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THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



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William Cass, P.E.
Commissioner

David Rodrigue, P.E.
Assistant Commissioner

Andre Briere, Colonel, USAF (RET)
Deputy Commissioner

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

Bureau of Right-of-Way
August 1, 2024

REQUESTED ACTION

The New Hampshire Department of Transportation (Department), pursuant to RSA 4:39-c, requests the authorization to renew a land lease, consisting of 13,438 square feet, located at the southeast quadrant of Interstate 93 at the Exit 12 Interchange in the City of Concord. The term of the lease will be for a five-year period, with a renewal clause for an additional five-years at the renegotiated value, and will commence on March 1, 2025, through February 28, 2030. This land lease will be with Capital Hotel Company VI, LLC (Lessee) for the market annual ground rent of \$12,800. The Department will assess the administrative fee of \$1,100, effective upon Governor and Executive Council approval.

Lease income will be credited as follows:

04-096-096-960015-0000-UUU-402156	<u>FY 2025</u>			
Administrative Fee	\$1,100			
04-096-096-960017-0000-UUU-406922	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
Turnpikes Unrestricted	\$3,200	\$12,800	\$12,800	\$12,800
	<u>FY 2029</u>	<u>FY 2030</u>		
	\$12,800	\$9,600		

EXPLANATION

The Department is currently in the process of renewing the five-year land lease for the Lessee, as described above. Attached is the Site Layout Plan Days Inn Redevelopment, prepared by TF Moran, Inc., which outlines the pertinent details for reference. The lease renewal will be subject to the specific conditions outlined below:

- No access to either Interstate 93 or NH Route 3A. Access will be from the abutting parcel.
- The lease will be subject to revocation if needed for highway purposes.
- The leased area is to be used exclusively for the hotel and restaurant parking.

At the June 10, 2024, meeting of the Long-Range Capital Planning and Utilization Committee, the request (LRCP 24-021) was approved, allowing the Department to renew the land lease for the market annual ground rent of \$12,800 and to assess the administrative fee of \$1,100.

The Department is respectfully requesting authorization to renew the land lease as noted above.

Respectfully,



William J. Cass, P.E.
Commissioner

WJC/AMS/eea
Attachments

**Land Lease
Concord, NH**

- COMMERCIAL LEASE -

between

**STATE OF NEW HAMPSHIRE
"LANDLORD"**

AND

**Capital Hotel Company VI, LLC
"LESSEE"**

**for property located at
Interstate 93-Exit 12, Concord**

March 1, 2025 – February 28, 2030

Supplemental document checklist

_____ Certificate of Insurance w/ additional insured clause

_____ Signatory Authorization / Certificate of Authority

_____ Certificate of good standing

_____ Renewal

_____ Amendment(s)

_____ Property Management Initials _____ DOT Initials

COMMERCIAL LEASE

THIS LEASE AGREEMENT, made between The State of New Hampshire, Department of Transportation, hereinafter called the "Landlord," and Capital Hotel Company VI, LLC Capital Hotel Company VI, LLC, hereinafter called the "Lessee."

WHEREAS the Landlord is the owner of the hereinafter described property, which is not immediately required by the Landlord in connection with construction of a proposed highway project which abuts or may affect the property and has been requested by the Lessee to lease the property, on an "as is" basis.

WHEREAS the Landlord is willing to comply with said request, provided that the Lessee, as a condition to the occupancy of said Premises, joins in the execution of this Lease Agreement for the purpose of accepting each and every condition herein set forth during the occupancy of said Premises by the Lessee.

1. DEMISE OF THE PREMISES

- 1.1. For and in consideration of the rent and the mutual covenants hereinafter stated, and the acceptance by the Lessee of each and every term and condition herein set forth, the Landlord hereby leases and demises to the Lessee the Premises located at:

Interstate 93-Exit 12, Concord Southeast quadrant of Interstate 93, Exit 12 the City of Concord, consisting of 13,438 square feet as depicted on Attachment A incorporated herein

2. TERM

- 2.1. The term of this Lease shall begin on March 1, 2025 March 1, 2025 and shall end on February 28, 2030 February 28, 2030, unless terminated sooner in accordance with the provisions of this Lease.

3. RENT

- 3.1. Rent shall be \$12,800 per year plus an one-time Administrative Fee of \$1,100 with the option for an additional five years at the established fair market value, subject to the conditions specified in this request. Rent is due upon or before the first day of each calendar month, payable to the "TREASURER, STATE OF NH" and mailed to: **New Hampshire Department of Transportation, Bureau of Finance and Contracts, P.O. Box 483, Concord, NH 03302.**
- 3.2. Per RSA 72:23, I(b)(1), the Lessee is solely responsible for any and all current and potential properly assessed real and personal property taxes no later than the due date as established by the taxing authority, including any real or personal property taxes on improvements added by the Lessee.

Per RSA 72:23, I(b)(4), "Failure of the Lessee to pay the duly assessed personal and real estate taxes when due shall be cause to terminate said lease or agreement by the Lessor."

- 3.3. The Lessee is required to forward to the Lessor any information or communications from the taxing authority within 5 days of the Lessee's receipt of such information or communications.

3.4. The Lessee shall pay as additional rent any and all costs not otherwise included herein that may result from the operation of a **restaurant and hotel parking lot**.

3.5. The Landlord reserves the right to reevaluate the rent after the five (5) year term if subsequent lease terms are granted.

4. QUIET ENJOYMENT

4.1. Landlord covenants and agrees that so long as the Lessee is not in default of any of the covenants and agreements of this Lease, the Lessee's quiet and peaceful enjoyment of the Premises shall not be disturbed or interfered with by the Landlord or any person claiming by or through the Landlord.

5. USE OF PREMISES

5.1. The Lessee shall use the leased premises only for the business purpose of a **restaurant and hotel parking lota restaurant and hotel parking lot**. Neither the Premises nor any part thereof shall be used at any time during the term of this Lease by the Lessee for the purpose of habitation or carrying on any other business, profession, or trade of any kind.

5.2. Prohibitions:

5.2.1. No Lessee, visitor, customer, client, supplier, family member or other invitee of Lessee may park any motorized vehicle on the lawn area or any other area, which is not designated specifically for parking.

5.2.2. The Lessee shall not use the Premises in any manner that will disturb a neighbor's peaceful enjoyment of other property.

5.2.3. No open fires of any kind are allowed on the premises in any manner. No fire permits will be issued to tenants.

5.2.4. No pools, hot tubs, or trampolines of any kind are allowed on the premises.

5.2.5. No unregistered motorized vehicles shall be stored upon the Premises.

5.2.6. There will be no access to either Interstate 93 or NH Route 3A from this parcel. Access will be from the abutting parcel.

5.3. Violations of this section shall be grounds for eviction.

6. COMPLIANCE WITH LAWS

6.1. The Lessee shall comply with all the laws, ordinances, rules, and order of appropriate governmental authorities during the term of this Lease.

- 6.2. The Lessee acknowledges that no trade or occupations shall be conducted in the leased Premises or use made thereof which will be unlawful, improper, noisy, or offensive or contrary to any law or municipal By-law or Ordinance in force in the city or town in which the Premises is situated.
- 6.3. The Lessee shall obtain and maintain any and all permits necessary for the operation of a restaurant and hotel parking lot as described in section 5.1.

7. MAINTENANCE OF PREMISES

- 7.1. The Lessee acknowledges that the Premises are in good order and repair at the beginning of the Lease term.
- 7.2. The Lessee will, at the Lessee's sole expense, keep and maintain the Premises in a clean, sanitary, and safe condition and repair during the term of this Lease and any renewal thereof.
- 7.3. The Lessee Shall be responsible for ice and snow removal from, parking lots, walks and driveways and any other needed areas.
- 7.4. The Lessee shall be responsible for any damage caused during this tenancy. The Lessee shall be responsible to pay for all repairs to the Premises and fixtures or appurtenances that may have been damaged by the Lessee's misuse, waste, or neglect, or that of the Lessee's visitor, customer, client, supplier, family member or other invitee.
- 7.5. No compensation shall be payable to the Lessee, nor shall the Lessee have any right to claim compensation for loss, damage, inconvenience, or annoyance arising from the necessity of repairing any portion of the building or unit, its fixtures, or appurtenances however the necessity may occur.
- 7.6. The Lessee shall return the Premises to the Landlord in as good order condition and repair as when received, excluding reasonable wear and tear.
- 7.7. The Lessee agrees to be responsible for all repair costs resulting from the operation of a restaurant and hotel parking lot. The Landlord reserves the right to select the persons or company to perform any such repairs. The Landlord shall not incur any repair costs as a result of this lease.

8. DAMAGE TO PREMISES

- 8.1. The Lessee is liable for all actions, neglect, damages, and behaviors of their visitors, customers, clients, suppliers, family members or other invitees.
- 8.2. If the Premises are damaged so as to render them untenable, then either party shall have the right to terminate this Lease as of the date on which the damage occurs, through written notice to the other party, to be delivered within ten (10) days after the occurrence of such damage. However, should the damage or destruction occur as a result of any act or omission on the part of the Lessee or its invitees, then only the Landlord shall have the right to terminate the Lease.

8.3. Should the right to terminate be exercised, the rent for the current month shall be prorated between the parties as of the date the damage occurred.

9. ALTERATIONS AND IMPROVEMENTS

9.1. The Lessee shall make no alterations to the Premises or construct any buildings or make other improvements on the Premises without the prior written consent of the Landlord.

9.2. Improvements and / or repairs should be coordinated with the Bureau of Turnpikes, PO Box 16476, Hooksett NH 03106, 603-485-3806

9.3. The Lessee is responsible for removing all improvements upon the expiration or termination of this lease.

10. ENTRY AND INSPECTION

10.1. Whenever practical the Landlord shall provide the Lessee with 24 hours' notice prior to entry. The Landlord or its agent shall inspect the Premises a minimum of two (2) times in each calendar year. Any indication of Lease violations shall be grounds for eviction.

10.2. The Landlord retains the right to enter the Premises in the case of an emergency, or to make necessary repair, alterations, improvements, or to supply necessary or agreed services, or to exhibit the Premises to prospective purchasers or Lessees, workers, contractors, or others, or when the Lessee has abandoned or surrendered the Premises, or whenever necessary to determine the condition of the Premises.

11. ASSIGNMENT AND SUBLETTING

11.1. The Lessee shall not assign this Lease or sublet or grant any concession or license to use the Premises or any part thereof.

11.2. The Lessee shall be permitted to continue operating a restaurant and hotel parking lot, until the termination of this Lease.

12. UTILITIES

12.1. The Lessee shall be responsible for arranging for and paying for all utility services required on the Premises except for those identified as "included with rent" in the following section.

12.2. Utilities included with rent: None. Landlord/Agent initials: _____

13. DANGEROUS MATERIALS

13.1. The Lessee shall not keep or store any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on the Premises or that

might be considered hazardous or extra hazardous unless properly stored and previously approved by NHDOT.

14. INSURANCE

- 14.1. The Lessee shall provide to the Landlord proof of insurance demonstrating that the required coverage has been obtained before taking possession of the Premises and thereafter upon renewal of the policy.
- 14.2. The Lessee shall, at its own expense, obtain and maintain in force for the benefit of the State of New Hampshire the following insurances: 1) comprehensive general liability insurance against all claims of bodily injury, death or property damage in the amounts of not less than \$1,000,000.00 per claim and \$2,000,000.00 per aggregate; and 2) comprehensive liability insurance covering all motor vehicles, including owned, hired, borrowed and non-owned vehicles, for all claims of bodily injury, death or property damage in the policy amount of not less than \$1,000,000.00 combined single limit for bodily injury and property damage. Nothing contained herein shall be construed as a waiver of the State's sovereign immunity.
- 14.3. The State of New Hampshire Department of Transportation shall be named as additional insured on all insurance purchased pursuant to this Lease.

15. HOLDOVER BY LESSEE

- 15.1. No holdover by Lessee will be permitted. The Landlord and the Lessee must execute a new lease on or before expiration of an existing lease in order for a Lessee to remain in possession of the Premises.

16. DEFAULT

- 16.1. The Landlord shall be the sole judge of what shall constitute a violation of the provisions of the Lease, or the failure of the Lessee to otherwise abide by any of the covenants herein contained, and may order a discontinuance of the practices, or the performance of any work related to such default by giving the Lessee 10 days' notice in writing. Failure of the Lessee to comply with the notice shall automatically give the Lessor the right to terminate this Lease Agreement, evict the Lessee and take full and complete possession of the Premises.

17. TERMINATION OF LEASE FOR CAUSE

- 17.1. In the event that the Lessee shall default in the payment of any installment of rent or other sum herein specified and such default shall continue for 7 days after written notice, thereof, or if the Lessee shall default in the observance or performance of any other of the Lessee's covenants, agreements, or obligations hereunder and such default shall not be corrected with 30 days of written notice by the Landlord to the Lessee specifying such default and requiring it to be remedied then, and in such an event, the Landlord may serve a written notice of termination of this Lease upon the Lessee and this Lease and the Term hereunder shall terminate and upon such

termination Landlord may immediately or at any time thereafter, without demand or notice enter into or upon the Premises and repossess the same.

- 17.2. The Landlord shall be entitled to recover incidental costs, attorney's fees, and court costs from the tenant if it becomes necessary for the Landlord to institute suit for eviction, damages, rental arrears, or violations of the terms of this lease.

18. TERMINATION FOR CONVENIENCE

- 18.1. The Landlord may terminate the Lease at any time by giving at least a 90 day notice thereof in writing and may take full and complete possession of the premises hereby leased, at the end of said 90-day period with no further liability of any nature whatsoever to the Lessee for doing so. Should the Landlord terminate this Lease Agreement by giving the 90-day notice during any period for which a full month's rent has already been paid, the Landlord will reimburse the Lessee for the pro-rata proportion of the remaining number of days for which rent has been paid in advance but during which the Lessee no longer occupy the Premises.
- 18.2. Notwithstanding the foregoing, and without limiting Landlord's rights pursuant to the Section 18.1, as of the execution of the Lease Agreement the Landlord does not anticipate terminating this Lease for convenience unless it shall determine that the Premises are necessary in order to complete the proposed Concord Interstate 93 expansion project or for other highway purposes.
- 18.3. The Lessee may terminate this Lease Agreement at any time by giving at least a 30-day notice in writing, specifying in said notice today (and time of day) on which possession of the Premises will be surrendered. The Lessee shall not vacate or leave the Premises unattended on the day of surrender until the Landlord's representative shall have sufficient time to check the Premises prior to taking formal possession thereof. In the event that the Lessee shall terminate this Lease Agreement in accordance with the above provisions, payment of rent shall cease at the end of the said 30-day period, or at the end of the day on which possession shall be surrendered, whichever shall last occur.

19. SURRENDER OF THE PREMISES

- 19.1. In the event that the Term or any extension thereof shall have expired or terminated, the Lessee shall peacefully quit and surrender to Landlord the Premises together with all improvements, alteration, or additions made by the Lessee which cannot be removed without damaging the Premises.
- 19.2. The Lessee shall remove all personal property and shall repair any damage caused by such removal. The Lessee's obligations to observe or perform the covenants contained herein shall survive the expiration or termination of this Lease.
- 19.3. The Lessee shall return the Premises to the Landlord as in good order, condition, and repair as when received, excluding reasonable wear and tear.

