

APPRAISAL OF:
MCINTYRE FEDERAL BUILDING PROPERTY
80 DANIEL STREET
CITY OF PORTSMOUTH, NEW HAMPSHIRE

PREPARED FOR:
MR. JOHN P. BOHENKO
CITY MANAGER
CITY OF PORTSMOUTH
1 JUNKINS AVENUE
PORTSMOUTH, NEW HAMPSHIRE 03801

DATE OF VALUE:
AUGUST 24, 2015

BERGERON COMMERCIAL APPRAISAL

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September 10, 2015

Mr. John P. Bohenko
City Manager
City of Portsmouth
1 Junkins Avenue
Portsmouth, New Hampshire 03801

Re: Appraisal of the McIntyre Federal Building property located at 80 Daniel Street in the city of Portsmouth, New Hampshire.

Dear Mr. Bohenko:

At your request, I am submitting a narrative appraisal of the above-referenced property. The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property on an 'as is' basis. The scope of this appraisal also includes the valuation of the site as vacant land. The intended use of this appraisal is to assist the city of Portsmouth with valuation for potential sale negotiations with the U.S. GSA. The date of value is August 24, 2015, the most recent date of inspection.

The analysis and conclusion within the attached narrative report are based upon field research, interviews with market participants, and publicly available data. The accompanying report was prepared in accordance with the *Uniform Standards of Professional Appraisal Practice*.

This summary report contains 77 pages, 6 exhibits and 2 addendum. The methods that I have used and all pertinent data gathered in my investigation are summarized in this report. I certify that I have no personal interest or bias with respect to the subject matter of the appraisal report or to the parties involved. I have personally inspected the subject property and the comparable data utilized within this report. Your attention is specifically called to the "Limiting Conditions and Assumptions" section of this report, where the parameters of the assignment are outlined in more detail.

As of August 24, 2015, I estimate the following values for the subject property.

FINAL MARKET VALUE ESTIMATES:

**MCINTYRE FEDERAL BUILDING PROPERTY
80 DANIEL STREET
CITY OF PORTSMOUTH, NEW HAMPSHIRE**

**MARKET VALUE ESTIMATE "AS IS": \$6,200,000
MARKET VALUE ESTIMATE AS A VACANT 2.14 ACRE SITE: \$9,300,000**

Sincerely,



Stephen J. Bergeron, MAI
NHCG-512

TABLE OF CONTENTS

TABLE OF CONTENTS	3
EXECUTIVE SUMMARY	4
EXHIBIT A - PHOTOGRAPHS OF SUBJECT PROPERTY	5
LIMITING CONDITIONS AND ASSUMPTIONS	17
EXTRAORDINARY LIMITING CONDITIONS & ASSUMPTIONS	18
APPRAISER'S COMMENTS	19
PURPOSE OF APPRAISAL AND INTENDED USE	20
IDENTIFICATION OF THE SUBJECT PROPERTY	20
PROPERTY RIGHTS APPRAISED	20
INTENDED USER OF APPRAISAL.....	20
SCOPE OF THE APPRAISAL.....	21
DEFINITION OF MARKET VALUE.....	22
MARKET EXPOSURE	23
REGIONAL DATA	24
EXHIBIT B – REGIONAL MAP	25
COMMUNITY DATA.....	25
NEW CONSTRUCTION IN DOWNTOWN PORTSMOUTH	27
NEIGHBORHOOD DATA.....	27
EXHIBIT C - NEIGHBORHOOD MAP	29
OWNERSHIP DATA AND SALES HISTORY	30
SITE DESCRIPTION.....	31
EXHIBIT D – TAX MAP 106	32
EXHIBIT E – FLOOD MAP.....	33
ASSESSMENT AND TAX DATA	34
ZONING.....	35
DESCRIPTION OF IMPROVEMENTS	40
HIGHEST AND BEST USE.....	43
APPRAISAL PROCESS	46
SALES COMPARISON APPROACH	47
EXHIBIT F – LAND SALES MAP	54
ASBESTOS AND BUILDING DEMOLITION ESTIMATES	60
CERTIFICATION.....	63
QUALIFICATIONS OF STEPHEN J. BERGERON, MAI.....	64
APPENDIX A: ENGAGEMENT LETTER.....	65
APPENDIX B: LEGAL DESCRIPTION	67

EXECUTIVE SUMMARY

Appraisal Assignment

Scope of Appraisal:	Narrative appraisal relying on all applicable approaches to value.
Purpose of Appraisal:	Estimate “as is” market value. The scope of this appraisal also includes the valuation of the site as vacant land.
Interest Appraised:	Fee simple Interest
Intended Use of Appraisal:	The intended use of this appraisal is to assist the city of Portsmouth with valuation for potential sale negotiations with the U.S. GSA.
Effective Date of Appraisal:	August 24, 2015
Date of Inspection:	August 24, 2015
Date Report Transmitted:	September 10, 2015

Subject Property Characteristics

Property Type:	Existing United States Federal Building managed by the General Services Administration.
Property Owner:	United States of America
Location (Address):	80 Daniel Street, Portsmouth, New Hampshire 03801
Improvements:	McIntyre Federal Building, U.S. Post Office, parking deck and enclosed garage.
Year of Construction:	1966
Gross Building Area:	107,000+/- Square Feet (per info provided by GSA)
Net Rentable Area:	73,000+/- Square Feet (exclusive of basement, parking garage, and mechanical penthouse, per info provided by GSA).
Land Area:	2.14 acres (per GSA)
Zoning:	CD4 – General Urban District and CD5 – Urban Center District. Also within Historic and Downtown Overlay Districts.
Highest and Best Use:	Redevelopment of site with mixed-use development including lower level commercial space and upper-level residential condominiums, apartments, or lodging.

Value Indications:	As Is	As Vacant Land
Cost Approach.....	Not completed	Not completed
Income Approach.....	Not completed	Not completed
Sales Approach.....	\$6,200,000	\$9,300,000
Market Value Estimate.....	\$6,200,000	\$9,300,000
Estimated Market Exposure:	3 to 9 months	

EXHIBIT A - PHOTOGRAPHS OF SUBJECT PROPERTY



Front View from Intersection of Daniel and Penhallow Streets - August 2015



Side View from Intersection of Daniel and Penhallow Streets - August 2015

EXHIBIT A - PHOTOGRAPHS OF SUBJECT PROPERTY



Front View from Daniel Street - August 2015



Front View of US Post Office from Daniel Street - August 2015

EXHIBIT A - PHOTOGRAPHS OF SUBJECT PROPERTY



Rear View from Penhallow Street - August 2015



View of Building and Garage Entrance from Bow Street - August 2015

EXHIBIT A -PHOTOGRAPHS OF SUBJECT PROPERTY



View of Front Entrance and Plaza - August 2015



View of Rear Overhead Doors and Parking from Penhallow Street - August 2015

EXHIBIT A - PHOTOGRAPHS OF SUBJECT PROPERTY



Daniel Street and Site Frontage, Facing West - August 2015



Penhallow Street and Site Frontage, Facing South - August 2015

EXHIBIT A -PHOTOGRAPHS OF SUBJECT PROPERTY



View from Roof, Facing West - August 2015

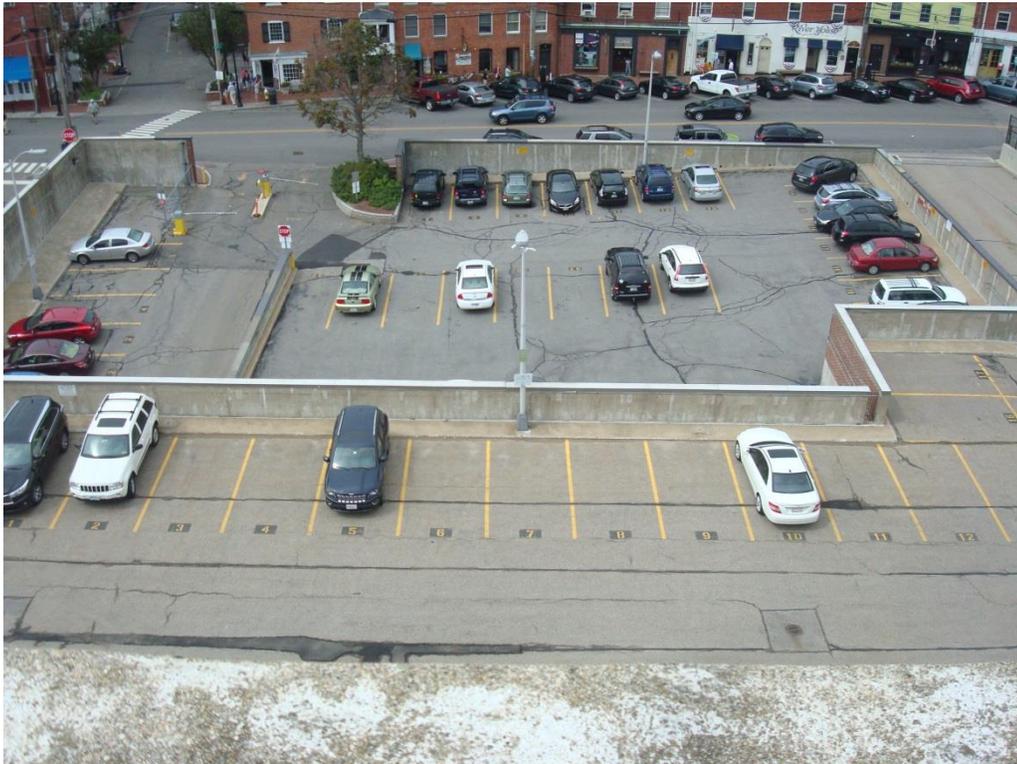


View of Piscataqua River, Facing North from Roof - August 2015

EXHIBIT A - PHOTOGRAPHS OF SUBJECT PROPERTY



View of Mechanical Penthouse - August 2015



View of Bow Street Parking from Roof - August 2015

EXHIBIT A -PHOTOGRAPHS OF SUBJECT PROPERTY



Main Lobby - August 2015



Typical Elevator Lobby - August 2015

EXHIBIT A - PHOTOGRAPHS OF SUBJECT PROPERTY



Typical Renovated Office - August 2015



Typical Interior Corridor - August 2015

EXHIBIT A - PHOTOGRAPHS OF SUBJECT PROPERTY



Typical Renovated Office - August 2015



Existing Boilers and Mechanical Room - August 2015

EXHIBIT A -PHOTOGRAPHS OF SUBJECT PROPERTY



Parking Garage - August 2015



US Post Office Lobby - August 2015

EXHIBIT A - PHOTOGRAPHS OF SUBJECT PROPERTY



US Post Office Processing/Back Room - August 2015



Shipping/Receiving for US Post Office - August 2015

LIMITING CONDITIONS AND ASSUMPTIONS

1. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable and it is free and clear of liens, encumbrances and special assessments other than stated in this report.
2. Information, estimates, and opinions furnished to the appraiser and contained in the report, are obtained from sources considered to be reliable and believed to be true and correct. However, no responsibility for accuracy can be assumed by the appraiser.
3. All information has been checked where possible and is believed to be correct, but it is not guaranteed as such.
4. The appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraisers assume no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no soil contamination exists as a result of chemical drainage or leakage in connection with any production operations on or near the property. No testing has been done for the presence of asbestos-containing materials and it is assumed that no hazardous amounts are present.
5. The appraisers are not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
6. Distribution of this report is the sole prerogative of the client and no distribution will be made without specific direction of the client. No reproduction of this report, in whole or in part, shall be made without the prior approval of the appraiser.
7. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI Designation.
8. Information regarding any flood hazard zones for the subject property was provided from outside sources. Accurately reading flood hazard maps, as well as tracking constant changes in the zone designations, is a specialized skill and outside the scope of the services provided in this appraisal assignment. No responsibility is assumed by the appraiser in the misinterpretation of these maps. It is strongly recommended that any lending institution re-verify flood hazard locations for any property for which they are providing a mortgage loan.
9. The report and data investigated, except that furnished by the client, remains the sole property of the firm.
10. We did not observe any endangered species or endangered species' habitats during our property inspection. It should be noted that our expertise in matters of endangered species and endangered species' habitats is extremely limited.
11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of the 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 factor could have a negative impact upon the value conclusion reached herein. Since we

have no direct evidence relating to this issue, we did not consider non-compliance with the requirements of ADA in estimating the value of the subject property.

EXTRAORDINARY LIMITING CONDITIONS & ASSUMPTIONS

12. The building area relied upon in this appraisal is based on information provided by the GSA. This information is assumed to be correct. Any change in this assumption could have a significant impact on the market value estimated in this appraisal.
13. The Asbestos abatement and demolition costs relied upon in this appraisal are based on preliminary estimates provided by third parties, and are assumed to be in-line with the actual cost. Any change in this assumption could have a significant impact on the highest and best use conclusion and/or market values concluded in this appraisal.
14. The existing office building is occupied by various Federal agencies, presumably through lease contracts with the GSA. Therefore, the fee simple market value estimated in this appraisal is a hypothetical condition.

