
REAL ESTATE APPRAISAL SERVICES REPORT

**Proposed Hudson Logistics Center
TBD Lowell Road
Hudson, New Hampshire**

Date of Appraisal Service: 8 February 2021
Dates of Inspection: 24, 25, and 28 July 2020
Date of Report: 9 February 2021

Owner of Record: Green Meadow Golf Club, Inc.
File Name/Number: Hillwood

Prepared for:

Gary Frederick
Senior Vice President/Market Leader-Northeast
Hillwood Enterprises, LP
Northeast Regional Office
5050 West Tilgham Street, Suite 435
Allentown, Pennsylvania 18104

Prepared by:

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9 February 2021

Gary Frederick
Senior Vice President/Market Leader-Northeast
Hillwood Enterprises, LP
Northeast Regional Office
5050 West Tilgham Street, Suite 435
Allentown, Pennsylvania 18104

RE: Market data research and analysis associated with the proposed Hudson Logistics Center in Hudson, New Hampshire

Dear Mr. Frederick:

In accordance with your request, I have collected and analyzed market data in order to determine potential impacts on value to nearby residential and non-residential properties of the proposed Hudson Logistics Center. As per your instructions, this study and its conclusions are disseminated in the attached report.

This is an *Appraisal Services Report* that complies with requirements set forth in Standards Rule 1 and the reporting requirements set forth in Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice (USPAP). As such, it presents required statements and definitions as required therein. The attached report includes the sufficient data and analysis to develop and convey the ultimate conclusions. Additional data are included in the appraiser's work file. The intended use of this appraisal service is to assist in determining if the proposed Hudson Logistics Center will impact market values of nearby residential dwellings and non-residential properties based upon an analysis of the most comparable redevelopment properties in the area. The client is Hillwood Enterprises, LP. The intended user(s) is(are) Hillwood Enterprises, LP and the Town of Hudson, New Hampshire Planning Board. The depth of discussion contained in this report is specific to the needs of the client and the intended use stated herein.

This investigation and analysis concludes there will be no discernable impacts to the market value of residential family dwellings in the vicinity of the proposed Hudson Logistics Center.

If you have questions or comments concerning this appraisal, please feel free to contact me. Thank you for allowing me to be of service to you.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Wesley G. Reeks".

Wesley G. Reeks
Certified General Appraiser CG411
State of New Hampshire

MARKET DATA RESEARCH AND ANALYSIS

Introduction

The scope of this appraisal service consisted of:

- Site visit and inspection of Green Meadow Golf Course and the surrounding neighborhood areas;
- Collection of market data related to market conditions and activity;
- Review of site plans of the proposed logistics facility;
- Research and inspection of the comparable data utilized herein;
- Analysis of the comparable data as it relates to the proposed facility; and
- Providing our analysis and findings in this report

The purpose of this appraisal service is to provide market data research and analysis relating to properties located within the vicinity of the Green Meadow Golf Course in Hudson, New Hampshire. The effective date of this appraisal service is 8 February 2021. The function or intended use of this appraisal service is to assist in determining if the proposed Hudson Logistics Center will impact market values of nearby residential dwellings and non-residential properties based upon an analysis of the most comparable redevelopment properties in the area. The intended user(s) is(are) Hillwood Enterprises, LP and the Town of Hudson, New Hampshire Planning Board. Property rights considered in this appraisal service are those of the fee simple estate which is defined as the 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. The additional purpose of this analysis is to determine whether, based upon this analysis, no significant diminution in value of surrounding properties would be suffered, as considered by the Planning Board in reviewing the Hudson Logistic Center site plan.

To the extent that sales prices and market values are analyzed in this appraisal service, 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.

Area Description

The Town of Hudson is located in the south-central portion of New Hampshire and is bordered by the Massachusetts state line to the south. This general area is known as the Gateway Region of the state. It is immediately across the Merrimack River from Nashua, the county seat for Hillsborough County and the second largest city in the state. Hudson is 18 miles southerly of Manchester, the state's largest city, and 45 miles northwesterly of Boston, Massachusetts, the center of commerce in the New England region. As of the 2010 Census, population of the town proper is 24,467 which is 6.1% of the total population of Hillsborough County. The Nashua metro area of which Hudson is a part has a population is 273,879.

Highway access to Hudson is very good via the Everett Turnpike (US Route 3), a major north/south, controlled-access artery bisecting Nashua. There is a major interchange from the Turnpike serving a short spur expressway (one mile) over the Merrimack River into the southern portion of Hudson known as Circumferential Highway or Sagamore Bridge Road. It ends at Route 3A (Lowell Road), the primary north/south commercial artery in the town. The proposed Hudson Logistics Center is in the southwest quadrant of this intersection. The Everett Turnpike extends north from this spur interchange 18 miles to Manchester where it interchanges with Interstate 93 which serves the northern portion of the state including Concord, the State Capital. The Turnpike (US Route 3) extends south into Massachusetts where it interchanges with Interstate Loops 495 and 95, the outer and inner loop systems around Boston. Both loops serve the Massachusetts Turnpike (Interstate 90) which extends west through Massachusetts to the New York State border.

Growth in all real estate sectors is projected in the next several years, notwithstanding COVID-19, and the long-term outlook for Hudson is very good due to its proximity to major highway links in New England, its proximity to the Boston metropolitan area, and the good overall quality of life offered in New Hampshire.

Neighborhood Description

The neighborhood includes the southern portion of Hudson. This is a mixed-use area with commercial and light industrial uses along Route 3A (Lowell Road) and Route 111 intermingled with residential properties. There is industrial development along and off Route 111 in the central portion, commercial along Route 111 near the Hudson town center, dense commercial along Lowell Road, a large industrial park in the northwest quadrant of Lowell Road and Sagamore Bridge Road known as Sagamore Industrial Park, and mostly residential uses along secondary streets and side streets.

Green Meadow Golf Club

Originally developed around 1960 as a 9-hole public golf course, Green Meadow Golf Club has grown to include two 18-hole courses. The golf courses consist of two, contiguous assessment parcels designated as Map 239, Lot 1 and Map 234, Lot 5 collectively containing 372.14 acres. The project parcel will also include a 3.22 acre portion of Map 234, Lot 34 to be added to the 372.14 acres noted above to form a single lot of 375.36 acres. It is irregularly-shaped and is situated in the southwest quadrant of Lowell Road and Sagamore Bridge Road. Topography is gently rolling hills with a general downward slope to the west toward the Merrimack River. The site is primarily zoned “G-1”, General One District, with a small area zoned “B”, Business District and the portion of the property being developed for the Hudson Logistics Center permits uses including single family, commercial, industrial, and institutional. The existing golf course is a conforming use.

At the time Green Meadows was developed, the F. E. Everett Turnpike was in its infancy having been constructed in the late 1950's. It did not provide direct service to the then two-lane bridge over the Merrimack River to Lowell Road. Around 2000, this was replaced with a modern, 4- to 6-lane expressway bridge with a large interchange at the Turnpike, connecting the Turnpike to Lowell Road. Although still popular with golfers in south-central New Hampshire and northeastern Massachusetts, additions of this modern infrastructure has increased demand for commercial and industrial development in the neighborhood, and increased land values to the point whereby large recreational uses are no longer the highest and best use of this site.

Proposed for the golf club site is a three-building distribution center totaling approximately 2,600,000 square feet to be known as the Hudson Logistics Center. Preliminary plans indicate Building A will be at the northerly end of the development adjacent to Sagamore Bridge Road. Buildings B and C will be side-by-side at the southerly end of the development adjacent to a proposed roadway known as Green Meadow Drive. Primary access will be from a dedicated roadway off Lowell Road to be known as Green Meadow Drive, and secondarily from the end of Walmart Boulevard to Building A. Roughly 120 acres, of the site's 375.36 acres is proposed to be preserved permanently as green space with a conservation easement.

Green Meadows Subdivision

Green Meadows Subdivision is a single family subdivision developed in the late 1970's and early 1980's on a 122-acre site adjacent to the south of Green Meadow Golf Club. The subdivision includes 78 lots on five streets and is accessed from Route 3A (River Road) via Chalifoux Road. Of the 78 lots, a total of 18 along Fairway Drive and Eagle Drive abut to the back of the golf course property. Typical dwellings in the subdivision range from one-story ranch-style to two-story colonials with about 1,800 to 2,700 square feet. Assessed values fall in a range of roughly \$330,000 to \$435,000.