20. INDEMNIFICATION AND RELEASE FROM LIABILITY

- 20.1. The Lessee shall defend, indemnify, and hold harmless the State, its officers, agents and employees, from and against any and all losses suffered by the State, its officers, agents and employees, and any and all claims, liabilities or penalties asserted against the State, its officers, agents and employees, by or on behalf of any person on account of, based on or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Lessee or from the use or maintenance of the above described Premises.
- 20.2. The Lessee further releases the Landlord, its agents, and employees, from any and all claims or demands for damages or injuries of any nature whatsoever attributable to the taking, use and occupancy of any portion of the Premises caused by the construction and maintenance by the State of New Hampshire of any proposed highway and/or bridge project which abuts (or will abut) or may affect in any way the property herein leased.

21. DISCRIMINATION PROHIBITED

- 21.1. The Lessee hereby covenants and agrees that no person on the grounds of race, color, creed, national origin, age, sex, or sexual orientation, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination of the use of the Premises and that in the construction of any improvements on, over or under such Premises and the furnishing of services thereon. The Lessee shall use the Premises in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulation, Department of Transportation – Effectuation of Title VI of the Civil Right Act of 1964, and as said Regulations may be amended.
- 21.2. The Lessee for herself/himself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event that facilities are constructed, maintained, or otherwise operated on the said property described in this Lease for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provisions of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination of Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as such Regulations may be amended.
- 21.3. That in the event of breach of any of the above nondiscrimination covenants, the State of New Hampshire shall have the right to terminate the Lease and to re-enter and repossess said land and facilities thereon and hold the same as if said Lease had never been issued.

22. MISCELLANEOUS

- 22.1. Landlord's Agents. All rights and obligations of the Landlord under this lease may be performed or exercised by such agents as the Landlord may select.

- 22.2. **Notice.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by registered or certified mail, postdate prepaid, in a United States Post Office.
- 22.3. **Extent of Instrument, Choice of Laws, Amendment, etc.** This Lease, which may be executed in a number of counterparts, each of which shall have been deemed an original, but which shall constitute one and the same instrument, is to be construed according to the Laws of the State of New Hampshire, is to take effect as a sealed instrument, is binding upon, inures to the benefit of, and shall be enforceable by the parties hereto and their respective successors and assigns, and may be canceled, modified, or amended only by a written instrument executed and approved by the Landlord and the Lessee.
- 22.4. **No Waiver of Breach.** No assent, by either party, whether express or implied, to a breach of covenant, condition, or obligation by the other party, shall act as a waiver of a right of action for damages as a result of such breach, or shall be construed as a waiver of any subsequent breach of the covenant, condition, or obligation.
- 22.5. **Unenforceable Terms.** If any terms of this Lease or any application thereof shall be invalid or unenforceable, the remainder of the Lease and any application of such term shall not be affected thereby.
- 22.6. **Entire Agreement.** This Lease embodied the entire Agreement and understanding between the parties hereto and supersedes all prior Agreements and understanding relating to the subject matter hereof.
- 22.7. **No Waiver of Sovereign Immunity.** No provision in this Lease is intended to be or shall it be interpreted by either party to be a waiver of the State's sovereign immunity.
- 22.8. **Lessee Liability.** All Lessees accept joint and several liability for all Lessee responsibilities of this lease.

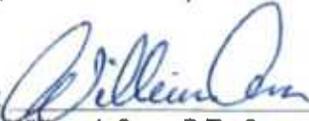
23. Amendments

None

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first above written.

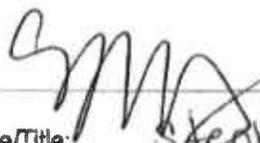
LANDLORD:

The State of New Hampshire
Department of Transportation

By:  Date 7/19/24
William J. Cass, P.E., Commissioner

LESSEE:

Capital Hotel Company VI, LLC

By:  Date 7/10/24
Name/Title: Stephen Duprey
Principle Office Address: PO Box 1438
Concord NH 03302
Phone: 603-228-2151
Email: sduprey@foxfirenh.com

Approved by Attorney General this 26th day of July, 2024, as to form and execution

By: Samuel Burgess

Name/Title: Assistant Attorney General

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that CAPITAL HOTEL COMPANY VI, LLC is a New Hampshire Limited Liability Company registered to transact business in New Hampshire on November 13, 2015. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 734656

Certificate Number: 0006741610



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 24th day of July A.D. 2024.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

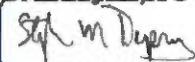
David M. Scanlan
Secretary of State

CERTIFICATE OF AUTHORITY FOR CAPITAL HOTEL COMPANY VI, L.L.C.

The undersigned, being the sole member of **CAPITAL HOTEL COMPANY VI, LLC** (the “Company”) and acting in such capacity, hereby certifies that: **STEPHEN M. DUPREY**, is the **SOLE MANAGING MEMBER** (the “Manager”), to enter into the Lease Agreement between the State of New Hampshire Department of Transportation and Capital Hotel Company VI, LLC, dated March 1, 2025 (“March Lease Agreement”) and to sign all acts necessary to effectuate the Lease Agreement.

The Lease Agreement dated March 1, 2025, is for property located at the Southeast quadrant of Interstate 93-Exit 12, Concord, New Hampshire, consisting of 13,438 square feet as depicted on the Lease Agreement.

CAPITAL HOTEL COMPANY VI, LLC


430285138810471...

DATE: 7/22/2024 | 5:24 PM EDT

Stephen M. Duprey, Manager

CERTIFICATE

The undersigned duly designated Certifying Official does hereby certify that the above-named person is the sole Member of Capital Hotel Company VI, LLC and that the foregoing **CERTIFICATE OF AUTHORITY** has been duly adopted and approved by Capital Hotel Company VI, LLC.

DocuSigned by:

430285138810471...

DATE: 7/22/2024 | 5:24 PM EDT

STEPHEN M. DUPREY



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/22/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Infinger Insurance - Conway 1205 Eastman Rd PO Box 300 North Conway NH 03860		CONTACT NAME: Kimberly Wood PHONE (A/C, No, Ext): (603) 447-5177 E-MAIL ADDRESS: klm@infinger.ncs.com		FAX (A/C, No): (803) 447-5128	
INSURED Duprey Hospitality LLC C/O Foxfire Property Management PO Box 1438 Concord NH 03302		INSURER: FORDING COVERAGE		NAIC #	
		INSURER A: The Charter Oak Fire Ins Co		25615	
		INSURER B: The Travelers Indemnity Co. & its Affiliates.			
		INSURER C: Travelers Property Casualty Company of America		25674	
		INSURER D:			
		INSURER E:			
		INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** CL23122281881 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL SUBROGATION WAIVED (Y/N)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:	Y	P-630-9T153403-COF-24	01/01/2024	01/01/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		BA-9T153452-24-43-G	01/01/2024	01/01/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical Payments \$ 5,000
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		CUP-9T153484-24-43	01/01/2024	01/01/2025	EACH OCCURRENCE \$ 14,000,000 AGGREGATE \$ 14,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				PER STATUTE - OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Liquor Liability		P-630-9T153403-COF-24	01/01/2024	01/01/2025	Per Claim 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Lease of Commercial Land
When required by written contract, the State of New Hampshire Department of Transportation is an Additional Insured as respects General Liability insurance per the terms and conditions of the policy.

CERTIFICATE HOLDER

CANCELLATION

New Hampshire Department of Transportation Bureau of Finance & Contracts PO Box 483 Concord NH 03302	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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Additional Named Insureds

Other Named Insureds

Capital Hotel Company I, LLC

Capital Hotel Company II, LLC

Capital Hotel Company III, LLC

Capital Hotel Company IV, LLC

Capital Hotel Company V, LLC

Capital Hotel Company VI, LLC

Duprey Hospitality LLC

Duprey Service Company LLC

Stephen Duprey

The Duprey Company, LLC

STATE OF NEW HAMPSHIRE INTER-DEPARTMENT COMMUNICATION

FROM: Steven G. LaBonte 
Administrator

DATE: May 3, 2024

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

SUBJECT: Leasing of State-Owned Land in Concord
RSA 4:39-c

TO: Representative Mark McConkey, Chairman
Long Range Capital Planning and Utilization Committee

REQUESTED ACTION

The State of New Hampshire Department of Transportation, in accordance with RSA 4:39-c, hereby seeks authorization for the renewal of a land lease concerning a parcel of state-owned land. This 13,438-square-foot lease, situated at the southeast quadrant of Interstate 93 (a/k/a F.E. Everett Turnpike), Exit 12 Interchange, in Concord, is currently held by Capital Hotel Company VI, LLC (Lessee). The proposed renewal term is five years at the annual rate of \$12,800, with an option to extend for an additional five years at a renegotiated value. Additionally, an administrative fee of \$1,100 will be assessed, subject to the specified conditions.

EXPLANATION

The Department is currently in the process of renewing the five-year lease for the Lessee as described above. Attached is the Site Layout Plan Days Inn Redevelopment, prepared by TF Moran, Inc., which outlines the pertinent details for reference. The lease renewal will be subject to the specific conditions outlined below:

- No access to either Interstate 93 or NH Route 3A. Access will be from the abutting parcel.
- The lease will be subject to revocation if needed for highway purposes.
- The leased area is to be used exclusively for the hotel and restaurant parking.

The parcels comprising the area under the lease are derived from two larger parcels acquired for the Bow-Concord LS-1870(1), P-3050N Project, to construct that portion of the Central NH Turnpike System. In 1955, the Department acquired approximately 11.41 acres from Jennie C. H. Marston via a Warranty Deed, for \$9,950. Additionally, in 1956, approximately 1.5 acres were acquired from Shirley H and Ester E. Shepard via a Warranty Deed in 1956 for \$4,000.

A Staff Appraiser for the Department evaluated the lease area. Utilizing the sales comparison approach and adhering to the guidelines outlined in the Right of Way Manual and the Uniform Standards of Professional Appraisal Practice, a market annual ground rent was prepared. As of March 18, 2024, the determined market rent for the lease area was concluded to be \$12,800.

The Department respectfully requests authorization to renew this five-year lease, outlined above.

SGL/SJN/jl
Attachments

May 2, 2024

Sandra J. Newman, Property Agent
Department of Transportation,
Bureau of Right-of-Way
JOM Building – Room 100
7 Hazen Drive
PO Box 483
Concord, NH 03302

Re: Five Year Land Lease Renewals – I-93 Exit 12

Dear Sandra J. Newman:

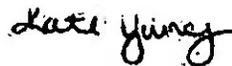
Under Section 3:1 of the Commercial Lease between the State of New Hampshire and Capital Hotel Company VI, LLC for property located at I-93 Exit 12, Concord, dated April 1 2019 – March 31 2024, Capital Hotel Company VI, LLC would like to renew this lease for an additional five (5) year term at the fair market rent.

Additionally, under Section 3:1 of the Commercial Lease between the State of New Hampshire and Capital Hotel Company VI, LLC for property located at I-93 Exit 12, Concord, dated March 1, 2020 – February 28, 2025, Capital Hotel Company VI, LLC would like to renew this lease for an additional five (5) year term at the fair market rent.

The Market Annual Ground Rent provided by Sandra J. Newman on March 19th, 2024 is acceptable for both properties.

Sincerely,

Capital Hotel Company VI, LLC



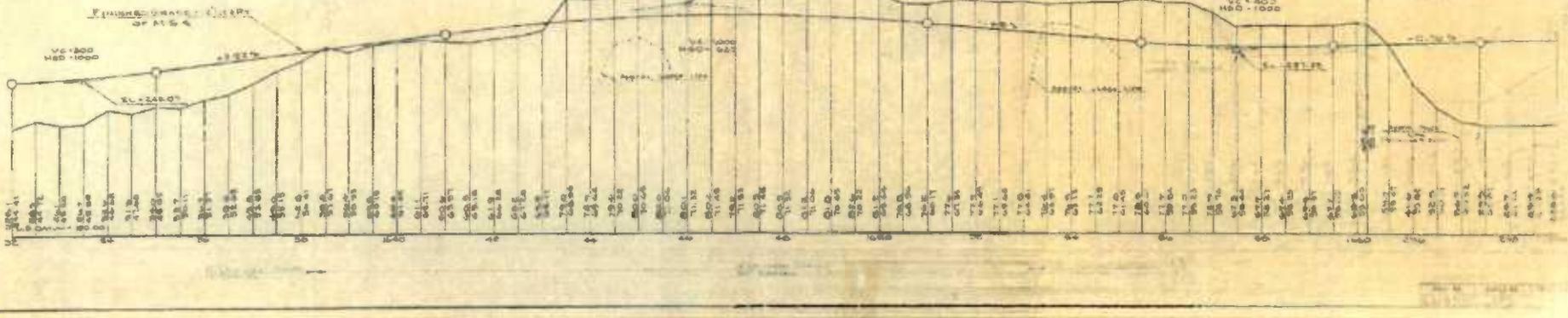
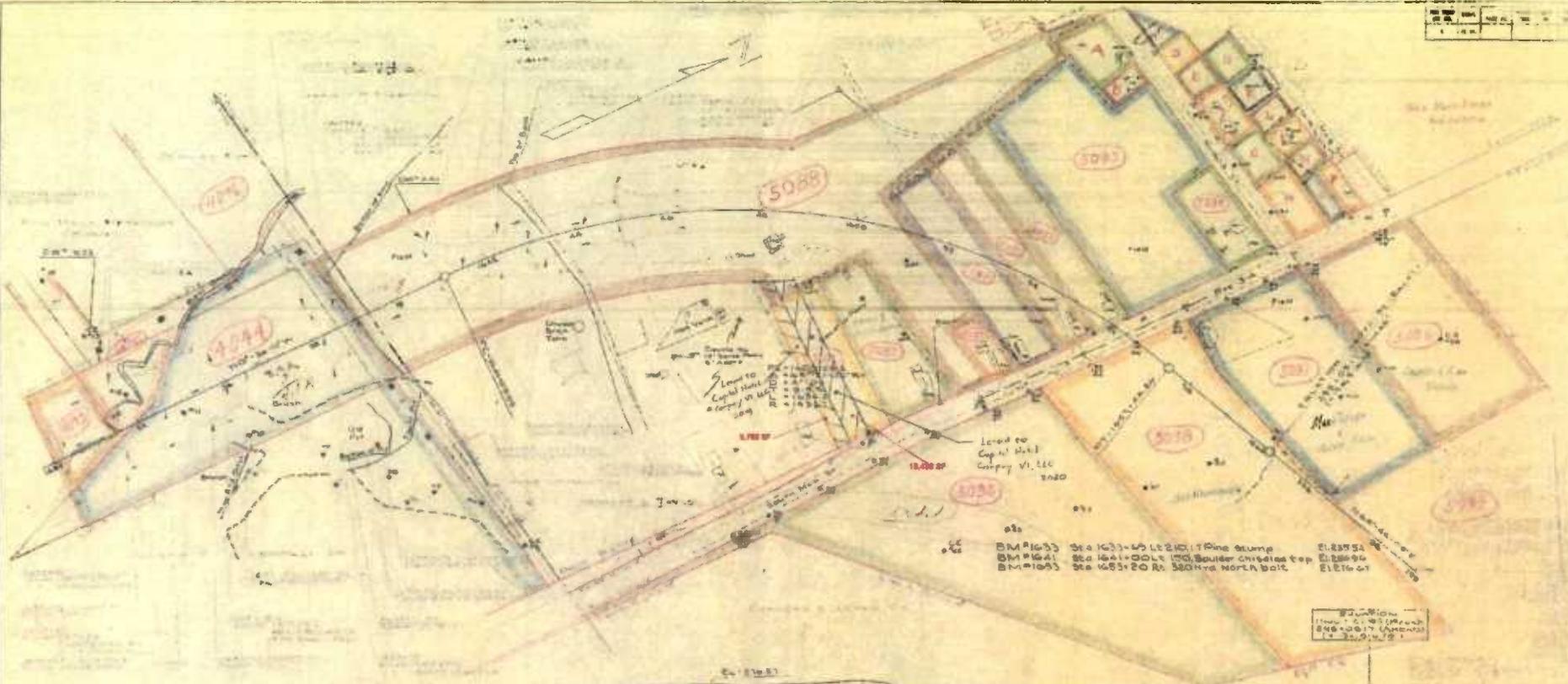
Kate Young, Authorized Agent