APPRAISER'S COMMENTS

The subject of this appraisal is the McIntyre Federal Building located in downtown Portsmouth. The property consists of a 107,000+/- square foot office building, US Post Office, shipping/receiving area, parking garage, and surface parking lot on 2.14 acres. The Federal building was originally constructed in 1966, and is currently in fair physical condition, overall. Building occupants include: The GSA, Social Security Administration, IRS, FBI, Homeland Security, and US Post Office.

The city of Portsmouth has been negotiating with the GSA since 2004, when the U.S. Congress authorized the transfer of the McIntyre property to the city of Portsmouth at a nominal price for economic development purposes. In 2006, the US Government acquired a site within the Pease International Tradeport for the development of a new Federal building. To date, the construction of a new Federal building has not yet begun. Most recently, the GSA contracted a third party market value appraisal of the Federal Building to assist in valuing the property for possible sale. The purpose of this appraisal is to assist the city of Portsmouth with valuation for potential sale negotiations with the GSA.

Due to high commercial rents and residential condominium prices, downtown Portsmouth has experienced considerable new construction in recent years. In general, prices are among the highest in the Northern New England market. As a relatively large and centrally located 2.14 acre parcel, the Federal Building site would be a prime site for redevelopment, if offered for sale. The highest and best use of the subject property, if available for development, is concluded to be a new construction and/or redevelopment of the existing four story building shell with a mixed-use project containing ground floor retail and upper-level office or residential units. Nearly all new construction in downtown Portsmouth has consisted of some combination of ground floor retail space and upper-level residential condominiums, apartments, or lodging. No other use would yield a higher value.

In addition to being within Portsmouth's Historic and Downtown Overlay Districts, the site is located within the recently adopted Character-Based Zoning districts. Although it is concluded

that demolition and new construction on the site is the highest and best use, due to the site's restrictive zoning, the grandfathered existing 60+/- foot building shell and its large footprint may also be valuable to some investors for redevelopment.

The value of the subject will be estimated by analyzing prevailing land prices for comparable developable parcels in the downtown Portsmouth market.

PURPOSE OF APPRAISAL AND INTENDED USE

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property on an "as is" basis. The scope of this appraisal also includes the valuation of the site as vacant land. The intended use of this appraisal is to assist the city of Portsmouth with valuation for potential sale negotiations with the U.S. GSA.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property consists of 2.14 acre site located at 80 Daniel Street in the city of Portsmouth, Rockingham County, New Hampshire. The site is improved with the McIntyre Federal Building. It is identified as Map 106, Lot 8 by the city of Portsmouth. The property is owned by the United States of America.

PROPERTY RIGHTS APPRAISED

The scope of this appraisal is the valuation of the fee simple interest in the subject. "Fee simple" interest is defined as follows:

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

Source: *The Dictionary of Real Estate Appraisal*, 4th Edition © 2002; The Appraisal Institute

INTENDED USER OF APPRAISAL

The intended user of this appraisal is the City of Portsmouth. This appraisal was prepared for the sole and exclusive use of the client. No third parties are authorized to rely upon this report without the express written consent of the City of Portsmouth and Bergeron Commercial Appraisal.

SCOPE OF THE APPRAISAL

The scope of this appraisal is summarized as follows:

- To inspect the subject property and the subject neighborhood.
- Gather and analyze information available on the subject property, including information provided by the client, property owner, community, county records, and other public sources.
- Research and analyze regional, community, and neighborhood market conditions, trends, and economics.
- Analyze the subject and market data to draw a conclusion regarding the Highest and Best Use of the subjects.
- Determine the best method(s) of valuing the subject property, given available subject information, available market data, market conditions, highest and best use, and the most likely buyer.
- Research, analyze, and confirm market sales, lease, and cost data that is relevant to the valuation of the subject. This information is gathered and confirmed with brokers, appraisers, public officials, public data sources, private publications, periodicals, personal research, and interviews with buyers and sellers.
- Analyze the available data to assemble the most appropriate set of comparable data from which to draw a value conclusion.
- Inspect and photograph the comparable properties.
- Report the subject description, comparable data, and value conclusion(s) in a narrative appraisal report format using all appropriate approaches to value in conformance with USPAP.
- Produce the narrative appraisal report with all exhibits and addendum.

DEFINITION OF MARKET VALUE

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. 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: Board of Governors of the Federal Reserve System in accordance with Title XI of FIRREA (1989).

MARKET EXPOSURE

Market Exposure is defined as follows:

Market Exposure is defined as: *“the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal.”*

Source: *The Dictionary of Real Estate Appraisal*, 4th Edition © 2002; The Appraisal Institute

In estimating market exposure, I have considered the following factors that could impact marketability. These are summarized as follows:

Positive Factors:

- The subject property is centrally located in downtown Portsmouth, which is an active real estate market among developers. Several neighboring sites are in the process of being redeveloped with large mixed-use properties.
- Few larger developable land tracts remain in downtown Portsmouth.
- The existing 60+/- foot Federal building shell and its large footprint may be valuable either for redevelopment or in negotiating the redevelopment of this centrally located site within the city's Central Business District.
- Property prices have trended upward in recent years in the downtown Portsmouth market, outpacing the surrounding region. Downtown Portsmouth has some of the highest commercial and residential prices in the New Hampshire market.
- The subject site offers considerable road frontage along Daniel, Penhallow, and Bow Streets.

Negative Factors:

- The existing Federal building reportedly contains considerable spray on Asbestos, with a significant removal cost. This will increase the site's redevelopment cost.
- Recent redevelopment projects in downtown Portsmouth have experienced considerable opposition and lawsuits from outspoken residents and small public interest groups, resulting in considerable delays and additional costs for developers. The uncertainty and time associating with this type of major new redevelopment in downtown Portsmouth may deter some investors.

The above factors are included in projecting a marketing time for the subject property. The comparable property sales presented required typical periods of market exposure, ranging from 1 to 18 months. Given the factors discussed above, a market exposure period of 3 to 9 months is estimated for the subject, assuming the hypothetical consummation of a sale at the market value on the effective date of the appraisal.

REGIONAL DATA

The subject property is located in the Northern New England region, which includes the states of New Hampshire, Maine, and Vermont. Southern New Hampshire contains a majority of the state's population, with commercial development concentrated in the population centers of Nashua, Salem, and Manchester. These three municipal centers are connected by the state's major highways, which include I-93, Route 101, and the FE Everett Turnpike. This region is heavily influenced by its proximity to the greater population density of Eastern Massachusetts.

Despite the rapid economic growth during the past few decades, real estate developers and lenders were generally cautious following the widespread overbuilding of the 1980s. As a result, little speculative construction has been undertaken in the region. Owner-user and build-to-suit development has been most prevalent in the industrial, retail, and office sectors. These trends have kept inventory levels low, resulting in moderate rent and price appreciation. During the recent recession new construction came to a near standstill. More recently, some new commercial construction is evident, mainly in prime locations.

In recent years New Hampshire's unemployment rate has remained below national levels. Additionally, New Hampshire's residential and retail sectors have been fueled by the highest rate of population growth in the New England region. A common motivation of relocating residents has been "quality of life" and relatively affordable housing, compared to neighboring states to the south. This residential growth resulted in unprecedented levels of new single-family residential construction during the past decade. Several of the state's rural agricultural communities have quickly become suburban bedroom towns, with school systems and infrastructure struggling to catch up. New market rent apartment construction has remained limited, though there has been some new affordable and senior housing development.

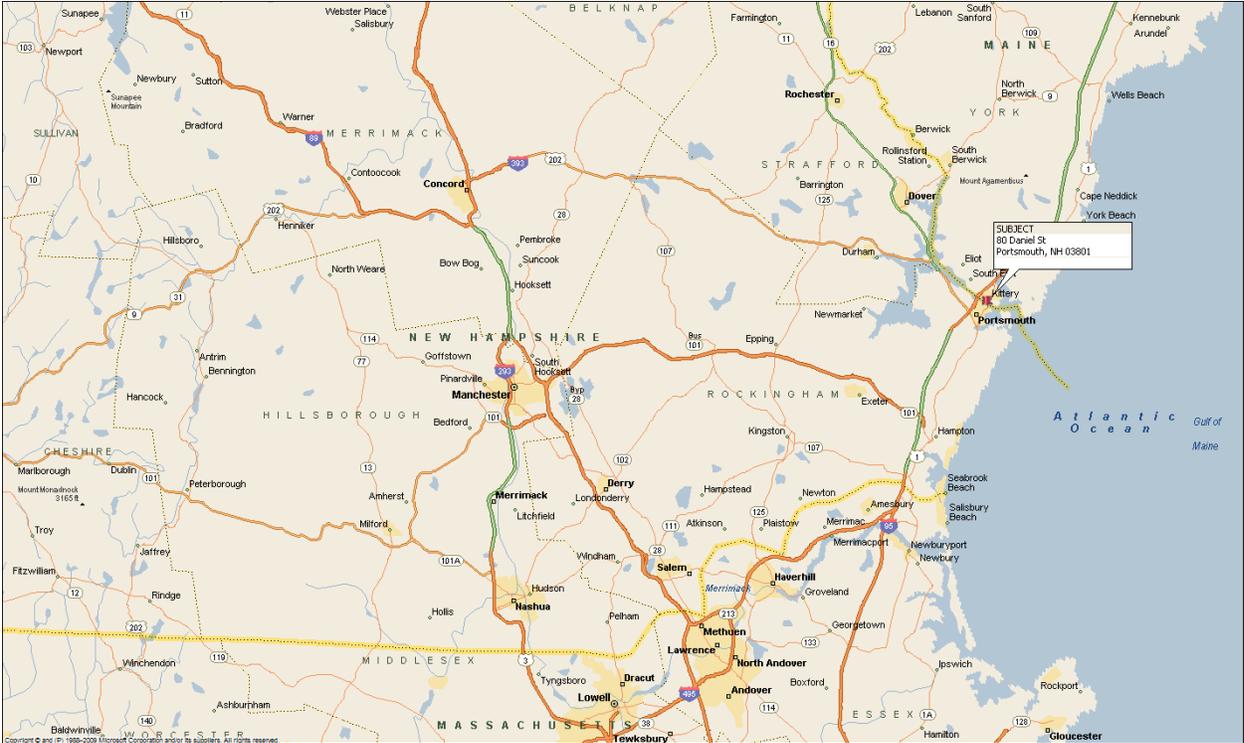
The recent recession and weak economy that followed impacted individual communities within New Hampshire at different rates. In general, the rate of foreclosures and declining home prices was below national levels. Projected economic and population growth in New Hampshire is expected to outpace the remaining New England states in the coming decade.

The residential real estate market has demonstrated positive activity and price growth since the Great Recession, though new home construction remains limited with an excess inventory of lots and approvals still remaining.

The commercial real estate market’s decline during the recession was only minor, and as of the half of 2015, occupancy and prices in most segments of the commercial market have stabilized or demonstrated moderate appreciation. Limited new construction is evident in most segments of the commercial market.

Overall, the New Hampshire market appears to be well positioned during the current economic recovery, compared to other regions of the United States, due to a broad employment base and healthy commercial and residential real estate markets. New Hampshire continues to be one of the only states in the U.S. to rely almost exclusively on property and business profits taxes for its revenue base, with no personal income or sales tax.

EXHIBIT B – REGIONAL MAP



COMMUNITY DATA

The city of Portsmouth is a coastal community (2013 Population est. 21,379) bounded to the north by the Piscataqua River and Kittery, Maine; to the west by the towns of Newington and Greenland, and to the south and east by the town of Rye.

Being the economic center for the state's Seacoast Region, Portsmouth has a considerable commercial base. This working seaport and Naval shipyard community has evolved into a tourist destination, with its downtown containing numerous restaurants and shops within historic 18th and 19th century brick row buildings.

The city is directly accessible from Interstate 95, US Route 1, and the Spaulding Turnpike. Boston, Massachusetts is approximately 50 miles to the south of Portsmouth, while Portland, Maine is approximately 50 miles north. Commuter bus travel is available in Portsmouth, with commuter train travel to Boston is available from the nearby towns of Dover and Exeter. Limited air service is available from the Pease Airport in Portsmouth.

The Pease International Tradeport, which is directly accessed from I-95, is a successfully redeveloped US Air Force base that has been a boon to the local economy, attracting significant employers to the region. This commercial park contains several million square feet of newly constructed office, R&D, and manufacturing space.

Portsmouth's historic character and working port have provided for a diversified economy, including the tourist-related businesses, employment opportunities created by the harbor and shipping related industries, as well as the recently added high tech sector. The Portsmouth Naval Shipyard, located Kittery Maine, has 3,300 employees, and the US Department of State's Portsmouth Consular Center (pass port and visa services) has 1,265 employees. The largest private employer in the city is the Portsmouth Regional Hospital with 1,040 employees. The next largest is Liberty Mutual Insurance with 1,013 employees. Other major employers include Lonza Biologic, Bottomline Technologies, John Hancock, Thermo Fisher, Newmarket International and Sprague Energy.

The city's retail development is located in three distinct districts, including downtown Portsmouth, US Route 1, and Woodbury Avenue. The latter of these two locations contain much of the area's supermarkets and "big box" retailers. The city's major office locations include Commerce

Park, the Pease International Tradeport, and Borthwick Avenue. Industrial locations are located along the Piscataqua River, along US Route 1, and within the Pease International Tradeport.

