

KEHONKA

THE TIME FOR DECISION IS NOW

by

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Submitted to the Department of Urban Studies and Planning in partial fulfillment of the requirements for the Degree of Master of Science in Real Estate Development at the Massachusetts Institute of Technology

ABSTRACT

This study addresses the roots and ongoing trends of recreational real estate development activity in the Lakes Region of New Hampshire. The concentration centers upon the future direction of Camp Kehonka in Wolfeboro, New Hampshire. Located on 93 acres of land with approximately 4,450 feet of frontage at the southeastern end of Lake Winnepesaukee, the institution is the oldest private summer camp for girls. With recent camper enrollments declining and new directors in charge of Camp's destiny, Kehonka stands at a crossroads. Its outstanding debt has risen to the point where development of all or part of its most significant asset, the land, has become a very distinct possibility.

The thesis begins with a historical summary of Wolfeboro, New Hampshire, the Lakes Region and Kehonka, the roots of their history being substantially intertwined. A description of Kehonka and Lake Winnepesaukee in the present day follows. A summary of recent condominium development and public reaction to the many new forms of collective lakefront ownership forms the basis of an extensive market survey of the Winnepesaukee area. A proposal for development that would

1. substantially reduce Kehonka's outstanding debt, and
2. permit the continued operation of the summer camp in relatively unadulterated form is then outlined.

Conclusions and a general outlook for the changing character of the Lakes Region comprise the project summary.

The continued operation of Kehonka is a particularly emotionally charged issue felt by more than fifteen thousand people who comprise the immediate family of former campers, their families, friends and associates. It is earnestly hoped that the institution can overcome its present problems and endure.

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KEHONKA

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PREFACE

Kehonka is located approximately 100 miles north of Boston in Wolfeboro, New Hampshire. The institution is the longest continuously operated summer camp for girls in the country. Beginning in 1902, founder Laura I. Mattoon envisioned a program of camping, recreation and summer study in a natural setting, far removed from the less desirable impacts of city life. In the initial season, with eight campers under her guidance, Mattoon established a presence for Kehonka on the shores of Lake Wentworth. In 1910, ninety-three acres were purchased (along with other backland tracts) on the northeastern end of Lake Winnepesaukee. Camp has flourished here over the subsequent eighty-two summers, remaining in stride with the philosophies of its founder. Over twelve thousand campers have attended Kehonka (the Kehonka family of friends and staff has been conservatively estimated at fifteen thousand people) and the presence of fourth generation campers is a fitting testimony to its years of success.

Times quickly change, and with the passing days we learn how rapidly institutions, thoughts, feelings and emotions change along with them. Kehonka has, for eighty-three years, weathered such hardships as two World Wars, a Depression, the devastating hurricane of 1938, in addition to several family tragedies. A venerable and highly esteemed institution, Kehonka has imbued its campers with a spirit of excellence

and creativity to carry one far in life, no matter what her (his) endeavors may be. One is hard pressed to recall a more memorable, character-building experience than one's years at camp.

Kehonka is a tradition, a spirit among friends, a collection of almost inexpressible feelings, but so too, it now finds itself at the most imposing of crossroads. The continued well-being of Kehonka is certainly in jeopardy at this juncture. My study of "The Kehonka Question" began as a wholly hypothetical academic exercise. As the early months of 1985 passed, it became painfully obvious that the exercise had burgeoned into a cold and frighteningly real-life situation. This research begins with a brief (yet integral) history of the Wolfeboro, New Hampshire area, Lake Winnepesaukee and Camp Kehonka until the 1980's.

Chapter Two attempts to encapsulate the events leading to the decision to terminate Mrs. Ballentine's duties as camp director in January, 1985. Following considerable legal maneuvering, a settlement was reached between Mrs. Ballentine and her children. The magnitude of this settlement is considerable. In due course, numerous real estate related surveys were commissioned by the children to determine the appropriate course of action with regard to the Kehonka property. The results of these surveys underscore the fact that a portion or potentially all of the Kehonka landholdings must be developed in some form to satisfy the stipulations of the legal settlement, as well as cover Kehonka's considerable debt.

Chapter Three conveys a sense of local attitudes toward

intensive lakeshore development in the Lakes Region, as well as a description of how pronounced development has become on Winnepesaukee. To acquire a feeling for the political issues and reaction toward development, the author invested considerable time in attending numerous planning board, town, and landowner association meetings in and around the immediate area. A summary of recent lakeshore condominium and recreational developments is included, and constitutes the basis of a market survey for the area. The lessons gleaned from interviews with the individual developers involved in each project are particularly enlightening.

The initial chapters provide the ground work for Chapter Four. The author addresses the issue of sensitive but successful development for a portion of the Kehonka property, in addition to marketing, financing and legal considerations.

Chapter Five serves as a forum for conclusions arrived at from this study. The questions are straightforward and exceedingly complex in nature. Is there no alternative to developing part or all of the camp property to satisfy the legal obligation? Could camp continue to be operated in some capacity in conjunction with some form of limited development? What constitutes responsible design and execution in the field of recreational development? Additionally, the author conveys his long term forecast (one of concern) for the southeastern portion of Lake Winnepesaukee. With its many summer camps, constituting some of the largest privately held parcels remaining on the lake, the immediate area is certain to feel ongoing pressure. Shore frontage continues to

skyrocket in value and developers are closing in on the last available tracts capable of sustaining large scale, profitable recreational development.

The author must, at this time, take a moment to qualify his own outlook on the "Kehonka Question." As the Kehonka charm and magic has touched roughly fifteen thousand members of the Kehonka family, so it has touched my own life most profoundly. Faced with an alternative to development, I would opt for any viable solution capable of satisfying the debt obligation and simultaneously allowing camp to continue to operate as it has for the past eighty-two summers. The sense of quality and serenity found at the ninety-three acre setting is difficult to convey to someone who has not personally visited the property. Physically, its bright sunlight, colors and perpetual breezes put the first-time visitor (and long-time camper alike) instantly at ease. The many intangibles of the natural setting have an effect of drawing out the finest qualities of individuals fortunate enough to spend a summer there. I dare say that these are notions commonly held by those who have known Kehonka. Understandably, when talk turns to change, or toward real estate interests, blood pressures rise and tempers invariably flare. These are proper and healthy reactions most certainly. Mindful of the far-reaching implications, I feel that Kehonka (in addition to the other summer camps and the immediate neighbors) must learn to live in harmony with the development interests. For their part, the developers must make considerable improvements in their approach to land use planning, architectural

concerns and project integration within the community, along the path toward sensitive and environmentally conscious development.

August, 1985
Cambridge, Ma.

CHAPTER ONE

THE EARLY YEARS

"And so must it ever be, for Wolfeboro 1
has always changed with the times, and
will continue to do so." 2

The history of Wolfeboro, New Hampshire, the Lakes Region and Kehonka are inextricably linked one to another. While the widely admired General Wolfe "never saw the land that perpetuates his name," 3 Wolfeboro was the subject of great notoriety in the early years.

The small town of approximately 28,000 acres (43.75 square miles) was chartered November 14, 1759, by then Governor John Wentworth. No stranger to the area or to its charm, Wentworth became enamored with the natural beauty and favorable climate experienced there during the summer months. He had been personally involved in the construction of the province road from Portsmouth to Wolfeboro in 1768, a project which served to open Wolfeboro to new commercial ventures. Wentworth promptly commissioned workmen to construct for him a "cottage retreat" overlooking the lake that bears his name. Others soon followed the Governor's example and Wolfeboro had established its claim to fame (to this day) as "The Oldest Summer Resort in America."

1 Wolfeboro (originally Wolfeborough) was so named in honor of the popular English General James Wolfe who was killed at the battle of the Plains of Abraham in September, 1759, while fighting the French.

2 Wolfeboro Bicentennial Banner, (Wolfeboro Bicentennial Committee, 1959), p. 4.

3 Ibid., p. 2.

Wolfeboro's considerable fame at the time probably owed much to the founding fathers who fully understood the real estate maxim: "location, location, location." The town prospered largely due to its lakeshore situation at the northeastern end of Lake Winnepesaukee. Wolfeboro steadfastly served the educational needs of the Lakes Region, as well. The Wolfeboro and Tuftonboro Academy was chartered in 1820⁴ and was widely renowned. The town became one of the commercial centers on the lake, with much of the activity focused around the Wolfeboro docks. The waterfront (then, as now) was truly a hub of activity, first used predominantly for industry,⁵ and later for transportation purposes.

The town's popularity boomed in the fifty years prior to 1900. The 1870's saw massive investment in large hotels and boarding houses to accommodate the onslaught of summer visitors. Attracted by the beautiful scenery afforded by mountain and lake, the tourists returned regularly to Wolfeboro and precipitated a veritable boom in boating activity. Truly, the recreational opportunities, diversions and "most civilized" amenities provided by Wolfeboro were widely known at the time.