The table on the following page lists sales of residential properties in Green Meadows that have sold since 2010. Sales since 2016 are within this range from \$330,000 to \$400,000, and about \$146 to \$198 per square foot. There is a prominent increasing trend in sales prices, particularly in the past three to four years. Those sales marked with a single asterisk (*) are sites which back to the golf course. Of significance is the dwellings that do not front the golf course sell for similar amounts per square foot as those 18 sites along Fairway and Eagle abutting the golf course. These data indicate the market does not perceive a benefit in the form of increased market value from living on a lot which directly abuts the golf course.

The two most recent sales in Green Meadow are the last two in the table. The property at 20 Fairway Drive closed 31 August 2020. The listing (asking) price was \$424,900, and the sales price was at the full listing price. Incidentally, this property previously sold in August 2015 indicating an average annual increase in value of 4.6%. The most recent sale is 23 Fairway which *backs to the golf course* was listed 5 December 2020 for \$564,000 and it closed on 29 January 2021 at the full asking price. The "Conclusion" on page 19 provides more information on these two Fairway Drive properties.

Year	Property	Sales Price	SF	Price/SF
2010	6 Eagle *	\$315,000	2,058	\$153.06
	7 Fairway *	\$279,100	2,472	\$112.90
2011	16 Par	\$292,500	1,978	\$147.88
	11 Par	\$322,500	2,504	\$128.79
	12 Eagle *	\$313,500	2,672	\$117.33
	6 Eagle *	\$295,000	2,058	\$143.34
2012	14 Muldoon	\$272,500	2,100	\$129.76
	13 Par	\$340,000	2,900	\$117.24
2013	3 Birdie	\$278,000	1,862	\$149.30
	13 Fairway *	\$315,000	2,652	\$118.78
	22 Par	\$313,700	2,058	\$152.43
2014	8 Eagle *	\$310,000	2,150	\$144.19
	5 Muldoon	\$315,000	2,086	\$151.01
	5 Par	\$304,900	1,858	\$164.10
2015	6 Birdie	\$335,000	2,100	\$159.52
	9 Eagle	\$300,000	2,058	\$145.77
	20 Fairway	\$345,000	2,156	\$160.02
2016	21 Fairway *	\$350,000	2,012	\$173.96
	9 Muldoon	\$330,000	2,254	\$146.41
2017	7 Eagle	\$385,000	2,200	\$175.00
	5 Par	\$365,000	1,858	\$196.45
	23 Par	\$389,900	2,527	\$154.29
	11 Muldoon	\$375,000	1,896	\$197.78
	9 Muldoon	\$385,000	2,254	\$170.81
2018	20 Par	\$400,500	2,058	\$194.61
2019	8 Muldoon	\$400,000	2,086	\$191.75
	25 Par	\$455,000	2,357	\$193.04
	9 Par	\$460,000	2,447	\$187.99
2020	20 Fairway	\$424,900	2,156	\$197.08
2021	23 Fairway *	\$564,000	2,204	\$255.90



Green Meadow Photographs

Taken on 25 and 28 July 2020



Hole 3 along the southerly end of the golf course



Fairway of Hole 3



Fairway and green of Hole 3



View from fairway toward dwelling on Fairway



View from fairway to dwelling on Eagle Drive



Typical dwelling on Fairway Drive



Typical dwelling on Eagle Drive



Eagle Drive

Ridgecrest Subdivision

Ridgecrest Subdivision is a single family subdivision developed in the mid-1960's on a 75-acre site on the easterly side of Lowell Road near Green Meadow Golf Club. The subdivision includes 78 lots on five streets and is accessed from Route 3A (Lowell Road) at a signaled intersection at Rena Lane. The primary entrance to the proposed Hudson Logistics Center will be at this intersection directly opposite Rena Lane. Typical dwellings in the subdivision range from one-story, ranch-style to split-level colonials with approximately 1,000 to 2,500 square feet. Assessed values fall in a range of roughly \$330,000 to \$350,000.

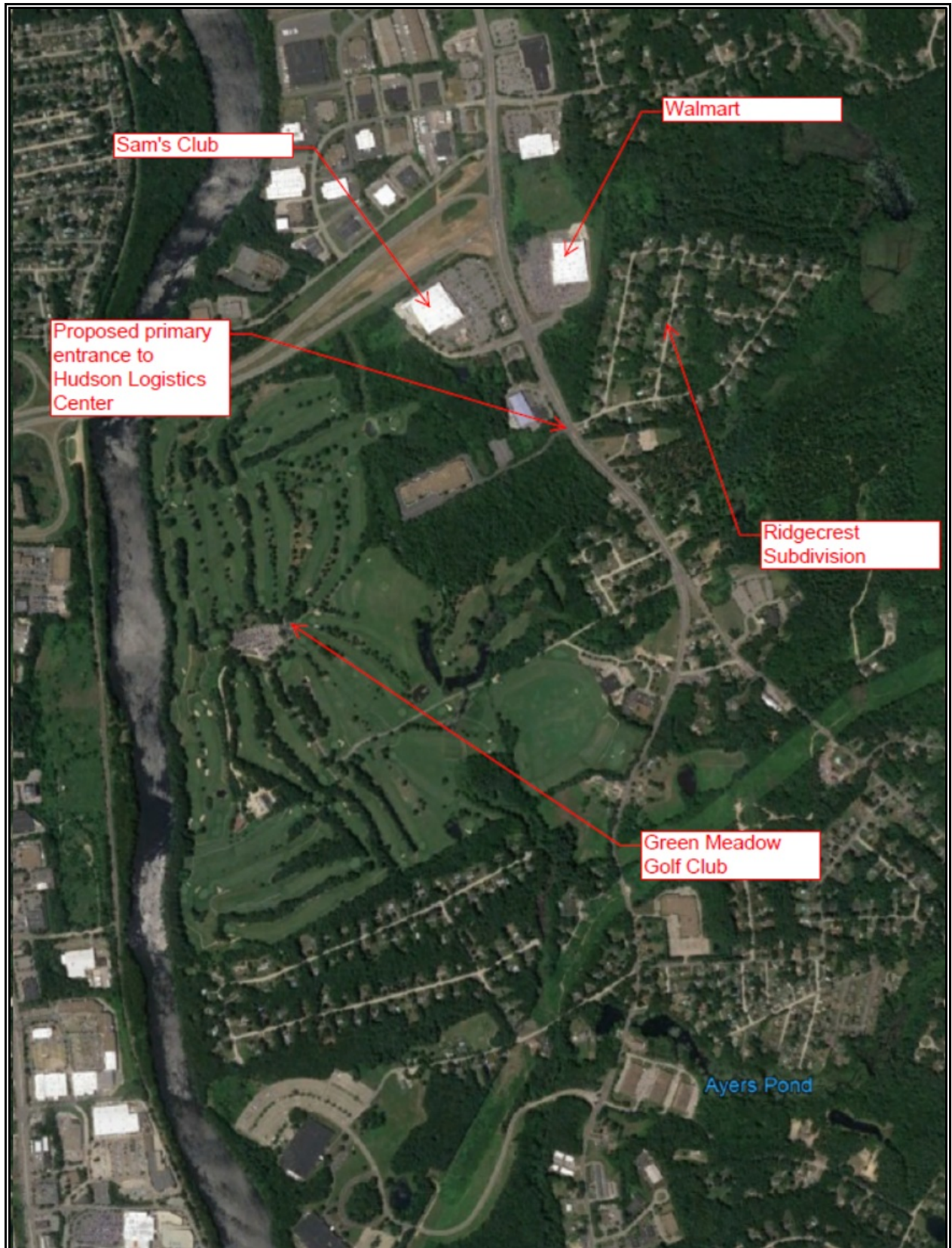
In the table below are the market sales transactions in Ridgecrest since 2010.