NOTE BOOK

DATE	1944
SCALE	1" = 100'
PROJECT	...
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Surplus Property Appraisal Report

Location/Address: Off South Main Street, Concord, NH

Effective Date: March 6, 2024

Date of Report: March 18, 2024

Appraiser: Scot D. Heath, NHCg-211

Market Annual Ground Rent: \$12,800

About This Appraisal

The Client for this appraisal is the New Hampshire Department of Transportation (NHDOT). Intended users of this appraisal report include the client's agents and officials, and members of the Long-Range Capital Planning and Utilization Committee. I have not prepared this appraisal report for any other use, nor do I intend any other users to be able to rely on it. The intended use of this appraisal is to assist the Client in making informed decisions regarding the potential renewal of the existing lease, its terms, and rate. The subject property does not have an independent highest and best use, being a part of the Limited Access Right-of-Way (LAROW) associated with Interstate Route 93 at the Exit 12 interchange, without independent access. In accordance with the New Hampshire Department of Transportation Right-of-Way Manual¹, contributory value² of the abutting NHDOT area subject to an independent but related lease and the abutting commercial site is the appropriate measurement to solve for. A capitalization rate will then be applied to the concluded contributory value to arrive at the market annual ground rent.

This appraisal is based on a number of assumptions and conditions as outlined at the end of this report.

About the Subject

The subject property area encompasses approximately 13,438± square feet (0.3085±, rounded to 0.31± acres) in a long and narrow shape, being approximately 36 feet wide and approximately 340 feet long, with minor additional area to the west. The property has been improved with 22 asphalt paved parking spaces, access lane, and related landscaping. This parking area, along with the previous lease of an additional 9,782± square feet (0.22± acres) contiguous to the subject area to the south which added 30 parking spaces with related landscaping, were in conjunction with the construction of an 85-room hotel and detached restaurant. Both of the noted lease areas remain under State ownership and part of the Limited Access Right-of-Way associated with Interstate Route 93 and Exit 12 interchange. The land was purchased by the state for the construction of Interstate Route 93. These acquisitions (2) include the Warranty Deed dated July 2, 1955 from Jennie C. H. Marston to the State of New Hampshire as recorded within the Merrimack County Registry of Deeds on July 11, 1955, Book 773, Page 233, and the Warranty Deed dated March 21, 1956 from Shirley H. and Esther E. Sheppard to the State of New Hampshire as recorded within said registry of deeds on March 28, 1956, Book 788, Page 386. While a Notice of Lease related to the previous lease area, dated April 24, 2019, with an effective date of March 13, 2019, was recorded within said registry of deeds June 3, 2019, Book 3632, Page 2239, the appraiser did not locate one related to this lease. Within the actual lease, the Landlord is identified as the State of New Hampshire Department of Transportation and the Tenant is identified as Capital Hotel Company VI, LLC. The lease is for a five (5) year term commencing March 1, 2020 and ending February 28, 2025, and the tenant has the right to renew for another five (5) year term. The tenant, or lessee, acquired the adjacent property on November 19, 2015 by Warranty Deed from Toral, LLC as recorded within said registry of deeds November 20, 2015, Book 3498, Page 1178. Reported consideration was \$3,175,000. Improvements existing at the time of the sale were razed in 2018 for the construction of the new hotel. The detached restaurant was added in 2020. NHDOT references the property as a part of Parcel 5086 of the Bow-Concord project LS-1870(1), P-3050N project. The City of Concord identifies the lease area as part of Map 88; Lot Z 16A.

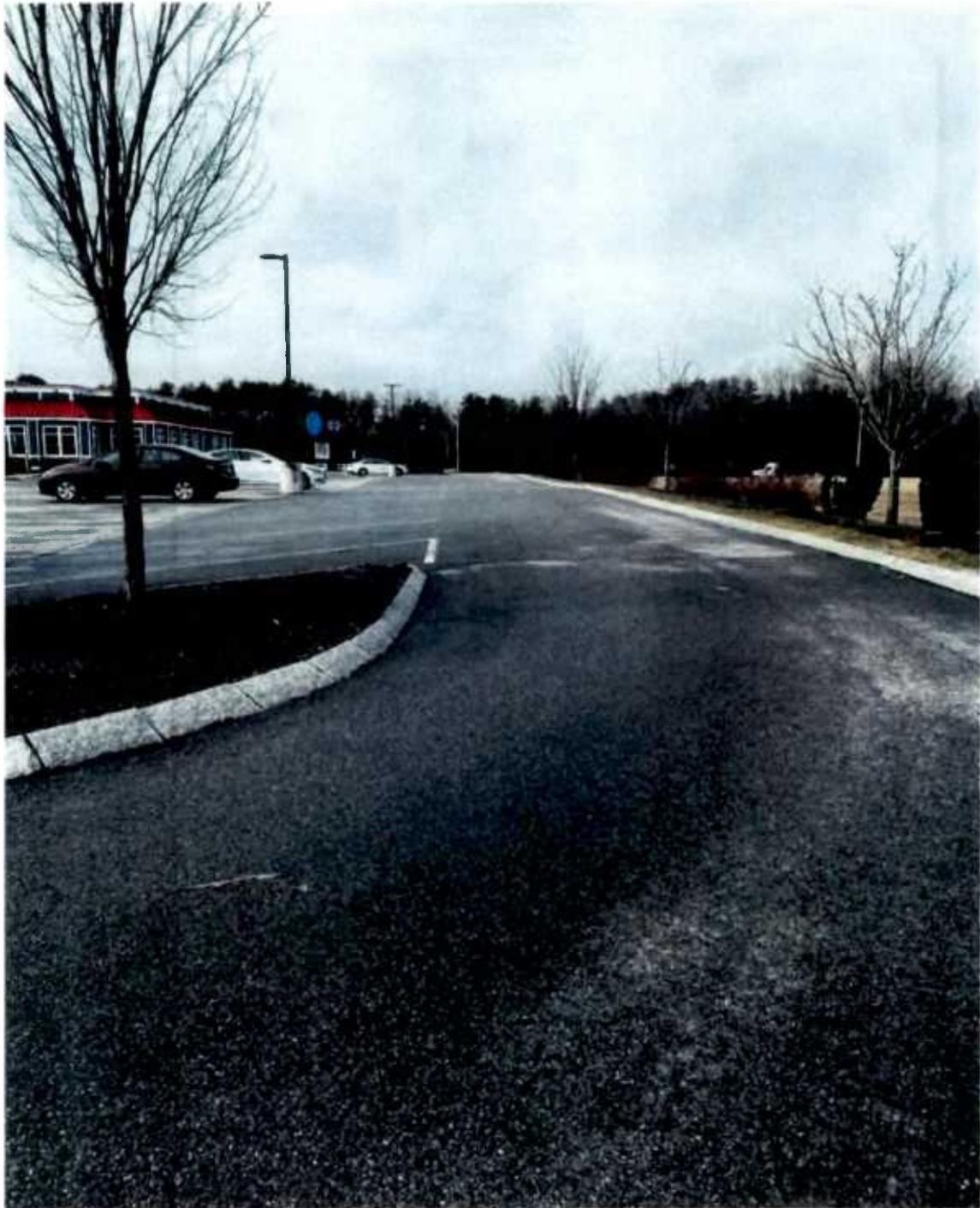
¹ The relevant portion of the Right of Way Manual reads, "remnant parcels that, because of size, shape or access, do not have an independent value will be appraised as to their contributory value to abutting parcels."

² Contributory Value is "1. A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole. 2. The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called *deprival value* in some countries." – The Dictionary of Real Estate Appraisal, 6th edition, the Appraisal Institute.

Description of Subject Property

As mentioned, the lease property consists of approximately 13,438± square feet (0.31± acres) in a long and narrow shape. The topography is generally level as a result of excavation completed by the tenant. Furthermore, the area has been asphalt paved to accommodate 22 parking spaces. Improvements also include a paved access lane and somewhat typical landscaping. The area has no road frontage and is accessible only through the abutting property leased to the tenant. Soil conditions, according to the USDA, consist of type 598B, Windsor-Urban Land Complex, with slopes between 0% and 8%. Windsor soils are typically excessively drained and have rapid permeability. Urban Land is described as areas where the soils have been altered or obscured by urban works and structures. While there may be small areas of undisturbed soils, they also include areas which have been filled. On-site investigation by a qualified professional is typically required to determine carrying capacity and use limitations. According to FEMA Flood Insurance Rate Map Panel 33013C0541E, with an effective date of April 19, 2010, the lease area is located within Zone X, being an area of minimal flooding hazard. Overhead electricity, telephone, and cable television/internet access lines are in place along South Main Street. Municipal water and sewer utilities are also in place. The subject area is part of a larger parcel which is a portion of the Interstate Route 93 (Exit 12 interchange) Limited Access Right-of-Way, not currently needed for the highway or the access ramps. The leased area, previously leased area, and the abutting property all enjoy excellent, unobstructed visibility and exposure along the highway.

The abutting property is essentially a hilltop with a generally level to lightly sloping topography, providing excellent visibility and exposure from Interstate Route 93 as well as South Main Street (NH Route 3A). It has been improved with a hotel and detached restaurant, with related site improvements. Estimated land area is somewhat inconsistent. The city assesses it as 2.07± acres while survey plans have it as either 2.335± acres or 2.4003± acres. An area of 2.40± acres will be utilized in these analyses and report. Frontage along South Main Street is indicated on the plan as measuring 191.08± feet. Parking provided by the lease area was needed to meet municipal requirements. No adverse conditions have been noted.

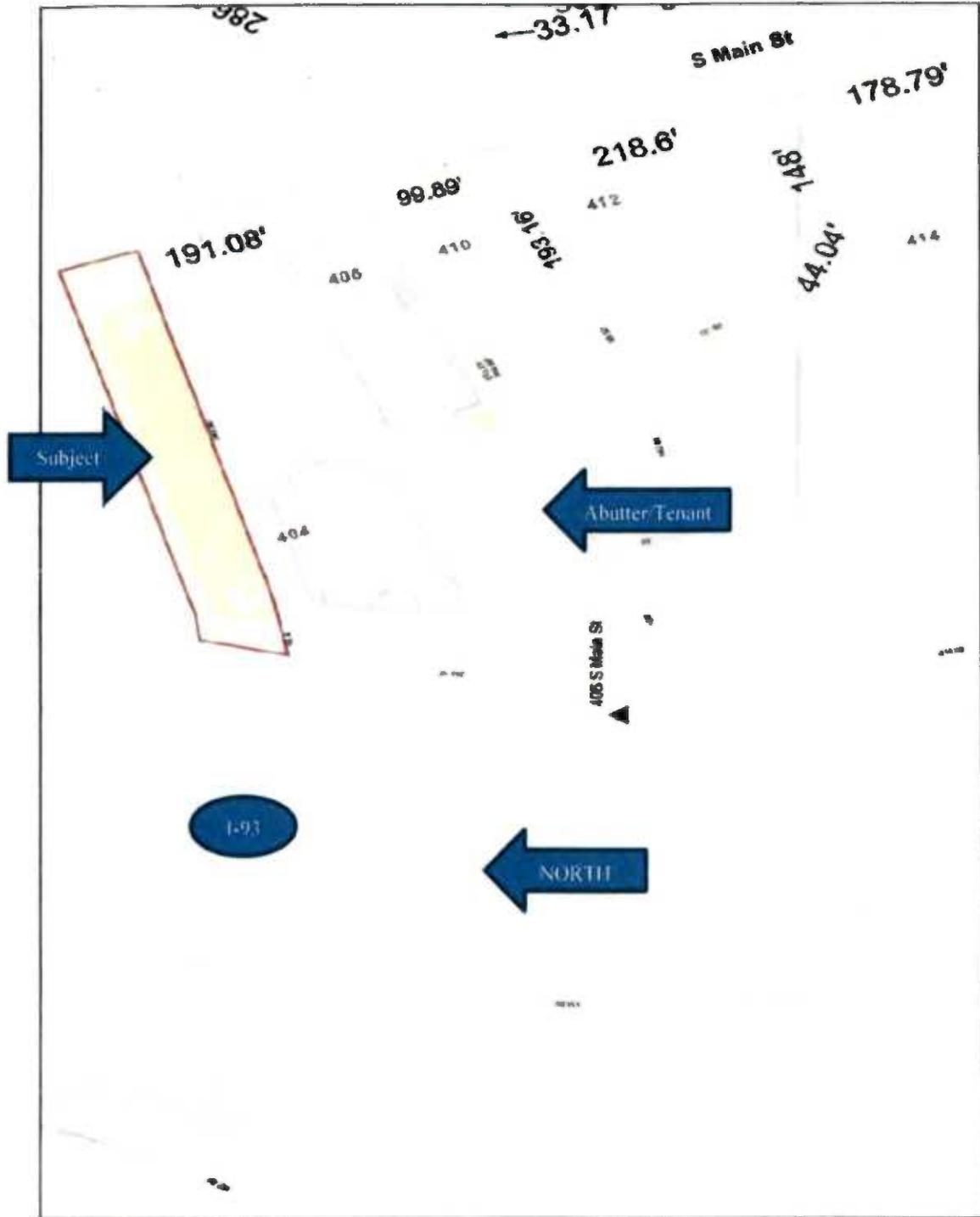


Typical front view (westerly) of the subject lease area as taken from the access lane.

All Photographs taken by Scot D. Heath, March 6, 2024

Project Bow-Concord, LS-1870(1), P-3050N; Parcel 5086
Off South Main Street, Concord
Market Value Surplus Appraisal, File 24-38

Concord GIS Map



Project Bow-Concord, I.S-1870(1), P-3050N; Parcel 5086
Off South Main Street, Concord
Market Value Surplus Appraisal, File 24-38

Real Estate Tax Data

The subject lease area is part of a larger lease area assessed to the State of New Hampshire and Capital Hotel Company VI, LLC, C/O K. Young, Post Office Box 1438, Concord, NH 03302-1438. The property is assessed as follows:

City Property ID	Land	Buildings	Total	Assessed Value	Tax Rate/1,000	Real Estate Taxes
88/2 16 A	\$333,100	\$13,400	\$346,500	\$346,500	\$26.86	\$9,306.99

The 2023 tax rate has been set at \$26.86 per thousand dollars of assessed value with an assessment ratio of 79.4% (2022). Applying the ratio to the assessed values results in an equalized assessed value of \$436,397.98 (\$346,500/.794).

