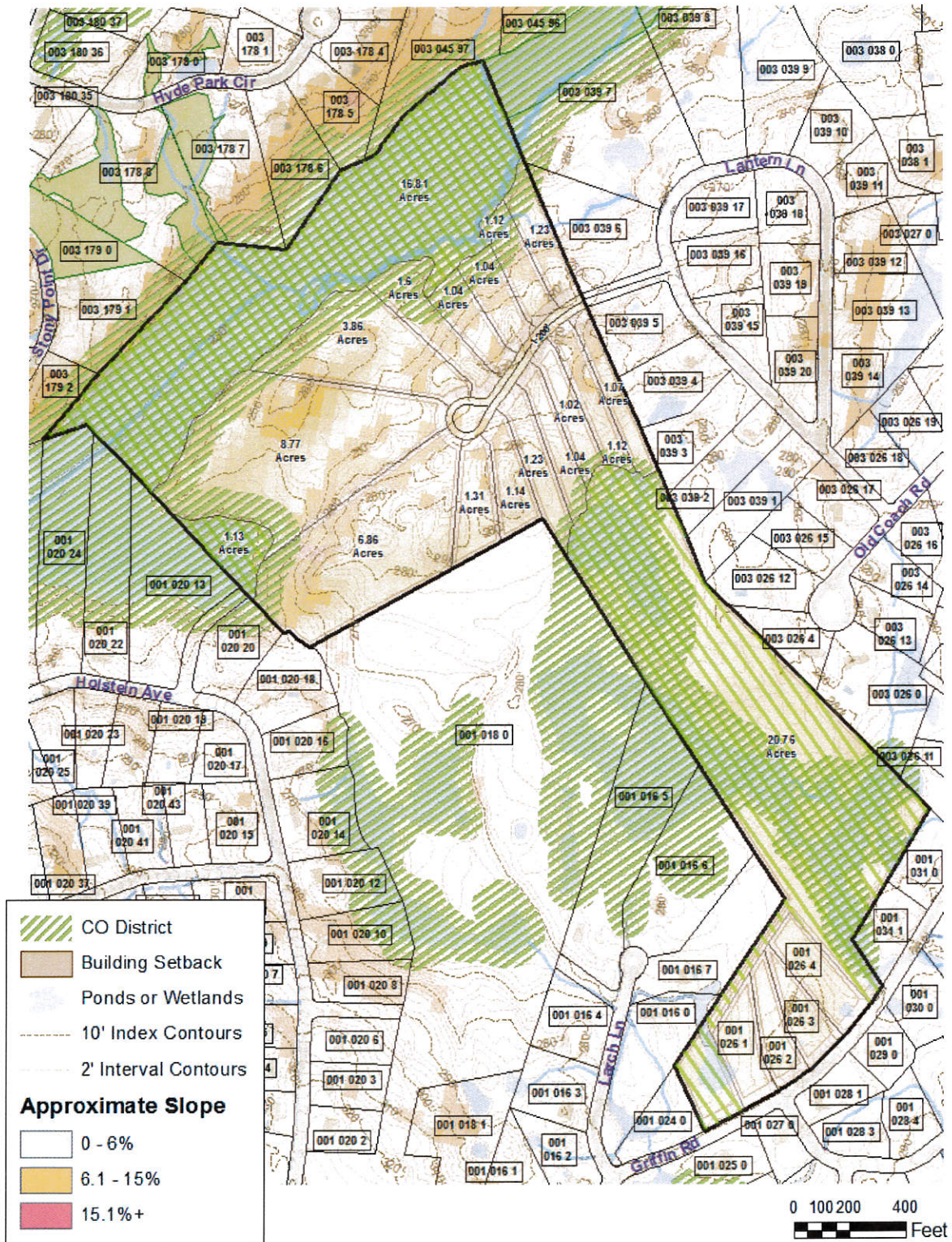


Figure 5— Conservation Subdivision

PURCHASE AND SALE AGREEMENT

This Agreement is made this ___ day of _____ 2018, by and between, Chestnut Realty Partners, LLC., with an office at 740 Chestnut Street, Manchester, New Hampshire 03104, (“Seller”), and the Town of Londonderry, a New Hampshire municipal corporation, with an address of 268B Mammoth Road, Londonderry, New Hampshire 03053 (“Buyer”).

In consideration of the mutual promises and undertaking set forth below, the parties agree as follows:

1. **CONVEYANCE AGREEMENT AND DESCRIPTION OF ALL REAL ESTATE:**

Buyer, acting through its Conservation Commission, desires and agrees to purchase in fee simple certain premises (collectively, the “Property”) owned by the Seller or to be owned by the Seller as specified in paragraph 5a of this agreement, with all buildings, fixtures and improvements thereon, and all appurtenant easements thereto, if any, and described as follows:

- a. the premises identified by the Town of Londonderry as the entirety of Tax Map 3, Lot 40 otherwise known as 101 Rear Mammoth Road, consisting of approximately 34.492 acres, as shown on a plan entitled “Boundary Plan Land of Forest Land Preservation Management Realty Trust, Tax Map 3, Lot 40, off Griffin Road, Londonderry, New Hampshire, Rockingham County,” by Keach-Nordstrom Associates, Inc., dated December 11, 2017, on file at offices of the Seller and Buyer; and
- b. proposed Map 1 Lot 26, to be known as 26 Griffin Road, consisting of approximately 36.9 acres, as shown on a proposed subdivision plan entitled “Residential Subdivision Plan of Land of Chestnut Realty Partners LLC, Tax Map 1 Lot 26, 24 Griffin Road, Londonderry, New Hampshire, Rockingham County,” by Keach-Nordstrom

Associates, Inc., dated March 23, 2017, last revised July 14, 2017, on file at offices of Seller and Buyer.

2. **PURCHASE PRICE:** The purchase price for the Property shall be \$740,000.00, to be paid at closing in the form of a check drawn on the Town of Londonderry.

3. **CLOSING AND TRANSFER OF TITLE:** Closing shall occur at the offices of the Town of Londonderry, New Hampshire, or at a mutually agreeable location on or before June 30, 2018. At that time, the Seller shall supply properly executed warranty deeds, and good and marketable title.

4. **REAL ESTATE COMMISSIONS:**

The Parties agree that there is no real estate agent entitled to a commission in this transaction, and that each Party agrees to indemnify the other against claims for such a commission by persons claiming by or through such indemnifying Party.

5. **CONTINGENCIES:**

Performance under this agreement is specifically conditioned and/or contingent on the following:

- a. The Seller obtaining good and marketable title to 101 Rear Mammoth Road, Tax Map 3, Lot 40 within 60 days of the signing of this agreement;
- b. The Seller obtaining final subdivision approval from the Londonderry Planning Board for the proposed subdivision plan entitled "Residential Subdivision Plan of Land of Chestnut Realty Partners LLC, Tax Map 1 Lot 26, 24 Griffin Road, Londonderry, New Hampshire, Rockingham County," by Keach-Nordstrom Associates, Inc., dated March 23, 2017, last revised July 14, 2017 as noted herein, and said plan being properly and duly recorded at the Rockingham County Registry of Deeds (proof of which is provided to the Buyer);

- c. The purchase of this fee simple interest in the Property identified herein shall be subject to public hearings, votes and any other actions necessary to authorize the expenditure of funds, and for the Conservation Commission to purchase the Property with the approval of the Londonderry Town Council. Should either the Conservation Commission or the Town Council fail to vote to approve the purchase of the Property, this agreement shall become null and void, without recourse to the Seller, and the Buyer shall not be bound by its terms.
- d. During the term of this Purchase and Sale Agreement, the Seller shall not alter the Property in any way, including, but not limited to the harvesting of timber, excavation of earth, or construction of improvements.
- e. Seller warrants that the title to the Property is good and marketable, and there are no liens against the Property, except liens to be satisfied out of proceeds of the sale. Buyer may cause title to the real Property to be examined at Buyer's expense. In the event that the title examination is not satisfactory to Buyer, in its sole opinion, then this Purchase and Sale Agreement shall be considered, null, void and of no force and effect, at the option of the Buyer.
- f. Seller warrants that during the time of Seller's ownership of the Property, Seller has not discovered, nor has Seller caused the Property to be exposed to, any toxic or hazardous substance, and Seller is otherwise unaware of the existence of any toxic or hazardous substance on the Property.
- g. Prior to the date of closing, Buyer, or Buyer's representatives, shall have the right to enter the Property for the purpose of performing inspections and tests. All such inspections and tests shall be conducted at the sole expense of the Buyer. Buyer shall have the right to have the Property surveyed, to test for environmental matters, to

conduct engineering inspections, to review zoning matters, market conditions, financial matters and any or all other matters Buyer deems relevant to its purchase. If Buyer, in its sole opinion, is not satisfied with the results of such tests or inspections for any reason, or if the Property is not in compliance with any applicable laws, regulations, codes or ordinances, Buyer may, at its option, terminate this agreement by providing written notice to the Seller on or before thirty (30) days prior to the date of closing, in which event this agreement will be null and void without recourse to the Seller.