NEW CONSTRUCTION IN DOWNTOWN PORTSMOUTH

The most recent large commercial development projects in downtown Portsmouth have included a 56,000 square foot mixed-use building that was developed at 6-10 Congress Street in 2006 and more recently a 52,470 square foot waterfront retail/office building was constructed at 97-101 Bow Street. 51 Islington Street and 66 State Street are mixed-use properties completed during 2011-2012, containing ground floor retail/office space and upper-level residential condominiums. Smaller new office properties in the downtown market include the properties at 22-28 Deer Street (25,000 SF) and 10 Pleasant Street (15,000 SF).

The largest development project that has occurred in downtown Portsmouth, known as “Portwalk” recently completed its final phase of development. Phase I of this redevelopment of the Parade Mall site was completed in 2006. This phase included a newly developed 131 room Hilton Garden Inn and 21 unit Harbour Hill residential condominiums. A 128 room Marriott Residence Inn was completed in May 2010. The most recently completed phase includes retail, 113 apartments, a 120 room Hampton Inn & Suites, and 10,000 SF of Class A office.

Additional new approved and proposed projects in downtown Portsmouth include a new 144,000+/- square foot hotel and conference center, residential condos, and Whole Foods supermarket along Deer Street. This project will include an on-site parking garage. Additional mixed-use projects (retail and residential) are underway at 30 Maplewood, 233 Vaughan Street, Wright Avenue, and the former Connie Bean site along Daniels Street.

NEIGHBORHOOD DATA

The subject building encompasses a majority of the city block between Daniel, Penhallow, and Bow Streets. This location is approximately one block east of Market Square, the center of downtown Portsmouth. It is one block southwest of the city’s Piscataqua River waterfront. A majority of the surrounding development consists of historic brick row buildings containing ground

floor retail or restaurants with upper-level residential apartments, offices, or residential condominiums.

Businesses along Daniel Street include offices and a bank branch to the east, as well as the former Connie Bean site which is being redeveloped with retail and residential condominiums. The opposite side of Daniel Street contains two bars, a barber shop, a coffee shop, a gift shop, and a flower shop.

To the west, toward Market Square, uses include a parking lot, bank branch, barber shop, rug retailer, eye glass retailer, jewelry store, and sandwich shop. Further to the west, Daniel Street becomes Market Square and Congress Street. Market Square, just to the west, is the intersection of Daniel Street, Pleasant Street, Congress Street, and Market Street. The North Church and its iconic steeple are the center of Market Square. These surrounding streets are lined with historic row buildings with ground floor restaurants and retail stores and upper-level offices or residences (condominiums and apartments).

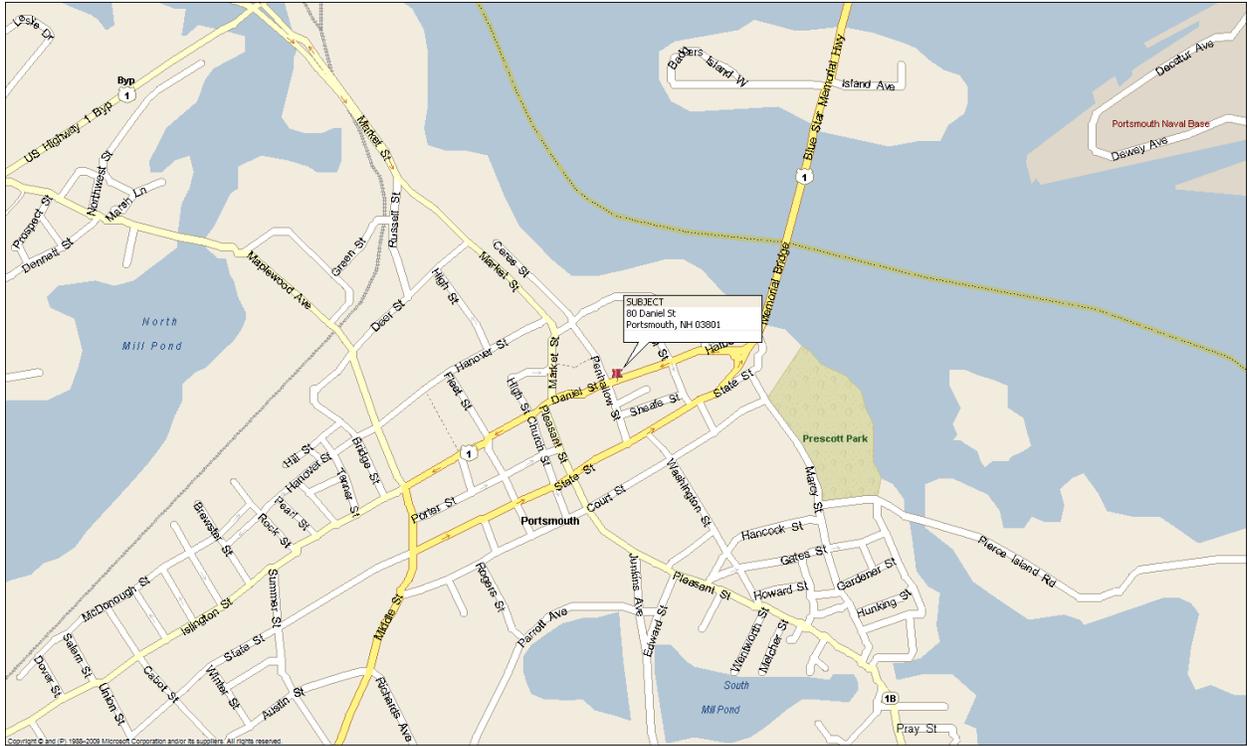
Along the opposite side of Penhallow Street are a bar, three restaurants, and a fabric store. The subject site's parking lot and parking garage are accessed from Bow Street. The subject's upper-level parking lot is accessed from Penhallow Street.

The opposite side of Bow Street is developed with row buildings containing ground floor retailers and restaurants that front along the Piscataqua River. The upper-levels contain residential apartments, condominiums, and office space. The Martingale Wharf building is a recently constructed mixed-use building with three ground floor waterfront restaurants and upper-level Class A office space with water views.

To the northeast of the subject is St. John's Church, which includes a rectory and several surface parking lots. Further to the northeast is a small Inn and The Seacoast Repertory Theater. Also to the northeast is Harbour Place, a waterfront office building developed during the 1980s. The upper floors of Harbour Place were recently redeveloped as residential condominiums.

Portsmouth's Hanover Street public parking garage is located approximately two city blocks to the west of the subject.

EXHIBIT C - NEIGHBORHOOD MAP



OWNERSHIP DATA AND SALES HISTORY

The subject is currently owned by the United States of America. The following transfers are believed to represent at least a portion of the McIntyre Federal Building site. It is not known if additional transfers exist. It is suggested that a full title search be conducted by the client.

Summary of Ownership

Book/Page	Date Recorded	Grantor
1708/428	March 1, 1964	Samuel H. Grossman
1706/460	February 27, 1964	Portsmouth Italian-Americal Club
1706/462	February 27, 1964	Peter N. & Elsie N. Floros
1706/464	February 27, 1964	P. Roger & J. Edna Kennedy
1708/066	March 12, 1964	Allied New Hampshire Gas Co.

No transfers have occurred within the past three years. The city of Portsmouth has been negotiating with the GSA since 2004, when the U.S. Congress authorized the transfer of the McIntyre property to the city of Portsmouth for nominal costs for economic development purposes. In 2006, the US Government acquired a site within the Pease International Tradeport for the development of a new Federal building. To date, the construction of a new Federal building has not yet begun. Most recently, the GSA contracted a third party market value appraisal of the Federal Building to assist in valuing the property for possible sale of the existing site and negotiations with the city of Portsmouth are ongoing.

SITE DESCRIPTION

ACREAGE:	2.14 acre acres, or 93,218 square feet
MAP/LOT:	Map 106, Lot 8
ZONING:	CD4 and CD5; Historic and Downtown Overlay Districts
UTILITIES:	All public utilities
FRONTAGE:	245 feet along Daniel Street 378 feet along Penhallow Street 186 feet along Bow Street Estimated 24+/- feet along Chapel Street at end of right-of-way
TOPOGRAPHY:	Sloped from south to north (from Daniel to Bow)
GRADE:	At grade with Daniel, Penhallow, and Bow Streets
SHAPE:	Irregular
ACCESS:	Rear parking lot and parking garage are accessed from Bow Street. The upper parking lot and overhead doors are accessed from Penhallow Street.
VISIBILITY:	Good along Daniel, Penhallow, and Bow Streets
EASEMENTS OR ENCROACHMENTS:	This valuation assumes no easements that would impact the utility of the subject site.
PRESENCE OF TOXIC WASTES:	This appraisal assumes no site contamination. A lump sum adjustment is applied in the valuation of the existing building on an “as is” basis due to the presence of Asbestos in the existing building. See Limiting Conditions #4.
FLOOD STATEMENT:	According to FIRM Map #3301390259E, dated May 17, 2005, the subject site does not appear to be in a designated 100 or 500-year Flood Zone. (See Exhibit E – Flood Map).

ASSESSMENT AND TAX DATA

The city of Portsmouth recently underwent a revaluation. The current 2015 assessment is summarized as follows:

Map/Lot	Land	Building	Total
106/8	\$2,254,500	\$7,978,500	\$10,233,000

The estimated 2015 tax rate for the city of Portsmouth is \$16.97 per \$1,000 of assessed value, resulting in an annual tax expense of \$173,654 for the subject site, if privately owned. Since the property is owned by the U.S. Government, it is exempt from local real estate taxes.

The city of Portsmouth is assumed to be at 100% equalization, due to the recent revaluation. Based on the comparables presented in this appraisal and the market value estimated herein, the subject is overassessed.

ZONING

The subject site is currently improved with an office building. Being owned by the U.S. Government, the subject is exempt from current zoning. However, for the purpose of this market value estimate, it is assumed that the site is subject to the Portsmouth Zoning Ordinance.

An estimated $\frac{3}{4}$ of the subject site is located within the General Urban District (CD4), while the remaining $\frac{1}{4}$ of the site, along Bow Street, is located in the Urban Center District (CD5). The current Character Based zoning was adopted by the city of Portsmouth on August 18, 2014. The subject is also located in the city's Historic District and within the Downtown Overlay District.



Permitted uses within the CD4 and CD5 districts are similar to the CBB zone, and include a broad range of retail, restaurant, municipal, parking, retail/service, office, and residential uses.

In 2014, Portsmouth is adopted Character-Based Zoning for the city's downtown area. Prior to 2013, the maximum building height in downtown Portsmouth was 60 feet in the CBB District and 50 feet in the CBA District. Zoning changes that went into effect during 2013 lowered the maximum building height, but allowed for greater building heights if a Conditional Use Permit

were granted. In early 2014 the Conditional Use provision was eliminated, resulting the current maximum building height equal to the lesser of 45 feet or 3.5 stories in both downtown Portsmouth's CBA and CBB Districts. This change was in reaction to negative public response to the height and mass of recently approved and constructed larger projects, including Portwalk, Harborcorp, and 51 Islington Street.

Due to the complexity of the Character Based Zoning, which contains 50 pages of detail within the Portsmouth Zoning Ordinance, the following summary and dimensional requirements are excerpts from the Ordinance.

Summary of Character based Zoning Districts from Ordinance

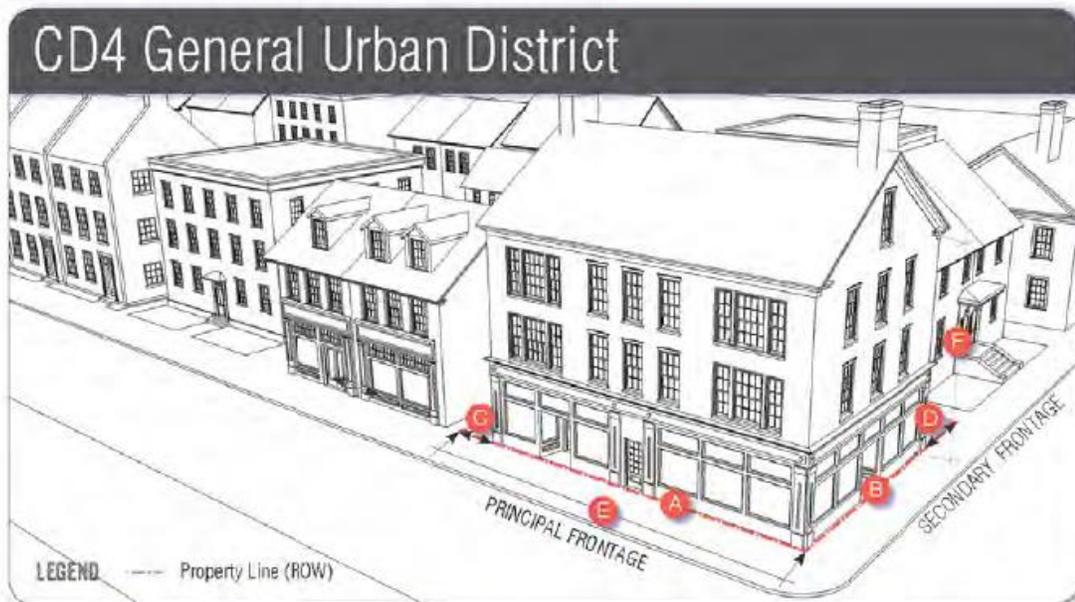
10.5A41.20 Character Districts

There are three **Character Districts**, as follows:

General Urban District – Limited	CD4-L	<ul style="list-style-type: none"> • Medium density transitional area • Mix of medium to large residential house types • Almost entirely residential uses • Shallow front setbacks • Shallow to medium to side setbacks • Variable private landscaping • Streets with curbs, sidewalks, and street trees that define medium to large blocks
General Urban District	CD4	<ul style="list-style-type: none"> • Medium-to-high density transitional area • Mix of building types • Residential, retail, and other commercial uses • Shallow or no front setbacks • Medium to no side setbacks • Variable private landscaping • Streets with curbs, sidewalks, and street trees that define small to medium blocks
Urban Center District	CD5	<ul style="list-style-type: none"> • High density development center • Mix of building types • Residential, retail and other commercial uses • No front setbacks • No side setbacks • Limited landscaping • Streets with curbs, sidewalks and street trees that define small to medium blocks

Summary of Dimensional Requirements for CD4 District from Ordinance

**TABLE 10.5A42.10B CHARACTER DISTRICT STANDARDS
GENERAL URBAN DISTRICT (CD4)**



BUILDING PLACEMENT — PRINCIPAL BLDG

Front Setback, Principal Frontage	0 ft min, 10 ft max	A
Front Setback, Secondary Frontage	0 ft min, 15 ft max	B
Side Setback	0 - 20 ft max	C
Rear Setback	greater of 5 ft min or 10 ft from center line of alley	D
Frontage Buildout	50% min at front setback; except no min - 50% max, per Special Req. Map 10.5A21C on Ceres Street.	