⁴ In 1887, John Brewster (a Wolfeboro native who amassed a considerable fortune in Boston business dealings) provided a substantial endowment to the Academy, at which time the school was rechartered as the Brewster Free Academy.

⁵ "Gundalows" (flat-bottomed, sail-powered freight boats) and "Horseboats" (propelled by horses walking on an integrated treadmill which turned a paddlewheel) plied the lake until the 1870's, and provided the incentive for vigorous trade and commerce between Wolfeboro, Alton Bay and Meredith.



EXHIBIT 1 - The Mount Washington I met the Boston and Maine Railroad at Dockside in Wolfeboro for many years providing regular freight service to the western ports on the lake. It symbolized the era of steamboat travel on Lake Winnepesaukee.

This was the grand era of the steamboat on Winnepesaukee and resident entrepreneurs quickly lined their pockets with the inflowing tourist dollars.

"Steamships formed the connecting east-west link for passenger service and railroad freight (on the lake). Each port supplied cordwood to refuel the ships. Local stage coaches met the incoming ships to transport visiting families to inns on their arrival for their annual summer stay." 6

The railroads wasted little time in linking the Lakes Region (through Wolfeboro) to the major cities of Portland, Conway, and Boston to the south. The Boston and Maine Railroad constructed Wolfeboro's first station at "Dockside" and soon afterward began daily rail service providing connections via steamboat to Alton Bay, the Weirs, Laconia, and Center Harbor on the lake. (Exhibit 1).

The history of the lake is long and colorful, and as such, is well beyond the scope of this work. The name "Winnepesaukee" is generally credited to the Abenaki Indians. A close translation is most descriptive: "Beautiful water in a high place." 7 In studying early tax maps and documents, there appear to be no fewer than 123 spellings ranging from Winnepisseokey to Wennipisoikee. The currently accepted spelling was enacted into law by the 1931 session of the General Court of the State of New Hampshire.

Winnepesaukee is a glacial lake of considerable proportion.

6 Wolfeboro Bicentennial Banner, (Wolfeboro Bicentennial Committee, 1959), p.3.

7 Winnepesaukee is frequently and erroneously defined as "The Smile of The Great Spirit" in publications in and around the Lakes Region.

Approximately 21.6 miles in length by 15.7 miles in width, it covers roughly 72 square miles of land area. According to research by Paul H. Blaisdell, "Winnepesaukee is the largest natural, fresh water lake located entirely within the borders of any one of the United States." 8 From no single point on the lake can one get a mental picture of its size. There are 274 habitable islands ranging in size from 1/2 to 1,000 acres, the vast majority of which are less than ten acres in area. In concert, when considering mainland and island frontage, the total lakeshore exceeds 182 miles in length. In 1906 the U.S.G.S. recorded the mean elevation of the lake to be 504.071 feet above sea level (this figure is still considered accurate, although the lake's water level does fluctuate considerably from season to season). 9 Rattlesnake Island is unique in the combination of lake and mountain scenery found there. Encompassing a hill that rises 391 feet above mean lake level, it has the distinction of being the highest point on the lake. Interestingly enough, the deepest part of the lake can be found a mere 200 feet from the southeast corner of the island. Here the lake floor drops away quickly to a depth of 170 feet.

The basic beauty of the lake is derived from the unique and handsome combination of water and mountain. The interplay of lake and mountain scenery is inspiring and unequalled except for perhaps

8 Paul H. Blaisdell, Three Centuries on Winnepesaukee, (Somersworth, N.H.: New Hampshire Publishing Company, 1975), p. 1.

Mr. Blaisdell was long regarded as one of the best informed sources on matters concerning boating and the lake. For years he served as an inspector of boats in an official capacity. His treatment of the subject makes for fascinating reading.

9 Ibid., p. 10.

similar vistas found in Norway and Switzerland. A multitude of outdoor recreational activities can be found here during the summer months.

Laura Mattoon, a farsighted school teacher from New York, was quick to appreciate the many attributes of the Lakes Region. In 1902, with eight girls from New York City under her guidance, Miss Mattoon established Kehonka on rented property on Lake Wentworth in Wolfeboro. It was a summer of true wilderness camping in the hardest sense. Tents were pitched on the ground at lakeside and meals were prepared by the girls themselves over campfires. By design, living arrangements spurred a strong spirit of inter-reliance. The camp program was, first and foremost, fun for the participants, but also inspired "confidence, lasting friendships and a closeness to the outdoors." 10

Miss Mattoon was certainly one of the early pioneers of organized summer camping. Her co-authorship of the Camper's Guidance Manual came as a direct result of her early involvement with Kehonka. A distinct emphasis on the importance of character development, acquisition of outdoor skills and a healthful appreciation of the arts, crafts, nature, music and drama appears in her writing. While some parents looked upon Mattoon's concept as foolish, the majority came to appreciate just what she was trying to accomplish.

In 1910, the concept had caught on to the point where a purchase of land on Lake Winnepesaukee could be justified. Ninety-three acres were purchased comprising approximately 4500 feet of lakeshore

10 Camp Kehonka, (attributed to an early camp brochure)

frontage, and plans were implemented to accommodate the growing number of campers. Girls invariably returned summer after summer having enticed their friends from home to return with them. Beginning in the summer of 1911, a seventeen year old named A. Cooper Ballentine joined the Kehonka work force to perform maintenance duties. "Bally" presided over construction of camp lodges and cabins, attended to the infirmities of early camp automobiles and still found time to counsel campers on the art of silver work in the shop.

It was through the combined efforts of Miss Mattoon and Bally that Kehonka flourished in the early years. Both were instrumental in their support of the fledgling American Camping Association (ACA), an organization formed to underscore the benefits of a camp experience for young people. The ACA provided newly-established camps with much needed advice on operations start-up, successful organization and program implementation. "In 1924, Mattoon was elected as the first salaried executive of the ACA." 11 Bally served some years later in a formal capacity as ACA secretary.

Miss Mattoon died in 1946. It had been her desire that Kehonka continue under Bally's able guidance, and so upon her passing the accumulated camp properties and responsibilities were left to Bally. Kehonka was entering into a new era - keeping pace with developments in the outside world, but remaining loyal to the extensive founding philosophies of Miss Mattoon.

11 Bruce D. Ballentine, A Marketing Plan for Camp Kehonka, Wolfeboro, N.H., 1985, (Graduate school paper presented in April, 1985, at Columbia University School of Business Administration.)

In 1947 Bally married Althea Macaulay, she being no stranger to Kehonka, having spent several summers in camp prior to that time. The years immediately following were busy indeed, for in addition to managing camp, Althea and Bally raised five children together. Kehonka continued to prosper throughout this period. Many referrals came by word of mouth or through the "Kehonka grapevine" as second and third generation campers continued to return for the summer months.

To a large extent this ongoing success was due to Althea and Bally's individual personalities. They complimented one another's style perfectly. Certainly Kehonka drew heavily upon Bally's creative thinking and mischievous good humor, but so too did camp depend on Althea's boundless energy, determination and "can do" spirit. The chemistry was electric, the pace intoxicating, culminating in the deep respect each held for the other's abilities. At Kehonka there was never a dull moment, to be sure. It was this spirit that enriched the lives of all who spent time in camp. Yearning for this special mixture of fun, natural setting and love, campers, counselors and families alike continue to return to Kehonka each year. And that is as it should be.

CHAPTER TWO
KEHONKA AND THE LAKES REGION
THE PRESENT DAY

"The days that make us happy,
make us wise."
- John Masefield

Kehonka faced newer and more complex management issues as it entered the decade of the 1980's. The "relatively" predictable increases in operating expenses and property taxes (which are anticipated each year) were no longer the sole concerns faced by the directors. Indeed, virtually all of New Hampshire's 165 summer camps¹² were affected by the changing demographics of the time period. "Baby Boom" individuals were reaching their mature twenties and thirties and thinking of buying homes and starting families, rather than returning for another summer at camp. Costs, too, had risen considerably (Kehonka's full summer fee is now \$2,400.) and were undoubtedly coming under closer parental scrutiny as the cost of college education continued to rise.

Simultaneously, an interesting phenomenon could be traced during this time employing available ACA data. At Kehonka (as at other private resident camps) more campers were electing to stay for one month as opposed to the more traditional full summer stay of two months. In the fifties and sixties campers typically returned to Kehonka for four years or more. Now the trend indicated not only shorter yearly stays, but a

¹² A 1982 study undertaken by Frank Levine of the University of Southern Maine indicates that this figure was comprised of 80 private resident camps, 66 agency resident camps and 19 day camps.

desire to do other things during the summer months following two or three successive camping summers. The mean age of all Kehonka campers is believed to have dropped from 15.5 years in the sixties to 13.5 years today 13 - a significant decline. Young people in this age bracket today benefit from a substantially more accessible (in terms of location and cost) transportation system. They are highly mobile, arguably more sophisticated and are readily enticed by the wide variety of travel and summer employment opportunities increasingly available to them. In some instances the lure of an exotic travel opportunity (solo or with parents) shortens camp stays to a single month or precludes the camp experience entirely.