6. **TIME OF THE ESSENCE:**

Time shall be of the essence of this agreement.

7. **ASSIGNMENT:**

No assignment of this agreement or any right accruing under this agreement shall be made, in whole or in part, by either party, without the prior written consent of the other party.

8. **BINDING ON SUCCESSORS:**

This agreement shall inure to the benefit of and be binding upon the heirs, executors, administrators, estates, successors and assigns of Buyer and Seller.

9. **INTERPRETATION:**

This agreement shall be interpreted under the laws of the State of New Hampshire.

10. **CAPTIONS:**

The captions used herein are for convenience only, are not part of this agreement, and shall not be used in construing it.

11. **GENDER:**

Reference herein to the masculine shall be deemed to include the feminine and reference to the singular shall be deemed to include the plural, where the context so requires or permits.

12. **ENTIRE AGREEMENT:**

This agreement contains all the terms and conditions of this sale and any written or oral representations made by either party prior to the signing of this agreement are null and void. This agreement may only be modified by a written instrument.

13. **COUNTERPARTS:**

This agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall be one and the same instrument.

14. **NOTICES:**

All notices or other documents under this agreement shall be in writing and delivered personally or mailed by certified mail, return receipt requested, postage prepaid, and addressed to the parties at the addresses first stated.

NOTE: This is a legal document that creates certain binding obligations. If you do not understand it, consult an attorney before signing.

IN WITNESS WHEREOF, the parties have executed this Agreement.

CHESTNUT REALTY PARTNERS, LLC, by:

Witness

Richard N Danais, Manager Chestnut Realty
Partners, LLC. (Duly Authorized)
Date:

TOWN OF LONDONDERRY, by:

Witness

Kevin Smith, Londonderry Town Manager (Duly
Authorized)
Date:

APPRAISED PROPERTY

A 66.9 Acre Vacant Land Parcel
Located on Griffin Road and Lantern Lane in Londonderry, NH
And Owned by: Chestnut Realty Partners, LLC
and the Forest Land Preservation and Management Realty Trust



Prepared for:

Mr. Richard Danais
Danais Realty
740 Chestnut Street
Manchester, NH 03104

Marge Badois, Chair
Londonderry Conservation Commission
268B Griffin Road
Londonderry, NH 03053

Mr. Keith Martel
Sterling Homes
124 E. Industrial Park Drive, Unit #13
Manchester, NH 03109

Prepared By:

Kevin A. McManus

Date of Value: October 6, 2017

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October 31, 2017

Mr. Richard Danais
Danais Realty
740 Chestnut Street
Manchester, NH 03104

Ms. Marge Badois, Chair
Londonderry Conservation Commission
268B Griffin Road
Londonderry, NH 03053

Mr. Keith Martel
Sterling Homes
124 E. Industrial Park Drive, Unit #13
Manchester, NH 03109

RE: Appraisal of property owned by Chestnut Realty Partners, LLC and the Forest Land Preservation and Management Realty Trust, located on Griffin Road and Lantern Lane in Londonderry, NH

Dear Ms. Badois, Mr. Danais & Mr. Martel:

In accordance with your request, I have prepared, and am submitting herewith, a appraisal of property owned by Chestnut Realty Partners, LLC and the Forest Land Preservation and Management Realty Trust, located on Griffin Road and Lantern Lane in Londonderry, NH. The purpose of the appraisal is to estimate the market value of the subject property, as of October 6, 2017, the date of inspection. The intended use of this appraisal is to assist in determining the value of subject property for possible transfer to the Londonderry Conservation Commission. The intended users are the representatives of Chestnut Realty Partners and of the Town of Londonderry.

The subject comprises 66.9± acres with 212'± of frontage on the north side of Griffin Road. The property also includes two, 50' wide strips providing fee access off the west side of Lantern Lane, and off the northeast side of Holstein Avenue. The Town of Londonderry Assessor's office indicates the subject is the entirety of Map 3 / Lot 40, and all but 5.185 acres¹ of the existing Map / 1 Lot 26.

This report was prepared for and my professional fee billed to Richard Danais and Keith Martel as representatives of Chestnut Realty Partners, LLC and to Marge Badois, as Chair of the Londonderry Conservation Commission. It may not be distributed to or relied upon by other persons or entities without my written permission.

¹ This area has received conditional approval as four building lots with frontage on Griffin Road, and has been excluded from this valuation.

Chestnut Realty Partners, LLC and the Forest Land Preservation and Management Realty Trust - Londonderry, NH

The report was prepared to meet the Uniform Standards of Professional Appraiser Practice (USPAP). To the best of my knowledge, all statements are true and unbiased. I have no financial interest in the property and my fee is not contingent upon the reporting of any value conclusion.

I have made a careful and thorough analysis of the property, the details of which are enclosed herewith. In consideration of the facts and opinions contained herein, it is my opinion that the market value of the subject property, as of October 6, 2017, is \$740,000.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Kevin A. McManus", written over a horizontal line.

Kevin A. McManus, Vice President
Certified General Appraiser-NHCG #249

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IDENTIFICATION AND OWNERSHIP HISTORY

The portion of the subject property owned by Chestnut Realty Partners, LLC comprises a portion of the property transferred on January 3, 2017 from Cynthia F. Matson. The appraiser has read the Warranty Deed on file at the Rockingham County Registry in Book 5788 / Page 910. This transfer represents Londonderry Assessment Map 1 / Lot 26, before subdivision of four lots along Griffin Road, conditionally approved as of the date of value, and specifically not part of this valuation. This sale will be considered in the Valuation subheading.

The portion of the subject owned by Forest Land Preservation and Management Realty Trust; David R. Bingham, Donald E. Bingham, and Carol A. Hartwell, Trustees; was transferred on July 18, 1985 from Donald E. Bingham. The appraiser has read the Warranty Deed on file at the Rockingham County Registry in Book 2554 / Page 304. This lot represents Londonderry Assessment Map 3 / Lot 40.

It is the appraiser's understanding there is a purchase agreement between representatives of Chestnut Realty Partners and the Trustees of Forest Land Preservation and Management Realty Trust, however, the details were considered confidential and not made available to the appraiser.

INTENDED USE & INTENDED USERS

The intended use of this Appraisal is for sale of the fee interest in the subject property. The intended users are representatives of Chestnut Realty Partners, LLC and representatives of the Town of Londonderry.

PURPOSE

The purpose of this Appraisal is to estimate the market value of the subject property, as of October 6, 2017, the date of inspection.

FUNCTION

The function of this Appraisal is to estimate the value of the fee interest in the subject property for potential sale.

SCOPE

The assignment in this Appraisal report is to estimate the fee simple market value of the appraised property. This process involved:

- A thorough inspection of the property, unaccompanied, on October 6, 2017.
- Researching legal data surrounding this property at the Londonderry Town Hall and the Rockingham County Registry of Deeds.
- Interview and correspondence with Colleen Mailloux, Londonderry Town Planner and Amy Kizak, Comprehensive Planner, regarding their Development Review report of the subject property (see *Addenda*).
- Interview and conference with Mike Speltz on behalf of the Londonderry Conservation Commission, Richard Danais and Keith Martel. Mr. Martel

- provided an opinion of subject value via a rudimentary subdivision analysis, which is addressed further, later in this report.
- Completion of a value estimate and providing a value estimate.
 - Researching town, regional, and market data including consideration of transfers of comparable residential acreage and lot sales in Londonderry, Salem, Hollis & Pelham, NH.
 - Confirming and inspecting comparable sales properties
 - Development of a direct sales approach to value, and a subdivision analysis; reconciliation of approaches and writing this report.