YARD TYPES

	(see Table 10.5A54.20)
Edgeyard	permitted
Sidyard	permitted
Rearyard	permitted

BUILDING & LOT USE

See **Section 10.5A57**

* Except for mixed-use parking structures designed in accordance with Section 10.5A58

** 70% min for shopfront

LOT OCCUPATION

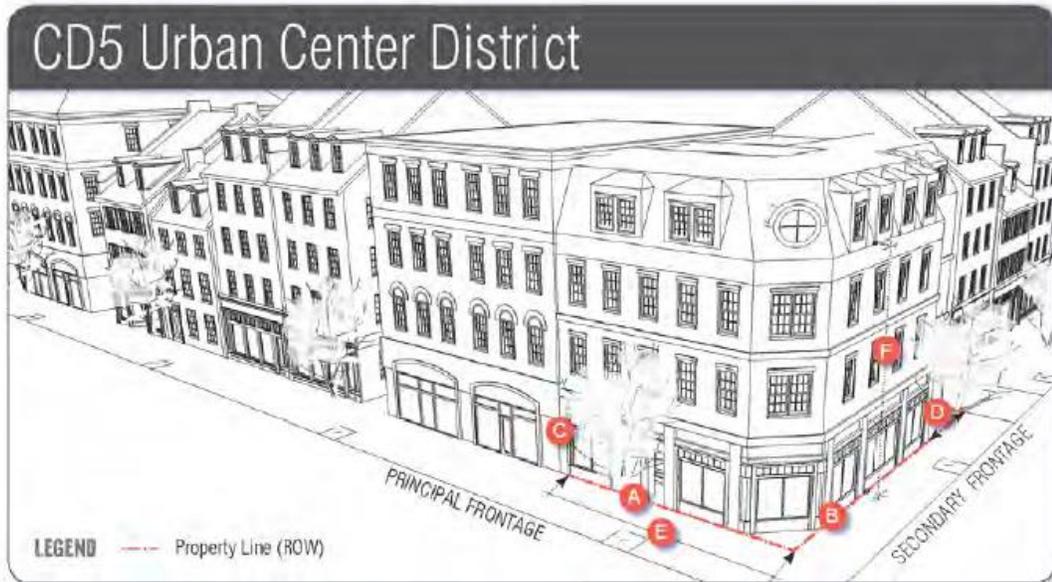
Lot Width	18 ft min, 60 ft max *	E
Building Coverage	90% max	
Open Space	10% Min	
Minimum Lot Area	2,000 sf (NR per dwelling unit)	
Max Building Footprint	10,000 sf*	
Max Facade Modulation	80 ft*	

BUILDING FORM — PRINCIPAL BUILDING

Building Height	See Map 10.5A21.B & Section 10.5A55.30 Special Requirements: Specific Building Height Requirement Areas	F
Ground Floor Height	12 ft min	
Upper Floor Height	9 ft min	
Facade Glazing	20% min - 50% max **	
Roof Type	flat, hip, gable, gambrel, mansard	
Roof Pitch, if any	gable: 6:12 min, 12:12 max hip: 3:12 min mansard / gambrel: 6:12 min, 30:12 max	

Summary of Dimensional Requirements for CD5 District from Ordinance

**TABLE 10.5A42.10C CHARACTER DISTRICT STANDARDS
URBAN CENTER DISTRICT (CD5)**



BUILDING PLACEMENT — PRINCIPAL BLDG

Front Setback, Principal Frontage	0 ft max.*	A
Front Setback, Secondary Frontage	0 ft max.	B
Side Setback	0 ft max.	C
Rear Setback	greater of 0 ft min or 10 ft from center line of alley	D
Frontage Buildout	100% at front setback**	

* Building setbacks may be increased where public access easements are accepted by the City.

** Except for Truncated Corners, Building Projections or other Open Spaces.

YARD TYPES (see Table 10.5A54.20)

Edgeyard	not permitted
Sidyard	not permitted
Rearyard	permitted

BUILDING & LOT USE

See Section 10.5A57

* Except for mixed-use parking structures designed in accordance with Section 10.5A56

** 70% min for shopfront

LOT OCCUPATION

Lot Width	18 ft min, 60 ft max *	E
Building Coverage	95% max.	
Open Space	5% Min	
Minimum Lot Area	2,000 sf, (NR per Dwelling Unit)	
Max Building Footprint	15,000 sf*	
Max Facade Modulation	100 ft*	

BUILDING FORM — PRINCIPAL BUILDING

Building Height	See Map 10.5A21.B Special Requirements: Specific Building Height Requirement Areas	F
Ground Floor Height	12 ft min	
Upper Floor Height	6 ft min	
Facade Glazing	20% min - 50% max	
Roof Type	flat, hip, gable, mansard, gambrel	
Roof Pitch, if any	gable: 6:12 min, 12:12 max hip: 3:12 min mansard/gambrel: 6:12 min, 30:12 max	

DESCRIPTION OF IMPROVEMENTS

A summary description of the subject building is presented below. The following information is based on information provided by representatives for the GSA, including Joseph Foti, Building Management Specialist, and John Dugan, Real Property Utilization and Disposal. Additional information was obtained from city records, information provided by the GSA, and personal inspection of the property on August 24, 2015.

GENERAL DATA:

GROSS BUILDING AREA: 107,254 square feet, as reported by the GSA. Summarized as follows:

Gross By Floor	
Penthouse	3,329
Fourth	13,594
Third	13,594
Second	13,594
First	32,282
Basement	30,859
Total	107,254

NET RENTABLE AREA: 73,000+/- square feet, inclusive of floors 1 through 4 of the McIntyre Federal Building and the US Postal Office. This is exclusive of the basement level, parking garage, and mechanical penthouse.

YEAR OF CONSTRUCTION: 1966

EXTERIOR CONSTRUCTION:

FOUNDATION: Poured concrete

EXTERIOR WALL FRAMING: Steel frame

EXTERIOR WALL COVERING: Brick and concrete

ROOF COVERING: Internally drained built-up membrane (scheduled to be replaced in September 2016). Roof surfaces are reportedly in poor conditions.

WINDOWS: Fixed insulated glass along upper-levels. Storefront style windows along 1st floor.

EXTERIOR DOORS: Aluminum frame and glass atriums along Daniel Street. Steel doors along rear of building.

OVERHEAD DOORS: 12 dock height overhead doors to the rear of the Federal Building and 5 overhead doors to the rear of the US Post Office.

Overhead door providing access to 44 space parking garage.

INTERIOR FINISH:

CONFIGURATION:	<p>The ground floor of the Federal Building contains a large lobby area with high ceilings. The perimeter contains conference rooms and offices. The basement level contains mechanical rooms and access to the lower-level parking garage. The upper three floors are nearly identical, with an interior corridor, elevator lobby, and common area restrooms with perimeter offices. There is a mechanical penthouse on the roof of the building that contains the cooling towers, elevator equipment, and four air handlers).</p> <p>Several of the individual office suites were renovated in recent years, including the IRS appeals space on the first floor, upper-level IRS space, and the SSA space (4-5 years ago).</p> <p>The one-story building section along Daniel Street is occupied by the US Post Office. This space contains a large glass enclosed front lobby and retail service area with post office boxes. The rear of this space contains a processing space, lunch room, and shipping/receiving area. At the front of this space is a small parking lot with 10+/- spaces. The US Post Office portion of the building was renovated in 1997.</p> <p>The rear parking lot and overhead doors are accessed from Penhallow Street. A second parking lot and the lower-level parking garage are accessed from Bow Street.</p>
WALLS/PARTITIONS:	Combination of drywall over metal or wood studs and concrete block. Upper-level offices have demountable interior walls. Ground floor lobby has marble wall plates.
CEILINGS:	Primarily suspended acoustic tile. Reported spray-on Asbestos above suspended ceilings.
FLOORS:	Mostly commercial carpet in average to good condition. Marble in ground floor lobby. Ceramic tile in US Post office.
MECHANICAL DETAILS:	
LIGHTING:	Flush fluorescent fixtures and with parabolic reflectors throughout office space and interior corridors. Common area lighting was reportedly replaced during the 1990s. Some new office units were updated during the past few years.
PLUMBING:	<p>Separate multi-fixture restrooms on each level of the building. Kitchenette areas on each level.</p> <p>Rooftop solar panels for domestic hot water.</p>
ELECTRICAL SERVICE:	Size of main service is not known. Building has a diesel emergency back-up for essential services. There is a 1,000 gallon diesel fuel tank at the front of the building.
H.V.A.C.:	(2) chillers and (2) dual fuel boilers in the Federal Building. RTUs in the US Post Office (replaced 2 years ago).
ELEVATOR:	(2) five-stop 3000 lbs. capacity passenger elevators at building core. Lift in garage.

FIRE PROTECTION:	Central life safety system (updated in 2005), including emergency lighting, exit signs, smoke and heat detectors. Parking garage is sprinklered.
SITE IMPROVEMENTS:	
PARKING:	136 on-site parking spaces, including 44 indoor parking garage spaces and 92 outdoor surface spaces.
WALKS:	Poured concrete walkways around the perimeter of the building with a large plaza along Daniel Street.
LANDSCAPING:	Limited, some landscaping along Daniel Street. Remainder of site contains building or parking.
UNDERGROUND STORAGE TANKS:	The site contains a 10,000 gallon fuel oil storage tank at the southwestern corner of the site, at the intersection of Penhallow and Daniel Streets. At this location is also a 1,000 gallon diesel fuel tank for the emergency generator.
PERSONAL PROPERTY/TRADE EQUIPMENT:	Excluded - No specialized build-out, furniture, or equipment has been considered in this valuation of the real estate.

Building Description Summary

The subject consists of a four-story 107,000 square foot U.S. Federal office building with an attached US Post Office that was constructed in 1966. The site also contains surface parking lots and a lower-level parking garage. Recent renovations include new office build-out for several of the government agencies, including the SSA and IRS. The US Post Office lobby was also substantially renovated in 1997. Capital improvements were planned in 2000-2002 for a 2005 modernization of the McIntyre Federal Building, but were not completed. The planned renovations at this time included “asbestos abatement throughout the building, replacement of the roof and windows, extension of the sprinkler system, full seismic upgrades, and miscellaneous upgrades to the mechanical and electrical systems.” Additional money was included in the \$11,149,000 budget for design and management, space modernization, and ADA compliant improvements. Although some of the offices are fairly modern with renovations occurring with the past five years, the common areas and exterior façade is dated, and the building is in fair condition, overall.

HIGHEST AND BEST USE

The first step in the valuation process involves the determination of the highest and best use of the property. Establishing the highest and best use provides the framework from which to value a property, by establishing the most probable and profitable use, market, and the most likely user of the real estate being valued.

Highest and Best Use is defined as follows:

“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 the highest and best use must meet are:

1. legal permissibility
2. physical possibility
3. financial feasibility, and
4. maximum profitability.”

Source: The Dictionary of Real Estate Appraisal, 4th Edition © 2002 Appraisal Institute.

The highest and best use of a property is analyzed in two ways: the subject site as though vacant and ready to be improved; and as presently improved as of the date of the appraisal. The purpose of the “as vacant” analysis is to determine the ideal use for the site, given its unique location, size, zoning, neighboring properties, and economic conditions. The highest and best use conclusion, as vacant, is generally the use that would yield the highest land value and return to the developer in the current marketplace. In making a determination of highest and best use, such factors as market conditions, supply and demand, and financial feasibility must all be considered and weighted in the final conclusion.