Kehonka has for many seasons attracted an international group of campers and staff. Foreign staff members often learn of Kehonka through one of the international programs such as Camp America or the Experiment in International Living. A summer in New Hampshire is thus an attractive and cost effective means for many to visit this country for the first time. Strong bonds of friendship are made and not easily broken. Foreign counselors often return to Kehonka for more than one season. The contingent of overseas campers has always been an encouraging aspect of the Kehonka experience. Certainly camp realized a significant portion of its revenues in the 1970's from these foreign visitors. Like their counterparts in international banking circles, currencies in Venezuela and Mexico lost value relative to the dollar." 14

13 Ballentine, A Marketing Plan for Camp Kehonka, Wolfeboro N.H. 1985, p. 6.

14 Ibid., p. 10.

As a direct result of this and government restrictions on currency leaving the country, the number of Kehonka campers from these nations fell sharply from forty-five in 1981 to ten in 1983.

All of these factors have directly impacted Kehonka's fiscal situation, albeit to varying degrees. During each of the years 1981 through 1984, expenses exceeded income and cash shortages in excess of \$20,000 per year were experienced. The shortfall has been covered by a traditional bank loan from a local institutional bank. As a result, Kehonka has witnessed an alarming increase in its average annual outstanding debt. The 1980 balance of \$85,000 had swelled to \$140,000 by 1984. Over this period, Kehonka realized no significant change in asset value other than the continued appreciation of the land upon which it is located.

Even an institution of Kehonka's venerable standing, with all its combined business acumen and creative approach, had been unable to keep pace with the changes it was beginning to face. In September, 1984, Bally died. The outpouring of emotion was considerable at his memorial service, drawing generations of past and present Kehonka families together and focusing their collective attention on camp. Probably, at no time in the past, had feelings for Kehonka and its ideas been more pronounced. At a time when unity of purpose and action was most essential, a very different scenario was unfolding. Over the ensuing months a rift opened between Althea Ballentine and her four children (now ranging in age from 29 to 35 years). The disagreement centered upon dissenting opinions as to how Kehonka should be operated in future

years. The full scope of the widening disagreement is complex, deeply rooted and well beyond the limits of this thesis. Both parties retained legal counsel, battle lines were drawn, and quickly it became apparent that, in large part, Kehonka's future rested not in the control of the Ballentine family but in the hands of their respective attorneys. The events of early 1985 seemed to take their inevitable course, although at the time, little information was disseminated to the Kehonka family. On January 13, 1985, Mrs. Ballentine was removed from her position as camp director by vote of the Kehonka Board of Directors (her children). Essentially a new board of directors was elected which did not include Althea. The board's next order of business was to elect a new camp director. These actions touched off a legal battle of heightened intensity which eventually culminated in a legal settlement on May 6, 1985, between Althea and her children. The total value of this settlement was approximately \$1.2 million (less than half of this amount being in the form of cash). Further relations between Althea and Kehonka were effectively severed as a result. Through the cloud of conflicting accusations it is evident that there are no winners in the current situation. Kehonka stands to become the single greatest loser, a fact that, to Kehonka family, friends and campers, becomes a most bitter pill to swallow.

To be sure, the Lakes Region has undergone growing pains in recent years roughly similar in magnitude to those experienced by Kehonka. The lure of scenic views, expansive open water and ever decreasing travel times from Boston have combined to focus the attentions of many

newcomers on the Winnepesaukee area. The veritable boom in boating activity has contributed significantly to the active development of more remote areas as well as the smaller islands of the lake. A passage from one of the early studies of the Winnepesaukee shore is as apropos now as it was when originally printed back in 1949:

The breakdown of large estates, making land available for purchase in small lots, together with the increase in the number of people with incomes great enough to support a small summer cottage, have had a significant effect on the development of the lake in recent years. 15

Indeed the focus of development has been broad based in an effort to accommodate the many different categories of users. "The opportunity to escape from the noise, crime and other perceived environmental disamenities of urban areas has attracted retirees, families... and the youth culture." 16 The ever-increasing demand for outdoor recreation is clearly shown in the figures comprising Exhibit 2. This trend in recreational usage is largely tied to the issues of increased mobility and larger disposable incomes. People are seldom content to relax in backyards or nearby parks, preferring instead (like the majority of the populace) to "entertain itself tens or hundreds of miles from home." 17

As prices for recreational (and most particularly lakeshore)

15 New Hampshire State Planning and Development Commission, A Study of the Lake Winnepesaukee Shore Line - July, 1949, (Concord, N.H.), p. 5.

16 Ervin H. and Margeret J. Zube, ed., Changing Rural Landscapes, (Amherst, Mass.: University of Massachusetts Press, 1977), p. IX.

17 Ibid., p. 20.

EXHIBIT 2

TRENDS IN RECREATION AND PERMANENT RESIDENT HOUSING UNITS
LAKES REGION, 1960-1970

	<u>Units</u>		<u>Change 1960-1970</u>	
	<u>1960</u>	<u>1970</u>	<u>Units</u>	<u>Percent</u>
Second homes 1	230	4,180	3,950	1,717.4%
Seasonal units 2	<u>9,020</u>	<u>10,500</u>	<u>1,480</u>	<u>16.4%</u>
Recreation sub-total	(9,250)	(14,680)	(5,430)	58.7%
Permanent year-round	<u>16,920</u>	<u>20,020</u>	<u>3,100</u>	<u>18.3%</u>
Total housing units	26,170	34,700	8,530	32.6%

1 A second-home housing unit is a unit usually occupied or intended to be occupied only on weekends or for other occasional use throughout the year.

2 A seasonal housing unit is a unit which is occupied or intended to be occupied during only one particular season of the year.

Source: Lakes Region Planning Commission, Regional Land Use - Alternative Futures, p. 4.

real estate have been driven to record levels, a new phenomenon has recently taken shape. The Winnepesaukee area has witnessed a tremendous influx of year-round residents relocating to the Lakes Region, while continuing to hold their high paying jobs in the strong Boston or emerging Portland markets. Weighing the importance of climate and quality of life as valuable resources, the new arrivals consider longer commutes but a small price to pay for the increase in quality recreational time. Higher prices have meant that many so-called seasonal lakeshore homes are now being purchased and refurbished for full-time habitation (a purpose for which they were never intended or designed). To many, "there is no longer any such thing as a seasonal residence." 18 with even island residents investing substantial sums so that their dwellings may be used in winter. The rapid growth in winter sports activity (skiing, snowmobiling, iceboating and fishing) has been most profoundly felt in the Lakes Region and has, in itself, fueled the rise in property values. The end result is that Wolfeboro and surrounding communities fronting on the lake have experienced distinct and far-reaching changes in character over the decade 1975-1985. As these towns have attracted vacationing families from the wealthier suburbs of Boston, Connecticut and New Jersey, so have they assimilated the manners and social customs of these very different communities. Much of the change has come at the expense of the local N.H. small town resident who must certainly feel the intrinsic need to keep pace with

18 A public comment made at the July 24, 1985 meeting of the Lakes Region Clean Waters Association held in Moultonboro, N.H.

his new neighbors. We must hope that the genuine charm of the rural New Hampshire town is not forever lost to the approaching throngs who have opted to leave city living far behind.

While nothing is as certain as change itself, to many Lakes Region inhabitants change is one of the least palatable six-letter words in the dictionary. Many families have returned to the same summer homes year after year and have grown most possessive of their lake. Even amongst the newly arrived young professional families there exists an unspoken notion that the last one in had better shut the door so as to protect the most prized possession of all: Winnepesaukee. The past decade has witnessed no shortage of interest in environmental concerns. The State of New Hampshire, particularly under the administration of present Governor Sununu, has taken active measures to ensure adequate protection for New Hampshire's lakes and great ponds. The Lakes Region Planning Commission, long involved in establishing an overall framework for charting future management of the lake, has been granted more extensive powers. No fewer than sixty-three owner associations¹⁹ have been formed to monitor a wide range of lake related concerns. Their combined voices are clear and certain to be heard in Concord. The Lakes Region Clean Waters Association (established in 1969) plans four meetings this summer to supplement those that were held during July and August, 1984. At the 1984 sessions, input from the public was considerable with more than two hundred people in attendance on each date.

¹⁹ The three-hour meeting of the Long Island Landowner's Association (L.I.L.A.) held July 13, 1985, addressed concerns from proposed neighboring condominium development to acid rain.