Year	Property	Sales Price	SF	Price/SF
2011	3 Rose	\$226,000	2,273	\$99.43
	8 Ridgecrest	\$275,000	2,273	\$120.99
2012	11 Rita	\$205,000	1,632	\$125.61
	3 Ridgecrest	\$178,500	1,301	\$137.20
2013	13 Rita	\$201,000	1,380	\$145.65
	2 Ridgecrest	\$159,900	1,248	\$128.13
	4 Rose	\$225,000	1,428	\$157.56
	9 Ridgecrest	\$197,000	1,240	\$158.87
	16 Ridgecrest	\$272,500	1,544	\$176.49
	1 Rose	\$240,000	1,803	\$133.11
	3 Ridgecrest	\$215,900	1,834	\$117.72
2014	10 Rega	\$153,000	960	\$159.38
	6 Rose	\$191,000	1,016	\$187.99
	16 Rita	\$360,000	2,814	\$127.93
	17 Ridgecrest	\$177,000	1,016	\$174.21
	4 Ridgecrest	\$171,000	1,056	\$161.93
2015	8 Rega	\$239,165	1,834	\$130.41
	0 Rita	\$205,000	1,275	\$160.78
	6 Rega	\$230,000	1,638	\$140.42
	20 Rena	\$235,000	1,572	\$149.49
2018	10 Rita	\$290,000	1,428	\$203.08
	9 Rena	\$284,800	1,654	\$172.19
2019	2 Ridgecrest	\$297,500	1,248	\$238.38
	15A Rena	\$311,900	1,344	\$232.07
2020	18 Ridgecrest	\$355,000	1,344	\$264.14
	15 Rita	\$350,000	1,715	\$204.08
	4 Rega	\$325,100	960	\$338.65
	0 Rita	\$290,000	1,275	\$227.45
	11 Rega	\$455,000	2,404	\$189.27

Sales from 2013 through 2015 were four to six houses per year; however, since that time (almost five years), only eight have sold. This is an indication of the stability of residential living in this subdivision and the general area. Further evidence is that currently, no houses are listed for sale in through the New Hampshire multiple listing service in Ridgecrest. The primary reason for that is, if a property is listed, it normally sells within days. The two most recent sales at 0 Rita and 11 Rega sold in one (1) day and five (5) days, respectively. The latter required five days to sell whereby the final sales price was \$20,000 over the \$435,000 listing price.

Prices per square foot increased steadily from 2011 to 2015 and are within a range from \$110 to \$188 per square foot. Since that time, the price jumped to an average of just over \$230 per square foot for the sales in 2016 to 2020. For comparison, the average sales price per square foot for 2013-15 is \$148.33 and the average for 2019-20 is \$242.00, an increase of 63%.

Of particular consequence in this analysis are the five most recent sales at 18 Ridgecrest, 15 Rita, 4 Rega, 0 Rita, and 11 Rega. All five sold since June 2020, *after* the proposed Hudson Logistics Center became public knowledge. The property at 15 Rita sold for \$350,000 in June 2020. It was on the market for six days with the contract price \$15,000 over the \$335,000 asking price. The property at 18 Ridgecrest sold in three (3) days for \$355,000, which was just over the asking price of \$354,900. The property at 4 Rega was a private sale which sold in September 2020 for \$338.65 per square foot, by far the highest price per square foot paid for a property in this subdivision. Also, 0 Rita sold at the full asking price of \$290,000 on the first day it hit the market. This property last sold in 2015 for \$205,000 indicating an increase in value of 41%, or over 8% annually. Lastly, 11 Rega was listed for sale on 13 October 2020 for \$435,000 and went under agreement on 18 October 2020 for \$455,000.



Ridgecrest Photographs

Taken on 2 August 2020



View looking from proposed entrance to Rena Avenue



View looking from Rena Avenue to proposed entrance



Lowell Road looking northerly, Rena Avenue at right



View along Rena Avenue



Typical dwelling in Ridgecrest Subdivision



Typical dwelling in Ridgecrest Subdivision

Methodology

In order to determine if redevelopment of Green Meadow Golf Club with the proposed Hudson Logistics Center will impact the market value of nearby residential family housing, research was conducted on similar development scenarios in New Hampshire. Due to its somewhat secluded nature in northern New England, large distribution facilities are limited. However, there are two which have similar characteristics – Pettengill Commerce Park in Londonderry and the Walmart regional distribution facility in Raymond. The former, like the subject, is a multi-building warehouse distribution development, while the latter is a single large distribution warehouse.

Similarly, impacts to nearby industrial properties was studied. By their nature, there are much less data for comparative analysis due primarily to the limited number of nearby industrial facility as compared to nearby single family dwellings. Several data points are analyzed, as well as more general evidence of the impact of a large, new industrial facility on existing industrial buildings nearby.

Pettengill Commerce Park

Pettengill Commerce Park is a 10-lot, 375± acre industrial park on the south side of the Manchester-Boston Regional Airport in Londonderry, New Hampshire. Initial development was in 2013 following completion of a new expressway bridge over the Merrimack River linking the Everett Turnpike to the airport and the industrial area to the south of the airport. Much like the proposed development, this short, controlled-access artery and bridge opened the area to major development. The three largest properties in Pettengill are a FedEx Ground facility with 304,000 square feet completed in 2014, a UPS Northeast Logistics Center with 603,000 square feet completed in 2015, and an F. W. Webb distribution facility with 768,000 square feet completed in 2016. Recently completed on an adjacent site is a new 142,000 distribution facility for Belevance Beverage Company. There is a 57-acre vacant parcel in the southwesterly portion of the development. Other sites are smaller and to the north.

Of interest in this case is the Webb facility as well as the 57-acre vacant parcel. Both are located along westerly edge of this development formed by the Londonderry/Manchester line. Contiguous with these two lots to the west is a single family subdivision in Manchester known as Trolley Crossing which was developed between 1985 and 1990. Typical dwellings within Trolley Crossing are 1,500 to 2,100 square feet with assessments ranging from \$200,000 to \$235,000. Recent sales are \$135 to \$200 per square foot. Within this development are three streets – Brent Street, Charlotte Street and Surrey Lane – which front the Pettengill land. Based on aerial imagery and the Londonderry GIS system, the building is within 600 to 800 feet from the dwellings and driveways and truck aprons within about 400 feet. Practically the entire 400 feet is buffered by rolling hills and dense, mature trees. Depending on building placement, development of the 57-acre parcel will be somewhat closer to houses along Brent Street.

To the extent that the dwellings are impacted by the Webb facility, focus is on the end of northerly end of Brent Street, the southerly end of Charlotte Street, and several lots along Surrey Lane which are between the two. Those dwellings along the easterly side back to Pettengill and with a similar forested buffer.

Pettengill Commerce Park Analysis

To ascertain potential impacts of Pettengill (particularly the F. W. Webb facility) on residences in Trolley Crossing, comparative analysis of sales and re-sales is used. In this instance, the starting point