The analysis of the highest and best use, as improved, compares the site’s actual improvements to the “as vacant” conclusion. Variations between the actual and the ideal improvements for a particular site may result in some diminution in value as a result of functional or external obsolescence. In general, properties that are improved in accordance with their highest and best use will command the highest price, or a price that is near or above replacement cost. Properties that are not improved to their highest and best use may require renovation, if financially feasible. Otherwise, such properties may suffer from a form of functional obsolescence that is not curable, or financially feasible to change.

This Highest and Best Use discussion assists in determining the most appropriate buyer and marketplace for the subject, as well as the most appropriate market data from which to derive a market value estimate. In general, properties are to be appraised according to their highest and best use, or the use that yields the highest value.

As Vacant

The subject is a relatively large 2.14 acre site that is centrally located in downtown Portsmouth, with frontage along Daniel, Penhallow, and Bow Streets. In addition to being within Portsmouth's Historic District, the site is located within the recently adopted Character-Based Zoning district. The parcel is primarily zoned CD4 (General Urban District), with approximately ¼ of the site zoned CD5 (Urban Center District). Maximum permitted building height is 40 to 45 feet, with 90% to 95% lot coverage. Permitted uses include a broad range of retail, restaurants, office, lodging, and residential development, similar to the surrounding neighborhood. Nearly all new construction in downtown Portsmouth has consisted of some combination of ground floor retail space and upper-level residential condominiums, apartments, or lodging. No other use would yield a higher value. The highest and best use of the subject, as vacant, is similar mixed-use development. Given the limitations on height and building mass associated with the site's Character Based zoning, some type of large scale planned development with multiple buildings and on-site parking is most likely for this larger 2.14 acre site.

As Improved

The subject site is improved with a 107,000+/- square foot office building on 2.14 acres with two separate parking lots at the rear of the building, a small parking lot for the US Post Office, and an enclosed parking garage. Some of the existing office space has been renovated in recent years, but the building's common areas and exterior are dated and in fair condition, overall. Although originally constructed as a high quality Class A quality office building during the 1960s, due to its age and current condition it is now best characterized as a Class B quality office building.

The existing older office building improvements are not consistent with the subject's highest and best use, as vacant. Given land prices in downtown Portsmouth, the value of the site as vacant

exceeds its value for continued office use. Overall, redevelopment is the highest and best use, as improved, and it is likely that most developers would raze the existing improvements in order to accommodate new construction. However, considering current zoning restrictions, the existing 60+/- foot tall Federal building shell and its large footprint may also be considered usable by potential developers. Similar Class B quality office properties in downtown Portsmouth that have been redeveloped include the Parade Mall (now Portwalk), 30 Maplewood Avenue, 111 Maplewood Avenue (former Portsmouth Herald). Two of these buildings were substantially rehabbed, while the third (Portwalk) was demolished.

A unique characteristic of the subject building is its considerable hazardous material contamination, reportedly in the form of sprayed on Asbestos. In approximately 2000, the GSA developed a budget of \$11,978,000 to modernize the McIntyre Federal Building with 2005 completion planned. This budget was inclusive of \$3.6 million for Asbestos abatement and an additional \$1.4 million for seismic upgrades due to the age of the existing frame relative to current building code requirements. Considering the age of the existing building and cost associated with asbestos abatement, seismic upgrades, demolition, and modernizing the existing build-out, façade, and mechanical systems, full demolition is felt to be most likely, though substantial renovation is also possible. The decision to raze or keep the existing shell will ultimately depend numerous factors, including: the type of development that is planned, the approval process, the cost of each alternative, and engineering reports. Until a developer has undergone significant due diligence, it will be difficult to definitively answer this question.

APPRAISAL PROCESS

The purpose of this appraisal is to estimate the market value of the fee simple interest of the subject property on an “as is” basis. A value of the subject site as vacant land is also included in the scope of this appraisal.

It was concluded in the Highest and Best Use analysis that the value of the subject site both “as is” and “as improved” is acquisition for mixed-use development. In this appraisal, the value of the subject will be estimated by analyzing prevailing land prices for comparable developable parcels in the downtown Portsmouth market in order to estimate the site’s market value as vacant land. In order to derive an “as is” market value, lump sum adjustments will be applied to account for the additional cost associated with Asbestos abatement. Since it is possible that a developer will keep the existing four story Federal building shell, building demolition costs are not deducted to derive the “as is” value.

The three approaches to value are the cost approach, income approach, and sales comparison approach. All three approaches have been considered in the completion of this appraisal. The appropriateness of each approach in the valuation of the subject is discussed below.

Cost Approach

The cost approach is most appropriate in the valuation of newer buildings and special use properties. As vacant land, the cost approach is not appropriate.

Income Approach

The income approach is most applicable in the valuation of investment properties. Although land is occasionally leased, land leases are not common in downtown Portsmouth. Therefore, income analysis is not a good indication of market value for the subject site.

Sales Comparison Approach

Sales comparison analysis is typically the best indication of value in the valuation of the fee simple interest in vacant land. The subject has been compared to the most recent land sales available in the downtown Portsmouth market.

SALES COMPARISON APPROACH

The sales comparison approach provides a value indication based on the recent sales of comparable properties. As discussed in the Highest and Best Use, the most likely use of the subject site is high density mixed-use development. Therefore, the subject will be valued as land available for redevelopment.

For land parcels, the sales comparison approach is typically the preferred method of valuation. This analysis examines prevailing prices for paid in the marketplace for similar properties. The downtown Portsmouth market was surveyed for sales of vacant land and sites sold for redevelopment. Due to the unique historical and high-density characteristics of Portsmouth's Central Business District, the search for comparables was limited to the downtown area. The comparables selected have similar zoning. Therefore, with the exception of recent zoning changes, have similar potential floor area ratio, with similar setback and height requirements and development potential.

Six developable land (or land and building) sales from the downtown Portsmouth market are presented as comparables on the following pages. The sales are compared and analyzed on the basis of price per square foot of land area. Although this type of site is often valued on the basis of price per square foot of FAR (Floor Area Ratio), this analysis is not possible as estimating the subject's development potential would be highly speculative.



IMPROVED SALE COMPARABLE NO. 1

LOCATION: 30 Maplewood Avenue, Portsmouth, New Hampshire
GRANTOR: 30 Maplewood Avenue Trust
GRANTEE: 30 Maplewood, LLC
SALE PRICE: \$3,750,000
DATE OF SALE: March 29, 2010
BOOK/PAGE: 5099/2424
MAP/LOT: 125/2
LAND DATA: 1.30 Acres or 56,628 square feet
ZONING: Central Business B
FRONTAGE: 359' along Maplewood Ave; 268' along Bridge St; 201' along Deer Street; 134' along Hanover Street
UNIT PRICE: **\$66.22 per square foot of land area**
COMMENTS: Site contains 30,000+/- square foot steel frame and brick exterior two-story Class B quality office building. Originally constructed in 1978, in average physical condition with short-term tenant in place at time of sale. Purchased at full asking price by a developer interested in redeveloping the existing building and surplus land. Site fronts along Deer, Maplewood, and Hanover Streets and offers 78 on-site parking spaces. Being developed in 2014, four years after acquisition.
CONFIRMATION: Grantee – Steve Kelm and Listing Broker – Andrew Fleisher



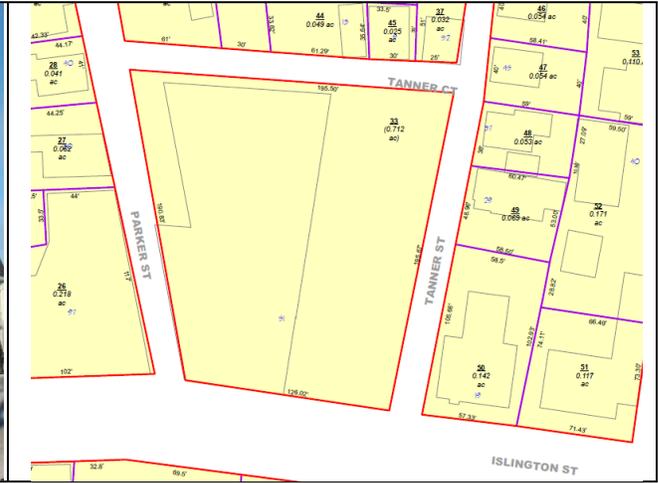
LAND SALE COMPARABLE NO. 2

LOCATION:	299 Vaughan Street, Portsmouth, New Hampshire
GRANTOR:	GSM Realty Trust
GRANTEE:	299 Vaughan Street LLC
SALE PRICE:	\$1,600,000
DATE OF SALE:	May 2, 2013
BOOK/PAGE:	5434/2905
MAP/LOT:	124/10 and 123/15
LAND DATA:	1.87 acres; 0.881 usable acres
ZONING:	Central Business A
FRONTAGE:	183' along Vaughan Street 23' along Green Street
UNIT PRICE:	\$41.69 per square foot of land area
COMMENTS:	Property was improved with several older industrial buildings that totaled 12,450 square feet. Sold with conceptual plans for the development of a 40,000 SF building. Site had frontage along North Mill Pond. Buyer secured short-term lease with the city of Portsmouth, who is operating a 90 space surface lot on the parcel. Located in Portsmouth's Northern Tier. Rear of the site is not considered usable due to irregular shape and wetland setbacks. Much of site falls within a flood plain, limiting development potential.
CONFIRMATION:	Broker – Greg Whalen



LAND SALE COMPARABLE NO. 3

LOCATION:	233 Vaughan Street, Portsmouth, New Hampshire
GRANTOR:	Blue Star Properties, LLC
GRANTEE:	233 Vaughan Street, LLC
SALE PRICE:	\$1,300,000
DATE OF SALE:	September 16, 2010
BOOK/PAGE:	5144/1916
MAP/LOT:	124/14
LAND DATA:	0.45 acres
ZONING:	Central Business A
FRONTAGE:	127' along Vaughan Street; 259' along Green Street
UNIT PRICE:	\$66.32 per square foot of land area
COMMENTS:	Property was improved with an older industrial warehouse that was demolished. Site fronts along Vaughan Street and the B&M rail line. Purchased for the construction of a 44,341 square foot "luxury" mixed-use property with two floors of commercial space and upper-level residential condominiums with a lower-level parking garage. Project was delayed several years due to developer's inability to pre-sell units or obtain financing. Located in Portsmouth's Northern Tier. Being developed in 2014, four years after acquisition.
CONFIRMATION:	Grantee and Broker – Dave Lefavre



LAND SALE COMPARABLE NO. 4

LOCATION:	51 Islington Street, Portsmouth, New Hampshire
GRANTOR:	Bare Real Estate, LLC
GRANTEE:	51 Islington Street, LLC
SALE PRICE:	\$3,000,000
DATE OF SALE:	August 7, 2008
BOOK/PAGE:	4941/938
MAP/LOT:	126/33
LAND DATA:	0.69 acres or 30,000 square feet
ZONING:	Central Business B
FRONTAGE:	119' along Islington Street; 177' along Tanner Street; 160' along Parker Street; 145' along Tanner Court.
UNIT PRICE:	\$100.00 per square foot of land area
COMMENTS:	Property was improved with the former two-story Klines Furniture store. Building was razed for the construction of a 50,000 SF mixed-use building that was developed in two phases. Includes 10,100 SF of commercial space and 28 residential condominiums on the upper levels. Located approximately 3.5 blocks from Market Square.
CONFIRMATION:	Grantee – Steve Kelm