Representative Jack Schofield of Moultonboro has been one of the key supporters of legislation pertaining to maintenance of Winnepesaukee's serenity (noise pollution issues), beauty and overall water quality. Ascribing to the Latin phrase: "Octio, non verba" (action not words) he spearheads the movement intent on creating enforceable legislation concerning the lake issues that have been discussed repeatedly but not acted upon. These issues can be grouped into seven major categories as follows:

1. Leasing of State Lands: It is proposed that the State of New Hampshire owned land be leased only for purposes of public benefit with priority given to proposals which focus on the conservation or recreational use of areas adjacent to N.H. lakes. The State Council on Resources and Development (C.O.R.D.) would monitor all lease proposals, providing an effective means of review and an open channel for input from within the municipality in which the lease is proposed.
2. Docks and Moorings: Proposed legislation would empower the wetlands Board and Water Resources Board with expanded authority to review permit applications and assess an annual fee based upon square footage of dock space. It is recommended that permits not be issued in perpetuity, but for shorter periods of 3 - 5 years. The Division of Safety Services would receive authority to regulate number and

placement of moorings on state waters (now completely unregulated) 20

3. Boating: If approved, new legislation would cover the following related issues:

A. Speed restriction of 40 mph by day and 20 mph by night on all N.H. lakes.

B. Drafting of a measure regulating speedboat use and speed based upon the ratio of horsepower to displacement. Operators of high horsepower or high displacement craft would be required to obtain current operators' licenses.

C. Upgrading the budget of the Department of Safety Services to provide more complete lake coverage and allow safety officers to receive formal law enforcement training.

D. Revamping of boat registration fee schedule and fund dispersement dedicated to specific lake management problems (as opposed to fees being routed to the N.H. General Fund).

E. New studies on the impact of oil and gasoline on lake water quality.

4. Millfoil and Aquatic Weeds: Legislators (led by Schofield) recommend action and additional research proceed simultan-

20 The proposed legislation on regulation of moorings was voted into law on Thursday, August 1, 1985. A moratorium on the placement of moorings was issued by executive order of Governor Sununu.

eously to counter the spread of further aquatic weed growth (often a symptom of overuse of a particular body of water).

5. Old Septic Systems: 80 - 100 year-old lakeshore residences are typically not equipped with adequate sewerage disposal systems. Migration of improperly treated or "gray water" waste into Winnepesaukee represents the single largest threat to ongoing water quality. Proposed legislation provides for more thorough system inspections particularly when properties are sold or converted from seasonal to year-round residences.
6. Growth Management Issues: Recommendations call for:
 - A. Increased municipality involvement. Towns bordering the lake would be requested to review the 1977 lake study and implement updated codes and ordinances with regard to future development.
 - B. The Office of State Planning to establish guidelines that would effect a minimum standard or level of protection for lakes and ponds, forming the basis of a statewide lakeshore performance code.
 - C. The State Conservation Committee to be more actively supported in its efforts to prevent soil erosion and sedimentation.
7. Lake Management: Legislators advise that the Office of State Planning draft a legislative proposal detailing a process by which a lake management plan for each

state water body could be jointly prepared by local and state officials working together in cooperation.

The purpose of recounting these issues is to underscore the fact that citizen interest and involvement in lake related issues is at an all-time peak. The trend is certain to continue. Environmental groups and landowner associations (L.I.L.A. being a good example) are mobilized, capably led and adequately financed. Many groups have effectively tapped their membership ranks as retired lakeshore property owners may previously have held substantial positions in business, legal or scientific circles. The casual observer quickly recognizes, upon entering a meeting regarding the lake, no shortage of sharp minds looking forward to their next fight. The lighthearted public reminder distributed by the Lake Winnepesaukee (Exhibit 3) Association is taken very seriously by those looking to preserve their quality of life, not to mention their considerable property investment.

Understandably, and in light of these considerations, real estate developers are often relegated to a social standing just above used car salesmen in the Lakes Region. The scars, bankruptcies and idle promises, emanating from some lakeshore developments dating back to the sixties, are long remembered by local residents. Developers of the eighties have become more sensitive to land and site planning issues, and have miraculously regained their sense of hearing. They are indeed delivering the type of product (size, color, price and lifestyle) that the people are asking for. The developer will always

NOT IN THE



LAKE!

HELP STARVE WEEDS, SLIME AND BACTERIA

Keep your septic tank working properly

Have it pumped regularly to keep accumulated sludge, scum and grease from overflowing and destroying the leach field. Most tanks should be inspected annually; pumped every 3-5 years.

Dispose of greywater properly

Washwater, dishwater, and similar non-toilet effluent still contains phosphates and bacteria-- it belongs in a septic system, not on the ground or in a "dry well."

Use less soap and detergent

The soft water in the lake does not require as much as most manufacturers recommend to clean dishes and clothes adequately--try 3/4 as much.

Don't fertilize the water

Nuisance weeds and algae may grow excessively if manure, corn post, etc. is located near water--keep it at least 100 feet away; more on steep slopes. Do not use fertilizer or chemicals on grass or gardens near water. Keep the shoreline vegetated--plants on shore intercept nutrients before they reach the lake.

Don't do it in the lake!

Pollution and littering is illegal and dangerous to your health.



The Lake Winnepesaukee Association

P.O. Box 872
Wolfeboro, NH 03894

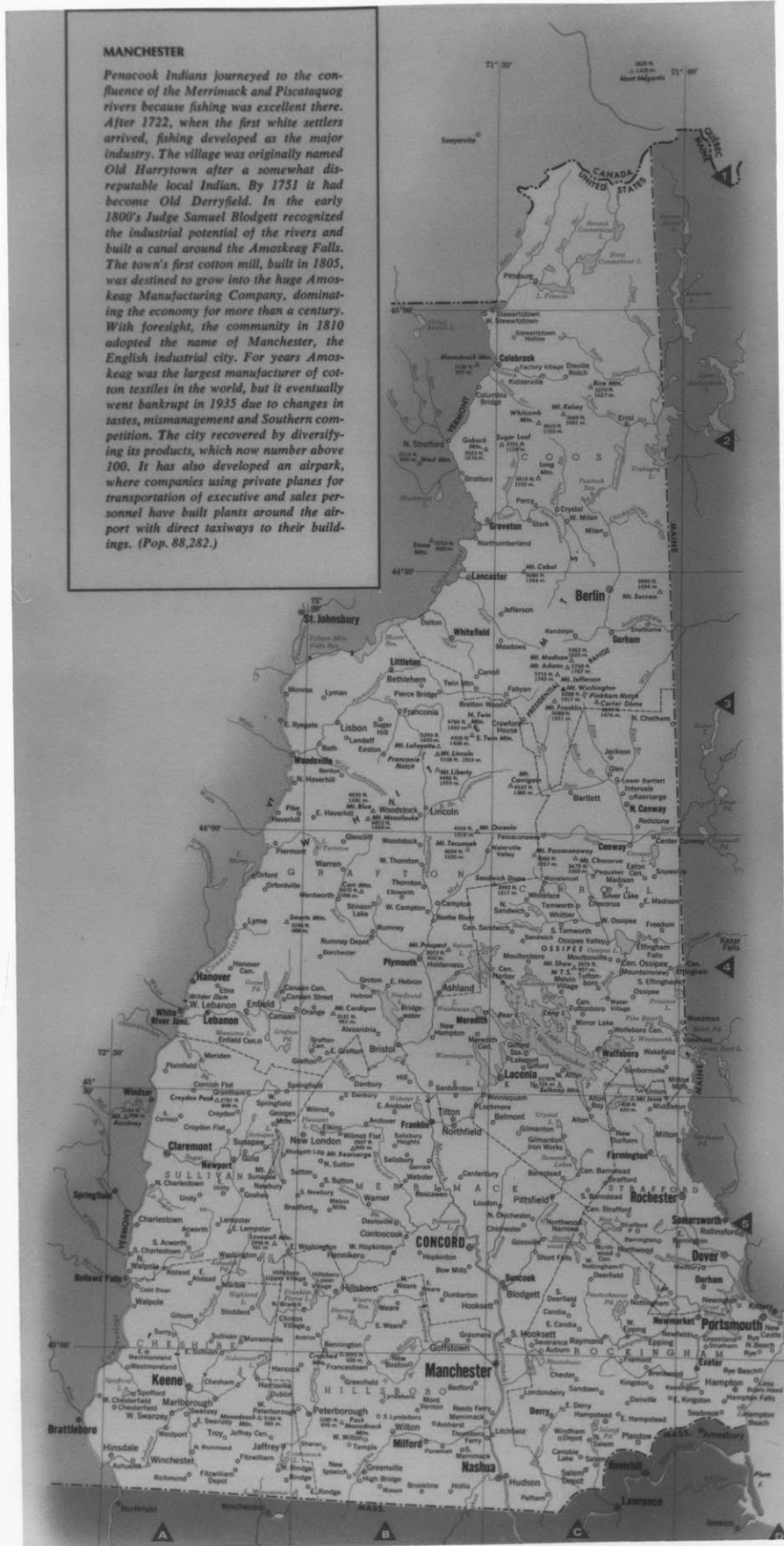
EXHIBIT 3 - A humorous look at a very real problem.
Pollution comes in many forms. Part of the public awareness effort undertaken by The Lake Winnepesaukee Association.

have new heights to attain - new challenges to be met. It will always be possible to do a "better project" than "the one that just finished up the lake." 21 The astute individual will quickly come to understand the anti-development forces entrenched in the Lakes Region and the significant powers they wield. The same concepts of zoning, approvals, linkage and expenditures for public areas found in Boston are rapidly finding their way into the new breed of development deals being done in New Hampshire. The sophistication of the Lakes Region real estate market is not to be taken lightly. Future projects will be directly affected by changing legislation and the tightening of municipal development regulations as they relate to the issues previously discussed.