It is the appraiser's determination that this Appraisal does not result in a misleading or confusing report.

COMPETENCY STATEMENT

The members of this firm responsible for the analysis and conclusions expressed herein are competent to undertake and perform the tasks required of this assignment by virtue of specialized training and examination, previous experience in assignments such as this, professional recognition of this training and experience, and research conducted in preparation for solving the problems inherent in this assignment.

REAL PROPERTY INTERESTS

This appraisal values the interest in the property known as fee simple estate.

EFFECTIVE DATE OF THE APPRAISAL REPORT

The effective date of this Appraisal is October 6, 2017, the date of inspection.

PREVIOUS VALUATION OF THE SUBJECT PROPERTY

The appraiser has not previously completed any valuation of the subject property, or any portion of the subject property.

DEFINITION OF MARKET VALUE

In this report market value is defined as:

"The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would be sold by a knowledgeable owner willing but not obligated to sell to a knowledgeable purchaser who desired but is not obligated to buy. In ascertaining that figure, consideration should be given to all matters that might be brought forward and reasonably be given substantial weight in bargaining by persons of ordinary prudence, but no consideration whatever should be given to matters not affecting market value."²

² United States v. 50 Acres of Land, 469 U.S. 24, 29 (1984).

Chestnut Realty Partners, LLC and the Forest Land Preservation and Management Realty Trust - Londonderry, NH

AREA DATA

The subject is located in the southwestern portion of Rockingham County, 10 miles from Manchester, NH and 44 miles from Boston, MA. Londonderry is part of the Nashua Labor Market Area. The primary road networks in the region are I-93 & 293, and NH Route 128 in a north-south direction; and NH Route 102 and NH Route 111 in an east to west direction. The largest employers in the Nashua Labor Market Area are Fidelity Investments (6,000), BAE Systems (3,100) Southern NH Medical Center (2,217) and St. Joseph's Hospital (1,675).

The Nashua Labor Market Area (NH Portion) had an average 2014 labor force of 158,250, with a 4.7% unemployment rate. In 2015 the labor force size was 159,190, and the average unemployment rate was 3.7%. The average labor force size during 2016 was 160,830, with an unemployment rate of 3.1%. As of August 2017, the Nashua LMA labor force was 161,700 and the unemployment rate was 2.9%. The local LMA has undergone slight, steady increases in the labor force size and decreases in unemployment rate annually over the past 3+ years.

The population of Rockingham County has continued to increase in population for the last 40 years. It's population increased from 278,748 people in 2000 to 295,223 people in 2010, an increase of 5.9%. The most recent population estimates show an estimated 2015 population of 300,569 people. Each of the towns in the area provide primary and secondary education. Higher education in the region includes Thomas More College, Rivier College, St. Anslem's College, Hesser College and Southern NH University. Medical services include Southern NH Medical Center with 177 beds, St. Joseph's with 144 beds and Parkland Medical Center with 82 beds.

TOWN OF LONDONDERRY

The Town of Londonderry is located in the southwest portion of Rockingham County, bordered to the east by Derry, westerly by Litchfield, and to the north by Manchester, NH. Primary roadways in town include I-93 with two interchanges (exits 4 & 5), NH Route 128 and NH Route 102.

The population of Londonderry increased dramatically from 5,346 in 1970 to 19,798 in 1990 (270%). The town continued an above average rate of population growth during the 1990's, from 19,781 to 23,236 / +17%, at a time when the combined county populations of Rockingham and Hillsborough increased by 13%. Between 2000 and 2015, population increased more slowly by 7% to 24,891.

As per MLS statistics for single family residential transfers in Londonderry, the past several years have seen a continual increase in the number of sales and in the average sales price. There were 246 sales in the Londonderry in 2014 with an average price of \$303,000±. In 2015, there were 310 sales at an average price of \$326,000±. In 2016 there were 326 single family residence sales, at an average price of \$335,000±. The latest statistics through the first 9 months of 2017 indicate that there have been 179 sales, with an average sales price of \$353,000±.

Londonderry includes a portion of the industrial development and associated employment in the southern portion of the City of Manchester, in the vicinity of the

Manchester-Boston regional airport. The largest employers include L-3 Warrior Systems (761 employed), Harvey Industries (500), FEDEX (500 employed), Londonderry School District (493), and Stonyfield Yogurt (375). Londonderry has long included numerous apple orchards which originally served the local market, but since the 1970's have exported their product throughout the US. Orchards include Sunnycrest, Elwood, Moose Hill, and Merrill's.

Londonderry commercial development is centered along NH Route 102 (I-93, exit 4), where there are numerous community shopping centers. A significant, multi-use development has broken ground in what was once Woodmont Orchards. The 629 acre Woodmont Commons is intended to be accessed via a planned, new I-93 interchange (exit 4-A). The first phase of the development includes a brewery pub and several apartment buildings. The 20 year development plan includes 1,300 single or multi-family units, 850,000 SF of retail space, 700,000 SF of office space, and 3 hotels.

NEIGHBORHOOD ANALYSIS

The subject neighborhood is defined as all that area along Griffin Road, found in the southern portion of Londonderry. Griffin Road extends a distance of 1.0± mile in a north - south direction, from Griffin Road / NH Route 128, southerly to the Hudson town line. Griffin Road is a 2-lane, paved, town-maintained road without breakdown lanes in very good condition. Other neighborhood streets include Lantern Lane, Jersey Street, Holstein Ave, Westwood Drive and Mill Road.

The neighborhood is primarily developed with a moderately dense, single family residential use. Homes fronting on Griffin Road have a relatively wide range of age and quality, generally in good condition. Side streets are generally uniform, residential subdivisions of 1980's - 1990's construction. Other neighborhood features include the 226 acre Bockes-Ingersoll Memorial Forest, which fronts on the east side of Griffin Road and extends across Mill Road and over the Hudson town line. The forest includes an extensive trail network.

Recent neighborhood sales include the 48 acre land parcel which comprises much of the southern portion of the subject, which transferred in January 2017 for \$339,400 (to be considered further in the valuation section of this report). The residence adjacent to the subject Griffin Road frontage, at #16 Griffin Road, improved with a 1,258 SF 1980's split-level residence on a 1.1 acre lot, transferred in November 2016 for \$235,000. The residence at 16 Lantern Lane, a 1997 colonial with 2,774 SF living area on a 8.4 acre lot, sold in June 2014 for \$375,600. Undeveloped and unrestricted portions of the neighborhood are likely to receive development pressure into the foreseeable future.

ZONING

As per the Town of Londonderry Zoning Ordinance, all subject property is in the Agricultural-Residential (AR-1) District. Uses permitted by Right in this district include agriculture, single, & 2-family residential, manufactured housing, public facilities including recreation and utilities, religious facilities, bed & breakfast homestays, and excavation. Uses permitted by Conditional Use include back lot development and multi-families. Use permitted via Special Exception are limited to home occupations.

The minimum lot size in the R/A district without sewer service (i.e., the subject), is determined via high intensity soils surveys, although such shall not be less than 1 acre. The minimum Class V road frontage for a conventional lot is 150'. This is reduced to 50' for conservation subdivisions. Setback requirements are 40' front and 15' side and rear. The maximum building height is 35'. The existing subject use is classified as a legal, conforming use.

ASSESSMENTS & TAXES

Information about the subject lots has been researched through the Londonderry Assessor's office as follows:

CHESTNUT REALTY PARTNERS, LLC PROPERTY

Map & Lot: 001 / 026
 Land: \$255,045
 Buildings: \$112,300
 Total: \$367,345
 Indicated Market Value via Assessments: \$383,450
 Deduction for Current Use: - \$155,037
 Total Subject to Current Use: \$212,308
 Taxes Paid (subject to C.U.): \$4,564.62

FOREST LAND PRESERVATION & MANAGEMENT REALTY

Map & Lot: 003 / 040
 Land: \$38,333
 Buildings: \$ - 0 -
 Total: \$38,333
 Indicated Market Value via Assessments: \$40,014
 Deduction for Current Use: - \$35,566
 Total Subject to Current Use: \$2,767
 Taxes Paid (subject to C.U.): \$59.49

It is noted assessed values for the Chestnut Realty Partners property includes a 5.185± acre portion, with antique residence (in poor condition), which is specifically excluded from this valuation. The subject owners have benefitted from reduced property taxes in reflection that all or the majority of subject land area is enrolled in the Current Use tax program. The 2016 Londonderry tax rate was \$21.50 per thousand. The New Hampshire Department of Revenue Administration indicates that assessed values were equal to 95.8% of market value as of the latest year such was determined (2016). Further consideration of the Current Use tax status will be made later in this analysis, if pertinent. The above assessed values have not been relied upon as indicators of market value.