The assessed values and assessment ratio are not considered to represent accurate indications of market value as defined within this report.

Market Area and Neighborhood Analysis

The City of Concord is located within the south-central area of the state and Merrimack County. Communities which abut the city include (clockwise) Canterbury, Loudon, Pembroke, Bow, Hopkinton, Webster, and Boscawren. Concord is accessible primarily by Interstate Route 93 (Exit nos. 12, 13, 14, 15, 16, and 17); Interstate Route 89 (Exit nos. 2 and 3); Interstate Route 393 (Exit nos. 1, 2, and 3); US Route 3 (Daniel Webster Highway); US Route 4; State Route 106; State Route 13; State Route 9/US Route 202; and State Route 132. The city is not only the State Capitol, but a centrally located economic center with good access. Manchester, the states' largest city, is approximately twenty minutes south via I-93. The Upper Valley Region, which includes the City of Lebanon and Town of Hanover, is an approximate hour drive to the northwest via I-89. The City of Portsmouth and the overall Seacoast Region is an approximate hour drive to the southeast. The Lakes Region and White Mountain Region are both accessible to north via I-93. Concord encompasses a comparatively large geographic area and continues to have sparsely developed rural areas outside the downtown and other village areas.

According to the New Hampshire Office of Planning and Development (OPD), the estimated resident population of Concord in 2022 was 44,111 residents, an increase of 0.31% from the 2020 US Census estimate of 43,976 residents and an increase of 3.32% over the 2010 US Census estimate of 42,695 residents. The estimated population of Merrimack County overall was 153,747 (OPD) in 2022, compared to 153,808 in 2020 (-0.04%) and 146,445 in 2010 (+4.99%; both estimates are from the US Census). For a more historical perspective, the US Census estimated the population of the city to be 36,006 residents in 1990, while Merrimack County posted 120,005 residents. Concord is within the Concord, NH Micropolitan NECTA. This labor market consists of Concord and several surrounding towns within Merrimack County. The December 2023 unemployment rate within this labor market was 2.2%, compared to 2.2% in the county overall, and 2.5% statewide. This interpreted to suggest the regional economy is strong. The Concord economy is surprisingly diverse, although being the State Capitol and primary location of most state government operations, government is the largest employment sector. Health care services, education (including public, private, and higher education), retail, professional services, and manufacturing are all significant as well.

The subject property is located to the southerly end of the city, just north of the boundary with the Town of Bow. The neighborhood is defined as being between Exit 12 from Interstate Route 93 south to the intersection of Interstate Route 89 with NH Route 3A (aka South Main Street in Concord). Interstate Route 89 also intersects with Interstate Route 93 immediately to the west. Land use does not change with the municipal boundary, as this is essentially a "strip" of specialty commercial uses. The property abutting the lease area includes a hotel and restaurant. Other facilities include several automobile dealerships, gasoline stations, the Pitoo-Friolator commercial kitchen equipment facility, and a grain/agriculture distribution facility. Nearby Hall Street is home to a variety of small business and distribution companies. North of Exit 12 land use along South Main Street is primarily residential. The AADT on South Main Street slightly south of the abutting property was 13,445 vehicles in 2022. The AADT on the northbound exit ramp to South

Main Street was 1,238 in 2022, with the AADT to Sount Main Street on the southbound ramp was 3,010. Northbound and southbound traffic combined (AADT) on I-93 just south of Exit 12 was 68,796 in 2022.

Future outlook for the city overall is for continued steady growth in all market segments. Easy access to several highways combined with extensive vacant land will lead to continued residential growth in the outlying areas. Several older commercial areas adjacent to downtown represent opportunities for redevelopment. The subject neighborhood can be expected to remain stable into the foreseeable future. No adverse conditions have been noted.

City Map



Zoning

According to the City of Concord Zoning Ordinance, the leased area is within the "RO" Open Space Residential district. The abutting property is within the "CG" General Commercial district. Permitted uses within the RO district include single family detached dwellings; single family dwellings in a minor conventional subdivision; single family dwellings in a major conventional subdivision; cluster-type development; and a variety of specialty and accessory uses, including parking lots as an accessory to an allowed use. Permitted uses within the CG district include most any commercial use including retail, office, services, restaurants, etc. Dimensional controls applicable to CG district are as follows:

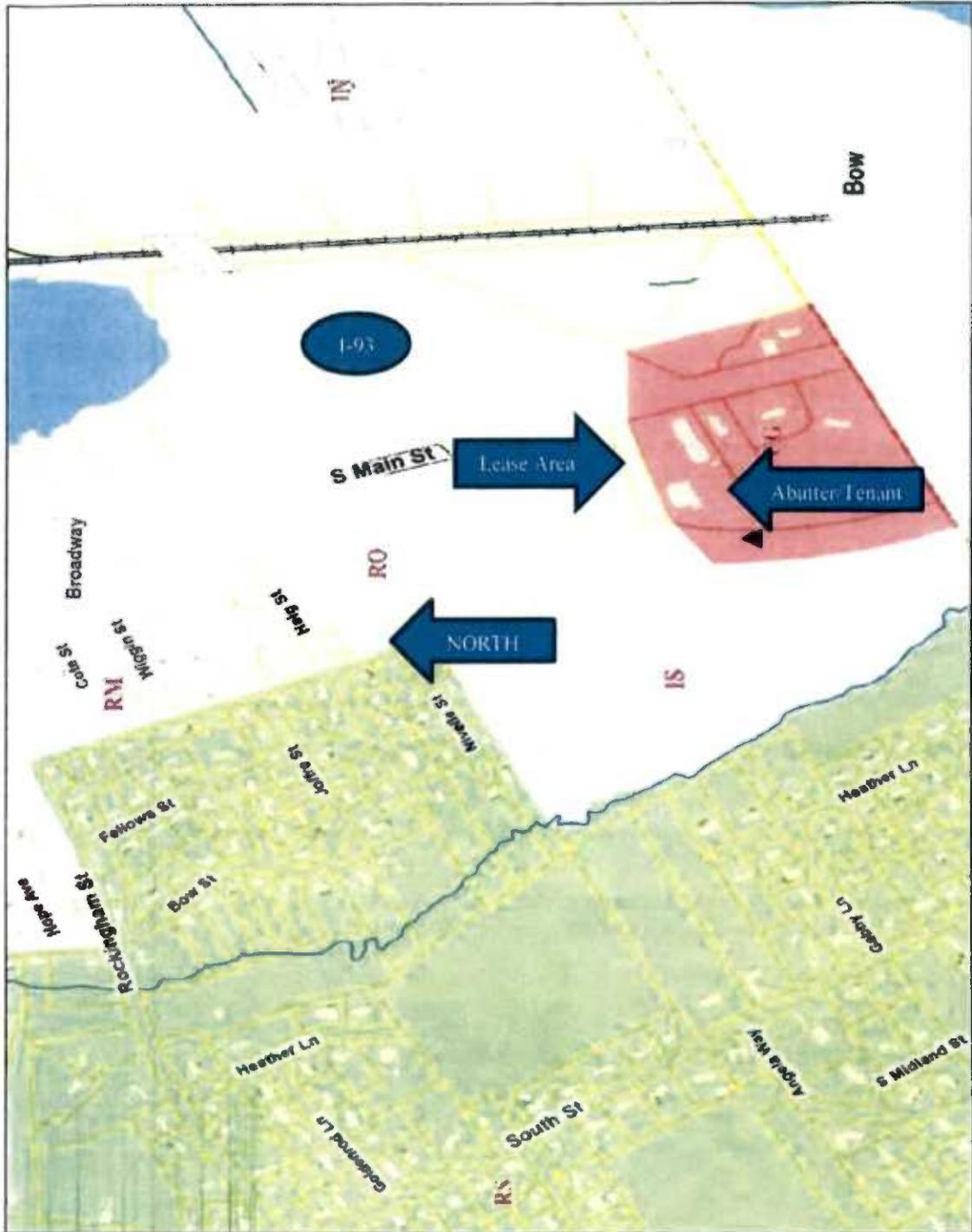
Concord "CG" District Dimensional Regulations	
Minimum Lot Area:	25,000 square feet, 12,500 buildable
Minimum Frontage:	150 feet
Minimum Setbacks:	
Front:	30 feet
Side:	25 feet
Rear:	30 feet
Maximum Structure Height:	45 feet
Maximum Lot Coverage:	85%

Dimensional controls within the RO district are as follows:

Concord "RO" District Dimensional Regulations	
Minimum Lot Area:	2.00 acres/12,500 square feet buildable
Minimum Frontage:	200 feet
Minimum Setbacks:	
Front:	50 feet
Side:	40 feet
Rear:	50 feet
Maximum Structure Height:	35 feet
Maximum Lot Coverage:	10%

The abutting property represents a legal and conforming lot of record and a legal and conforming use, as all required permits and approvals have been obtained. The leased area cannot meet the dimensional requirements to be established as an independent lot of record. However, the required approvals and permits for the current use as parking to the abutting property have been obtained.

Zoning Map



Project Bow-Concord, LS-1870(1), P-3050N, Parcel 5086
Off South Main Street, Concord
Market Value Surplus Appraisal, File 24-38

About the Valuation

Scope of Work

To complete this assignment, I inspected the property on March 6, 2024. I examined city and county property records including assessment data and taxes, zoning regulations, reviewed other relevant data. I formed an opinion of the highest and best use of both the lease area and the abutting property (tenant), based on legal, physical, and neighborhood land use characteristics. The contributory value of the lease area was estimated based on the contribution it would make to the value of the abutting property, if assembled.

I compiled comparable sales data applicable to the abutting property, verified and analyzed the data, developed an opinion of the market value of the abutting property as-if vacant and as-if assembled with the lease area. The difference between the as-is and the as-if assembled values represent the contributory value of the fee simple interest. Where the annual market rent of the lease area is the subject of this analysis and report, a market capitalization rate will be applied to the indicated contributory value to arrive at an estimate of market rent. I prepared this appraisal report in compliance with USPAP Standards Rule #2-2(a) governing appraisal reports.

Data and Analysis

Highest and Best Use is the physically possible, legally permissible, financially feasible, and maximally productive use that would result in the greatest net return. It cannot not be highly speculative nor predicated upon conditions anticipated in the too distant future.

-Highest and Best Use-Lease Area: The subject property, being the lease area of 13,438± square feet (0.31± acres), consists of a long and narrow area with no road frontage or legal access other than through the previous lease area of 9,782± square feet (0.22± acres) and the abutting property (tenant). It has been improved with asphalt paved parking to accommodate 22 vehicles with an access lane and has average/typical landscaping. It is part of a larger parcel associated with the Interstate Route 93 LAROW and Exit 12 interchange. If by-itself, it would not satisfy various dimensional and access requirements to be considered a buildable site. Accordingly, its maximum utilization and thus, market value, is achieved through its assemblage with, even by lease, the previously leased area and the abutting property.

-Highest and Best Use-Abutting Property: The abutting property is accessible by its frontage along South Main Street (NH Route 3A). It has excellent visibility and exposure from its elevated building site. Located within the general commercial zoning district, most any commercial use is allowed. Combined with favorable physical characteristics and complete municipal utilities this is a prime commercial site. The highest and best use is concluded as being a site for commercial development (if vacant).

-Highest and Best Use-As-If Assembled: The highest and best use would remain a site for commercial development (if vacant), with the additional land area being suitable for parking area, as utilized.

It is important to further note that as improved (as-is), the abutting property supports an 85-room hotel and a detached 9,400± square foot restaurant. Of the likely uses for the site, none are considered to generate a sufficient return to make razing the noted improvements feasible. The highest and best use of the abutting property as improved, before and after assemblage, is continued utilization as a hotel and restaurant site.

¹ Property data was collected and compiled from several sources, including the City of Concord, the Town of Hooksett, the Merrimack County Registry of Deeds, New England Real Estate Network site MLS (NEREN), FEMA wetlands website, USDA Web Soil Survey website, NH Department of Transportation highway plans and records, as well as consultation with local real estate professionals.

Valuation

For the stated purpose of this appraisal, the abutting property will be analyzed as-if vacant as the improvements are not affected and combined with the previous lease area (0.22± acres) for total land area 2.62± acres. I have utilized only the Sales Comparison Approach, Direct Comparison Method. The Cost Approach was not utilized since the property as appraised consists of vacant land. The Income Approach was not utilized as the property, as vacant land, would not typically be purchased for its ability to generate rent from ground leases. Furthermore, the property is too small in area for sustained forestry management and/or agricultural production to be considered as a reliable source of income, especially in an urban location. Price per acre will be utilized as the unit of comparison in the following analyses.

The comparable sales utilized are the result of market research conducted to identify and locate sold properties for direct comparison to the subject property. The analyses have utilized percentage adjustments, reflecting market reaction to those items of significant variation between the subject and the comparable sales. If a significant item in the comparable property is superior to, or more favorable than, the subject site, a negative (-) adjustment is made, thus reducing the indicated value for the subject; if a significant item in the comparable property is inferior to, or less favorable than, the subject site, a positive (+) adjustment is made, thus increasing the indicated value.

Analysis

Three (3) comparable sales have been utilized in the valuation of the subject property. Most of the sale data I found in my research required anywhere from 1 year to approximately 3 years of marketing time to sell. In consideration of market activity for this property type within this market location, and the specific data I used to arrive at an opinion of market value, it is my opinion that the abutting property as-if vacant land would have an exposure time of twelve (12) to eighteen (18) months.

Adjustments

Property Rights Conveyed, Conditions of Sale and Seller Concessions

All three (3) sales were conveyances of fee simple interests as encumbered by typical utility easements and conveyed under "Arm's Length" conditions with no unusual or atypical influences. No related adjustments were required.

Financing

All three (3) transactions had terms of cash or its equivalent to the seller. The sales are therefore similar to the hypothetical sale of the subject with respect to financing, with no related adjustments required.

Market Conditions

The sales utilized occurred between August 28, 2019 and September 2, 2022. I have researched historic sales data within the New England Real Estate Network (NEREN) and the New Hampshire Association of Realtors (NHAR) for the purpose of developing an adjustment to address market conditions/the passing of time. It is acknowledged market appreciation has not been anywhere near as "vigorous" within the commercial and industrial market segments as within residential. A market conditions/time adjustment of +0.25% per month, or 3.00% annually, commencing January 1, 2019 and continuing to the effective date of this report is concluded as being reasonable and has been utilized.

Location

All three (3) sales are located within established commercial neighborhoods with good access to regional highways. No related adjustments have been made.

Size/Economies of Scale

This adjustment is based the economic principle that as quantity increases the unit value decreases. Sale 1 is significantly larger than the subject and has been adjusted upward by 10%. Sale 2 much smaller than the subject resulting in a downward adjustment of 75%. Sale 3 is slightly smaller than the subject and has been adjusted downward by 10%.

Exposure/Visibility

All three sales are considered similarly inferior to the subject in this regard with each sale adjusted upward by 10%.

Access/Frontage

Sale nos. 1 and 3 are considered sufficiently similar to the subject in this regard as to not require any related adjustment. Sale 2, however, is inferior in this regard and has been adjusted upward by 5%.