LAND SALE COMPARABLE NO. 5

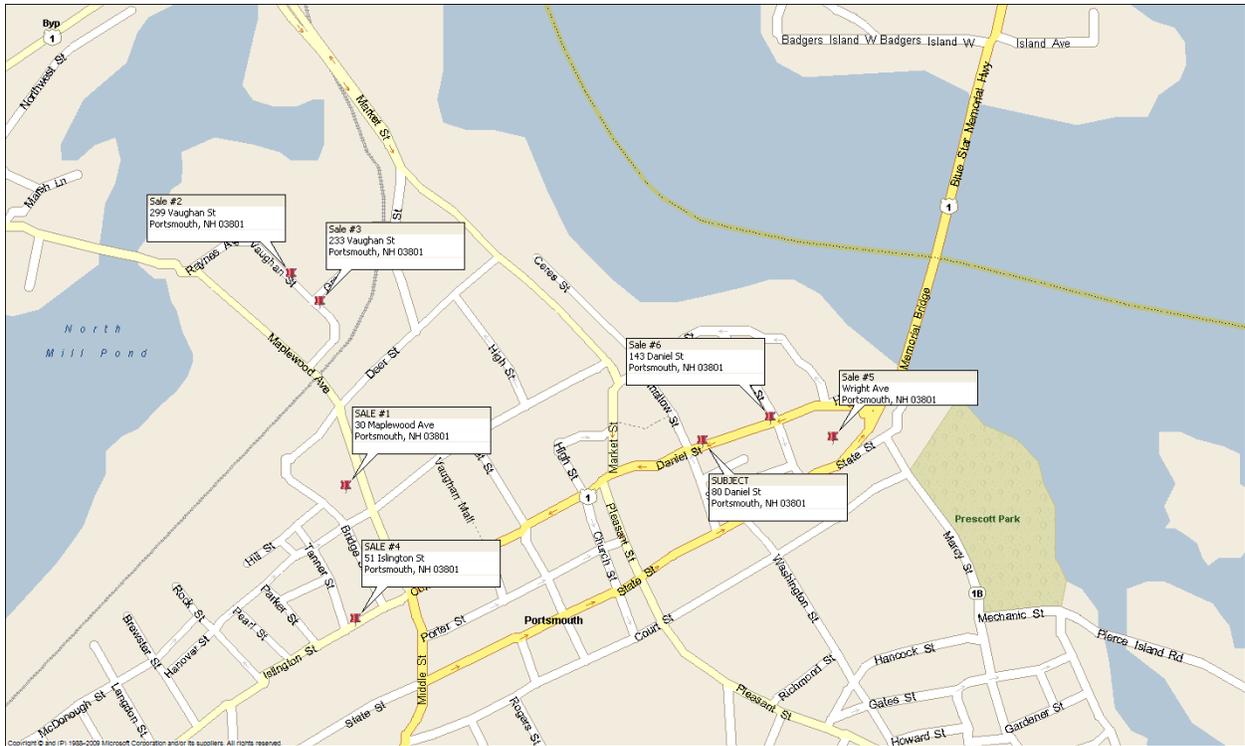
<p>LOCATION: GRANTOR: GRANTEE: SALE PRICE: DATE OF SALE: BOOK/PAGE: MAP/LOT: LAND DATA: ZONING: FRONTAGE: UNIT PRICE: COMMENTS:</p>	<p>Wright Avenue & State Street, Portsmouth, New Hampshire Joe M. & Pamela Hunt Wright Avenue, LLC \$1,105,000 December 21, 2011 5273/814 105/18 0.26 acres or 11,326 square feet Central Business B 96' along State Street; 118' along Wright Avenue \$97.56 per square foot of land area Property was improved with a small one-story service garage. Buyer gained approvals for redevelopment with a 45,000 square foot five-story mixed-use building with two floors of commercial space and 14 upper-level residential condominiums. Located in close proximity to Prescott Park, the Memorial Bridge, and the Piscataqua River. Being developed in 2014, three years after acquisition.</p>
<p>CONFIRMATION:</p>	<p>Grantee – Steve Kelm</p>



IMPROVED SALE COMPARABLE NO. 6

LOCATION:	143 Daniel Street, Portsmouth, New Hampshire
GRANTOR:	City of Portsmouth
GRANTEE:	143 Daniel Street LLC
SALE PRICE:	\$1,500,000
DATE OF SALE:	January 18, 2013
BOOK/PAGE:	5400/1794
MAP/LOT:	Map 105, Lot 19
LAND DATA:	0.361 acres
ZONING:	Central Business B (Now CD4 & CD5)
FRONTAGE:	162 feet along Daniel St; 127 feet along Chapel St; 71 feet along Wright Avenue
BUILDING DESCRIPTION:	14,870 square foot, wood frame and brick exterior recreation and office building constructed in 1916. In fair condition. Site contains a three-story community center and attached gymnasium, and small parking lot.
UNIT PRICE:	\$95.39 per square foot of land area
COMMENTS:	Former “Connie Bean Community Center” located in downtown Portsmouth. City sold at well attended auction due to building’s disrepair and poor functional utility for continued recreational use. Purchased for redevelopment, though buyer had no specific plans at the time of sale. Three-story section of building is being restored, but gymnasium portion of site is being redeveloped with 14,060 SF, while parking lot is being developed with 7,138 SF.
CONFIRMATION:	Auctioneer – Paul McInnis

EXHIBIT F – LAND SALES MAP



Analysis of Land Sale Comparables

Given the unique characteristics of this market, the comparables used to value the subject have been limited to Portsmouth's CBD. The six most recent sales of developable sites in downtown Portsmouth are presented as comparables. The sales presented indicate a broad range of unit prices from \$42 to \$100 per square foot, before adjustment.

Discussion of the Elements of Comparison

Elements of comparison include factors such as conditions of sale, financing, market conditions, location, land size, zoning/max height, frontage, and site improvements at sale.

Conditions of sale refers to atypical aspects of a sale which may have contributed to a higher or lower sale price than would have otherwise been the case in a normal market transaction (i.e. foreclosure sale or sale to an abutter). All six sales had typical conditions of sale for the subject market.

Financing can affect the purchase price if extraordinary financing, in the way of a lower interest rate or high loan-to-value ratio, is obtained. Each of the sales presented was either a cash transaction or involved market financing.

Market conditions demonstrated an upward trend prior to the Great Recession, at which time prices stabilized or declined during 2008-2010. During the past few years, prices have begun to rise again. The downtown Portsmouth market is also somewhat unique, and experienced stable, or moderate commercial price appreciation through the recession. The following match paired comparable sales are presented to demonstrate prevailing price trends for commercial real estate in the downtown Portsmouth market.

Market Conditions Adjustment – Match Paired Sales

Comp #	Address/ Description	Sale A	Sale B	Total Change	Annual Change
1	501 Islington Street Portsmouth, NH 25,525 SF Class B Office	\$4,000,000 June 2008	\$3,900,000 Oct 2011	- 2.5%	- 0.75%
2	76 Congress Street Portsmouth, NH 2,450 SF Mixed-Use	\$505,000 September 2011	\$550,000 December 2012	+ 8.9%	+ 5.9%
3	36 Market Street Portsmouth, NH 2,034 SF Ret. Condo	\$750,000 June 2009	\$748,000 February 2014	- 0.3%	N/A
4	107 Congress Street Portsmouth, NH 1,927 SF Ret. Condo	\$637,500 February 2007	\$650,000 August 2014	+1.96%	+0.26%

The match paired sales data available demonstrate -0.75% to 5.9% annual price change in the downtown Portsmouth market. However, retail and office rents have continued to increase during this time, suggesting modest appreciation through the date of value.

Since the search for comparable sales is limited to the downtown Portsmouth market, several older sales are presented. Comparable Nos. 2 and 6 are the most recent data available, occurring in 2013. The remaining sales occurred between 2008 and 2011. Upward adjustment for market conditions have been applied to comparable Nos. 1, 3, and 5, as land prices in Portsmouth have trended upward during the past several years. Comparable No. 4 is not adjusted for market conditions, since it was negotiated just prior to the recession. Overall, market conditions have returned to pre-recession levels, and therefore, no net adjustment is applied to this sale.

Size can impact prices, with larger sites generally selling for a lower unit price due to volume/economies of scale discounting. Larger parcels generally take longer to develop and also have a smaller pool of potential buyers. Although the subject is larger, at 2.14 acres, it offers significant frontage along three roads, good development flexibility, and the ability to be subdivided into numerous smaller parcels. For this type of urban parcel in a market with limited supply the large site size does not negatively impact the unit value. Therefore, despite the subject's larger land size, no adjustments for size are applied to the comparables.

Location is one of the most important adjustment factors for any type of real estate. For this type of downtown site, visibility, pedestrian and vehicle accessibility, traffic exposure, as well as the quality and character of surrounding properties are all factors. The subject property is located one block from Market Square and one block from the city's waterfront. The site experiences good pedestrian traffic for retail development and potential water views from upper floors. Overall, this is a very good and centrally located site within Portsmouth's CBD. Various degrees of adjustment are applied to comparable Nos. 1 through 4. Comparable Nos. 5 and 6 are located in close proximity to the subject, and therefore, are not adjusted for location.

Zoning/Maximum Height has been considered, since a developer will pay a higher price for sites with a zoning designation that permits greater development density and maximum building height. The subject site is primarily located in Portsmouth's CD5 District with approximately ¼ located in the CD5 District. These districts permit 40 to 45 foot building height and significant lot coverage. The existing Federal building has an estimated height of 60+/- feet, which exceeds current zoning.

In general, Portsmouth recently adopted Character Districts Based zoning in 2014, subsequent to the land sales which are available and presented in this appraisal. At the time of these sales greater building heights were permitted. Although the subject contains a grandfathered 60 foot structure with a footprint of 13,594 square feet on a portion of the site, the remainder of the site has inferior development potential. Therefore, comparable Nos. 1, 4, and 5 are adjusted downward, as these parcels were acquired when a greater floor area ratio was permitted by zoning.

The adjustment is tempered somewhat due to the existence of the grandfathered 60 foot office shell.

Frontage is compared among the comparable sales, since road frontage provides development flexibility, improves access, and adds value for retail-oriented use. The subject site occupies a large percentage of a city block, with considerable frontage along Daniels, Penhallow, and Bow Streets. Comparable Nos. 1, 4, 5, and 6 offer similar frontage along multiple streets. Comparable Nos. 2 and 3 are adjusted upward.

Improvements are considered since several of the comparables sites contained improvements at the time of sale. Although some improvements can be a detriment as they require demolition costs, they may also offer a grandfathered footprint and setbacks, as well as interim income until a site is redeveloped. Overall, redevelopment is the highest and best use of the subject site, as improved, and it is likely that most developers would raze the existing improvements in order to accommodate new construction. However, the existing shell may be of some value as a grandfathered 60+/- foot tall building with a large footprint. Although these improvements are significant, they are proportionate to the subject's larger lot size. Comparable Nos. 1 and 6 contained building shells that were utilized during redevelopment. The remaining comparables contained older buildings that were used on an interim basis or demolished for new development. These structures did not have a significant impact on the price paid for the land, overall. Therefore, no adjustments are applied to the remaining comparable sales

Overall, these are possible scenarios for the subject on an "as is" basis, and therefore, no adjustment is applied. Relative to the size of this redevelopment project, the improvements are estimated to neither add nor detract significantly from the subject's value. With an estimated demolition cost of \$640,000+/-, the improvements will be viewed differently by developers until appropriate due diligence is possible.

The following adjustment grid summarizes the various adjustments discussed above.

SALES COMPARISON APPROACH; ADJUSTMENT SUMMARY GRID

Subject	Comp #1		Comp #2		Comp #3		Comp #4		Comp #5		Comp #6	
	30 Maplewood Portsmouth, NH	299 Vaughan St Portsmouth	233 Vaughan St Portsmouth	51 Islington St Portsmouth	Wright Ave Portsmouth	143 Daniel St Portsmouth						
Sale Price	\$3,750,000	\$1,600,000	\$1,300,000	\$3,000,000	\$1,105,000	\$1,500,000						
Effective Price:	\$3,750,000	\$1,600,000	\$1,300,000	\$3,000,000	\$1,105,000	\$1,500,000						
Land Size (SF)	56,628	38,376	19,602	30,000	11,326	15,725						
Sale Price PSF Land	\$66.22	\$41.69	\$66.32	\$100.00	\$97.56	\$95.39						
Sale Conditions	Market	Market	Market	Market	Market	Market						
Financing	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional						
Adjusted Price/SF	0%	0%	0%	0%	0%	0%						
Date of Sale	Aug-15	May-13	Sep-10	Aug-08	Dec-11	Jan-13						
Date of analysis	10.0%	0.0%	10.0%	0.0%	5.0%	0.0%						
Adjusted Price/SF	\$72.84	\$41.69	\$72.95	\$100.00	\$102.44	\$95.39						
Land Size (SF)	56,628	38,376	19,602	30,000	11,326	15,725						
Location	Daniel St	Inferior & Flood Plain	Inferior	Inferior	Similar	Similar						
Zoning/Max Height	60' Existing	CBA/45 Feet	CBA/50 Feet	CBB/60 Feet	CBB/60 Feet	CBB/45 Feet						
Frontage	40-45' Per CD4 & CD5 3 Streets	0%	0%	-5%	-5%	0%						
Improvements	Shell and/or Demolition	Demolished	Demolished	Demolished	Nominal Demo	Demo & Shell						
Asbestos (See Lump Sum)	0%	0%	0%	0%	0%	0%						
Net Adjustment	5%	45%	40%	5%	-5%	0%						
Adj. Price PSF Land =	\$76.49	\$60.45	\$102.13	\$105.00	\$97.32	\$95.39						
Rounded	\$76	\$60	\$102	\$105	\$97	\$95						
Average =	\$89											
Median =	\$96											

Sales Comparison Approach Value Conclusion

The comparables indicate a range of unit prices from \$60 to \$105 per square foot, after adjustment. Four of the comparables indicate a close prevailing range, from \$95 to \$105 per square foot. The comparables indicate an average price of \$89 per square foot and a median price of \$96 per square foot, after adjustment. These comparable sales are considered to be the best available indication of value, as they are the only land sales that have occurred with the downtown Portsmouth market. As of the date of this appraisal no comparable sites are listed for sale in downtown Portsmouth.

Comparable Nos. 2 and 6 each occurred within the past few years, and are the most recent land sales that have occurred in the downtown Portsmouth market. These two comparables indicate adjusted unit prices of \$60 and \$95 per square foot, respectively. Comparable Nos. 5 and 6 offer the most similar location to the subject, being located at the eastern end of Daniel Street, near the Memorial Bridge and Piscataqua River. These two comparables indicate adjusted unit prices of \$97 and \$95 per square foot, respectively.

In reconciling to a final unit value for the subject, specific emphasis is placed on comparable Nos. 5 and 6, due to their similar locations in downtown Portsmouth, while also considering the close prevailing range of \$95 to \$105 per square foot indicated by four of the comparables. Given the subject's central location and significant road frontage, as well as its larger size, a unit value of \$100 per square foot, at the middle of the prevailing range, is concluded for the subject site as vacant land. The estimated market value via the Sales Approach is calculated below.