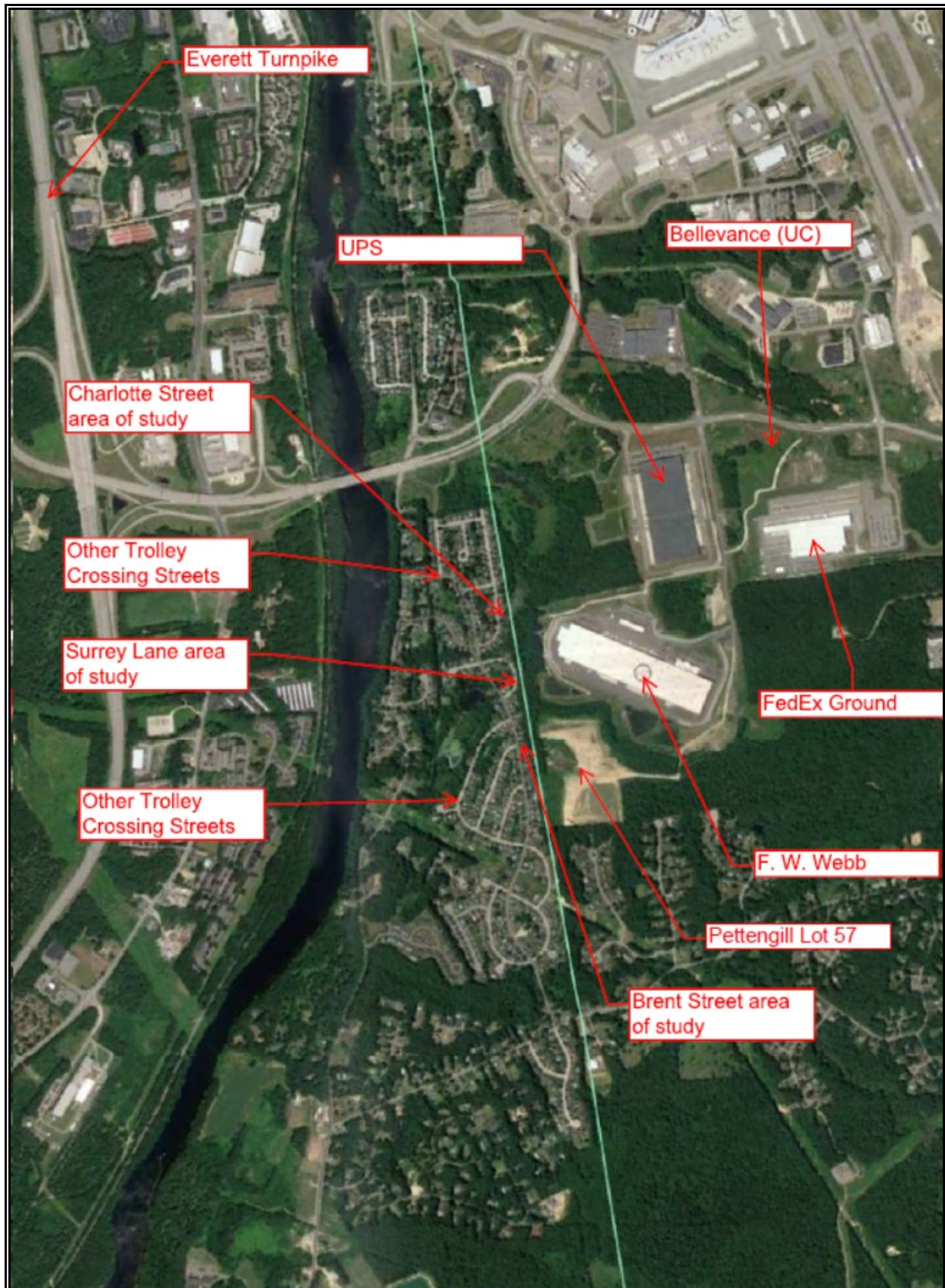
of the research is 2009 which coincides with the start of the economic recovery after the 2007 mortgage crisis. Research of lots from 317 Charlotte south to 197 Charlotte, to lots on Surrey Lane, and 328 Brent south to 546 Brent indicated that there are seven (7) sales and re-sales of dwellings between 2009 and 2020. Stretches of these streets between those address are directly adjacent to the Webb facility. Several show sales prior to any knowledge of the Pettengill project, while others are later and closer together whereby both sales closed after the completion of construction. The data are presented in the following table.

Trolley Crossing Properties Along Pettengill Boundary									
Address	SF	Sale Date	Sale Price	SP/sf	Re-Sale Date	Re-Sale Price	SP/sf	Val Chg	Ann VC
281 Charlotte	1,652	5/4/2009	\$180,000	\$108.96	2/28/2017	\$220,000	\$133.17	22.2%	2.8%
293 Charlotte	1,867	6/1/2015	\$233,500	\$125.07	2/11/2019	\$265,000	\$141.94	13.5%	3.6%
472 Brent	1,530	11/16/2010	\$235,000	\$153.59	4/17/2020	\$304,000	\$198.69	29.4%	3.1%
524 Brent	1,666	6/20/2012	\$203,000	\$121.85	7/17/2014	\$231,900	\$139.20	14.2%	6.9%
536 Brent	1,632	6/27/2014	\$239,500	\$146.75	6/8/2020	\$325,000	\$199.14	35.7%	6.0%
546 Brent	1,692	7/10/2018	\$268,000	\$158.39	10/26/2020	\$350,000	\$206.86	30.6%	13.3%
566 Brent	1,428	10/29/2009	\$193,000	\$135.15	6/15/2018	\$268,000	\$187.68	38.9%	4.5%
34 Surrey	1,536	12/15/2016	\$251,400	\$163.67	9/27/2018	\$281,000	\$182.94	11.8%	6.6%
Averages								24.5%	5.9%

A second table includes sales and re-sales of similar properties in Trolley Crossing in the same time frame; however, these sales are two to three blocks westerly and not adjacent to Webb. These data are included to isolate the impact of the Pettengill development. As can be seen, the total value change average is essentially identical and the average annual value change is a nominal difference of 0.4% (See Aerial Photograph on the following page).

Trolley Crossing Properties 2 to 3 Blocks Westerly of Pettengill Boundary									
Address	SF	Sale Date	Sale Price	SP/sf	Re-Sale Date	Re-Sale Price	SP/sf	Val Chg	Ann VC
130 Trolley	2,400	7/20/2015	\$250,000	\$104.17	3/31/2017	\$278,500	\$116.04	11.4%	6.7%
150 Trolley	1,700	2/27/2012	\$165,000	\$97.06	7/29/2016	\$235,000	\$138.24	42.4%	9.6%
78 Brent	1,872	4/23/2013	\$279,900	\$149.52	1/15/2021	\$401,000	\$214.21	43.3%	5.6%
139 Brent	1,600	7/21/2016	\$237,500	\$148.44	3/31/2020	\$285,000	\$178.13	20.0%	5.4%
205 Brent	1,632	12/28/2012	\$202,000	\$123.77	4/6/2016	\$230,000	\$140.93	13.9%	4.2%
15 Gantry	1,428	7/15/2011	\$219,000	\$153.36	7/12/2019	\$272,500	\$190.83	24.4%	3.1%
74 Gantry	1,779	8/5/2009	\$175,000	\$98.37	7/2/2014	\$224,900	\$126.42	28.5%	5.8%
106 Gantry	1,774	5/27/2011	\$189,900	\$107.05	4/4/2018	\$237,000	\$133.60	24.8%	3.6%
Averages								26.1%	5.5%

Further analysis through New England Real Estate Network, the statewide multiple listing service, indicates that price increases city-wide in Manchester from 2009 to 2020 for houses in the \$150,000 to \$350,000 price range was a total increase of 23.8%, similar to the value changes above.



Area Photographs
Taken on 25 and 26 July 2020



Entrance to Pettengill Commerce Park



F. W. Webb distribution center



UPS facility



FedEx Ground facility



Bellevance



Lot 57



Typical dwelling backing to Pettengill



Typical dwelling backing to Pettengill

Area Photographs
Taken on 25 and 26 July 2020



Typical dwelling backing to Pettengill



Typical dwelling backing to Pettengill



Typical dwelling several blocks away from Pettengill



Typical dwelling several blocks away from Pettengill



Typical dwelling several blocks away from Pettengill



Typical dwelling several blocks away from Pettengill

Walmart Regional Distribution Facility

Walmart constructed this 1,138,588 square foot New England regional facility on a 220-acre site in 1996. The site is in the southeasterly quadrant of Route 101 and Route 102, the former (Route 101) being the primary east/west expressway artery serving southern New Hampshire. Like the area of the proposed Hudson Logistics Center, this site is strategically located adjacent to this highway roughly midway between its interchange with Interstate 95 in the Seacoast area and Interstate 93 in Manchester. Unlike the proposed Hudson facility and Pettengill Commerce Park, this site is more secluded and also is naturally buffered to the north by Route 101; to the south by the Lamprey River, Dead Pond, and a large RV Park; and to the west by Route 102. To the east is a rural road and sparse residential uses along Prescott Road.

Due to the limited number of dwellings along Prescott Road and the time of development almost 25 years ago, a reasonable sampling of sale and re-sale data are not available like in the preceding Londonderry/Manchester analysis. In place of this however, is the development of a small, 7-lot, cul-de-sac subdivision off the westerly side of Prescott Road and directly adjacent to the rear loading dock area of the Walmart facility. Known as Jady's Way, Diamond Edge Realty and Development purchased four of the seven lots on which it completed and sold houses in 2018 and 2019. Information on these is included below. The last two at 8 and 10 Jady's Way and are within 300 feet of the rear loading docks of Walmart with only a 30-foot-wide buffer of trees.