Zoning

All three sales are located within commercial zoning districts. No adjustments are required.

Physical Characteristics

Sale nos. 1 and 2 are considered to represent entirely usable upland, like the subject, with no related adjustments required. Sale 3 includes some wetland/low lying area subject to drainage issues and has been adjusted upward by 10%.

Utilities

All three sales are serviced by municipal water and sewer, with no related adjustments required.

The foregoing adjustments and their relationship to the subject property as-if vacant land "before" assemblage are illustrated within the following adjustment grid.

Sales Comparison Grid				
Item	Subject Property	Comparable Sale 1	Comparable Sale 2	Comparable Sale 3
Location	South Main Street, Concord	134 Manchester Street, Concord	203 North Main Street, Concord	16-22 Manchester Street, Concord
Sales Price	Estimate	\$1,600,000	\$600,000	\$576,000
Cost After Purchase	None	\$0	\$0	\$0
Data Source	Inspection	Public Records, MLS	Public Records, MLS	Public Records, MLS
Rights Appraised:	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing and Buyer/Seller Motivation				
Conditions of Sale	Arms Length	\$0	\$0	\$0
Unadjusted Price/Acre	Typical	\$0	\$0	\$0
Date of Sale	Description	\$419,948	\$1,333,333	\$404,930
8 Market Conditions Adj.	8/2/2022	4.50%	10.50%	15.00%
Adjusted Base Unit Price		\$438,848	\$1,473,333	\$465,670
Total Site Area (Acres)	2.62±	3.81±	0.45±	1.42±
Est. Usable Area (Acres)	n/a	n/a	n/a	n/a
Location	Good	Similar	Similar	Similar
Size/Economics of Scale	2.62±	3.81±	0.45±	1.42±
Exposure/Visibility	Very good	SI Inferior	SI Inferior	SI Inferior
Access/Frontage	Good	Similar	SI Inferior	Similar
Zoning	CG	Similar/CH	Similar/CU	Similar/GAP
Physical Characteristics	Good	Similar	Similar	SI Inferior
Utilities:	Municipal water and sewer	Municipal water and sewer	Municipal water and sewer	Municipal water and sewer
Net Adj. (Total)		20%	-60%	-10%
Indicated Value/Acre		\$526,615	\$589,333	\$512,237

Low: \$512,237 High: \$589,333 Mean: \$542,728

Reconciliation

As illustrated within the sales grid, the foregoing analyses result in a range of value of \$512,237 per acre to \$589,333 per acre, with a statistical mean of \$542,748 per acre and a median of \$526,615 per acre. This represents a range of approximately 13.08% from high to low, which is typical/reasonable within this market area and market segment. Sale 1 is the most recent sale and is located approximately within one mile of Exit 13 off I-93 along the heavily travelled Manchester Street, which is also US Route 3/the Daniel Webster Highway. Sale 2 is located at the edge of downtown Concord less than a mile from I-393 and its interchange with I-93 at Exit 15. While its corner lot location is desirable it also has inferior access. Sale 3 is the oldest sale utilized but is located within a half mile from Exit 13 from I-93 along US Route 3/the DW Highway. Sale 2 is the least comparable to the subject of the three sales and resulted in the highest net adjustment. Sale nos. 1 and 3 required fewer adjustments and resulted in reasonable net adjustments. Furthermore, they effectively bracket an opinion of market value at the approximate level of \$525,000 per acre.

Conclusion and Final Value Estimate As-if Vacant Land "Before" Assemblage

Based on the foregoing, my opinion of the market value of the subject property, as of March 6, 2024, as-if vacant land "before" assemblage is as follows...

2.62± acres times \$525,000 per acre equals \$1,375,500; rounded to \$1,375,000.

As-if Assembled Valuation

In the hypothetical "as-if assembled" valuation, said leased area being 13,438± square feet or 0.31± acres, the lease area is added to the abutting property of 2.62± acres, resulting in a total site area of 2.93± acres. The highest and best use is unchanged and there are no changes required in regard to the previous unit value adjustments or concluded unit value:

Based on the foregoing, my opinion of the market value of the subject property, as of March 6, 2024, as-if vacant land "after" assemblage is as follows...

2.93± acres times \$525,000 per acre equals \$1,538,250; rounded to \$1,535,000.

Contributory Value

An opinion of contributory value is developed by deducting the opinion of value "as-is" from the opinion of value "as-if assembled", as follows...

As-if Assembled Value:	\$1,535,000
Less As-is Value:	<u>\$1,375,000</u>
Contributory Value:	\$ 160,000

Annual Market Ground Rent

For the purpose of developing an opinion of the annual market ground rent for the subject lease area, I have researched the market to locate actual ground lease rates and terms for similar commercial as well as industrial sites. Ground leases typically reflect the value of the underlying site times a market capitalization rate ($V(\text{value}) \times R(\text{capitalization rate}) = I(\text{income})$). Where lease terms are not public information, it is difficult to obtain relevant data from market participants. Alternately, there are published sources such as the RealtyRates.com Investor Survey. The fourth quarter issue of 2023 reports rates for land leases for hospitality use within a range of 4.79% to 16.02%, with an average of 9.13%. For restaurant use, the range is 5.35% to 18.15%, with an average of 10.35%. While the subject market area would warrant a rate near the middle of the respective ranges, the abutting property is unusually well located and represents lower than usual risk. It is further reported rates increased steadily between 2021 and 2023, in relationship with inflation and increased interest rates. While specific rates could not be extracted from the market, participants have been talked with. General consensus is acceptable capitalization rates are within a general range of 8% to 12% depending on property type, location, and perceived risk. After careful consideration of the subject as well as the local and regional markets, a capitalization rate of 8% is considered appropriate.

This analysis is concluded that a capitalization rate of 8.00% is appropriate and has been utilized. Market rent is calculated as follows...

$$\$160,000 \times 0.0800 = \$12,800 \text{ Market Annual Rent}$$

The foregoing does not consider or include the required Administrative Fee of \$1,100.

Appraisal Certification

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have not revealed the findings and results of this appraisal to anyone other than the proper officials of the Department of Transportation of the State of New Hampshire and I will not do so until so authorized by State officials, or until I am either required to do so by due process of law or until I am released of this obligation by having publicly testified as to such findings.
- 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 not appraised nor performed any services for the subject property in the past three years.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have personally inspected the subject property and the comparable sales utilized.
- No one provided significant real property appraisal assistance to me.



Scot D. Heath, NHCG-211

Addenda

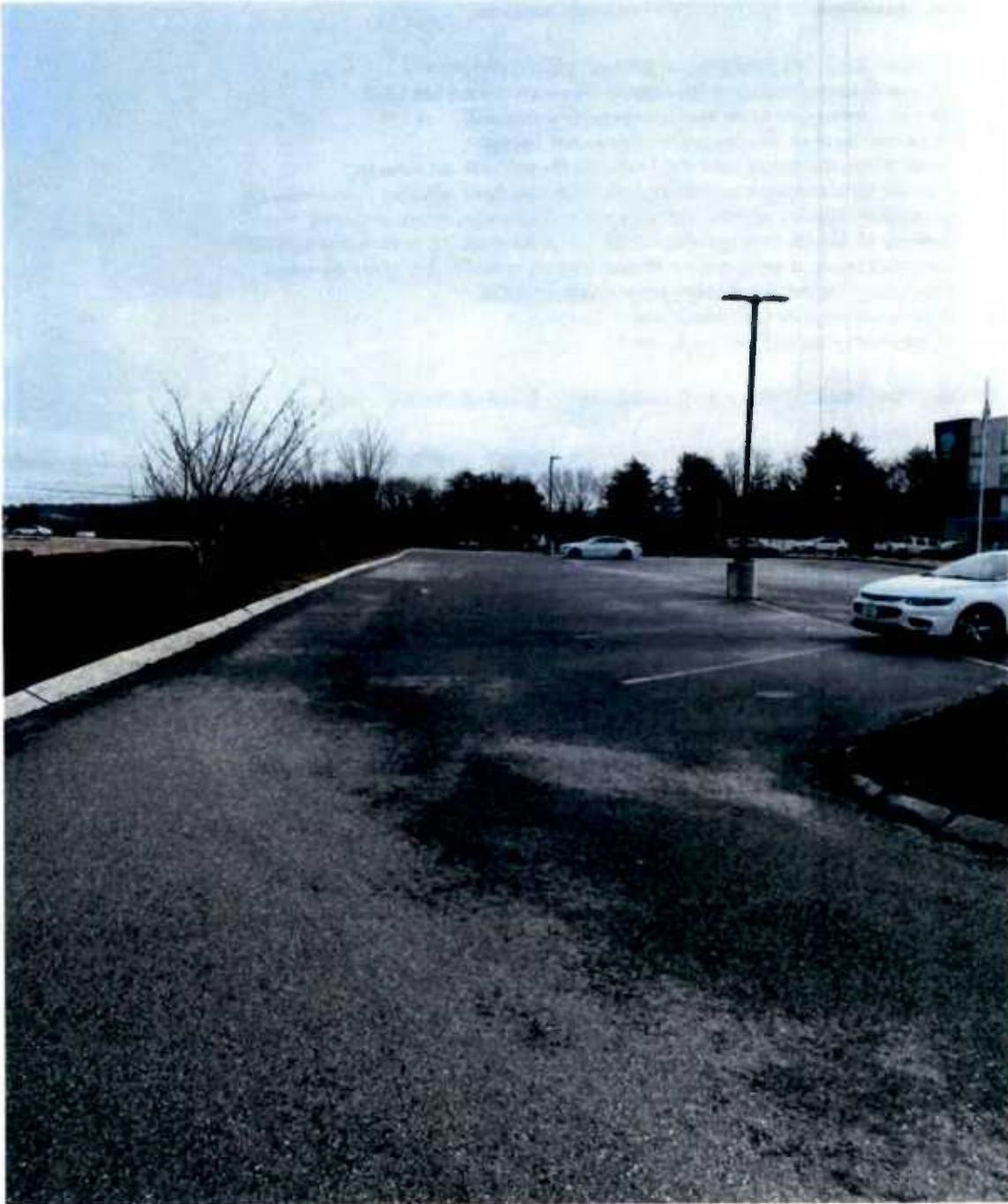
General Assumptions: For this report I have also assumed:

1. all maps, plans, and photographs I used are reliable and correct;
2. the legal interpretations and decisions of others are correct and valid;
3. the parcel area given to me has been properly calculated;
4. broker and assessor information is reliable and correct;
5. the abstracts of title and other legal information available are accurate;
6. there are no encumbrances or mortgages other than those reported in the abstracts;
7. information from all sources is reliable and correct unless otherwise stated;
8. there are no hidden or unapparent conditions on the property, in the subsoil (including hazardous waste or ground water contamination), or within any of the structures which would render the property more or less valuable.
9. all personal property is excluded; and
10. all non-compensable items are excluded.

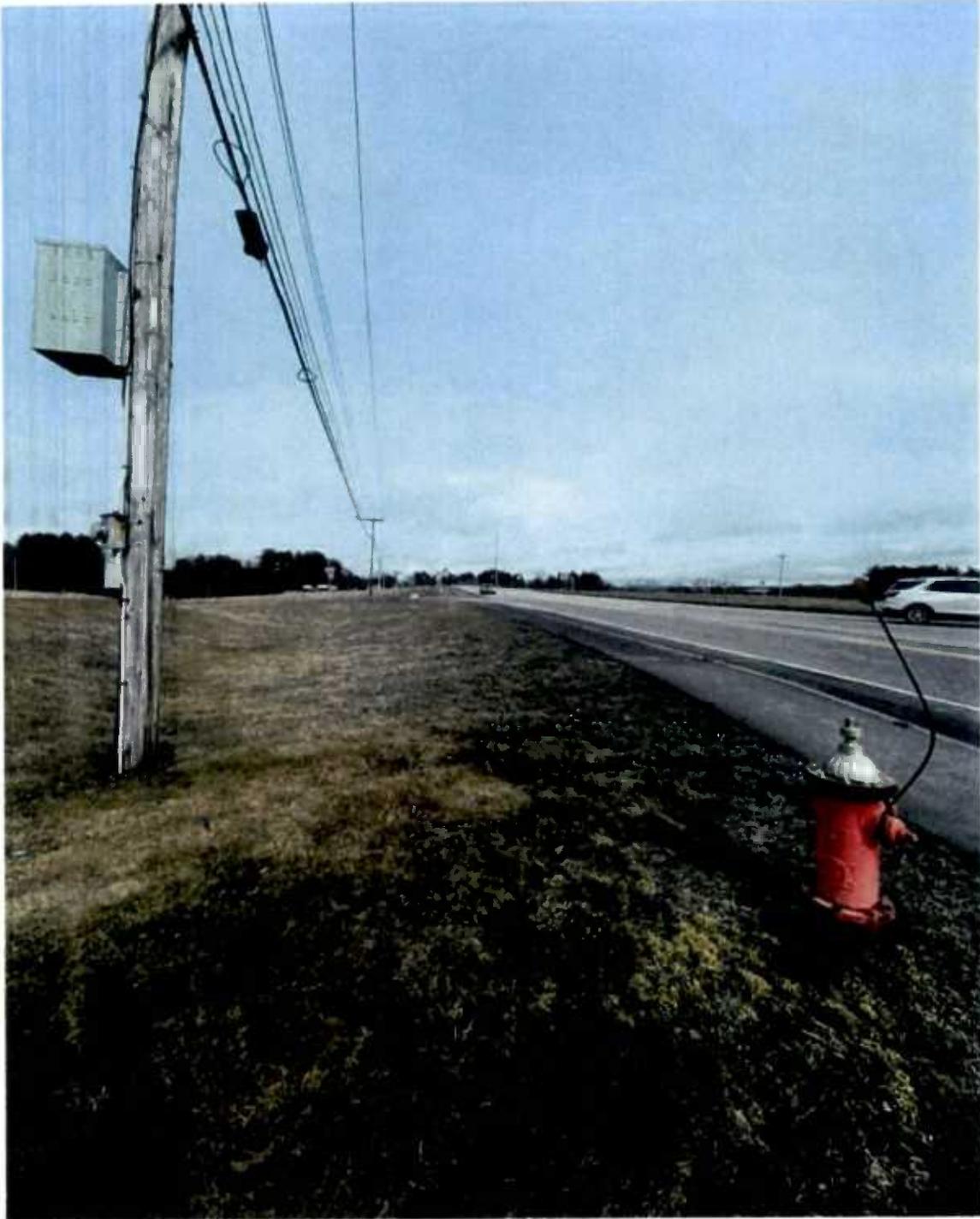
Limiting Conditions: This report is bound by the following limiting conditions:

1. Sketches and photographs in this report are included to assist the reader in visualizing the property. I have not performed a survey of the property or any of the sales, and do not assume responsibility in these matters.
2. I assume no responsibility for any hidden or unapparent conditions on the property, in the subsoil (including hazardous waste or ground water contamination), or within any of the structures, or the engineering that may be required to discover or correct them.
3. Possession of this report (or a copy) does not carry with it the right of publication. It may not be used for any purpose other than by the party to whom it is addressed without the written consent of the State of New Hampshire and in any event only with the proper written qualification and only in its entirety. Neither all nor any part of the contents (or copy) shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the State of New Hampshire.
4. Acceptance and/or use of this report constitutes acceptance of the foregoing underlying limiting conditions and underlying assumptions.
5. All additional conditions as noted within the report.