SITE ANALYSIS

(Note: This analysis presumes that a 36.9± acre portion of the Chestnut Realty Partners property, and the entirety of the 30.0± acre Forest Land Preservation & Management property, are to be merged under a single ownership as described following).

The subject encompasses 66.9± acres¹ located on the west side of Griffin Road, near the entrance of Westwood Lane. The subject is very irregular in shape, with a maximum depth east to west of 3,500'±, or north to south of 1,800'±. The appraised includes a total of 212.62' frontage on Griffin Road, comprising a southern section of 158.62', and a northern section of 54.0'. Though both are at grade, the utility of either portion of Griffin Road front is minimal due to the presence of wetlands soils, and poor configuration. The property has legal & physical access to Lantern Lane via a 50.0'± wide, by 300'± long unimproved access strip, travelling between #18 and #20 Lantern Lane, and entering the subject near its northeast end. The utility of this access is favorable in light of the soils and topography. The property has legal access to Holstein Avenue via a 50.0'± wide, by 440'± long access strip, travelling between #22 and #24 Holstein Avenue. The utility of the Holstein Avenue access is unfavorable, in light of the considerable wetlands soils both within the access and on the adjacent subject area.

Subject topography is largely gently rolling, with moderate slopes of up to 15%, in the northwestern quarter. As per inspection of the property, the NRCS Web Soil Survey, and plans included in the Development Review letter completed by the Town of Londonderry; the northwest 10± subject acres is comprised of Freetown mucky peat soils, and is part of Long Swamp. Other, poorly drained soils to include Pipestone sand is interspersed through the narrow, central portion of the property. The approximate total percent poorly drained area is 25%. The most common soils, largely within the wide, northwest half of the lot, are of the Chatfield-Hollis-Canton complex. Comprising 60%± of the total, these soils have favorable drainage character, with a depth to bedrock which varies from as little as 10" to 20" (Hollis), to greater than 80" (Canton). Though development in this soil warrants careful consideration of placement of on-site septic systems, development has taken place in this soil type throughout the region.

The appraised has a somewhat sparse, largely relatively mature hardwood growth with average diameter of between 12" - 14". All area within the gas transmission line easement (see following) has been cleared; and extensive cutting has taken place in the northwest half of the property. The subject has access to electrical service along Griffin Road. There is no municipal water or sewer service in the area.

An underground gas pipeline easement, with width varying from 50' - 70', crosses a distance of 700'± through the southeast end of the appraised, encumbering an estimated 0.9 acres. To the best of the appraiser's knowledge, the appraised is not subject to any other easements or restrictions considered to enhance or detract from the value or use of the property.

Location in the Town of Londonderry is of average desirability as indicated by the average sales price as compared to Rockingham / Hillsborough County communities as a whole. The subject neighborhood is primarily developed with single family residences, with a lesser area which is undeveloped to include restricted or town-owned property.

¹ As per the Londonderry Assessor's, less a 5.185 acre portion of Map 1 / Lot 26 excluded from this analysis

In summary, the appraised is a 66.9± acre parcel with 212'± Griffin Road front of limited utility, and 50' of useful access to Lantern Lane. Approximately 75% of the property has well-drained, shallow soil types with moderate topography.

SUBJECT PHOTOGRAPHS TAKEN BY KEVIN A. MCMANUS
On October 6, 2017



#1 – Looking northeasterly along the southwest portion of Griffin Road front (left).



#2 – A view from Griffin Road toward the southern-most portion of the appraised.

SUBJECT PHOTOGRAPHS TAKEN BY KEVIN A. MCMANUS
On October 6, 2017



#3- The view from Lantern Lane toward the entrance to the 50'± access area.



#4 - Looking within the central portion of the above access area. Note the favorable slopes and soils.

SUBJECT PHOTOGRAPHS TAKEN BY KEVIN A. MCMANUS
On October 6, 2017



#5 – A view northerly along the gas transmission easement area.



#6 – A view southwesterly within the wide, northwestern portion of the property.

SUBJECT PHOTOGRAPHS TAKEN BY KEVIN A. MCMANUS
On October 6, 2017



#7 – Looking southeasterly in the portion of the appraised adjacent to the Lantern Lane access.



#8 – Looking northwest from the above.

SUBJECT PHOTOGRAPHS TAKEN BY KEVIN A. MCMANUS
On October 6, 2017



#9 – A view toward the portion of the subject which is part of Long Swamp.



#10 – Looking toward a seasonal stream found adjacent to the swamp.

THE HIGHEST AND BEST USE CONCLUSION

The principle of highest and best use is fundamental to the concept of value. Briefly it can be defined as "the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value".⁴

Legally Permissible – As detailed in the *Zoning* section, the appraised is located in the Agriculture - Residence District. Lot size in this district is determined via a high intensity soils survey, however, the minimum lots shall be 1 acre. The minimum road front for a conventional subdivision is 150'. The maximum cul-de-sac length is 1,200'. In conversation with Colleen Mailloux, Town Planner, there have been few if any waivers granted for a significant increase from the maximum cul-de-sac.

Physically Possible – The subject encompasses 66.9 acres with 212'± Griffin Road front and two, 50' wide accesses from Lantern Lane, and from Holstein Ave. Both the Griffin Road front and the Holstein Ave access are of limited utility due to poorly drained soils and difficult configuration. It is the conclusion of this analysis, supported by the owners, and town officials; that the Lantern Lane access is the sole, practical access for development.

Lantern Lane accesses the northern half of the appraised. This area has a relatively wide shape and comprised of largely well-drained soils. The maximum cul-de-sac length of 1,200' is a limiting factor. The appraiser has obtained and reviewed a copy of the Development Review letter completed by the Londonderry Planning and Economic Development Department. The report concludes the potential for a conventional, 9 lot subdivision, fronting on a cul-de-sac that extends 1,200' from Lantern Lane.

An analysis completed by the subject owner – developers, based upon a presumed total cul-de-sac of 1,700', and assuming all 1,375' once reaching the body of the appraised after clearing the area within the access would be useful as a double-sided subdivision roadway, results in an estimated 18 lots. It is noted this development is based upon a significant, 500' increase in cul-de-sac length. This proposed plan is not likely to gain approvals and is a less reliable indicator of the property potential.

Financially Feasible – Based upon recent past changes in the residential market, the demand for land with potential for residential development includes an increased number of transfers, with a relatively similar price per acre. This includes an increased number of subdividable land sales occurring in the past year. These transactions serve as a basis for establishing the feasibility of a use for residential development as of the date of value. It is considered economically feasible to incur the approximate cost to finish engineering studies and pursue subdivision of the appraised along a new interior road.

Maximally Profitable – Based upon the legal, physical and economic considerations above, the maximally profitable subject use is for construction of an interior road to subdivide 9 or greater single family residential building lots.

⁴ The Appraisal of Real Estate, 10th Edition, 1992 The American Institute of Real Estate Appraisers Page 45

VALUATION PREMISE

The three traditional methods of valuation are the Cost Approach, Income Approach and the Sales Comparison Approach. The Cost Approach applies to improved properties whose improvements are relatively new and do not suffer from strong obsolescence. The subject is unimproved and this approach is not applicable.

The Income Approach applies to properties which generate income in the form of rent. There are no known examples of leased residential land in the market area. This approach will not be applied.

The Sales Comparison Approach applies to properties which are commonly bought and sold in the market. There are examples of various residential acreage sales in the market area of similar utility as compared to the subject which can be utilized to derive a value estimate, and this approach is considered to provide the most reliable indicator of value.

Another means of valuing residential acreage with subdivision potential is the Subdivision Analysis. This analysis utilizes characteristics of the Sales Approach (i.e. Lot Sales) and of the Income Approach, in deriving a value estimate. Although this approach relies on greater assumptions on the part of the appraiser than the Sales Approach, and is generally less reliable, with sufficient support the Subdivision Approach can provide further support for the value via the Sales Approach and a rudimentary Subdivision Analysis will be completed.