Diamond Edge Jady's Way Sales				
Address	SF	Sale Date	Sale Price	SP/sf
4 Jady's Way, Raymond, NH	1,685	11/8/2018	\$315,900	\$187.48
6 Jady's Way, Raymond, NH *	1,685	10/12/2018	\$269,900	\$160.18
8 Jady's Way, Raymond, NH	1,685	9/13/2018	\$337,800	\$200.47
10 Jady's Way, Raymond, NH	1,768	1/25/2019	\$320,000	\$181.00
Average				\$182.28
Average excl. 6 Jady's Way				\$189.65

* Sales price was lower due to semi-finished second floor

During the same time period, Diamond Edge purchased three other lots in Raymond, but not near the Walmart facility, i.e., without potential impacts of this distribution facility (See following page). On these lots, houses were constructed similar to those other dwellings. The average sales price for Jady's Way is \$189.65 (excluding the semi-finished property), and the average sales price for those sales of the other three lots in Raymond similar. Therefore, it is concluded that there was no diminution of value arising from the location of the Jady's Way properties abutting the Walmart facility.

Other Diamond Edge Sales				
Address	SF	Sale Date	Sale Price	SP/sf
19 Essex Drive, Raymond, NH	1,685	5/3/2019	\$324,900	\$192.82
48 Mildred Ave, Raymond, NH	1,685	11/27/2019	\$325,000	\$192.88
14 Bertha Way, Raymond, NH	1,685	11/11/2019	\$319,900	\$189.85
Average				\$191.85



Area Photographs
Taken on 25 July 2020



Route 102 entrance to Walmart



Walmart docks adjacent to 8 and 10 Jady's Way



10 Jady's Way



8 Jady's Way



4 Jady's Way



19 Essex



48 Mildred



14 Bertha

Conclusion – Residential Study

The preceding study was undertaken in order to determine if the proposed Hudson Logistics Center will impact market values of nearby residential dwellings. The analysis includes detailed examinations of two logistics/distribution facilities in southern New Hampshire with similar site and neighborhood characteristics as the proposed Hudson property. In both data sets, sales data were compared to determine any impact on market value of a property contiguous with the respective facilities as opposed to similar properties in somewhat further proximity, that is to say, not directly impacted. Furthermore, it is shown that properties in the larger market have similar average annual increases in value as those adjacent to and contiguous with the respective facilities. As such, the data provide substantial evidence that development of the two comparable logistics centers did not diminish the market value of the neighboring residential properties. Accordingly by extension, it is concluded that the proposed Hudson Logistics Center will have no impact on the market values in Green Meadow Subdivision or other nearby residential properties, and certainly will result in no significant diminution in value of such surrounding properties.

As further proof the proposed development will not have an impact on value in Green Meadow Subdivision is the recent sale at 20 Fairway Drive. While it is on the southerly side of Fairway and does not back to the golf course, it is within several hundred feet of the houses on the northerly side which do. This property was listed on 15 May 2020 (after public knowledge of the proposed Hudson Logistics Center) for \$424,900 and went under agreement on 20 May 2020 (5-day exposure). It closed at the full asking price which amounts to \$197.08 per square foot on 31 August 2020. At closing, this is the highest price per square foot ever paid in the subdivision.

More recently, the property at 23 Fairway which does back to the golf course was listed for sale (see photograph on following page). A total renovation was completed just prior to the listing of this property on 5 December 2020 for \$564,000. It went under agreement of sale on 8 December (3 days) and closed at the asking price of \$564,000 on 29 January 2021. The dwelling has a total of 2,204 square feet above grade with another 1,278 square feet of good quality, below-grade finished space. The sales price is \$255.90 per square foot. At \$564,000, this is now by far the highest price to be paid in the history of Green Meadow. Currently, there are no properties listed for sale through the local multiple listing service in this 78-lot subdivision, which shows current stability for the immediate area.



20 Fairway Drive



23 Fairway Drive

In addition, five properties in Ridgecrest have sold since announcement of the proposed logistics center. They provide further evidence that the Hudson Logistics Center will not have a significant impact on values in Ridgecrest Subdivision. The property at 18 Ridgecrest was listed on 1 May 2020, went under agreement on 4 May 2020, and closed on 15 July 2020. The final sales price of \$255,000 is slightly higher than the listing price of \$254,900. Moreover, at \$264.14 per square foot, this was the highest-ever price per square foot achieved in this development. That is until the sale at 4 Rega with 960 square feet which closed on 11 September 2020 for \$325,100, or \$338.65 per square foot. Prior to this sale, 15 Rita was listed on 3 June 2020 for \$335,000 and it was under agreement in six days for \$350,000, or \$204.08 per square foot. The two most recent sales in Ridgecrest are 0 Rita and 11 Rega. The former sold at the full asking price of \$290,000 and the latter sold in five days at \$455,000 which was \$20,000 over the asking price. As of the date of this study, no properties are listed for sale through the New Hampshire Multiple Listing Service in Ridgecrest.



18 Ridgecrest Drive



4 Rega



15 Rita



0 Rita



11 Rega

Industrial Study

Data are much more limited in southern New Hampshire relative to large industrial properties simply because their numbers and related transfers are much less than single family. Because the number of industrial properties is significantly lower, likewise the number of property transfers which can be analyzed to show impacts on value are more limited. In the context of this study, focus is on the same general areas – the southwesterly portion of Hudson, Pettengill in Manchester/Londonderry, and Walmart in Raymond.

Hudson in the area of Lowell Road (Route 3A) and Sagamore Bridge Road has long been a center for industrial development. Sagamore Industrial Park is a 45-lot plus industrial subdivision in the northwesterly quadrant of Lowell Road and Sagamore Bridge Road. Development began in the mid-1970's and build-out continued until about 2000. This is a stable park with normal turnover of several properties each year. In general, values in arms-length transfers have been stable to increasing over the past 10 years as the economy first stabilized after the recession in 2007 to 2009 and then began to grow in 2017. Sales prices generally ranged from \$50 to \$60 per square foot from 2010 to 2016, but this range began to increase up to \$65 to \$75 per square foot more recently. However, ranges vary widely based on building design, use, and finishout. Low height industrial buildings with small offices are at the low end, while fully air conditioned R&D buildings with clean space and larger office areas are at the upper end, often selling above \$75 per square foot. Recent transactions within the park include industrial buildings at 22 Flagstone and 31 Sagamore Park which sold for \$74.93 and \$57.13 per square foot, respectively. Both sold in early 2020 before the HLC project was announced. Later in October 2020, after the announcement of HLC, 10 Flagstone sold for \$118.11 per square foot. This was an 'off-market' transaction, and its use and details of the sale were not confirmed. Still, it is at the upper end when it comes to values in this immediate area indicating HLC is not negatively impacting values in Sagamore Industrial Park.