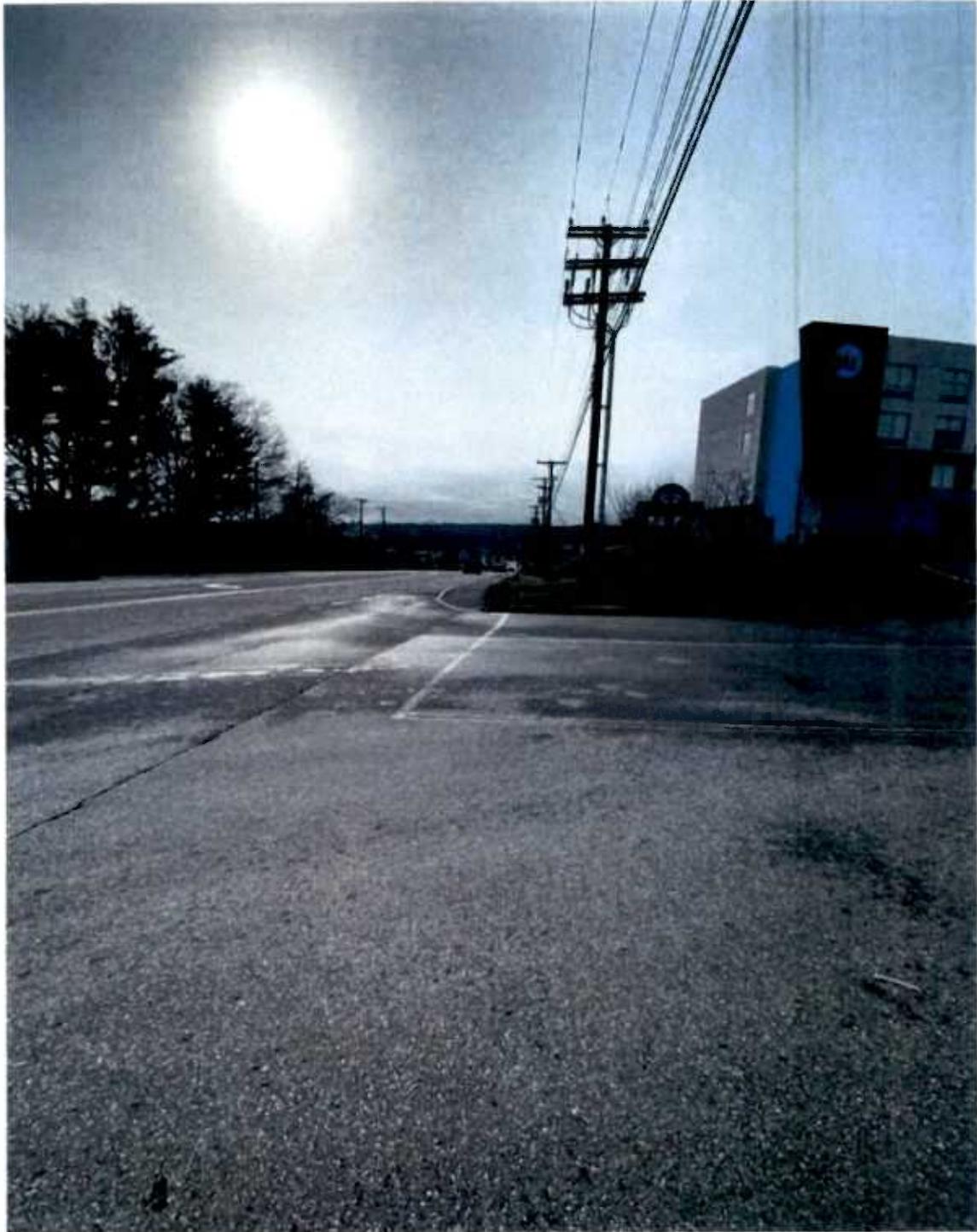
Photographs of Subject Property
Taken by Scot D. Heath, March 6, 2024



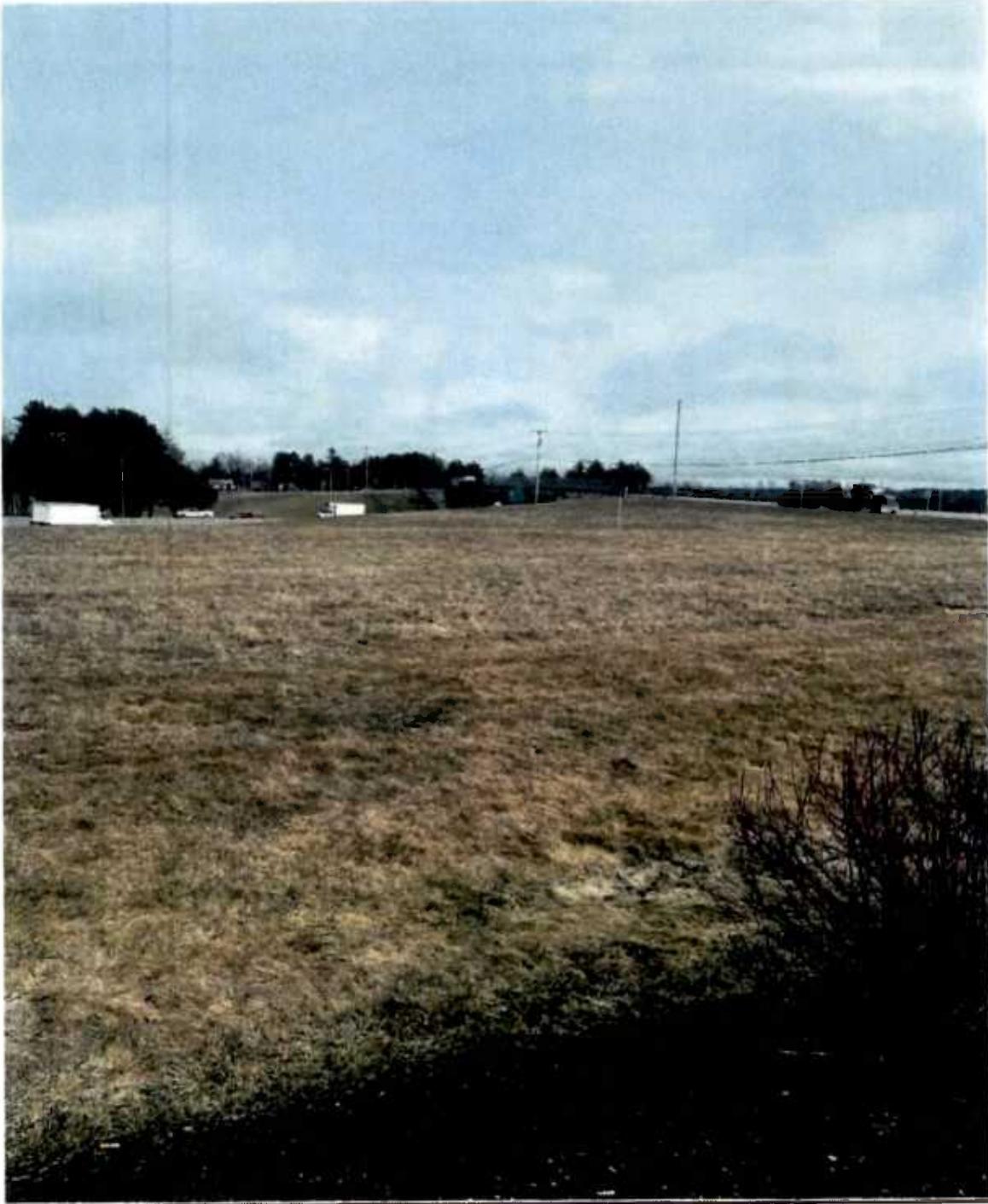
Typical interior view (easterly) across the lease area, previous lease area is to the right.



Typical view (northwesterly) along South Main Street, lease area is to the left.



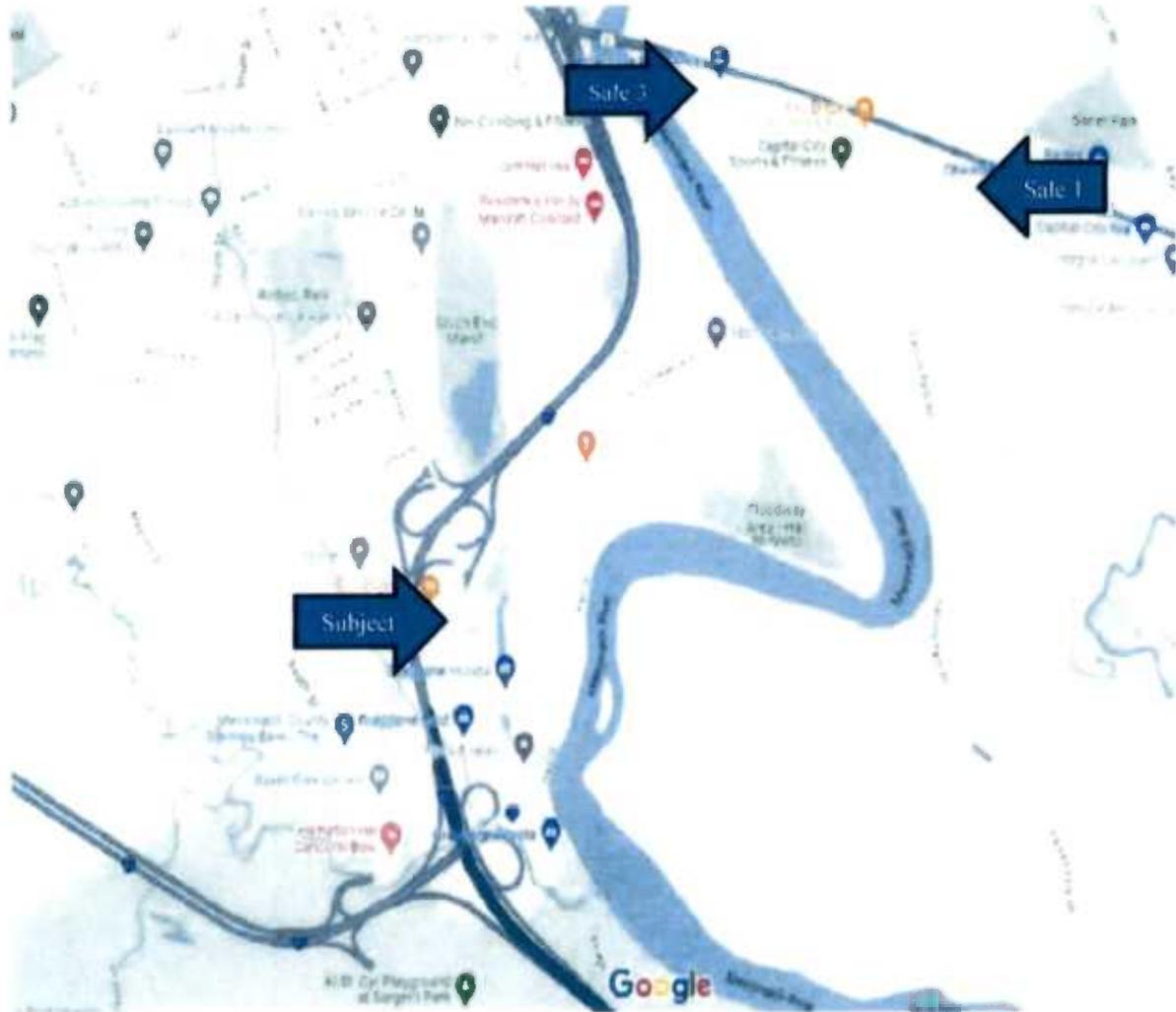
Typical view (southerly) along South Main Street, abutting property is to the right.

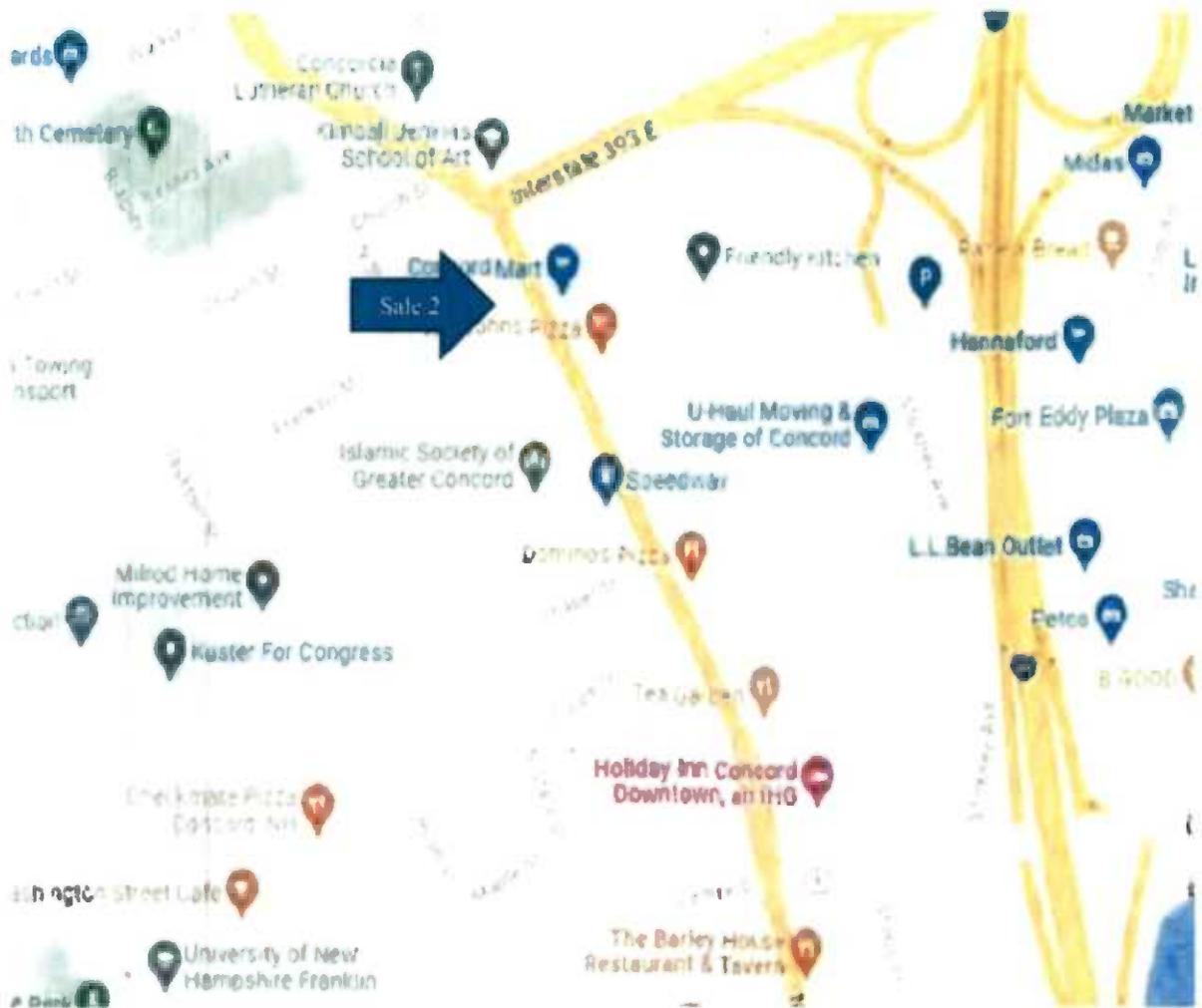


Typical view (northern) of Interstate Route 93 and the Exit 12 interchange from lease area.