Sales Comparison Approach

The sales of four residential zoned properties have been researched and analyzed. Each of the sales has been inspected and the details have been verified with the buyer, seller or broker. Sales photographs and site plans are found in the Addenda of this report. The sales include a January 2017 transfer of the portion of the appraised owned by Chestnut Realty Partners, less the 5.185 acre portion which has subsequently received conditional approval for 4 building lots, and has been excluded from this valuation.

The comparables are located in Londonderry and the southern NH communities of Salem, Pelham and Hollis. The sales took place between July 2015 and March 2017. They range in size from 26± to 190 acres. An analysis of the sales has been performed and adjustments have been made to derive a value indication for the appraised property. The unit of comparison reflective of the market for properties like the subject is "the acre". Found after the explanation of adjustments is a detailed sales comparison grid. The balance of this section will provide an overview of the adjustment process, a narrative description of each sale, a brief explanation of adjustments, and a value indication from each comparable.

The appraised is subject to a gas utility easement which is considered for adjustment in the Property Rights Conveyed category. The subject easement encumbers an area of 0.9 acres, comprising a small fraction of the total, however, it is reasonable that a market participant would recognize a corresponding slight adjustment as compared to a property without such. Sales #1 & #4, which lack an easement restriction, therefore receive slight, negative adjustments. Sales #2 & #3 have similar utility easements, are considered similar to the subject and not adjusted.

Sale #2, as per discussion with buyer and the broker, is considered to warrant an adjustment for advantage to the buyer. The seller occupied the residence in poor condition and desired a short-term closing. Inspection of the property and the residence exterior indicated the structural issues had been present for an extended time. That the property transferred for significantly less per acre than the remaining comparables provides some support for this opinion. The seller is considered to have suffered from a moderate disadvantage as described above, and a corresponding moderate, positive adjustment is applied.

The subject and all sales were largely or entirely enrolled in the Current Use tax program. All would be subject to a similar tax penalty when development or subdivided, and no adjustments are warranted for tax status.

The sales have also been adjusted for location, amount of road frontage, site size and physical characteristics as they pertain to development. The Location adjustment is based upon a comparison of real estate values in the respective towns, including an analysis of average residence sales prices, and the volume of sales, as compiled by M.L.S. Londonderry and each comparable town has been analyzed over the 24 month period from October 2015 through September 2017 shown following.

MLS Single Family Sales

Oct. 2015 - Sept. 2017

Town	# Sales	Ave Sale \$
Londonderry	575	\$ 338,000
Salem	696	\$ 357,000
Pelham	382	\$ 386,000
Hollis	211	\$ 490,000

That Salem has both a higher number of sales and moderately higher sales price, is considered slightly superior to the subject, overall, and a corresponding negative adjustment is made to Sale #1. Sale #2 is part of the subject, in the same location. The Town of Hollis (Sale #3) comprises a market approximately one third the size of Londonderry. In addition, there are a great many available building lots in Hollis. The significantly higher average price in Hollis is moderated by the above, the sale is considered slightly superior overall, and a corresponding negative adjustment is applied. The smaller market in Pelham (Sale #4), is considered to offset the advantage of a moderately higher average price. Sale #4 is considered in a similar location and not adjusted.

Adjustments for Size when applying a "per acre" unit of comparison reflects the inverse relationship between the number of acres purchased and the price paid per acre, all else being equal. This partially reflects the greater number of potential buyers for smaller (and less expensive) parcels as compared to larger ones. The subject encompasses 66.90 acres. The sales include 26.36, 48.0, 190.0, & 67.03 acres, respectively. The appraiser has considered the sales applied in this report, and other area sales the appraiser is familiar with but are less applicable, in determining a market-oriented size adjustment. In consideration of the range of size herein, a reasonable rate of adjustment to the somewhat smaller, Sales #1 & #2, is considered to be a 1% adjustment for every 3 acres difference in size. Sale #1, for instance, is 40± acres smaller than the appraised, divided by 3 equates to a (rounded) -14% adjustment. A moderated rate of adjustment is warranted for the 123 acres larger, Sale #3. A positive adjustment equal to 1% for each 6 acres difference is applied.

Adjustments for variation in Road Front reflect different potential to access and potentially subdivide the sales as compared to the subject, all else being equal. The advantage of significant existing road front can enable subdivision before consideration of new road construction cost. The appraised includes a total of 315± road front or 5' per subject acre (including two, 50' wide rights of way). The subject road utility is "fair", reflecting the limited utility of all but the 50' Lantern Lane access. Sale #1 has a similar ratio of road front per acre as the subject, is similar and not adjusted. The remaining sales include a uniform higher, 14' - 16' of road front per acre of sale area, of good utility. The existing road front were significant in the market for the sales, as per the sources of verification. Moderate negative adjustments are applied to Sales #2 - #4.

The adjustment for Other Physical Character takes into consideration other features not already addressed, but which are recognized by market participants. This includes overall soils and topographical characteristics, the configuration, the quality of growth, and expected density of use. The subject has an irregular shape, with 75% well drained, somewhat shallow soils. The parcel is wooded with recent cutting. Recent town documents indicate a likely, reliable approval for subdivision into 9 lots, via the construction of 1,200' of new town-spec road.

Sale #1 is relatively similar to the subject in terms of Physical Character, and is not adjusted. Sale #2 has a narrower configuration as compared to the subject, and includes a lower percent well drained soils. In addition, the owner must pay to demolish and remove the existing, poor quality residence. The sale has been shown to have the potential for a total of 4 lots, using only the southern end of the property along Griffin Road. This sale does not benefit from the superior configuration and more dense potential when considered the benefit of more favorable configuration when assembled with the *additional* subject area. The sale is significantly inferior overall, and receives a corresponding positive adjustment. Sales #3 & #4 include a somewhat higher percent of useful, well drained soils and slopes. Sale #3 includes 30% (70 acres) rolling open agricultural field. The buyers of Sale #4 eventually arranged dense subdivision approvals. These sales are considered moderately superior to the appraised, and receive corresponding negative adjustments.

Sale #1 is located at 74A Lawrence Road in Salem, NH. The property sold from the Margaret Razzaboni Trust to DHB Homes, LLC on July 31 2015, as recorded in Rockingham County Book 5641 / Page 1865. The sales price was \$617,500 or \$23,426 per acre for the 26.36 acres. The property included an old residence which did not add value. The property had 155' (6' per acre) of Lawrence Road frontage. The property had an irregular shape, included 80% well-drained soils, and level to gently rolling slopes. The property was considered to have the potential for 4 lots, with new road construction. The buyer has assembled the property with adjacent land and is developing the entire parcel.

As compared to the appraised, Sale #1 warrants negative adjustments for slightly superior location, and considerably smaller size. The indicated per acre subject value by Sale #1 is \$18,595.

Sale #2 is the January 2017 transfer of a portion of the subject property. The sale encompassed 48.0 acres, which *did* include a 5.18 acre area along Griffin Road, which is not part of this valuation. The sale did *not* include the northwestern 30 acres of the subject property, owned by Forest Land Preservation and Management. The sale transferred from Cynthia F. Matson to Chestnut Realty Partners, LLC on January 3, 2017 for \$339,400 or \$7,071 per acre. The sale was recorded at the Rockingham County Registry Book 5788 / Page 910. The sale included an antique residence in poor cosmetic and structural condition, which did not contribute value and must be demolished. As discussed above, the transfer is considered to warrant a Condition of Sale adjustment reflecting the seller's desire for a quick closing. The site has a very narrow, irregular shape with 65% well-drained shallow soils. The property was wooded but recently cut. There was considered to be potential for a total of 4 lots, to be subdivided along Griffin Road.

Sale #2 warrants a moderate, positive adjustment for Conditions of Sale, and more significant positive adjustment for inferior Other Physical Character. These are

Chestnut Realty Partners, LLC and the Forest Land Preservation and Management Realty Trust - Londonderry, NH

moderated by negative Size adjustment and for superior road front. The indicated value from Sale #2 is \$8,457 / acre.