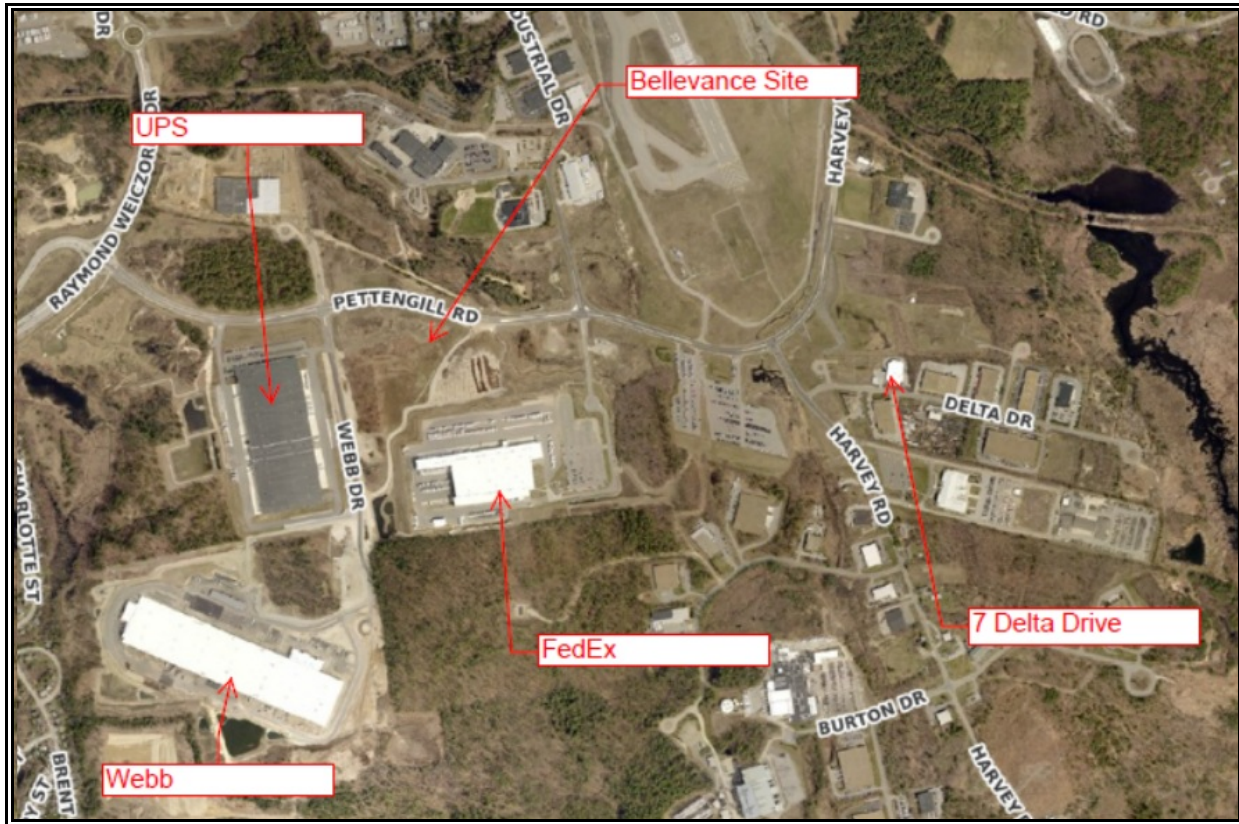
Of particular note is a recent transaction at 267 Lowell Road which is a 121,698 square foot R&D /flex building that is contiguous with and abuts the proposed HLC. Though not finalized, several conceptual plans for HLC show the two properties sharing access off Lowell Road which indicates its proximity. This building was purchased by an investor (dba, RAM Management) on 25 November 2014 for

\$15,900,000, or \$130.65 per square foot. The sale was a partial leaseback of 21,719 square feet to Vectron with another tenant (Mercury) secured prior to the sale to lease the remainder. Vectron recently moved from their space and the Mercury lease, with four years remaining on their initial lease at \$10.75 per square foot, renewed/amended to include the entire building (after the HLC announcement). The new lease rate for the entire building is \$12.50 per square foot with landlord-paid TI's. The owner then sold the property to a net lease investor (Chestnut Realty Management) on 19 January 2021 for \$25,700,000, or \$211.18 per square foot. While this high price is not a direct reflection of the real estate value, i.e., the fee simple value, the fact that the existing tenant amended and renewed its lease at a much higher rental rate than the prior lease rate is a 'direct' indication that this tenant does not foresee negative impacts to the property by the proposed HLC.



Similar to Hudson, there has been little recent activity to show the impact of the Pettengill project on surrounding properties. However, the project itself is indicative of positive impacts to the area relative to attracting additional development. The FedEx facility was first to commit to this development and it was followed by UPS, and then Webb. More recently, Belevance Beverage purchased an adjacent site and is now constructing a distribution facility. This continued development over the past six years indicates the existing projects do not negatively impact potential users of other sites.

Owing to the stability of this industrial area around Manchester-Boston Regional Airport, only one recent sale and re-sale transaction was located. About ½ mile easterly of Pettengill is Delta Drive, an industrial cul-de-sac off Harvey Road. The building at 7 Delta Drive sold on 16 December 2011, several years prior to the Pettengill project. This building sold again on 30 May 2017 after three buildings were completed in Pettengill for \$1,850,000, a 54% increase in six years, or just under a average 10% per year increase. These properties are depicted on the following page.



Finally, the area around the Walmart facility in Raymond was studied relative to impacts on nearby industrial properties. Due to its rural nature and this strategic site selection by Walmart relating to distribution in New Hampshire and Maine in an otherwise rural residential area, there has been no significant new industrial development at this exit off Route 101.

Conclusion – Industrial Study

The preceding analysis was performed to determine if the proposed Hudson Logistics Center will impact non-residential (i.e., industrial) properties. As with the residential study, similar large warehouse projects in New Hampshire were the focus. Notwithstanding the limited data available for this property type, that which is available and noted herein show positive impacts to values when large industrial facilities are constructed nearby. Furthermore, no evidence was found of any negative impacts to surrounding property values from construction of a large warehouse facility nearby. It is concluded that the proposed Hudson Logistics Center will have no negative impact on market values of industrial properties in the immediate area of the proposed Hudson Logistics Center.

Other Considerations

While there are many factors potentially affecting market value, and although not typically considered in connection with appraisal methodology, it has been suggested that impacts to market value may be considered after consideration of an evaluation of potential impacts arising from the operation of the Hudson Logistics Center, such as traffic, air quality, stormwater management, wetlands impacts, and noise.

The Author of this study is not an expert on any of the following topics, but instead must rely on the opinions and conclusions of qualified professionals stated in various reports and other documents in connection with each of these topics. It is the Author's opinion that these types of considerations are already captured by the traditional appraisal methodology utilized in this Report but nevertheless are summarize the below.

1. Traffic

On behalf of Hillwood Enterprises, LP (“Hillwood”), a report entitled “Traffic Impact Study for Hudson Logistics Center, Hudson, New Hampshire (Revised September, 2020) and “Traffic Impact Study Supplement for Hudson Logistics Center, Hudson, New Hampshire (Revised September, 2020), both prepared by Langan Engineering & Environmental Services, Inc. (“Langan”), were filed with other supporting documentation with the Town of Hudson Planning Board (collectively, the “Traffic Report”), and was peer reviewed by the New Hampshire Department of Transportation, Vanasse Hangen Brustlin, Inc. (VHB) as traffic consultants retained by the Hudson Planning Board, and the traffic professionals of the Nashua Regional Planning Commission. Langan had prepared the Traffic Report “to identify the operating conditions of the existing roadway network, the potential impacts of the proposed Hudson Logistics Center (HLC) redevelopment at 43 Steele Road in Hudson, New Hampshire, improvements to address existing conditions, and to mitigate the impacts of the proposed development.” (Traffic Study, p. ES-1). The Traffic Study also states that “the New Hampshire Department of Transportation has approved the trip generation, trip distribution and assignment presented in this report.” (Traffic Study, p. ES-1). It is also understood the New Hampshire Department of Transportation (NHDOT) has concluded that “the [NHDOT] has reviewed and approved the methodology, trip generation, and traffic volumes developed in the TIS. Based on the study, it appears the proposed geometric modifications and adaptive signal control proposed at the four signalized intersections will adequately mitigate the development's traffic. Furthermore, based on the traffic analysis in the TIS, the proposed improvements will handle the existing and added traffic volumes reasonably well. Accordingly, the [NHDOT] is supportive of the proposed development and the proposed mitigation.” Moreover, VHB has stated, in part, that “in summary, VHB has concluded that, “based on the estimated site generated vehicle trips presented in the traffic impact study the applicants proposed upgrades to the study area intersections adequately mitigate the project's traffic impact.” Further, Stantec performed an additional peer review and stated “Stantec also reviewed the traffic study level of service (LOS) results and associated off-site improvement plans. The proposed improvements were found to fully mitigate the development's projected traffic impacts and, in some cases, provide additional capacity over what is available today. ...Conclusions: Overall, it is appears that Langan has followed industry accepted practices and town guidance in developing vehicle trip estimates for the project and that the resulting trip estimates applied in the traffic study are conservative, or an overestimation of the traffic impact on the area roadway network.”

In conclusion, based upon the foregoing, it does not appear that traffic matters would become a factor of concern in the evaluation of potential impacts to property values and these matters do not alter the foundational conclusions of this Report.