Location Map of Subject Property and Comparable Sales

These maps have been provided to assist the reader in locating the subject and the comparable sales in the field.



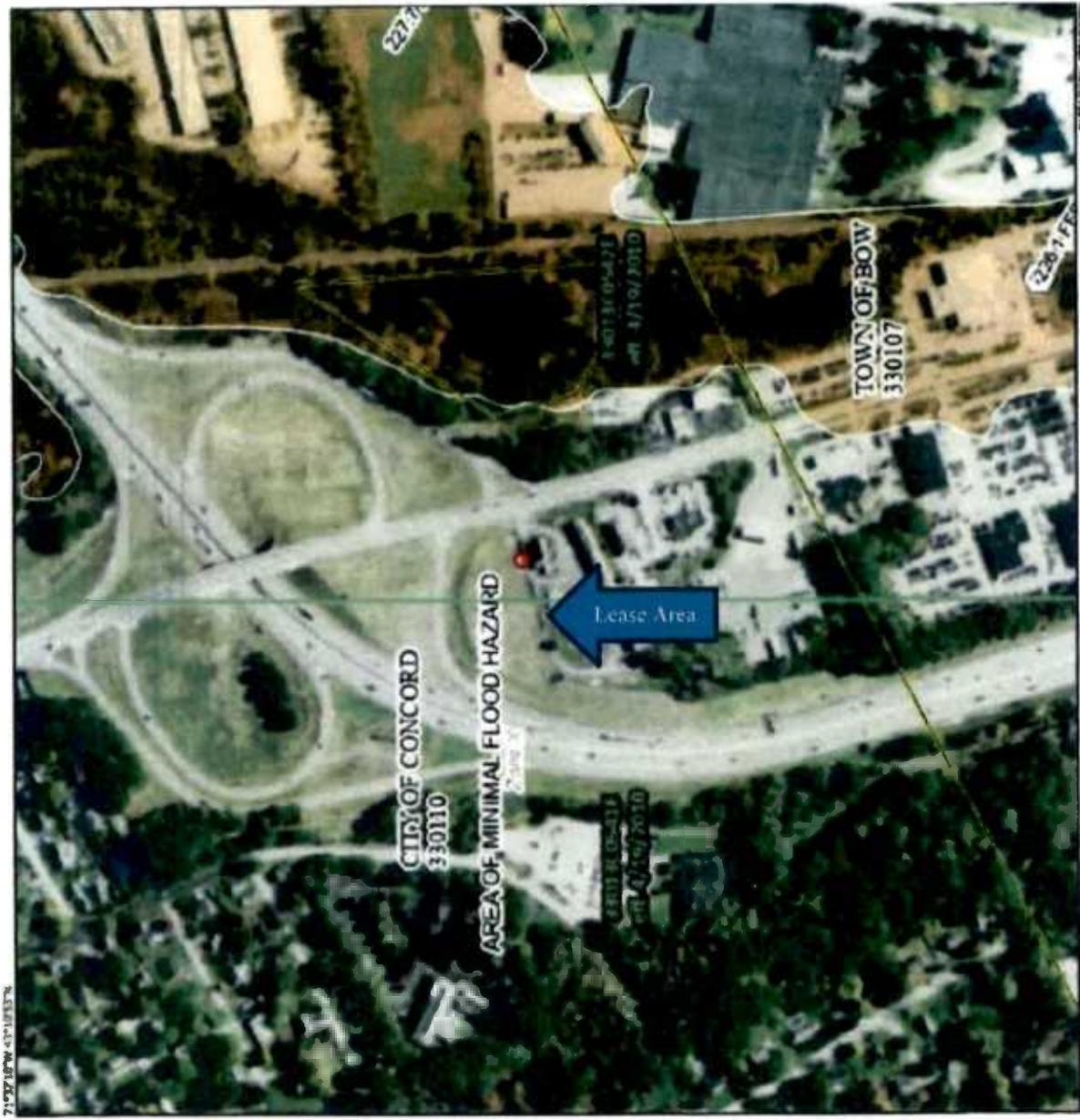


Soils Map

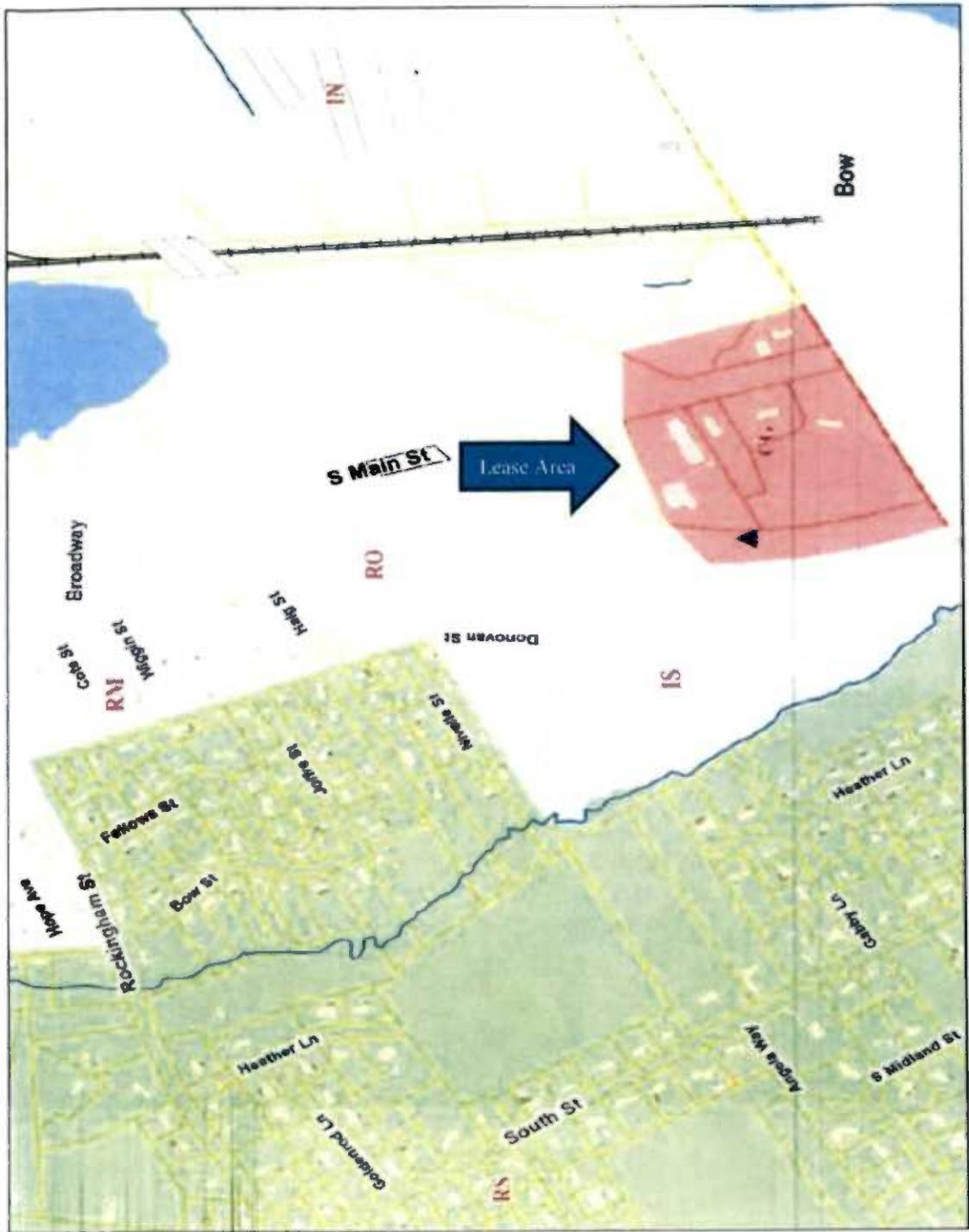


Project Bow-Concord, LS-1870(1), P-3050N; Parcel 5086
Off South Main Street, Concord
Market Value Surplus Appraisal, File 24-38

Flood Map



Zoning Map



Project Bow-Concord, LS-1870(1), P-3050N, Parcel 5086
Off South Main Street, Concord
Market Value Surplus Appraisal, File 24-38

Summary of Comparable Sale 1

Location/Address: 134 Manchester Street, Concord, NH

Tax Map/Lot: 40/782Z

Grantor: HLF East, LLC

Grantee: Amanda Training Center, LLC

Deed: Warranty Deed

Date of Sale: September 2, 2022

Stamps: \$24,000

Sale Price: \$1,600,000

Financing: Construction mortgage in the amount of \$17,640,000 provided by MCD Subsidiary CDE 18, LLC, terms unknown.

Registry Reference: Recorded on 9/7/2022 in the Merrimack County Registry of Deeds; Book 3804, Page 2387; Plan 202200014840.

Site Area: 3.81± acres (166,039± square feet)

Unit Value: \$1,600,000/lot; \$419,948/acre, \$9.64/square foot.

Utilities: Electricity, internet/cable; municipal water and sewer.

Zoning: CH-Highway Commercial

Source/Confirmation: Public Records, Grantee; SDH

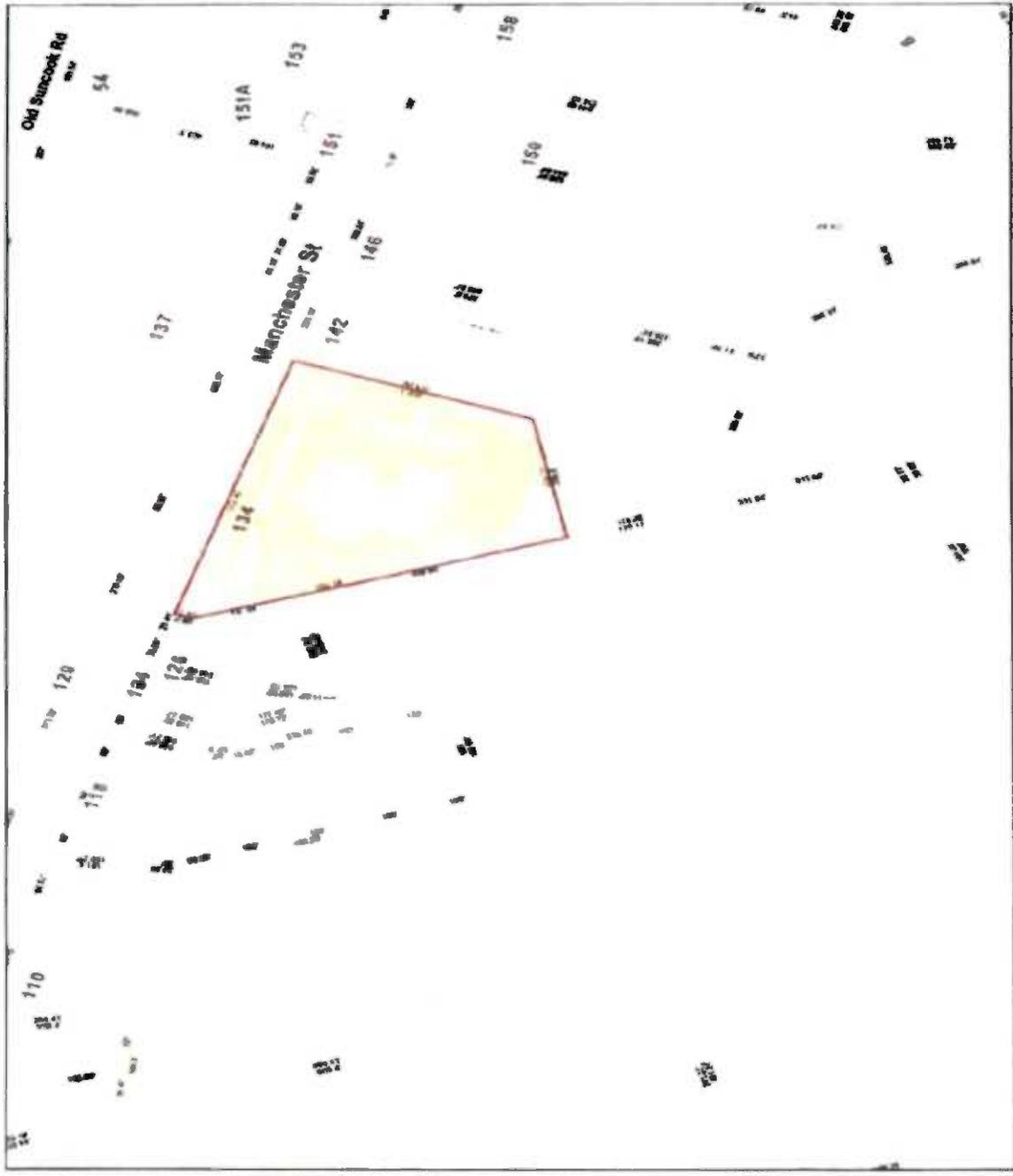
Highest and Best Use: Commercial development

Easements/Restrictions: Typical utility line easements along road frontage.

Comments: Somewhat triangular shaped lot is very well located along the south side of US Route 3, aka the Daniel Webster Highway and Manchester Street. This is an established commercial neighborhood with various service type businesses, restaurants, and many automobile dealerships. Road frontage is approximately 522.45 feet. Access to Interstate Route 93 (Exit 13) is approximately one mile to the west.

Dated improvements were razed prior to the same and a new automobile dealership has been built since the sale.

Sale 1



Project Bow-Concord, LS-1870(1), P-3050N, Parcel 5086
Off South Main Street, Concord
Market Value Surplus Appraisal, File 24-38

Summary of Comparable Sale 2

Location/Address: 203 North Main Street, Concord, NH

Tax Map/Lot: 641/11Z

Grantor: SIC Property, LLC

Grantee: Concord Realty Ventures, LLC

Deed: Quitclaim Deed

Date of Sale: September 4, 2020

Stamps: \$9,000

Sale Price: \$600,000

Financing: Mortgage in the amount of \$4,040,000 provided by Northern Bank & Trust.

Registry Reference: Recorded on 10/1/2020 in the Merrimack County Registry of Deeds; Book 3699, Page 909.