Sale #3 is located at 126 Nartoff Road in Hollis, NH. The property transferred from Donald P. Stefanowicz to the Town of Hollis on March 17, 2017 for \$2,525,000. After deduction of \$150,000 to be allocated to a 1,248 SF, 1950's ranch style residence, on an allocated 3 acre lot; the adjusted sales price is \$2,375,000 for 190 acres equals \$12,500 per acre. According to the broker, the sales price was market-oriented despite the conservation intent of the buyer, as reflected by several letters of intent, at similar prices, from private buyers. The property included 2,640' town-maintained road frontage, with an irregular shape. The site include 90% well drained, relatively shallow soils and moderate slopes throughout. 30% of the parcel was open agricultural fields and the remainder was wooded.

As compared to the appraised, Sale #3 warrants a significant, positive adjustment for large size, which is essentially offset by negative adjustment for superior road front and moderately superior other physical character. The indicated per acre subject value from Sale #3 is \$12,000.

Sale #4 is located on Garland Lane & Currier Road in the southern end of Pelham, NH. The parcel sold from Frieda Atwood, Zac Atwood and Franklin & Gwen Garland to Appleyard Real Estate. The sale closed on July 28, 2015, as recorded in Hillsborough County Book 8775 / Page 458. The property encompassed 67.03 acres and sold for \$1,300,000 or \$19,394 per acre. The property included 1,046' of road front. The parcel had an irregular shape, one half of which was open pasture, and half wooded. 85% of the property had deep, well-drained soils and moderate slopes. The grantee gained approvals for a 46 lot cluster subdivision, with 4,300' of new, internal roads.

As compared to the appraised, Sale #4 warrants a slight negative adjustment for lack of utility easement, and greater negative adjustments for superior road front and moderately superior physical character. The indicated per acre subject value from Sale #4 is \$14,255.

The adjusted per acre sales prices are as follows:

Sale #1	\$18,595
Sale #2	\$8,457
Sale #3	\$12,000
Sale #4	\$14,255

That Sale #1 is above the range of remaining sales may indicate an insufficient Size adjustment to this, smallest comparable. That Sale #2 is somewhat below the range may indicate insufficient adjustments for advantage to the buyer in Condition of Sale, or inferior Other Physical Character. Of the remaining sales, #4 is virtually the same size as the appraised and considered more reliable than the far larger Sale #3.

Although Sale #2 includes a portion of the subject property, Sale #4 is of similar reliability reflecting the more similar size and physical character. It is noted the indicated value from Sale #3 falls just above the center of the range from #2 - #4. In light of the above, a value conclusion within the range indicated by Sale #2 and #4 is warranted.

In light of the above, a reasonable subject value conclusion, with similar emphasis on Sales #2 & #4, and closely supported by Sale #3; is **\$11,000** per acre. The value conclusion via the Sales Comparison Approach is therefore \$11,000 times 66.90 acres equals \$735,900, rounded to **\$740,000**.

SALES COMPARISON APPROACH					
Comparison	Subject	Sale #1	Sale #2	Sale #3	Sale #4
Location	Off Lantern Lane	74A Lawrence Road	24 Griffin Road	126 Nantoff Rd	Garland & Curner Road
Town	Londonderry	Salem	Londonderry	Hollis	Pelham
Sales Price (Net of Improvements)		\$617,500	\$339,400	\$2,375,000	\$1,300,000
Sales Price / Acre		\$23,426	\$7,071	\$12,500	\$19,394
Date of Appraisal/Sale	10/6/17	7/31/15	1/3/17	3/17/17	7/28/15
Land (Acre)	66.9	26.36	48.00	190.00	67.03
Factors Affecting Sale					
Property Rights Conveyed	Fee Simple subject to gas easement	Fee Simple	Fee Simple subject to gas easement	Fee Simple subject to electric easement	Fee Simple
Comparison to Subject		Slightly Inferior	Same	Similar	Slightly Inferior
Adjustment		-2%	0%	0%	-2%
Adjusted Price / Acre		\$22,957	\$7,071	\$12,500	\$19,006
Financing	To be Market	Normal	Normal	Normal	Normal
Adjustment		0%	0%	0%	0%
Adjusted Price / Acre		\$22,957	\$7,071	\$12,500	\$19,006
Conditions of Sale	Arms Length	Arms Length	Adv. To Buyer	Arms Length	Arms Length
Adjustment		0%	+15%	0%	0%
Adjusted Price / Acre		\$22,957	\$8,132	\$12,500	\$19,006
Assessment Status	In Current Use	In Current Use	In Current Use	In Current Use	In Current Use
Adjustment		0%	0%	0%	0%
Adjusted Price / Acre		\$22,957	\$8,132	\$12,500	\$19,006
Time Analysis					
Date of Sale		7/31/15	1/3/17	3/17/17	7/28/15
Date of Appraisal	10/6/17	10/6/17	10/6/17	10/6/17	10/6/17
Total Adjustment		0%	0%	0%	0%
Adjusted Price/Acre		\$22,957	\$8,132	\$12,500	\$19,006
Physical Adjustments					
Comparative Adjustments					
Location	Off Lantern Lane Londonderry	74A Lawrence Road Salem	24 Griffin Road Londonderry	126 Nantoff Rd Hollis	Garland & Curner Road Pelham
Comparison to Subject		Slightly Superior	Similar	Similar Overall	Similar Overall
Adjustment Required		-5%	0%	0%	0%
Site Size (Acres)	66.90	26.36	48.00	190.00	67.03
Comparison to Subject		Slightly Smaller	Smaller	Larger	Similar
Adjustment Required		-14%	-6%	+21%	0%
Road Frontage (Feet)	315	155	787	2,640	1,048
Road Frontage/Acre	5	6	16	14	16
Road Front Utility	Fair	Good	Good	Good	Good
Comparison to Subject		Similar	Superior	Superior	Superior
Adjustment Required		0%	-15%	-15%	-15%
Other Physical Characteristics	Irregular shape. 75% well-drained, shallow soils. Level to rolling topo. Wooded with recent cutting. Estimated potential for 9+ lots along internal road.	Irregular shape. 60% well-drained soils. Entirely level to gently rolling topo. 4 lot potential, or larger senior housing cluster. Ave lot size 7 acres. Old residence added no value.	Very irregular shape. 65% well drained, shallow soils. Level to rolling topo. Wooded with recent cutting. Potential for 4 lots along Griffin Road, presuming demolition of residence in poor condition.	Irregular shape. 90% well-drained, shallow soils. Generally rolling slopes including 70 acres (30%) open ag fields. Remainder wooded. Unknown lot potential along existing frontage.	Irregular shape with 85% well drained soils and moderate slopes. Half open field half wooded. Buyer arranged approvals for 46 lots with extensive interior roads. Ave lot size 1.5 acres.
Comparison to Subject		Similar Overall	Inferior Overall	Moderately Superior	Moderately Superior
Adjustment Required		0%	+25%	-10%	-10%
Net Adjustment		-19%	+4%	-4%	-25%
Adjusted Value Per Acre		\$18,696	\$8,457	\$12,000	\$14,255
Per Acre Value Conclusion		\$11,000			
Total Value via Sales Comparison Approach		\$735,900	Rounded to	\$740,000	

Chestnut Realty Partners, LLC and the Forest Land Preservation and Management Realty Trust - Londonderry, NH

SUBDIVISION ANALYSIS

A rudimentary Subdivision Analysis has been completed as a test of reasonableness of the value conclusion via the Sales Comparison Approach. It is noted a subdivision approach is a less reliable valuation method, due to the greater number of variables, and the higher sensitivity of the value conclusion resulting from the variable conclusions. This is particularly true for properties like the appraised, for which the number of lots and the length of new road construction are not defined via an approved subdivision plan.

There is a wide difference of opinion of subject subdivision potential when proposals of the owner / developer are compared to those of the Londonderry Planning office. It is noted the owner / developers have indicated a preference for a conventional subdivision, and reached a conclusion via high intensity soils and other surveys & engineering; of 18 potential building lots. This plan is based upon the construction of a 1,700'± interior road. The Londonderry Planning office has indicated their opinion that the subject has potential as a 9 lot conventional subdivision, with a 1,200' interior road. It is noted the town planner was unaware of an example of a significant waiver from the maximum cul-de-sac length of 1,200', even if such was acceptable by officials of the Londonderry Fire Department.

Once further engineering is completed and subdivision approvals are formally applied for, there is no certainty regarding the number of lots which would be approved. The appraiser has presumed approvals somewhat closer to the town's estimate, equal to 13 lots, based upon construction of a 1,500' cul-de-sac.