2. Air Quality

On behalf of Hillwood, a report entitled “Air Quality Impact Analysis, Hudson Logistics Center, Hudson, New Hampshire” (REVISED November 30, 2020), prepared by Epsilon Associates, Inc. was filed with the Town of Hudson Planning Board (the “Air Quality Report”), and was peer reviewed by qualified air pollution control consultants retained by the Hudson Planning Board. The Air Quality Report evaluated air quality impacts from stationary sources located onsite, as well as potential impacts from Project-generated traffic, for potential on-site and neighborhood impacts. The Air Quality Report also indicated that the Report had been “prepared at the request of the Hudson Planning Department on behalf of the Hudson Planning Board, and has also been prepared to demonstrate whether the potential air quality impacts meet certain air quality standards as prescribed by the Town of Hudson Site Plan Review Ordinance under Section 275-6 (General Requirements). One of these requirements is to show that adequate provisions be made for a development to demonstrate that the Project will not contribute to a condition of air pollution, and to guard against such conditions which would subject the nearby properties to ‘danger or injury to health or safety, and that no significant diminution in value of surrounding properties would be suffered.’ Additionally, the Project is required to reduce and/or eliminate elements of pollution, such as noise, smoke, soot, particulates or any other discharge, into the environment which might prove harmful to persons, structures or adjacent properties.” (Air Quality Study, pp. 1-1 to 1-2).

Section 4.0 of the Air Quality Report describes how all applicable air quality standards would be met, and Section 4.7 of the Air Quality Study concluded that “since all predicted concentrations are below their applicable NAAQS and/or RTAP standards, it can be concluded that the proposed Project will not cause or contribute to a condition of air pollution in the area. Therefore, with respect to air quality impacts, “the Project meets the requirements laid out in Chapter 275 of the Town of Hudson’s Site Plan Review regulations.” (Air Quality Study, pp. 4-1 to 4-7). Assuming the Town’s peer review consultants agree with this analysis and conclusions, it does not appear that air quality matters would become a factor of concern in the evaluation of potential impacts to property values.

3. Stormwater Management

On behalf of Hillwood, a report entitled “Stormwater Management Report for Hudson Logistics Center, Hudson, New Hampshire” (Revised February, 2021), as supplemented and prepared by Langan, was filed with other supporting documentation with the Town of Hudson Planning Board (collectively, the “Stormwater Report”). According to the Stormwater Report, “the proposed stormwater management system has been designed in accordance with the Town of Hudson current, and soon to be adopted, requirements, the New Hampshire Stormwater Manual, and the New Hampshire Department of Environmental Services. It is also understood that Hillwood has filed an Alteration of Terrain (AoT) Permit Application with the NHDES which is currently under review.

The system incorporates elevated levels of stormwater quality, maintains or decreases the existing peak rate of runoff for all storm events analyzed, and provides above the required groundwater recharge volumes. (Stormwater Report, p. ES-1). The Stormwater Report has been reviewed by the Town Engineer, and peer reviewed by Fuss & O’Neil, qualified professional engineering consultants retained by the Hudson Planning Board. The Stormwater Report concludes that “[t]he proposed

stormwater management system has been designed in accordance with the Town of Hudson current and soon to be adopted requirements, the New Hampshire Stormwater Manual, and the New Hampshire Department of Environmental Services. The system incorporates elevated levels of stormwater quality, maintains or decreases the existing peak rate of runoff for all storm events analyzed, and provides above the required groundwater recharge volumes.” Based on the findings of this report, it appears that “the proposed stormwater management system, as designed, will effectively manage quality and quantity of stormwater runoff for the proposed development.” (Stormwater Report, p. 38). It is understood that Fuss & O’Neil has issued several peer comment letters, including a February 8, 2021 letter from Fuss & O’Neil, and it appears that Langan will be in a position to satisfactorily address all stormwater comments either in final plans and reports, or as conditioned by the Planning Board as a part of a final Site Plan Decision. Assuming that the Planning Board’s peer review consultant and Planning Board concur with the final result, it does not appear that stormwater matters would become a factor of concern in the evaluation of potential impacts to property values.

4. Wetlands

I understand that with respect to wetlands, Hillwood has filed a Conditional Use Permit Application with the Town of Hudson under its Wetland Conservation Overlay District. It is understood that the NHDES is also reviewing a Wetlands Permit Application filed by Hillwood and that review is ongoing. Most recently, I understand the Hudson Conservation Commission voted to recommend approval of the Conditional Use Permit to the Hudson Planning Board. As a part of the Conservation Commission review process, it is understood that potential wetland impacts were reduced by approximately 20% from what was originally proposed, that wildlife interests were enhanced with proposed crossing and other measures, that Hillwood proposed restoration of approximately 40 acres of golf course area and permanently protect over 120 acres under a conservation easement, that the project would not have any off-site wetland or wildlife impacts, and that the Conservation Commission’s recommendations included a number of recommended stipulations designed to protect wetlands. Based upon the proposed minimal wetland impacts, and assuming the Planning Board votes to approve the Conditional Use Permit, it appears that wetlands and related wildlife impacts would not become a factor of concern in the evaluation of potential impacts to property values.

5. Noise

On behalf of Hillwood, a report entitled “Site Sound Evaluation and Control, Proposed Hudson Logistics Center, Hudson, NH -- Revision 2” (REVISED December 1, 2020), as amended or supplemented, and prepared by Ostergaard Acoustical Associates (“OAA”) (the “Sound Study”), was filed with the Town of Hudson Planning Board and was peer reviewed by qualified acoustical consultants retained by the Hudson Planning Board. The purpose of the Sound Study was “to analyze future site sound emissions for comparison with applicable code limits and evaluate the potential for noise complaints.” (Sound Study, p.1) The Sound Study states it “is an update to the 18 May acoustical report, and the 13 July acoustical report update, and reflects updates to the plans and layout, and comments from the board and board professionals, including input and comment from the Planning Board’s peer review professionals, HMMH, Inc.” (Sound Study, p.1) The Sound Study states that “site sound emissions were evaluated against State and local noise codes, ambient sound survey data, and criteria recommended by OAA based on professional experience. Aspects of this study were coordinated with the town’s peer reviewer, Christopher Bajdek of Harris Miller

Miller and Hanson, Inc. (HMMH).” The Sound Study concludes that “analyses demonstrate that the site with the proposed mitigation measures and, provided that applicable performance practices under the Hudson Noise Ordinance are complied with, the proposed project will meet the applicable code limits under the Hudson Zoning Ordinance, including those applicable limits under Section 249-4 that are not otherwise excluded or exempt under Section 249-5, and applicable Site Plan Ordinance criteria at all receptors. Thus, no negative acoustical impact is anticipated. The proposed mitigation features and using smart, multi-frequency back-up alarms for on-site terminal tractors represents good acoustical planning and will put the end users in the best position to minimize the potential for noise complaints and to be a good neighbor.” (Sound Study, at 19-20). The Sound Study also states that “Section 249-1 of Chapter 249 of the Hudson Ordinances states the Noise Ordinance ‘is enacted to protect, preserve and promote the health, safety, welfare and quality of life for the citizens of Hudson, New Hampshire, through the reduction, control and prevention of noise by establishing maximum noise levels upon and between premises, prohibiting certain noise-producing activities’” Based upon the foregoing, “and assuming the performance standards described in the Hudson Noise Ordinance above are followed, [it appears] the proposed site activities will comply with the applicable standards described under Chapter 249. Moreover, since [it has been] demonstrated that the applicable provisions of the Hudson Noise Ordinance will be complied with, the proposed Project and related operations at the site make adequate provision ‘... to guard against such conditions as would involve danger or injury to health or safety,...’ and will eliminate ‘...undesirable and preventable elements of pollution, such as noise, ..., into the environment which might prove harmful to persons, structures or adjacent properties,’ all as required under Section 275-8 of the Hudson Site Plan Ordinance.” (Sound Study, p. 22)

Assuming that the Planning Board’s peer review consultant and Planning Board concur with the final result, it does not appear that noise or sound matters would become a factor of concern in the evaluation of potential impacts to property values.

Conclusion

As noted above, and although not typically considered in connection with customary appraisal methodology, it has been suggested that impacts to market value may be considered after consideration of an evaluation of potential impacts arising from the operation of the Hudson Logistics Center, such as traffic, air quality, stormwater management, wetlands impacts, and noise.