21 Excerpt from an interview with Steve Watchmaker, developer of Jonathan's Landing, Moultonboro, New Hampshire. August 7, 1985.

MANCHESTER

Penacook Indians journeyed to the confluence of the Merrimack and Piscataquog rivers because fishing was excellent there. After 1722, when the first white settlers arrived, fishing developed as the major industry. The village was originally named Old Harrytown after a somewhat disreputable local Indian. By 1751 it had become Old Derryfield. In the early 1800's Judge Samuel Blodgett recognized the industrial potential of the rivers and built a canal around the Amoskeag Falls. The town's first cotton mill, built in 1805, was destined to grow into the huge Amoskeag Manufacturing Company, dominating the economy for more than a century. With foresight, the community in 1810 adopted the name of Manchester, the English industrial city. For years Amoskeag was the largest manufacturer of cotton textiles in the world, but it eventually went bankrupt in 1935 due to changes in tastes, mismanagement and Southern competition. The city recovered by diversifying its products, which now number above 100. It has also developed an airpark, where companies using private planes for transportation of executive and sales personnel have built plants around the airport with direct taxiways to their buildings. (Pop. 88,282.)



CHAPTER THREE

DEVELOPMENT AROUND THE LAKE

A SURVEY OF THE WINNIPESAUKEE AREA

"We seem to be entering an era where a choice of lifestyles will far outweigh job opportunities in the choice of location of a significant part of the population... perhaps this will lead to the time when the American Dream of an always faster pursuit of happiness will yield to a dream of making life abundant." 22

Residential lakeshore development on Winnepesaukee had, prior to 1982, taken the form of single family detached units. With the exception of absolute amounts of lakeshore frontage and setback from the lake, the general formula for development was roughly the same in each case. Create an access route (driveway), site the cottage to take full advantage of the afternoon sun, make sure the dock was in as soon after purchase as possible, and (some say above all else), maintain views to the West to take in those summer sunsets.

Obviously these development criteria are just as important today as they have always been. The overall development formula has become substantially more complex in nature, encompassing a myriad of new factors. In discussions with developers in the area, virtually all spoke of the critical nature of their market research in determining precisely the right mix of design and amenities for a given project. As

22 Zube, Changing Rural Landscapes, p. 86. Quotation from a selection by Albert Solmt entitled "What's the Use of Small Towns."

one practitioner aptly described:

"We knew who we wanted up here as neighbors... and we had a pretty good idea of who we didn't want, as well. The market survey was not inexpensive, but I consider it money well spent. There were plenty of things I would have done differently, but when you sell out Phase 1 (21 units) in two weeks, you know that someone has been doing his homework." 23

The single most risky component of recreational lakefront development is undoubtedly structuring the proper fit between product and market. In several instances developers described building to "a need" and letting the high interest rates experienced in the early eighties take care of themselves. An observer perceives that the past three years have been strong indeed for lakeshore developers. Common to many of my interviews was a certain underlying confidence. Projects appear generally to be well ahead of pro-forma, developers are receiving their asking prices (some are quick to mention premium offers above asking price) and waterfront homes have continued to appreciate. While traveling the main streets of Laconia, Meredith and Center Harbor, N.H., the preponderance of real estate signs is striking. Not only are more individuals entering the brokerage ranks for the first time, but coincidentally, many long term property owners are re-entering the market for the first time in years as sellers. A broker of long standing in the Wolfeboro area cited price increases of 40% for lakefront parcels in the past year alone (although he was quick to point out that a leveling off period is expected).

Most importantly, however, the buyers continue to make substantial

23 Excerpt from an interview with a local condominium developer who requested he not be identified.

commitments in the area. To many two income families, the upwardly ratcheting price levels do not constitute a financial burden. On the contrary, most find the product attractive and the quality time spent there (though short) well worth the price of admission.

Immediately following is a market survey of five representative lakeshore residential developments in the Winnepesaukee area. Prior to determining the proper mix for any future development at Kehonka, it was deemed essential that a detailed study of the existing market be undertaken.

WINNIPESAUKEE AREA MARKET SURVEY

DEVELOPMENT: POINT BREEZE

Location: Lake Wentworth
Wolfeboro, N.H.

Developer: Clark-Morton Associates
General Partner: Douglas Morton
Background: Banker/Portland, Me.

Land Purchase Date: 1980
Construction Period:
Ph. 1: May, 1985-present
Ph. 2: Currently under
construction

Broker: On site sales manager - Scott Perry, Cooperating Listings,
Point Breeze, P.O. Box 420
Wolfeboro, N.H. 03894

Architect (s): Land Planner (s):
Master Planning: Sasaki and Associates
Watertown, Mass.

Other: Residential Design and Materials packages:
Acorn Structures, Acton, Mass.
Construction Financing: First Bank Mortgage Corp.
Manchester, N.H.

LAND COMPONENT

Total Land Area 45 Acres Shore Frontage: +/- 1,200 ft.

Character of Land:

Quality - premium quality - one of the best sites observed in any development - all aspects of location are extremely favorable - gradual slopes to water - abundant local pine trees - wetlands area at property line provides perfect buffer from neighbors - favorable drainage.

Accessibility - only potential weakness - though minimal - location is 2.5 miles off major route on rural, lightly traveled road (paved).

Site Planning Issues - extremely well executed - majority of native trees have been left standing - undergrowth cleared away - substantial setback from water - open areas appear natural, not contrived.

Appreciation Potential - extraordinarily high - significantly higher than competition owing to low initial sales price - exceptional value for the money.

Other: - land formerly held by Stevens family continuously since 1889 - Allen Stevens shall continue as development manager after project completion.

BUILDING COMPONENT

Type of Units: Cluster development - duplex, triplex and single family units

<u>Density Issues:</u>	<u>Original Devel. Plan</u>	<u>Actual Devel. Plan</u>
------------------------	---------------------------------	-------------------------------

<u>Total Number of Units:</u>	45 units	45 units
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<u>Area Density:</u>	1 unit /acre	1 unit /acre
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Allotment of Units:

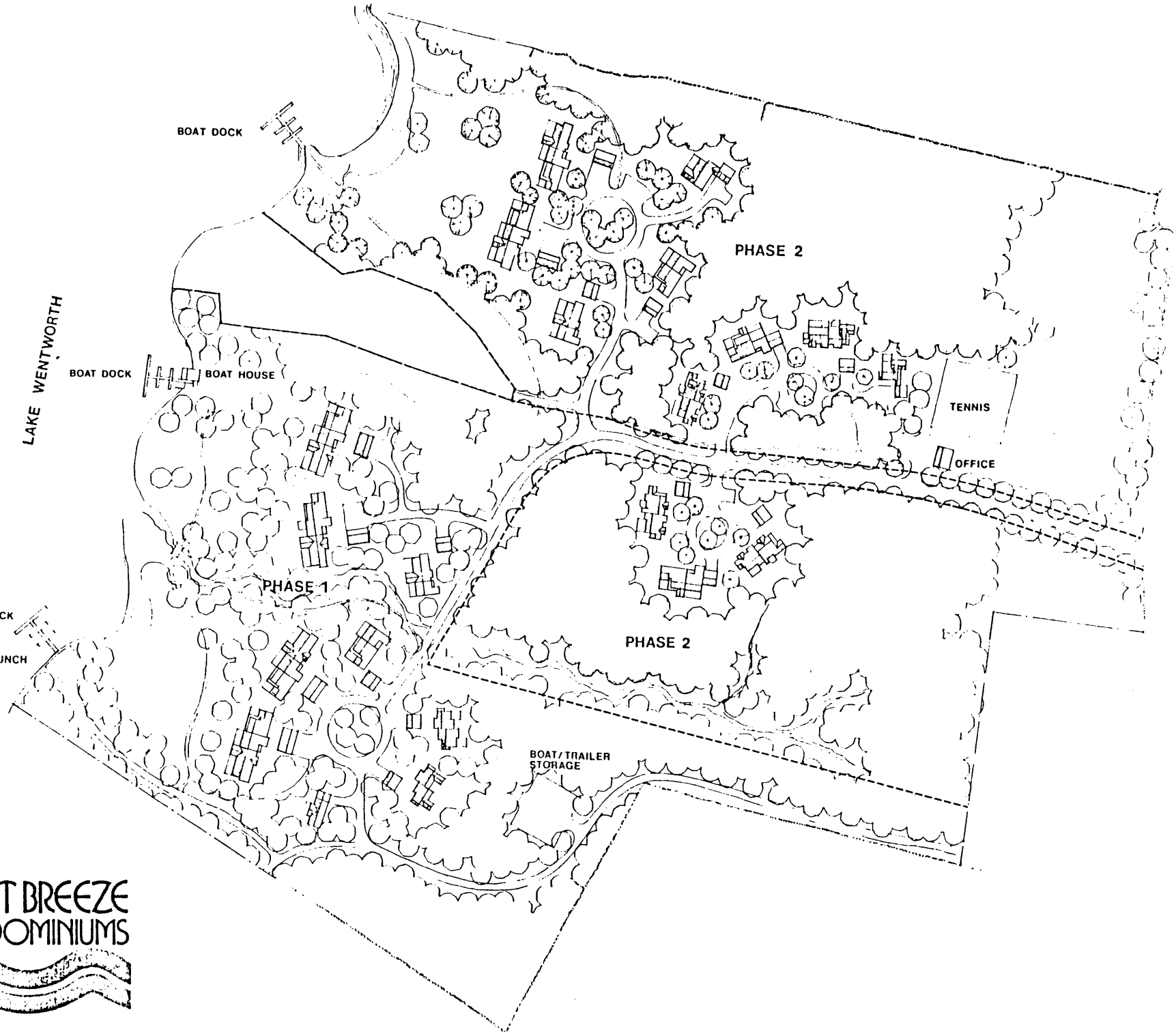
<u>No.</u>	<u>Plan</u>	<u>Sq. Ft. /unit</u>	<u>Unit Sales Price</u>	<u>Units Sold</u>	<u>% of Units Sold</u>
All units	1982-83		Range \$106,000 - 120,000		Phase 1-100%
All units	1984-85		Range \$220,000 - 230,000		Phase 2 - * under construc- tion, 75% com- mitted

Other: Heat Loss Applications Computer Program: developed by Acorn - accurately determines cause and effect techniques, unit location, sighting/design issues, insulation values and requirements, proper heating systems depending upon amount of use unit receives.

Northern exposure - great views but difficult from an insulation standpoint - high heat loss in winter.

*Sales prices climbed 42% during a one-year period between the years 1982 and 1984.

EXHIBIT 6A - POINT BREEZE CONDOMINIUMS - SITE PLAN



Development: Point Breeze

AMENITIES

Average Travel Time:

Boston: 110 miles; 2 1/4 hrs.
NYC: 312 miles; 6 1/2 hrs.
Portland, Me.: 63 miles; 1 1/4 hrs.

Covered Parking: Y/N detached (attractive)

Patios: ground level decks - some units w/walk-in basement have decks at level 2.

Balconies: some units with decks 1 floor up in lieu of patios (These units possess walk-in basements).

Views:
0 Open Mountains
0 Obstructed Lakes
0 Clear Cut Both
 Natural 0 Other

Notes: views are substantially natural - clear sight paths to water from each unit.

Swimming: Lake 0 Pool 0 Both

Lakeshore Frontage: +/- 1200 ft. - extremely quiet lake private/peaceful

Sandy Beach Y/N 2 beaches totaling 400 L.F.

Dock Swimming: Y/N potentially swimming from boat slips

Boating: Y/N No. Indicate Boating 1st Preference: N/A

Sailboat Mooring: Y

Powerboats: Y Size Capacity: 18' - smaller boats only on Lake Wentworth

Number of Slips: 45 Cost: Own/Rent: seasonal dock and boat slips are in place May 15 to Oct. 15. The Association holds deed to slip but residents use is unrestricted.

Dock: integrated w/boatslips

Launching Ramp: - to be constructed in Fall, 1985

Services:
Easily accessible, but not
on site.

0 Gas & Sundries:
0 Boat Supervision:
● Out of Water Storage:
● Other:

Other Sports:

● Golf - available - 3 miles away
● Tennis - 2 courts on property
0 Horseback Riding
● Other: - skiing - x-country
skiing on property - downhill
skiing 1 hour away

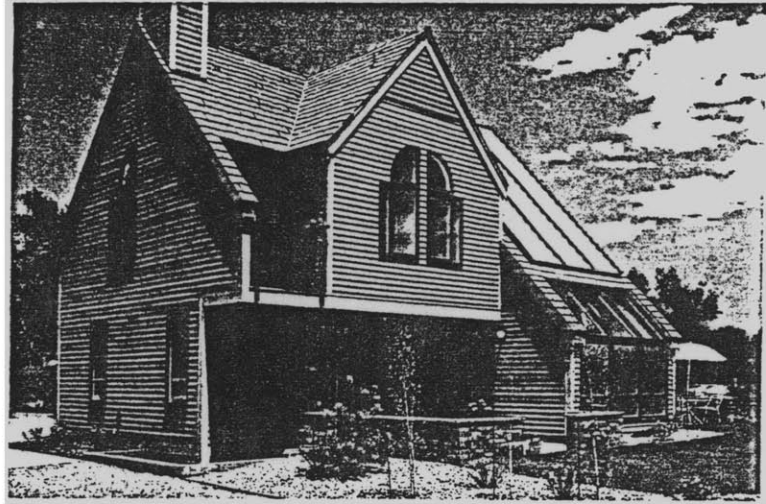


EXHIBIT 6B - EXTERIOR DESIGN FEATURES OF HOMES
BY ACORN STRUCTURES, INC.



EXHIBIT 6C - Elevations of Point Breeze Condominiums
Note particular sensitivity in siting of structures
(above) as well as the special "finishing touches
(below) provided by Acorn Structures, Inc.

General Impressions of Project: This project is unusual in many ways. Details in construction and management technique are carefully looked after. The development was clean, orderly, thoughtfully laid out giving the appearance of practically running itself. Although permit approvals were two years in coming, all planning elements appear to far exceed minimum requirements established by the Town of Wolfeboro. The developer sought to provide a minimum setback of 225 feet at a time when the town requirement was 150 feet.

Views are essentially northward over the expanse of Lake Wentworth, and they are natural as opposed to clear cut, which speaks highly of the developer's sensitivity. Native pines and hemlocks have been retained (and are surviving the trauma of nearby development) to provide visual barriers between units, as well as significant shade over homes. Residences have been thoughtfully sited, but may suffer higher heat loss than normal in winter months due to the northern exposure. The most tastefully designed decks I've seen lead from cathedral ceilinged living areas to provide intimate contact with the outdoors. While comfortably plush, the units are not designed to be overly sumptuous - a fact that must be a welcome change to many. The clean lines, conservative design, and airy feeling are enhanced by a traditional cedar clapboard siding treatment. Building materials are first quality, machined to precise tolerances by Acorn Structures in their Concord, Mass. plant. Detailing inside and out is impeccable and exudes a sense of quality from all

angles. Acorn's subtle design touches (reference detail shown in Exhibit 6B) are sensible, functional and add to the value of the residence. In addition, Acorn's amenity package is at least equal to that offered in other projects with emphasis on quality and basic value as opposed to eye-catching facilities. The wide flexibility in design provided by the builder may be overkill to an extent, as there are seven different floor plans ranging from one- to two-story designs. In some instances living areas have been custom fitted on the basement level to provide up to 2250 square feet of usable area for the resident.

In every respect this is a showpiece project. Many believe it was significantly underpriced to begin with, constituting an even more attractive investment opportunity. The target market is very different from that of Windward Harbor, with sales manager Perry making a concerted effort to attract more of the "yuppie" buyers from the Boston area. Perry finds current owners are experienced homebuyers in the age bracket of 40-60 years who wish to make this their last second home purchase. Buyers come to Point Breeze to stay, but also to participate in the wide variety of lake and sporting activities immediately available to them. Transient rental traffic is frowned upon. This is a group of active, outdoor-oriented users as opposed to mere speculative investors.