This analysis presumes the lots will be sold to individual homeowners, or builders, reflecting the subdivision method. It is noted the typical sell-out in Londonderry varies from the above, where lots are more often either retained by the developer and sold after improved, or sold in bulk to one or more builders who will sell to the improved lot to the homeowner. There are accordingly very few examples of lots sales in modern subdivisions in town. One sale which provides a useful indication of subject lot price is the remaining lot in the Priscilla Lane subdivision. The 1.25 acre Lot 49-12 transferred in February 2015 for \$140,000. It is reasonable the projected subject lot price is increased slightly reflecting the larger typical subject lot size. A projected subject lot price is \$150,000.

The anticipated **sell-out period** takes into consideration the scarcity of building lots in Londonderry, though it is noted that subdivision approvals, engineering and needed road construction will delay sell-out. It is reasonable there would be two lot sales in Year 1, and the remaining lots would sell in similar amounts during Years 2 & 3. The price is anticipated to appreciate by 3% annually.

Deductions are warranted for development and selling expenses, and for a discounting during the anticipated sell-out period. The 1,500'± section of road construction is accounted for at a rate of \$300 per linear foot, based upon the owner / developers estimate, supported in conversation with other area developers. Legal expenses are based upon \$1,000 per lot plus \$8.50 per thousand transfer taxes. Broker's selling expenses equating to 5% of the sales price is reflective of the typical rate in the market area. Annual real estate taxes are deducted. An allowance of 7% is made for Current Use penalty payable as lots are developed.

An allowance for Developer's Overhead & Profit is made, equating to 20%. This allowance recognizes an incentive for investment in the development, without which the investment only results in a return of the amount paid, without profit. The rate is considered a minimal incentive considering the relative risk in the subject investment, with a relatively strong negative cash flow in Year 1. The income is discounted at an annual factor of 8%. The net present value of the 13 lot subdivision, as shown in the print-out on the following page, is \$683,439, rounded to **\$680,000**.

SUBDIVISION ANALYSIS - CHESTNUT REALTY

	Year 1	Year 2	Year 3	
Income				
Number of Lots	2	6	5	13
Price per Lot	\$150,000	\$154,500	\$159,135	Total Lots
Total Income	\$300,000	\$927,000	\$795,675	
Expenses				
Road Construction (1,500' @ \$300/LF)	\$450,000	\$0	\$0	
Legal Costs	\$4,550	\$13,880	\$11,763	
Remaining Engineering & Survey	\$25,000	\$0	\$0	
Selling Expenses (5%)	\$15,000	\$46,350	\$39,784	
Real Estate Taxes	\$3,879	\$6,464	\$1,077	
Current Use Penalty (7%)	\$21,000	\$64,890	\$55,697	
Total Expenses	\$519,429	\$131,584	\$108,321	
Net Income Before OH & Profit	-\$219,429	\$795,417	\$687,354	
Allowance for OH & Profit (20%)	\$60,000	\$185,400	\$159,135	
Net Income	-\$279,429	\$610,017	\$528,219	
Discount Factor (8%)	0.926	0.857	0.794	
Discounted Present Value	-\$258,751	\$522,784	\$419,406	
Net Present Value			\$683,439	
Rounded to			* \$680,000	

SUMMARY AND VALUE CONCLUSION

The value conclusion via the Sales Comparison Approach is \$740,000. The indication from the Subdivision Analysis is \$680,000. As discussed previously the Sales Comparison Approach is generally a more reliable indicator, especially when there is no approved subdivision plan. The value via the Subdivision approach is relatively close and supportive of the conclusion via the Sales Comparison Approach. In light of the above, and with emphasis upon the Sales Approach, a reasonable estimated subject value, as of October 6, 2017, is **\$740,000**.

RELIABILITY

Every effort has been made to produce a reliable value estimate. Sufficient data, diligence, and analysis are combined in this Appraisal to produce a reasonably reliable value conclusion which will serve the needs of the client.

CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this Appraisal:

- 1) Kevin A. McManus inspected the subject property, unaccompanied, on October 6, 2017.
- 2) I have no present or prospective interest in the property that is the subject of this Appraisal.
- 3) I have no personal interest or bias with respect to the subject matter of this Appraisal or the parties involved.
- 4) My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, neither is it contingent upon any action or event resulting from the analyses, opinions, or conclusions in or use of this report.
- 5) To the best of my knowledge and belief the statements of fact contained in this Appraisal, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.
- 6) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions (imposed by the terms of my assignment or by the undersigned), and are my personal, unbiased professional analyses, opinions, and conclusions.
- 7) The analyses, opinions and conclusions were developed, and this report has been prepared in conformity with and is subject to the requirements of the Code of Professional Ethics, and the Uniform Standards of Professional Practice of the Appraisal Institute.
- 8) No one provided significant professional assistance to the person signing this report and no one other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this Appraisal.
- 9) The State of New Hampshire Real Estate Appraisal Board requires continuing education for licensed Certified General Appraisers. As of the date of this report, Kevin A. McManus has completed the requirements of the continuing education program of the Real Estate Appraiser Board.
- 10) My value conclusion as well as other opinions expressed herein are not based on a requested minimum value, a specific value or approval of a loan.

- 11) The acceptance of this appraisal assignment is based upon appropriate knowledge and experience by the undersigned to complete the assignment in a competent manner.
- 12) In consideration of the facts and opinions contained herein, it is my opinion that the market value of the subject property, as of October 6, 2017, is \$740,000.

Respectfully submitted,



Kevin A. McManus, Vice President
Certified General Appraiser-NHCG 249

QUALIFICATIONS
KEVIN A. MCMANUS

Appraisal Experience: 2002 to Present – Vice President, McManus & Nault Appraisal Company, Inc., Bow, NH.

1987 to 2002 - Real Estate Appraiser, Thompson Appraisal Company, Inc., Concord, NH.

1986 to 1987 - Real Estate Appraisal Research Assistant, Thompson Appraisal Company, Inc., Concord, NH.

Education: 1977 - B.S. in Business Administration, Whittemore School, University of New Hampshire, Durham, NH.

State Certification: New Hampshire Certified General Real Estate Appraiser NHCG-#249. Maine Certified General Appraiser #1840. Vermont Certified General Appraiser #08-271.

Court Testimony: Have qualified as an expert witness in the U.S. Bankruptcy Court of NH, Rockingham County Probate Court and Hillsborough County Superior Court.

Appraisal and Real Estate Courses:

American Institute of Real Estate Appraisers, American Society of Appraiser, and the American Society of Farm Managers and Rural Appraisers: Valuation of Conservation Easements.

American Institute of Real Estate Appraisers: Principles of Real Estate Appraisal.

American Institute of Real Estate Appraisers: Basic Valuation Procedures

American Institute of Real Estate Appraisers: Capitalization Theory and Techniques, Part A.

American Institute of Real Estate Appraisers: Capitalization theory and Techniques, Part B.

American Institute of Real Estate Appraisers: Standards of Professional Practice.

American Institute of Real Estate Appraisers: Health Care and Retirement Seminar.

JMB Real Estate Academy, Inc.: Advanced Income Property Appraising

JMB Real Estate Academy, Inc.: Investment Analysis for Real Estate Appraisers

Instruction Experience:

Workshop Presenter, "Appraisals: Beyond the Basics, Challenging Issues", Saving Special Places Conference, Society for the Protection of New Hampshire Forests.

Significant Appraisal Assignments:

Appraised petroleum tank farms, nursing homes, landfill sites, youth camps, utility easements, sand and gravel operations, vacant commercial, industrial and residential land to include subdivision; timber and recreational land, lakefront property, development rights, condominium land, single and multi-family residential property; community shopping centers, auto washes, self-storage facilities, warehouse and manufacturing facilities, post offices, restaurants, social clubs, and business offices. Conducted assessment of residential properties in Hooksett, NH. Appraised various property types in connection with eminent domain proceedings.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

GENERAL ASSUMPTIONS

1. The legal descriptions used in this Appraisal Report are assumed to be correct.
2. Surveys obtained or provided are assumed to be accurate.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the Appraisal Report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions, items unseen or for engineering which may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in this Appraisal Report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the Appraisal Report.
9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use which the value estimate contained in this Appraisal Report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the Appraisal Report.
11. It is assumed that there is, or has been, no storage, use or dumping on the appraised property of asbestos, hazardous waste, or other material that has been or will in the future be, deemed harmful to health.