Site Area: 0.45± acres (19,602± square feet)

Unit Value: \$600,000/lot; \$1,333,333/acre; \$30.61/square foot

Utilities: Electricity, internet/cable; municipal water and sewer

Zoning: CU-Urban Commercial

Source/Confirmation: Public Records, Grantee/SDH

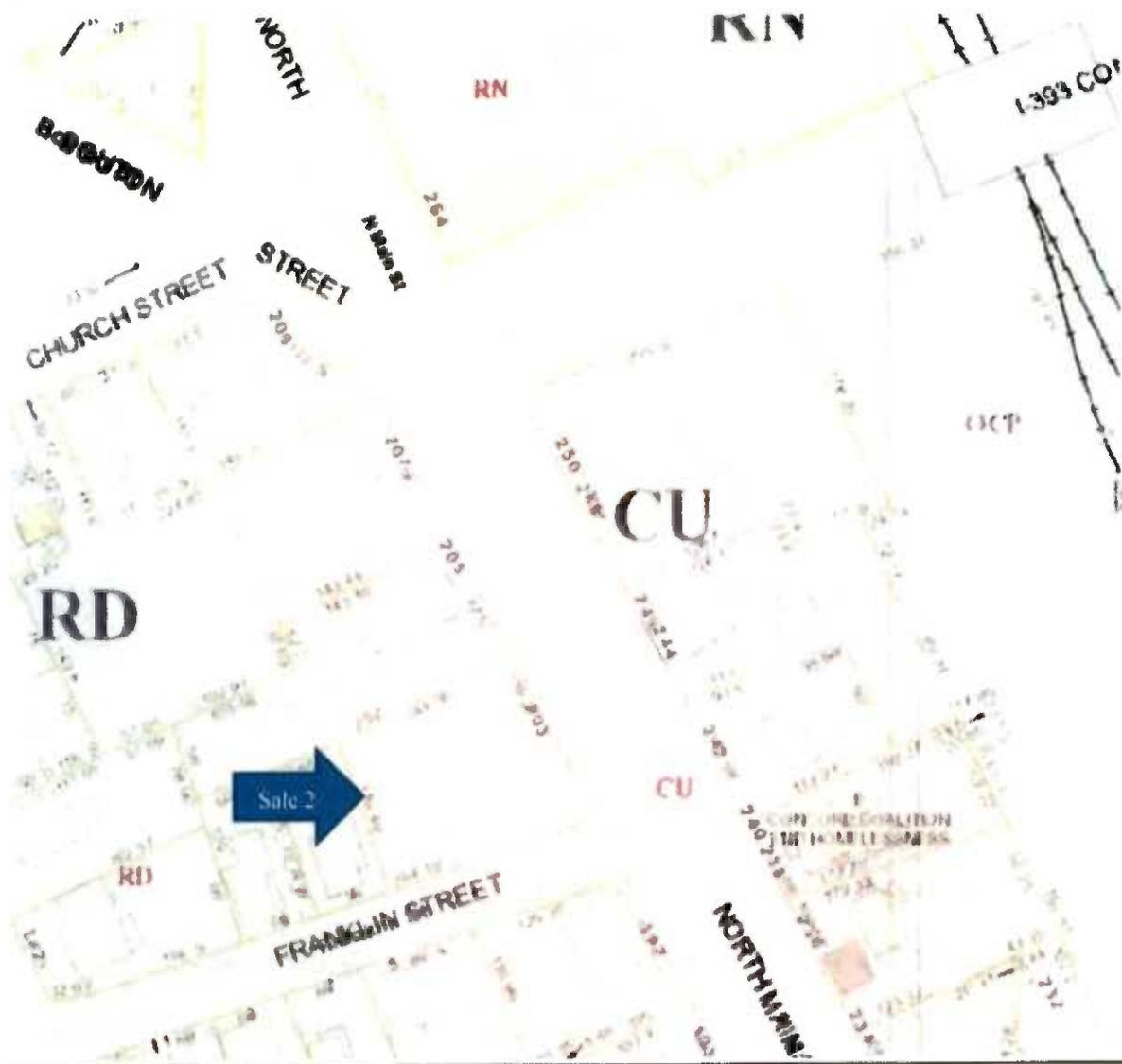
Highest and Best Use: Commercial development.

Easements/Restrictions: Typical utility line easements along road frontage.

Comments: Sale of a generally rectangular shaped lot with a gently sloping topography. Highly visible corner location on North Main Street and Franklin Street. Formerly the site of a Friendly's restaurant, the site was cleared by the previous owner. Access is limited to the Franklin Street frontage, which measures approximately 164.14 feet. Frontage on North Main Street measures approximately 139.27 feet.

The AADT along North Main Street just south of the property was 9,272 vehicles in 2022. Grantee has no immediate plans for the property.

Sale 2



Summary of Comparable Sale 3

Location/Address: 16-22 Manchester Street, Concord, NH

Tax Map/Lot: 7442/Z 18

Grantor: Jeanne Skafidas Revocable Living Trust; Jeanne G. Skafidas, Trustee

Grantee: ROI Irrevocable Trust; Christine Wilder, Trustee

Deed: Warranty Deed

Date of Sale: February 28, 2019

Stamps: \$8,625

Sale Price: \$575,000

Financing: No mortgage recorded with sale;

Registry Reference: Recorded on 3/1/2019 in the Merrimack County Registry of Deeds; Book 3623, Page 2361; Plan 15617.

Site Area: 1.42± acres (61,880± square feet).

Unit Value: \$575,000/lot; \$404,930/acre; \$9.29/square foot.

Utilities: Electricity, internet/cable; municipal water and sewer

Zoning: GWP-Gateway Performance (Commercial)

Source/Confirmation: Public Records, grantee/SDH

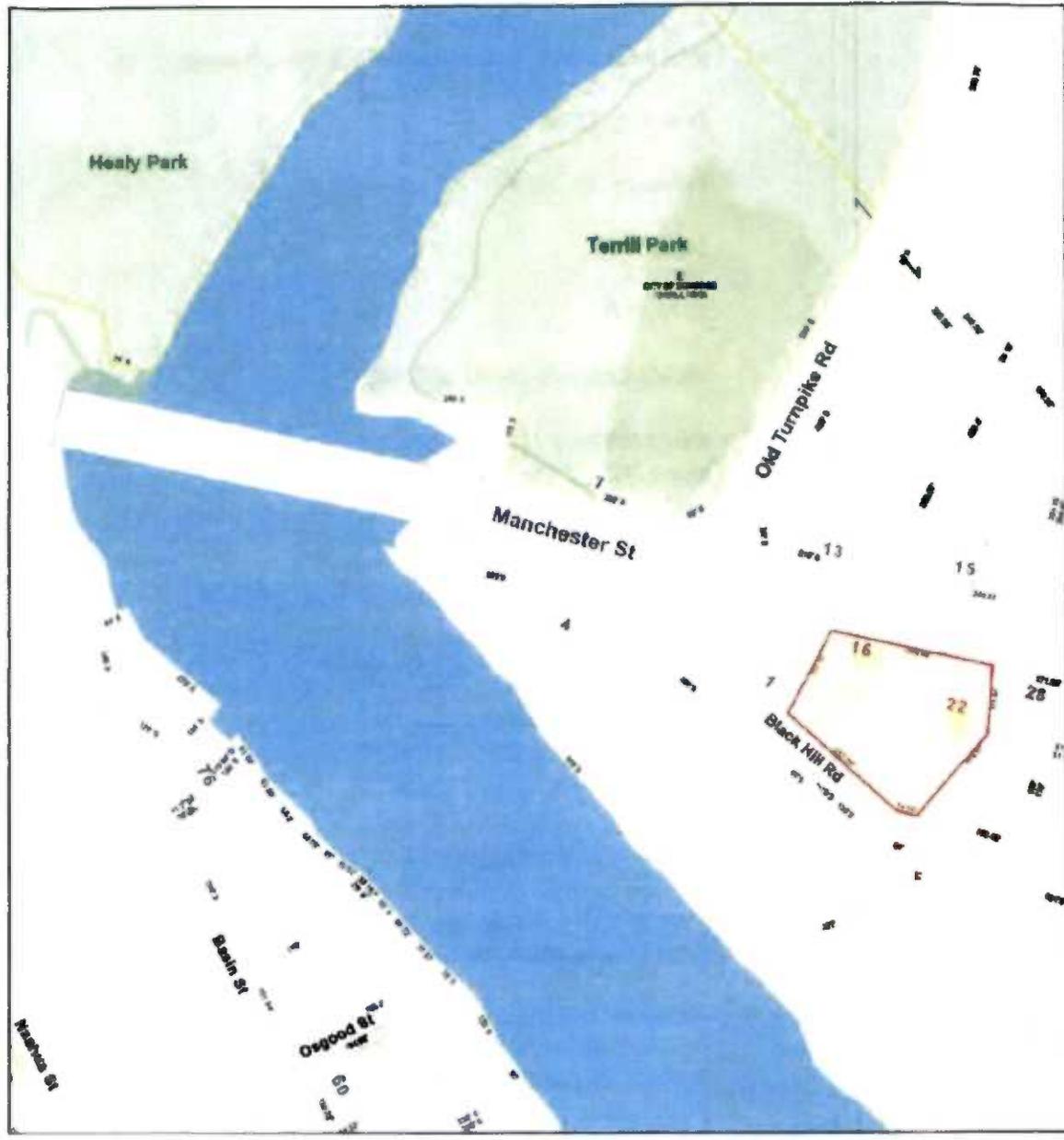
Highest and Best Use: Commercial development

Easements/Restrictions: Typical utility line easements along road frontage; overhead utility line partially across the property.

Comments: Generally rectangular shaped commercial lot is highly visible along the south side of US Route 3, aka Manchester Street and the Daniel Webster Highway. The property has been cleared with some peripheral trees remaining. Generally level but slightly below road grade results in drainage issues. Well located just east of Interstate Route 93 (Exit 13). The immediate neighborhood is in a state of transition with site redevelopment expected in the near future.

Frontage on Manchester Street measures approximately 264.88 feet while the frontage on Black Hill Road (not a through road) measures approximately 267.14 feet. The AADT in the vicinity of the sale property was 17,556 vehicles in 2022.

Sale 3



Qualifications

Scot D. Heath, NHCG-211
762 Candlewood Hill Road
Francestown, New Hampshire 03043
(603) 344-0517
scotheath@comcast.net

WORK EXPERIENCE:

—State of New Hampshire, Department of Transportation, 7 Hazen Drive, PO Box 483, Concord,
New Hampshire 03302-0483. July 2021-current.

Appraiser Supervisor. Responsible to prepare, analyze, review, and interpret professional and technical appraisals related to acquiring real property interests for highway construction and the conveyance of surplus property. Review appraisal reports prepared by staff as well as independent contractors for compliance with state, federal, and professional requirements and appropriate appraisal technique. Conduct appraisals of complex property interests. Testify as an expert witness before the Board of Tax and Land Appeals and Superior Court as necessary.

—State of New Hampshire, Department of Revenue Administration, 109 Pleasant Street,
PO Box 487, Concord, New Hampshire. May 2018-July 2021.

Public Utility Appraiser. Responsible to analyze and appraise energy producing facilities (hydro, wind, nuclear, fossil fuels, solar, etc.), including transmission and distribution lines. Review appraisal reports submitted for tax appeals. Conduct various special assignments.

—Heath Appraisal Services
Francestown, New Hampshire April 1994-current

Self-Employed Real Estate Appraiser. Appraisal practice specializing in land conservation projects, including the valuation of conservation easement interests. Also analyzed and appraised residential, commercial, industrial, and special-use property throughout New Hampshire. Assignments have also included property tax appeal cases, utility easements, and highway takings. I prepare narrative-type appraisal reports in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Internal Revenue Service (IRS Code), and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), as applicable. Clients have included the United States Department of the Interior (Fish and Wildlife Service); United States Department of Agriculture (USDA), Natural Resources Conservation Service (NRCS); United States Army Corps of Engineers; the State of New Hampshire (Department of Natural and Cultural Resources, Department of Environmental Services, Fish and Game Department, and Department of Transportation); numerous land conservation organizations; municipalities; attorneys; financial institutions, and individuals.

--R. G. Bramley & Co., Inc.
Nashua, New Hampshire

July 1986 - January 1991,
September 1991 - April 1994

Fee Appraiser. Prepared narrative-type appraisal reports in accordance with USPAP, IRS Code, and UASFLA, as applicable, in the valuation of land conservation projects including conservation easements, as well as a variety of residential, commercial, industrial, and special-use property. Assignments also included property tax appeal cases and highway takings.

--Bank of Ireland/First NH Holdings, Inc.
Manchester, New Hampshire

January 1991 - September 1991

Field Appraiser. Responsible to review appraisal reports submitted to the bank for compliance with USPAP and bank standards. Duties included contracting appraisal assignments, and to assist with the disposition of properties acquired through foreclosure.

--Numerica Savings Bank
Manchester, New Hampshire

August 1979 - July 1986

Various Positions. Started as a part time Teller while attending college. Promoted to Customer Service Representative, and later, Customer Service Supervisor overseeing a staff of seven. Promoted to Real Estate Appraiser with REI Associates, Inc., a subsidiary of the bank, in February 1984.

EDUCATION:

--Daniel Webster College, Nashua, New Hampshire
Received Bachelor of Science Degree May 1983, major of Business Management.

--New Hampshire Vocational-Technical College, Nashua, New Hampshire
Received Associate of Applied Science Degree June 1981, major of Marketing Management.

--Graduate of Merrimack High School, Merrimack, New Hampshire; Class of 1979.

SPECIALIZED EDUCATION:

Appraisal Institute, Chicago, Illinois. Successfully completed the following courses:

Course 101-Introduction to Real Estate Appraising

Course 102-Applied Residential Property Valuation

Course 201-Principles of Income Property Appraising

Course 202-Applied Income Property Valuation

Course 410-Uniform Standards of Professional Appraisal Practice (USPAP), Part A

Course 420-Standards of Professional Practice, Part B

Course 430-Standards of Professional Practice, Part C

Course 797-Valuation of Conservation Easements Certificate Program; received Certificate of Completion.

Seminars have included: Introduction to Green Buildings, Principles and Concepts; Supervisory Appraiser/Trainee Appraiser; Land Planning, Appraisal, and Development; Subdivision Analysis; Narrative Report Writing; Rates, Ratios, and Reasonableness; Supporting Capitalization Rates; Discounted Cash Flow Analysis; Litigation Skills; Road and Access Law in New Hampshire; 7-hour USPAP Update (every two years); and Uniform Appraisal Standards for Federal Land Acquisitions.

Qualified as an Expert Witness, United States Bankruptcy Court, Hillsborough County Superior Court, Rockingham County Superior Court, and the New Hampshire Board of Tax and Land Appeals.

OTHER EXPERIENCE/AFFILIATIONS:

- Certified General Appraiser, State of New Hampshire, NHCG-211; (expires 10/31/2025)
- Member, Board of Directors, NH-VT Chapter Appraisal Institute, 2004-2018; 1989-1993
- Commissioner, Southern New Hampshire Planning Commission, Manchester, 2014-2018
- Member, Statewide Trails Advisory Committee (STAC), State of New Hampshire, Department of Natural and Cultural Resources, 2018-2019
- Member, Selectboard, Town of Frankestown, 2022-current (Chair 2023-)
- Member, Conservation Commission, Town of Frankestown, 2013-2023; 1985-1994 (chairman 1986-1991)
- Member, Zoning Board of Adjustment, Town of Frankestown, 2013-2022
- Member, Planning Board, Town of Frankestown, 1988-1990; Ex-Officio 2022-current
- Member, Board of Directors, Frankestown Land Trust, Inc., 1998-2003 (Vice Chairman 2000-2003) and 1986-1992 (chairman)
- Member, Board of Directors, Piscataquog Land Conservancy, Inc., 1990-1991
- Director, Hillsborough County, New Hampshire Snowmobile Association, 2017-2019
- Assistant Director, Hillsborough County, New Hampshire Snowmobile Association, 2016-2017