WINNIPESAUKEE AREA MARKET SURVEY

DEVELOPMENT: WINDWARD HARBOR

Location: Lake Winnepesaukee
Moultonboro, N.H.
(Moultonboro Neck)

Developer: Windward Harbor Co., Inc.
J. Peter Hare - Pres.
P.O. Box 1120
Center Harbor, N.H. 03226
603-253-7526

Land Purchase Date: Longtime
family holding
Construction Period: 1983 -
Oct. 11, 1985
Gilbert P. Leonard - Partner

Broker: Century 21, Keewaydin Properties

Architect (s):
Claude Miquelle Associates
Melrose, Mass.

Land Planner (s): Joint effort
Matarazzo Design
Concord, N.H.
Lilly Planning Associates
Gilford, N.H.

Other:

Exposure - West side of Moultonboro Neck
"Distinctive 4-season, 2 and 3 bedroom homes"

LAND COMPONENT

Total Land Area 47 Acres overall Shore Frontage: +/- 1000 ft.
natural sand
Phase 1 36 acres
Phase 2 11 acres (Planning stage only - 6 units)

Character of Land:

Quality - highest quality - former site of family vacation compound and summer sailing camp - gently sloping topography down to lakeshore - the development blends into site - is not "forced".

Accessibility - excellent - location is one min. from main highway serving Moultonboro Neck and Long Island. No steep hills to impair winter access.

Site Planning Issues - quality, luxury, unique character are keynotes in all aspects of site development process - central open area in need of additional trees.

Appreciation Potential - high - owing to amenities package, location, emphasis on blending with existing landscape and overall family appeal.

Other: - unique charm of land, history, site orientation (NW) and 4 1/2 story Kona boathouse distinguish the development - sheltered harbor setting possibly too much bark and mulch used in LS plan.

Development: Windward Harbor

AMENITIES

Average Travel Time:

Boston: 2 hrs.
NYC: 6 1/2 hrs.
N.H. Seacoast: 1 1/2 hrs.

Covered Parking: Y N Integrated garages (single) w/auto openers, highly finished; high ceilings would allow for boat storage.

Patios: No

Balconies: Most units have covered entrance porches (screened) and 1 or 2 outside decks (diff. levels) - partial mt. views to north primary emphasis

Views:

<input checked="" type="radio"/> Open	<input checked="" type="radio"/> Mountains
<input type="radio"/> Obstructed	<input checked="" type="radio"/> Lakes
<input checked="" type="radio"/> Clear Cut	<input checked="" type="radio"/> Both
<input type="radio"/> Natural	<input type="radio"/> Other

Notes: A substantial portion of the view is made up of visual site lines to the water, the boathouse (in some cases) and the mooring area. Views toward other homes are open and intriguing due to subtle changes in design of each structure.

Swimming: Lake Pool Both

Lakeshore Frontage: +/- 1,000 ft.

Sandy Beach Y N 1,000 ft. Virtually all frontage is beach.

Dock Swimming: Y N Not considered a detriment

Boating: Y N No. Indicate Boating 1st Preference: N/A
Family boating orientation as opposed to high h.p. cruisers

Sailboat Mooring: Y

Powerboats: Y Size Capacity: c. 26' o.a.

Number of Slips: 44 Cost: Own/Rent: Home purchase includes private use of boatslip.

Dock: inland marina - tastefully executed

Launching Ramp: (Y) - one of the widest and best designs
observed

Services:

- Gas & Sundries: Trexler's Marina
- Boat Supervision:
- 0 Out of Water Storage: winter
- 0 Other:

Other Sports:

- 0 Golf
- Tennis: on site courts
- 0 Horseback Riding
- 0 Other:
- Skiing: cross country and major
downhill nearby (within 1 hr.
drive)

EXHIBIT 7A



PROJECT OF THE YEAR

WINDWARD HARBOR CENTRE HARBOR, N.H.



Peter Hare says he learned the value of teamwork during his 20 years as a teacher and school administrator. That's why the first thing he did when he decided to develop a portion of his family's 46-acre retreat on Lake Winnepesaukee in New Hampshire was to assemble a first-rate building team. One that included his partner, Gilbert Leonard, the architect, Claude Miquelle Associates, Inc., and land planners Matarazzo Design, Inc., and Lilly Planning Associates.

That team is responsible for Windward Harbor, the judges' unanimous selection as the project of the year in the 1984 Builder's Choice awards program. In addition to that top honor Windward Harbor won two other grand awards and a merit award, all of which supports what one judge had to say about the project: "It is far and away the best entry in the program."

Everything about the project pleased the judges. The site plan received high marks for giving all 36 units unobstructed lake views. The judges praised the elevations of the seven duplexes and 22 detached homes for being at once varied, simple and controlled.

Materials, color selections and detailing were complimented for complementing the blue of the lake and the project's forest green backdrop. And the



EXHIBIT 7B

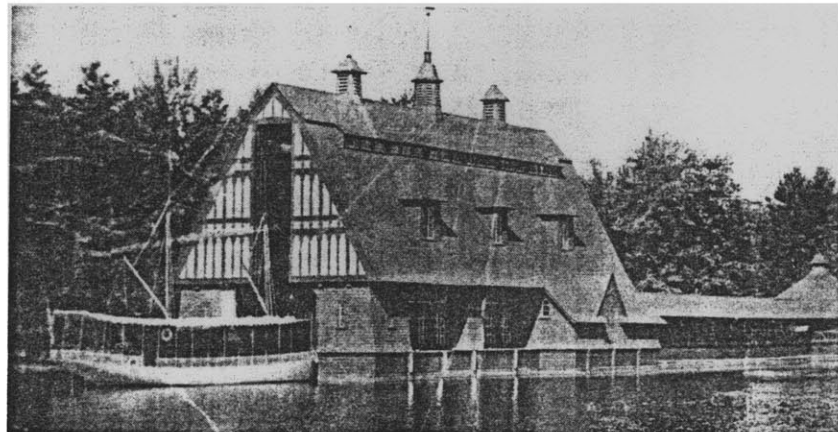
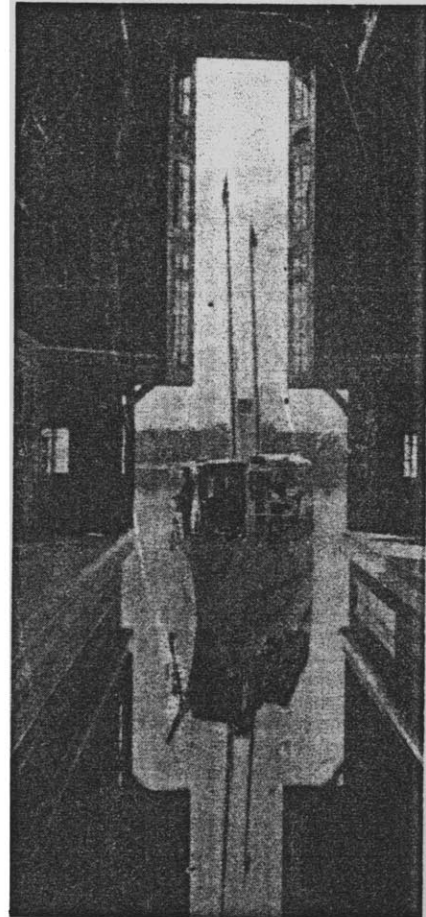
ABOUT THE PROPERTY

The special qualities of Windward Harbor have long been recognized by visitors to Lake Winnepesaukee. Its 46 acres of deep pine forests, quiet waters, and fine sandy beaches were originally part of the 1500 acre Herbert Dumaresq Estate known as Kona Farm.

At the turn of the century, Mrs. Dumaresq's father, Jordan Marsh, purchased a steam powered yacht named "The Swallow" for his daughter as a wedding present. "The Swallow" was transported to Lake Winnepesaukee by rail from her previous flagship status in Marblehead, Massachusetts. Herbert Dumaresq and his architect, Harry F. Carlson, then selected Windward Harbor from six and a half miles of shorefront as the site for the unique four and a half story boathouse. For years this magnificent structure served as the winter home for the "Swallow" and as the focal point for the Kona Farm Estate.

In 1942, the Windward property was sold to the Dudley Hare family and was used for a decade as a summer sailing camp. Since the mid 1950's, Windward was simply the retreat for the Hare family and their friends during summer and winter vacations.

Wanting to design a special plan for the future of their Windward property, the Hares have spent several years working with an outstanding team of land planners, architects and engineers. The two partners in the development of Windward Harbor are J. Peter Hare and Gilbert P. Leonard. Their combined experience in real estate and site development, their attention to careful planning, and their concern for the environment assures the homeowner that Windward Harbor will be a "one of a kind" community on Lake Winnepesaukee.



Development: Windward Harbor

General Impressions: Attention to detail and quality execution are the two most noticeable attributes of this project. This was a "consensus design" with the combined input of five or six individuals (representing top-flight design and planning firms) successfully implemented - no small task. Peter Hare's family involvement with the property (over 40 years) is a vital component of its successful and sensitive development. The ongoing commitment to the property and its heritage cannot be understated.