GENERAL LIMITING CONDITIONS

1. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
2. Possession of this Appraisal Report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
3. The distribution of the total valuation in this Appraisal Report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
5. Neither all nor any part of the contents of this Appraisal Report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.
6. Any liability on the part of the appraiser is limited to the amount of fee actually collected.
7. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. We urge the client to retain an expert in this field if desired.
8. Possession of this Appraisal Report does not carry with it the right of reproduction.
9. Acceptance of and/or use of this Appraisal Report constitutes acceptance of the foregoing general assumptions and general limiting condition.

SALES MAPS & PHOTOS

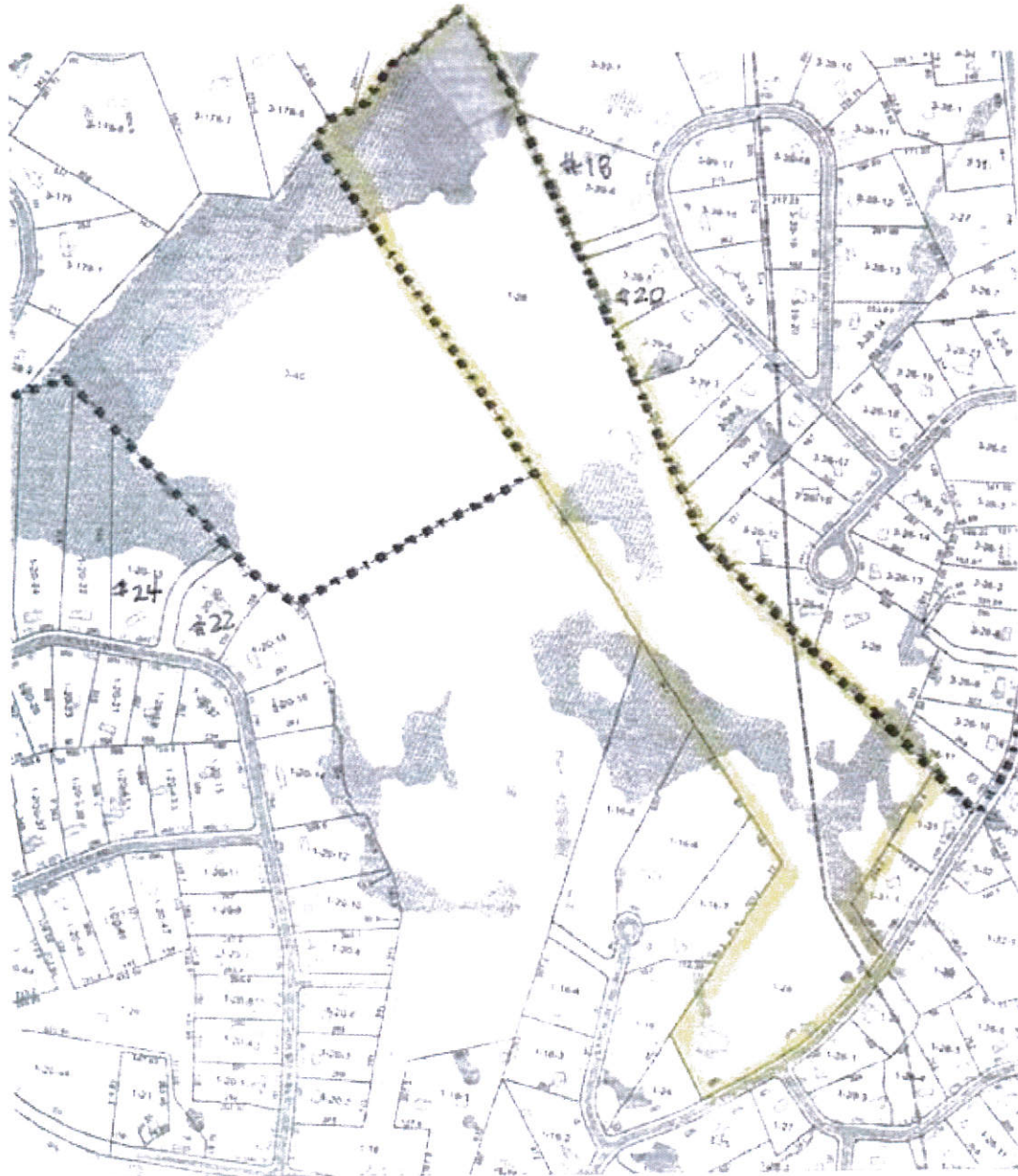
LAND SALE #1



SALE #1



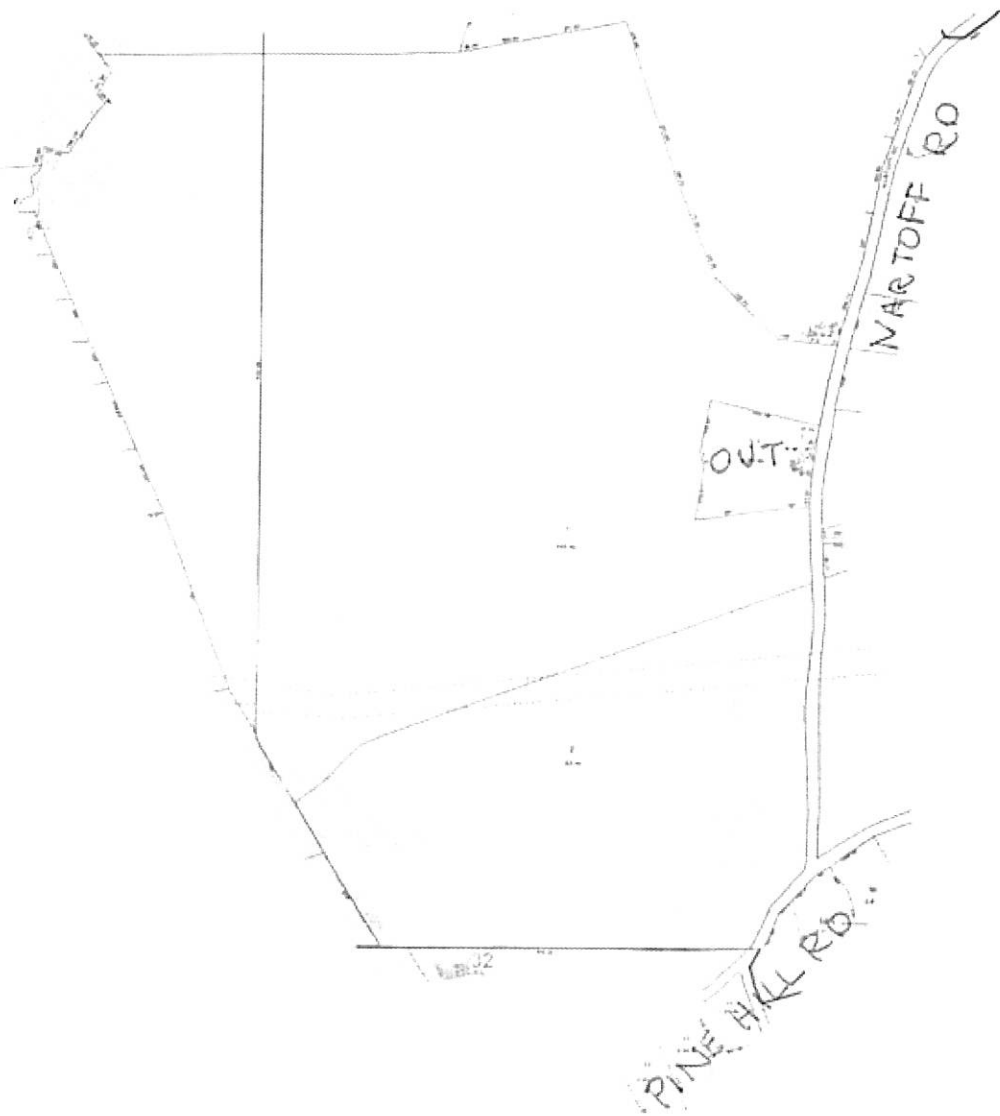
SALE #2



SALE #2



SALE #3



SALE #3



SALE #4