The real estate appraiser and author of this study is not an expert on any of the preceding five topics included as ‘Other Considerations’, but instead has relied upon the opinions and conclusions of qualified professionals stated in various reports and other documents noted above in connection with each of these topics. Accordingly, and based solely on the conclusions of the qualified professionals above, which have suggested that traffic, air quality, stormwater management, wetlands, and noise can be adequately managed in compliance with applicable requirements, it does not appear that these matters would become a factor of concern in the evaluation of potential impacts to property values such that they would result in a negative or substantial diminution of surrounding property values.

Appraiser/Consultant's Certification

I do hereby 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, they are my personal, impartial, unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in Green Meadow Golf Club or the proposed Hudson Logistics Center and I have no personal interest or bias with respect to the parties involved;
- I have performed no other services, as an appraiser or in any other capacity, regarding Green Meadow Golf Club or the proposed Hudson Logistics Center within the three-year period immediately preceding acceptance of this assignment;
- I have no bias with respect to the properties that are 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 of 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 service;
- my analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, Title XI of FIRREA, 12 CFR part 323 of the Federal Deposit Insurance Corporation (FDIC), and any implementing regulations in effect as of the date of this report;
- I, Wesley G. Reeks, have made a personal inspection the all properties included in this analysis;
- no one provided significant professional appraisal assistance to the person signing this report;
- this appraisal service sets forth all limiting conditions (imposed by the terms of my agreement or by the undersigned) affecting the analysis, opinions, and conclusions;
- as of the date of this report, I, Wesley G. Reeks has completed the continuing education program for Designated Members of the Appraisal Institute.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- as of the date of this report, I am a State Certified General Real Estate Appraiser in the States of New Hampshire, Massachusetts, and Maine;

- the conclusions expressed in this report are not based in whole or part upon race, color, or national origin of the current/prospective owners, prospective owners, or occupants;
- I have adequate education, and have previously performed similar studies, and I am familiar with the area. Please see the qualifications in this report for additional information;
- my analyses, opinions and conclusions were developed and this report has been prepared in conformance with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, and the use of this report is subject to the requirements of the Institute relating to review by its duly authorized representatives;



Wesley G. Reeks, MAI
New Hampshire Certified General
Real Estate Appraiser/Consultant
Certificate Number 411

Assumptions and Limiting Conditions

This appraisal is made under the following assumptions and contingent conditions:

- (1) This appraisal services report sets forth all of the limited conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions and conclusions contained in the report;
- (2) Title to the property is assumed to be free, clear, and unencumbered, and there are no leases, easements, liens, or other encumbrances on the property other than those listed in this report;
- (3) To the best of my knowledge and belief the statements of fact contained in this appraisal services report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct, but I assume no responsibility for the accuracy of such information as title information, measurements, survey, and other information furnished by you as likewise comparable sales data furnished by the court records and the principals involved in the various transactions;
- (4) It is assumed that the improvements are located on the land described herein and do not overlap this land unless otherwise stated in the report;
- (5) No responsibility is here assumed for any matters which are legal or political, social, or economic changed conditions which could have an effect on real estate values which changes take place after the date of this valuation;
- (6) Disclosure of the contents of this report is governed by the by-laws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions, the identity of the appraiser, or of said firm with which he is connected or any reference to the Appraisal Institute or the MAI, SREA, SRPA, RM, or SRA designations) shall be disseminated to the public through advertising, media, public relations media, news media, sales media, or any other public means of communication without the previous written consent and approval of the undersigned;
- (7) Future income and expense projections are estimated to be typical projections by typical purchasers in the market place, rather than the appraiser/consultant's personal projections. None of these projections should be interpreted as the appraiser/consultant's personal projections;
- (8) Any survey contained in this report is assumed to be true and correct, and it is also assumed that there are no encroachments upon the property appraised except as noted herein. Any sketch prepared by the appraiser/consultant and included in the report may show approximate dimensions and is included to assist the reader in visualizing the property; however, the appraiser/consultant has not made a survey of the property;
- (9) A current "as built" survey may affect the value estimate, and should be provided if not included in this report, to verify data provided to the appraiser/consultant;
- (10) The appraiser/consultant assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser/consultant assumes no responsibility for such conditions or for engineering which might be required to discover such factors;
- (11) The appraiser/consultant is not required to give testimony or appear in court unless arrangements have previously been made therefor;

- (12) No one may use this report for any other use than that stated in the "Function or Intended Use" section of this report;
- (13) Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, or in the vicinity, was not observed by the appraiser/consultant. The appraiser/consultant has no knowledge of the existence of such materials on or in the property except as stated in this report. The appraiser/consultant, however, is not qualified to detect such substances. The appraiser/consultant has made no study to determine such conditions. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client agrees to hold harmless the appraiser/consultant and fully defend the appraiser/consultant in any future lawsuit resulting from such hazardous materials. Client will fully indemnify appraiser/consultant from all losses in any such lawsuit.
- (14) Furnishings and equipment or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered.
- (15) This appraisal service has been prepared for the exclusive benefit of the Addressee and intended users. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk.
- (16) This is a *Appraisal Services Report* that complies with requirements set forth in Standards Rule 1 and the reporting requirements set forth in Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice. It presents required statements and definitions as required by USPAP as well as abbreviated descriptions of the physical and functional characteristics of the property under study. The attached report includes the necessary data, reasoning, and analysis used in the process to develop my opinions. The depth of discussion contained in this report is specific to the needs of the client and the intended use stated herein. I am not responsible for the unauthorized use of this report.
- (17) This appraisal service was prepared by Wesley G. Reeks, MAI for the exclusive use of the Addressee. The information and opinions contained herein forth the appraiser/consultant's best judgement in light of the information available at the time of the preparation of this report. Any use of this study by any other person or entity, or any reliance or decisions based on this appraisal are the sole responsibility and at the sole risk of the third party. Wesley G. Reeks, MAI accepts no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this appraisal.
- (18) **General Conditions** - The Appraisal Institute conducts a mandatory program of continuing education for its designated members. Members meeting the minimum standards of this program are awarded periodic educational certification. As of the date of this report, Wesley G. Reeks has completed the requirements under the continuing education program of the Appraisal Institute.

The fee for this appraisal or study is for the service rendered and based on an hourly rate for time in research, analysis, and report preparation.

Acceptance of, and/or use of this appraisal report constitutes acceptance of the preceding Assumptions and Limiting Conditions.

**Qualifications of the Appraisers
for
Wesley G. Reeks, MAI**

Professional Memberships

Member of the Appraisal Institute (MAI #10863), Residential Member of the Appraisal Institute (RM #2721), Certified General Real Estate Appraiser in New Hampshire, Massachusetts, and Maine.

Year 2000 President of the New Hampshire Chapter of the Appraisal Institute

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, I have completed the requirements under the continuing education program and I am currently certified under this program.

Appraisal Experience

Appraised a wide variety of properties including free-standing retail, shopping centers, small office, multi-tenant high-rise office, restaurants, hotels, gasoline/convenience stores, industrial, R&D, warehouse, truck terminals, multifamily, single family, marinas, amusement parks, health clubs, tennis clubs, farm land, and vacant commercial and residential land in 19 states including New Hampshire, Vermont, Maine, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Maryland, South Carolina, Ohio, Minnesota, South Dakota, Louisiana, Texas, Oklahoma, New Mexico, and California.

Appraisal Employment

Principal, Wesley G. Reeks, MAI, a commercial real estate appraisal company formed in December 1992 with offices in Bedford, New Hampshire.

Affiliated with Hunsicker Appraisal Company in Nashua, New Hampshire, performing commercial appraisals as an independent contractor, December 1992 to April 1995.

Marshall F. Graham and Associates, Shreveport, Louisiana, December 1989 to November 1992.

John F. Luck and Associates, Shreveport, Louisiana, June 1985 to November 1989.

Education

Louisiana State University, Baton Rouge, Louisiana
Bachelor of Science Degree - December 1980

Civic

Immediate Past District Chairman, Massabesic District, Daniel Webster Council, Boy Scouts of America

Court Experience

Relied on as an expert witness in court testimony on improved and unimproved properties in New Hampshire and Texas