Sales Comparison Approach: Market Value Estimate "As Vacant" Land
93,218 Square Feet of Land Area @ \$100 PSF = \$9,321,800, Rounded to: \$9,300,000

MARKET VALUE ESTIMATE “AS IS”

It was concluded in the Highest and Best Use analysis that the value of the subject site both “as is” and “as improved” is acquisition for mixed-use development. In this appraisal, the value of the subject has been estimated by analyzing prevailing land prices for comparable developable parcels in the downtown Portsmouth market. In order to derive an “as is” market value, a lump sum adjustment will be applied to account for the additional cost associated with Asbestos abatement to derive an “as is” market value for the subject. Since the existing office shell and parking structure may be considered for redevelopment, demolition costs are not deducted. However, since substantial renovations will be necessary, the shell is not considered to have a positive impact on value.

Due to the extraordinary cost associated Asbestos abatement of the existing Federal building, a lump sum adjustment is necessary to the subject’s estimated as vacant land value in order to derive an “as is” market value for the subject as of the date of this appraisal. The estimated costs are analyzed below.

Asbestos and Building Demolition Estimates

With redevelopment or full demolition and new construction concluded in the Highest and Best Use section of this appraisal, as improved, the extraordinary cost associated with Asbestos abatement must be considered and deducted from this valuation analysis, as it has a negative impact on the subject’s “as is” market value. To estimate the extraordinary cost associated with the asbestos abatement, the following sources are cited:

Asbestos Abatement Estimates

- The prior cost estimate obtained from the GSA was \$3.6 million for Asbestos remediation, beginning in 2003 with 2005 completion planned. Cost estimator Buddy Vaughn of H.A. Vaughn in Dover, New Hampshire indicated that current costs would be approximately 25% greater, due to increases in construction costs. However, the original GSA quote assumed a partially occupied office building and was presumably quoted at Federal labor rates. Therefore, the net effect is estimated to be a cost similar to the original \$3.6 million for a presumably vacant office building in 2015 with no Federal labor rates.
- To obtain a current quote for asbestos abatement, I also spoke with Scott Sansoucie, VP of Operations for EnviroVantage of Epping, New Hampshire. He indicated that he is familiar with the McIntyre building and has completed some abatement work within the

facility in the past. Based on the building's size and age, he provided a preliminary estimate of \$3.5 million, with the potential for a 10% reduction for a vacant building and single asbestos removal contractor. This 10% discount would result in a lower cost of \$3.15 million, as the building would presumably be vacant if demolished or redeveloped.

- The Marshall & Swift Valuation Service (Section 66, Page 11) publishes a cost of \$31.75 to \$43.25 per square foot for Asbestos removal in Average to Good quality commercial properties. The average cost of \$37.50 PSF equates to a total Asbestos removal cost of \$4,012,500 ($\$37.50 \text{ PSF} \times 107,000 \text{ SF}$).

Based on the data presented above, a cost estimate of \$3.15 million is estimated for asbestos abatement, assuming the building is vacant and the contract is awarded to a single contractor. This abatement cost is an extraordinary cost associated with redevelopment of the McIntyre Federal Building property. This abatement cost will be deducted from the "as vacant" land value estimated in this appraisal to derive an "as is" value of the site as currently improved.

The demolition cost is calculated below for the purpose of analysis by the client. However, as previously noted, it is possible that a buyer will keep the existing Federal building shell, and therefore, the demolition cost of the structure is not deducted from their valuation.

Demolition Estimates

- Buddy Vaughn, Construction Cost Estimator and bank consultant with H.A. Vaughn & Associates of Dover, NH indicated a demolition cost of \$5 to \$6 per square foot, based on the building's larger size, steel frame construction, and urban location in downtown Portsmouth. Mr. Vaughn also indicated that with seismic retrofitting necessary to utilize the existing shell, it was his opinion that demolition was more likely.
- The Marshall & Swift Valuation Service (Section 66, Page 10) publishes a cost of between \$5.13 to \$7.54 per square foot for Class A construction demolition, or an average of \$6.34 per square foot.
- Scott Sansoucie, VP of Operations for EnviroVantage of Epping, New Hampshire indicated that a cost of \$6 PSF for demolition of the building is a reasonable preliminary estimate.

A cost of \$640,000, rounded ($\$6 \text{ PSF} \times 107,000 \text{ SF} = \$642,000$) is estimated for demolition of the existing office building and associated parking garage. The demolition cost is calculated above for the purpose of analysis by the client. However, as previously noted, it is possible that a buyer will keep the existing Federal building shell, and therefore, the demolition cost of the structure is not specifically deducted in this valuation analysis. It should be noted that renovation of this type of older commercial building “shell” is often of little or no cost savings during redevelopment, and therefore, is estimated to offer no positive contribution to the market value, even if redeveloped.

The subject’s “as is” market value is estimated, as follows:

**“As Is” Market Value Estimate:
McIntyre Federal Building
80 Daniel Street, Portsmouth, New Hampshire**

Land Value Estimate PSF =	\$100
Land Area =	93,218
Market Value "As Vacant" =	\$9,321,800
Less: Asbestos Abatement	-\$3,150,000
Market Value "As Is" =	\$6,171,800
Rounded to:	\$6,200,000

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and FIRREA.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 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, Stephen J. Bergeron has completed the continuing education program for Designated Members of the Appraisal Institute.



Stephen J. Bergeron, MAI
NHCG – 512

September 10, 2015

Date

QUALIFICATIONS OF STEPHEN J. BERGERON, MAI

PROFESSIONAL MEMBERSHIPS:

Appraisal Institute - MAI Designation

New Hampshire Chapter of the Appraisal Institute

Massachusetts Chapter of the Appraisal Institute

NHCIBOR – Affiliate Member

STATE LICENSES:

New Hampshire State Certified General Appraiser - # 512

EMPLOYMENT:

2000 – Present

Bergeron Commercial Appraisal
Principal

1992 – 2000

F & M Appraisal Group, Inc.
Commercial Appraiser

EDUCATION:

Bentley College, Waltham, Massachusetts - BS degree in Business Management

APPRAISAL EDUCATION:

Successfully Completed:

Basic Income Capitalization - Exam 310

Standards of Professional Practice A & B - Exams 410 & 420

Advanced Income Capitalization - Exam 510

Report Writing and Valuation Analysis - Exam 540

Advanced Applications - Exam 550

Case Studies in Commercial Highest & Best Use

Attacking and Defending Appraisals in Litigation – Ted Whitmer

Valuing Partial Interests – Divided

Real Estate Fraud

Condemnation Appraisal – 710

Subdivision Analysis

Real Estate Finance, Statistics, and Valuation Modeling

Appraisal Review

Uniform Appraisal Standards of Federal Land Acquisitions

Office Building Valuation; A Contemporary Perspective

Appraisal Review

Uniform Standards of Federal Land Acquisitions

Challenged:

Appraisal Principles - Exam 110

Appraisal Procedures - Exam 120

General Applications - Exam 320

Highest and Best Use & Market Analysis - Exam 520

Advanced Sales & Cost Approach - Exam 530

SOFTWARE:

Argus Real Estate Investment Software

APPRAISAL ASSIGNMENTS:

Commercial real estate appraisal experience includes the following property types: office, industrial, retail shopping centers, apartment complexes, residential subdivisions, affordable housing, LIHTCs, restaurants, auto dealerships, health clubs, movie theaters, mill buildings, medical office, schools, bank branches, and land leases.

APPENDIX A: ENGAGEMENT LETTER

BERGERON COMMERCIAL APPRAISAL

CONSULTANTS IN REAL ESTATE VALUATION

487 State Street
Portsmouth, New Hampshire 03801
Phone: (603) 436-3009 Fax: (603) 436-7339
www.bergeronappraisal.com

July 13, 2015

Mr. John P. Bohenko
City Manager
City of Portsmouth
1 Junkins Avenue
Portsmouth, New Hampshire 03801
Via e-mail: jpbohenko@cityofportsmouth.com

Dear Mr. Bohenko:

Bergeron Commercial Appraisal would like to submit the following proposal in response to your request for appraisal services:

1. To provide a narrative appraisal of the following property:

**Thomas J. McIntyre Federal Building
80 Daniel Street
Portsmouth, New Hampshire 03801**

2. The purpose of this assignment is to estimate the market value of the fee simple interest in the above referenced property on an "as is" basis. The intended use of this appraisal is to assist the client with valuation for potential sale negotiations with the U.S. GSA.
3. Delivery of the completed narrative appraisal will be within 8 weeks of engagement.
4. The fee for completion of the narrative appraisal report is **\$8,800**. If the appraisal is cancelled prior to completion, the client will be invoiced at a rate of \$250 per hour for work completed, to date. Any subsequent analysis, court preparation, or testimony requested after the completed appraisal will be invoiced under a separate contract at a rate of \$250 per hour.
5. The appraisal will be addressed to the City of Portsmouth, who will be responsible for payment of the completed appraisal within 30 days of delivery.
6. The appraisal will be completed by Stephen J. Bergeron, MAI, who is a Certified General Appraiser in the state of New Hampshire. This appraisal will be developed and prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Institute's Code of Professional Ethics.

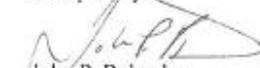
Thank you for the opportunity to bid on this assignment. Please feel free to contact me if you have any questions, or if you feel any modifications are needed to this proposal. To accept the terms of this proposal, please sign and date below.

Sincerely,



Stephen J. Bergeron, MAI
Bergeron Commercial Appraisal
Date: July 13, 2015

Accepted by:



John P. Bohenko
City Manager, City of Portsmouth
Date:

APPENDIX B: LEGAL DESCRIPTION

*Ref.
U.S.A. General
Services
U.S. Rev.
Stamp
46-75*

1708-428

I, ^{ff}SAMUEL GROSSMAN, a single person of Portsmouth,
New Hampshire, for consideration paid grant with warranty
covenants to the UNITED STATES OF AMERICA, acting by and through
the Administrator of General Services, his successors and assigns,
the following described parcel of land with buildings, improvements,
and appurtenances situated thereon in the City of Portsmouth,
County of Rockingham, State of New Hampshire, bounded and
described as follows:

Being a certain parcel or lot of land
shown as "N/F Samuel Grossman 4,680.85
square feet" as shown on plan entitled
"Topographical Survey" Drawing No. 1-2
by Aliberti-LaRochelle & Hodgson Engineering
Corp., Inc., Lewiston, Maine dated May 3,
1963, which plan is now recorded at
Rockingham Deeds. (P~~44~~ 176).

Said parcel or lot is further bounded
and described as follows:

Beginning at a point on the Northwesterly
line of Daniels Street, said point being
the Southerly corner of land now or for-
merly owned by Emilie Thorne thence North
four degrees nine minutes no seconds East
(N 4° 09' 00" E) along land of said
Thorne fourteen and ninety-five hundredths
(14.95) feet to a point; thence North
eighty-two degrees nine minutes forty-
eight seconds East (N82° 09' 48" E) along
land of said Thorne four and no hundredths
(4.00) feet to a point; thence North seven
degrees fifty minutes twelve seconds West
(N 7° 50' 12" W) along land of said Thorne
and land now or formerly owned by Wesley
Green and recorded in said Registry, Book
1602, Page 023, eighty-eight and fifty
hundredths (88.50) feet to land now or
formerly owned by the City of Portsmouth;
thence South sixty-seven degrees forty
minutes forty-four seconds West (S 67°
40' 44" W) along land of said City of
Portsmouth sixty-six and ten hundredths
(66.10) feet to the Northeasterly line of
Penhallow Street; thence South nine
degrees fourteen minutes sixteen seconds
East (S 09° 14' 16" E) along said Penhallow
Street forty and twenty-eight hundredths
(40.28) feet to land now or formerly
owned by the Portsmouth Italian American
Club and recorded in said Registry, Book



207

1708-429

1359, Page 251; thence North eighty degrees forty-five minutes forty-four seconds East (N 80° 45' 44" E) along land of said Club twenty-five and eighty hundredths (25.80) feet to a point; thence South eight degrees twelve minutes forty seconds East (S 8° 12' 40" E) along land of said Club forty-four and seventy-four hundredths (44.74) feet to the Northwesterly line of Daniels Street; thence North eighty-four degrees forty-two minutes fifty-eight seconds East (N 84° 42' 58" E) along said Daniels Street thirty-two and fifteen hundredths (32.15) feet to the point of beginning. Said lot contains four thousand six hundred eighty and eighty-five hundredths (4,680.85) square feet.

Being the same premises conveyed by Sarah Bratter Et Al to Samuel Grossman dated May 1, 1945 and recorded with said Rockingham Deeds Book 1025, Page 218.

TO HAVE AND TO HOLD, the granted premises, with all the privileges and appurtenances thereunto belonging to the said United States of America, its successors and assigns, to it and their own use and behoof forever.

Witness my hand and seal this 17th day of March

1964

John Doughty

Samuel H. Grossman

STATE OF NEW HAMPSHIRE

COUNTY OF ROCKINGHAM: ss.

March 12

1964

Then personally appeared the above-named SAMUEL H. GROSSMAN, a single person, and acknowledged the foregoing instrument to be his free act and deed, before me,

Arlon R. Shaw

Notary Public

MY COMMISSION EXPIRES
JUNE 15, 1965



REC'D & RECORDED MAR 19 1964 3:00 P.M.

260

1706 459

Minutes of Meeting of Italian American Club
Held February 21, 1964 at Portsmouth, New Hampshire

A meeting of the Italian American Club was duly called and held on February 21, 1964 at 9:00 PM at the Club rooms on Daniel Street in Portsmouth, New Hampshire.

The meeting was called to order by the President.

On motion, duly made and seconded, it was unanimously

VOTED: that the Treasurer of the corporation, Mr. Hugo Marconi be authorized, and he hereby is so authorized, to sign the necessary deed and other documents in the conveyance of the premises at 62-64 Daniel Street, Portsmouth, New Hampshire to the United States of America for the sum of \$21,500.00.

There being no other business to be transacted at the meeting it was unanimously

VOTED: To adjourn.

A true record.

Attest:

Ralph J. [Signature] Secretary

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Doughue*
U.S. Post
Stamp
\$23.65

9, 1

1706 460

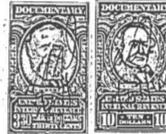
260

1706-460

WE, PORTSMOUTH ITALIAN-AMERICAN CLUB, a corporation organized and existing under the laws of the State of New Hampshire, with its principal place of business at Portsmouth, New Hampshire, for consideration paid grant with warranty covenants to the UNITED STATES OF AMERICA, acting by and through the Administrator of General Services, his successors and assigns, the following described parcel of land with buildings, improvements, and appurtenances situated thereon in the City of Portsmouth, County of Rockingham, State of New Hampshire, bounded and described as follows:

A certain lot or parcel of land with buildings and appurtenances thereon being shown as parcel marked "N/F Portsmouth Italian-American Club 1,114.42 s.f. on a Plan entitled "Topographical Survey, Federal Office Building, Portsmouth, N.H." by Aliberti-LaRochelle & Hodgson Engineering Corp., Inc., Lewiston, Maine dated May 3, 1963, which plan is recorded herewith and bounded and described as follows:

Beginning at the intersection of the Northwesterly line of Daniels Street and the Northwesterly line of Penhallow Street; thence North nine degrees fourteen minutes sixteen seconds West (N 09° 14' 16" W) along Penhallow Street forty-three and no hundredths (43.00) feet to land now or formerly owned by Samuel Grossman and recorded in the Rockingham County Registry of Deeds, Book 1025, Page 218; thence North eighty degrees forty-five minutes forty-four seconds East (N 80° 45' 44" E) along land of said Grossman twenty-five and eighty hundredths (25.80) feet to a point; thence South eight degrees twelve minutes forty seconds East (S 08° 12' 40" E) along the land of said Grossman forty-four and seventy-four hundredths (44.74) feet to the Northwesterly line of Daniels Street; thence South eighty-four degrees forty-two minutes fifty-eight seconds West (S 84° 42' 58" W) along said Daniels



260

1706-461

Street twenty-five and six hundredths (25.06) feet to the point of beginning. Said lot contains one thousand one hundred fourteen and forty-two hundredths (1,114.42) square feet.

Being the land conveyed by Hugo Marconi to the Portsmouth Italian-American Club and recorded in said Registry, Book 1359, Page 251.

TO HAVE AND TO HOLD, the granted premises, with all the privileges and appurtenances thereunto belonging to the said United States of America, its successors and assigns, to it and their own use and behoof forever.

IN WITNESS WHEREOF, the said PORTSMOUTH ITALIAN-AMERICAN CLUB, has caused these presents to be executed in its name and behalf, by Hugo Marconi its Treasurer duly authorized, and its seal to be affixed hereto, this 27th day of Feb. 1964.

PORTSMOUTH ITALIAN-AMERICAN CLUB

Witness
John J. Dougherty

By Hugo Marconi
President-Treasurer Duly Authorized

STATE OF NEW HAMPSHIRE

COUNTY OF ROCKINGHAM ss.

Feb. 27 1964

In Portsmouth in said County and State on this 27th day of Feb. 1964, before me, personally appeared Hugo Marconi to me known and known by me to be the party executing the foregoing instrument, and acknowledged said instrument by him executed to be his free act and deed and the free act and deed of the said Corporation.

Winifred S. Evans
Notary Public

My Commission
Expires Jan. 31, 1967

REC'D & RECORDED FEB 27 1964 12:30 p.m.

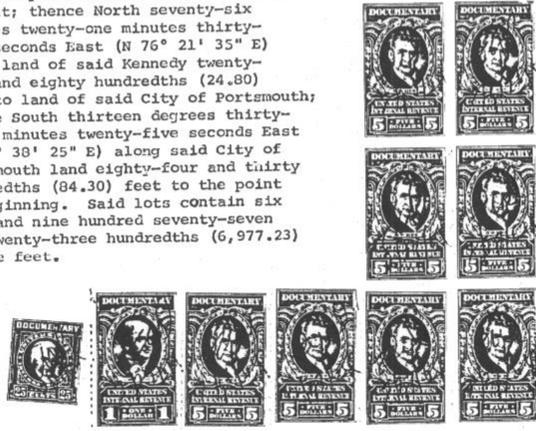
261

*Adel
Drozoglu*
U.S. Post.
Stamp
\$ 41.25

1706 462

WE, PETER N. FLOROS and ELGIE N. FLOROS, as joint tenants of Portsmouth, New Hampshire, for consideration paid grant with warranty covenants to the UNITED STATES OF AMERICA, acting by and through the Administrator of General Services, his successors and assigns, the following described parcel of land with buildings, improvements, and appurtenances situated thereon in the City of Portsmouth, County of Rockingham, State of New Hampshire, bounded and described as follows:

Beginning at a point on the Northwesterly line of Daniels Street, said point being the Southerly corner of land now or formerly owned by the City of Portsmouth; thence South eighty-one degrees sixteen minutes thirty-three seconds West (S 82° 16' 33" W) along said Daniels Street seventy-eight and eighty hundredths (78.80) feet to the Northeasterly line of Linden Street; thence North eleven degrees forty-three minutes no seconds West (N 11° 43' 00" W) along Linden Street ninety and ninety hundredths (90.90) feet to a point and land now or formerly owned by P. Roger Kennedy, recorded in the Rockingham County Registry of Deeds, Book 1522, Page 133; thence North seventy-six degrees forty-six minutes forty-three seconds East (N 76° 46' 43" E) along land of said Kennedy fifty and fifty-three hundredths (50.53) feet to a point; thence South thirteen degrees thirty-eight minutes twenty-five seconds East (S 13° 38' 25" E) along land of said Kennedy fourteen and thirty hundredths (14.30) feet to a point; thence North seventy-six degrees twenty-one minutes thirty-five seconds East (N 76° 21' 35" E) along land of said Kennedy twenty-four and eighty hundredths (24.80) feet to land of said City of Portsmouth; thence South thirteen degrees thirty-eight minutes twenty-five seconds East (S 13° 38' 25" E) along said City of Portsmouth land eighty-four and thirty hundredths (84.30) feet to the point of beginning. Said lots contain six thousand nine hundred seventy-seven and twenty-three hundredths (6,977.23) square feet.



261

1706-463

Said lot or parcel of land being shown as "N/F. Peter Floros 6,977.23 square feet on Plan entitled Topographical Survey, Federal Office Building, Portsmouth, New Hampshire, by Alberti-LaRochelle & Hodgson Engineering Corp., Inc., Lewiston, Maine dated May 3, 1963, which Plan is recorded herewith.

Being the same land conveyed by Mary N. Floros to Peter N. Floros, by deed recorded in the said Registry in Book 1256, Page 106; by William N. Floros to Peter N. Floros, by deed recorded in said Registry in Book 1491, Page 176; and by Peter N. Floros to Peter N. Floros and Elsie N. Floros, as joint tenants, by deed recorded in said Registry in Book 1421, Page 53.

TO HAVE AND TO HOLD, the granted premises, with all the privileges and appurtenances thereunto belonging to the said United States of America, its successors and assigns, to it and their own use and behoof forever.

Witness our hands and seals this 26 day of February 1964.

Witness
John J. Deane
Arthur L. Collins

Peter N. Floros
Elsie N. Floros

STATE OF NEW HAMPSHIRE

COUNTY OF ROCKINGHAM: ss.

February 26, 1964

Then personally appeared the above-named PETER N. FLOROS and ELSIE N. FLOROS, and acknowledged the foregoing instrument to be their free act and deed, before me,



James P. Keenan
Notary Public My Comm Expires 3-1-64

REC'D & RECORDED FEB 27 1964 12:30 P.M.

262

See Danaghu
U.S. Rev.
Stamp
\$11.00

1705-464

WE, P. ROGER KENNEDY and J. EDNA KENNEDY, as joint tenants of Portsmouth, New Hampshire, for consideration paid grant with warranty covenants to the UNITED STATES OF AMERICA, acting by and through the Administrator of General Services, his successors and assigns, the following described parcel of land with buildings, improvements, and appurtenances situated thereon in the City of Portsmouth, County of Rockingham, State of New Hampshire, bounded and described as follows:

A certain parcel or lot of land with buildings and appurtenances thereon, being shown as parcel marked "N/F. P. Roger Kennedy 3,534.60 s.f. on Plan entitled "Topographical Survey, Federal Office Building, Portsmouth, New Hampshire, dated May 3, 1963, by Aliberti-LaRochelle & Hodgson Engineering Corp., Inc., Lewiston, Maine, said Plan being recorded herewith. Said parcel being further bounded and described as follows:

Beginning at a point on the Northeastly line of Linden Street, said point being ninety and ninety hundredths (90.90) feet Northwestly from the intersection of the Northeastly line of said Linden Street and the Northwestly line of Daniels Street; thence North eleven degrees forty-three minutes no seconds West (N 11° 43' 00" W) along said Linden Street forty-two and sixty hundredths (42.60) feet to land now or formerly owned by the City of Portsmouth; thence North seventy-six degrees forty-one minutes twenty seconds East (N 76° 41' 20" E) along land of said City of Portsmouth seventy-three and ninety hundredths (73.90) feet to other land now or formerly owned by the City of Portsmouth; thence South thirteen degrees thirty-eight minutes twenty-five seconds West (S 13° 38' 25" W) along the land of said City of Portsmouth fifty-six and eighty-three hundredths (56.83) feet to land now or formerly owned by Peter Floros and recorded in the Rockingham County Registry of Deeds, Book 1421, Page 053; thence South seventy-six



262

1706-465

degrees twenty-one minutes thirty-five seconds West (S 76° 21' 35" W) along land of said Floros twenty-four and eighty hundredths (24.80) feet to a point; thence North thirteen degrees thirty-eight minutes twenty-five seconds West (N 13° 38' 25" W) along land of said Floros fourteen and thirty hundredths (14.30) feet to a point; thence South seventy-six degrees forty-six minutes forty-three seconds West (S 76° 46' 43" W) along land of said Floros fifty and fifty-three hundredths (50.53) feet to the point of beginning. Said lot contains three thousand five hundred thirty-four and sixty hundredths (3,535.60) square feet.

Being the land conveyed by Clayton F. Mugridge to P. Roger Kennedy and recorded in said Registry, Book 1522, Page 133.

TO HAVE AND TO HOLD, the granted premises, with all the privileges and appurtenances thereunto belonging to the said United States of America, its successors and assigns, to it and their cwn use and behoof forever.

Witness our hands and seals this 27th day of February 1964.

Witness
John D. Daugherty

P. Roger Kennedy
J. Edna Kennedy

STATE OF NEW HAMPSHIRE

COUNTY OF ROCKINGHAM: ss.

February 27, 1964

Then personally appeared the above-named P. ROGER KENNEDY and J. EDNA KENNEDY, and acknowledged the foregoing instrument to be their free act and deed, before me,

Madge E. McCoy
Notary Public



REC'D & RECORDED FEB 27 1964 12:30 p.m.

Def.
Office of Regional
Council
U.S. Post
Stamp
16.50

1708 068

ABSTRACT FROM MINUTES OF SPECIAL DIRECTORS' MEETING HELD APRIL 4, 1963

RESOLVED, that the Company sell its lands, with structures thereon, situated on Linden Street in Portsmouth, New Hampshire, bounded and described as follows:

Beginning at the northwest corner of the demised premises; thence running by the line of Linden Street south 43° 31' east 71.75 feet; thence turning and running northerly 44° 30' east 106.1 feet; thence turning and running northwesterly by two lines, one 38.75 feet and one 30 feet; thence turning and running southerly 46° 5' west 104.6 feet to the point of beginning,

for a price of Fifteen Thousand Dollars (\$15,000.00); and that the President be and hereby is authorized to enter into a contract of sale or to submit to the General Services Administration of the United States of America a proposal of sale of said land and structures for a purchase price of Fifteen Thousand Dollars (\$15,000.00) and upon such other terms and conditions as he in his discretion may determine and to execute, seal and deliver in the name of and on behalf of the Company such contract of sale or proposal of sale and to do any and all other acts and things as may be necessary or convenient to accomplish a sale of said lands and structures as aforesaid.

A true copy.

Attest:

Marjorie C. Carder
Marjorie C. Carder - Secretary
Allied New Hampshire Gas Company

122

40