Realtors had advised that such a project, set back from the shoreline, would not work. The final result is so successful at blending the old and new elements of the site that Builder Magazine awarded it "Project of the Year" status in the 1984 Builder's Choice awards program. In a word, the development is "appropriate" to its site encompassing "simple, straightforward construction and sensible detailing." It represents a good New England value and has appealed not to the "empty nesters" but to couples in their 40's with children - the orientation is, first and foremost, to the family market.

Covenants appear strict, assuring that property values will not be diminished. Homes are distinctive with clear cedar shingle exterior and green shingled roofs. The naturally soft tones blend most successfully with the surrounding woods. Common areas are open, airy and might well have benefitted from the saving of additional local trees. Woodchips and bark mulch are used somewhat to excess, but this eliminates broad

expanses of green lawns which seem inappropriate to this rural, lakeside setting. The charming boathouse, four and one-half stories tall, has been placed on the National Historic Register and forms the perfect focus of the development. Once serving as winter quarters for a privately owned steam-powered yacht, the structure now has been rehabbed to provide a home for the Windward Harbor Yacht Club as well as a unique location for social gatherings of all kinds.

Other:

- 6 person limit on number of residents per residential unit - serious about this restriction.
- Hare sees location as most attractive to buyers living in Southern New Hampshire; many involved in hi-tech fields - substantial disposable incomes.
 recent closing: s.f. unit - \$320,000.
- Highest quality throughout - very similar to Acorn product.
- Exceptional marketing materials/believable, not overly slick
- Tax rate: \$28.40 per \$1,000.
- Condominium maintenance fee: \$96/mo. fixed through 1985.

WINNIPESAUKEE AREA MARKET SURVEY

DEVELOPMENT: Samoset on
Winnepesaukee

Location: Gilford, N.H.
Situated on southern shore
of Winnepesaukee

Gilford: 293-8823

Pat Audette - sales manager,
293-8068

Developer: General Investment
and Development Company
Boston, Mass.

Land Purchase Date: Late 1979

Construction Period: April 1982 -
Sales Office 7/4/82

Broker: In-house marketing manager and two assistants handle sales -
with co-broker; but less than 10% of sales have been through brokers.

Architect (s): Bob Swain Associates
Cambridge, Mass.

Land Planner (s): Matarrazzo
Design, Manchester, N.H.
Bob Swain Associates

Other: Builder: Sugarloaf Mountain Builders, Inc. Pat Audette
thinks local brokers have really missed out - they anticipated 5 year
sellout of project but are sold out in 3 years.

LAND COMPONENT

Total Land Area 23 Acres Shore Frontage: 850 ft.

Character of Land:

Quality - very high quality - gently rolling from entrance to
water, then steep descent to water's edge - considerable native
vegetation has been largely preserved.

Accessibility - excellent - most accessible of all projects
visited - proximity to I-93 is an extremely positive sales point.

Site Planning Issues - extremely well conceived considering
density of project - there is a positive flow among units - have
managed to avoid northern exposure - only 1 group of units appear to
be too densely packed.

Appreciation Potential - good to excellent - close proximity to
Boston is key.

Other: - very "action oriented" community - extensive listing of
summer activities scheduled rentals are encouraged and appear
extremely popular.

BUILDING COMPONENT

Type of Units: privately owned two and three bedroom townhouses

<u>Density Issues:</u>	<u>Original Devel.</u> <u>Plan</u>	<u>Actual Devel.</u> <u>Plan</u>
------------------------	---------------------------------------	-------------------------------------

<u>Total Number of Units:</u>	137	137
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<u>Area Density:</u>	units/acre 5.96/acre	unit/acre 5.96/acre
----------------------	-------------------------	------------------------

Allotment of Units:

<u>No.</u>	<u>Plan</u>	<u>Sq. Ft.</u> <u>/unit</u>	<u>Unit Sales</u> <u>Price</u>	<u>Units</u> <u>Sold</u>	<u>% of</u> <u>Units Sold</u>
<u>Range:</u>					
	Two bedroom townhouses		\$121,000 -	\$127,900	1
	Three bedroom townhouses		\$136,500 -	\$175,000	2

1. All but one (1) 2 bedroom unit has been sold.
2. Four (4) 3 bedroom units remain to be sold. Ground has not been broken for the last (7) 3 bedroom units.

Other: Project is located on 23 acres - site of former boy's sailing camp - property management, landscaping, other maintainance appear to be excellent.

- Units are executed in subtle earth tones; warm finishes, plush carpeting, oversized fireplaces, cathedral ceilings, extensive amenity package choice of decks or porches, loft bedrooms.

- Contemporary interiors with more traditional exterior styling - continuous architectural lines - hipped roofs - exposed wood finishes.

- Buildings "fit well" with the land.

- Flexibility in interior design: keynote 12 different floor plans currently being marketed.

Development: Samoset

AMENITIES

Average Travel Time:

Boston: 1 hr. 50 minutes
Other: location is accessible via I-93
and Route 11

Covered Parking: N - parking for cars on weekends
may well represent a problem.

Patios: No

Balconies:/Decks - yes - approximately 1/2 of decks are screened
in porches - 1/2 are open air decks

Views:

<input type="radio"/> Open	<input checked="" type="radio"/> Mountains
<input type="radio"/> Obstructed	<input checked="" type="radio"/> Lakes
<input type="radio"/> Clear Cut	<input checked="" type="radio"/> Both
<input checked="" type="radio"/> Natural	<input type="radio"/> Other

Notes: Extensive views of lake due to location - islands
are especially picturesque - project is located on widest portion of
Winnepesaukee with views of mountain ranges to the north.

Swimming: Lake Pool Both
Tastefully designed pool and clubhouse overlooking lake

Lakeshore Frontage: 850 ft.

Sandy Beach N Marginal man-made beach (75') -
insufficient for a project of this density

Dock Swimming: N swimming from seasonal dock

Boating: N No. Indicate Boating 1st Preference: N/A

Sailboat Mooring numerous sailboats due to proximity
to central part of lake

Powerboats: Size Capacity: 26'

Number of Slips: 30 * Cost: N/A Own/Rent: N/A
suspect this is insufficient for project this size

Dock: temporary - used for swimming and temporary docking
only

* capacity is 50 boats overall

Launching Ramp: No

Services:

Gas & Sundries:
Supplies and gas available at marina
less than 1 mile distant

Boat Supervision:
0 Out of Water Storage:
0 Other:

Other Sports:

0 Golf:
 Tennis:
omni-turf surface tastefully
designed tennis areas

0 Horseback Riding:
 Other:

Golf and skiing available in nearby
Laconia - this project may appeal
more to skiers (proximity to Gunstock)
than to seasonal visitors.

General Impressions of Project: Two of the developers of competitive projects spoke highly of the Samoset development and in particular of its creative site planning. The 23-acre tract was the site of a former camp, encompassing perhaps the most expansive views of the lake seen at any of the projects surveyed. The development is perfectly situated to take full advantage of nearby summer and winter sports activities. Mt. Gunstock is less than 10 minutes away providing excellent downhill skiing.

Exterior finishes (subtle earth tones, traditional styling and rough cedar siding) blend exceptionally well with the native pines and extensive birches which predominate. Existing trees were extraordinarily well protected during the construction process. Within the more tightly packed clusters, "wild" areas of less significant natural growth were undisturbed, and provide effective "natural" buffers. Woodchips and heavily sodded areas did not appear to be overdone as at Windward Harbor. Boundary areas, shared with neighbors, were sensitively handled.

Road design is creative and takes every opportunity to provide open lines of sight to the water. Perhaps even more significant is the treatment at the entrance to the project. It is purposefully straightforward, simple and uncluttered. Adjacent units are extremely well screened such that one is amazed to learn that 137 units have been constructed on this tract.

The site was not blessed with a natural sand beach, and the man

made sand crescent is less than adequate for the number of swimmers found here on weekends. To compensate, significant funds were spent to provide a pool/sundeck and clubhouse overlooking the lake. The effect is successful and not overwhelming as was a similar design seen at Jonathan's Landing.

Boat slips number approximately 30 in number, capable of accommodating several sailboats in excess of 26' in length. Docks are purposefully located parallel to the shore (with slips extending out to the lake) and are hidden from the view of the lakefront units by the steep slope of the land just before reaching the lake. A significant number of moorings service other boats and the effect is somewhat undesirable. One finds it difficult to imagine that more than 2/3 of the 137 property owners are able to keep their boats on site - a most significant consideration for many buyers.

Small touches like segmented granite curbing, prominent covered woodpiles and terraced pea gravel footpaths were successful and did not go unnoticed. Overall, a most successful design which works well for such a densely packed project.

WINNIPESAUKEE AREA MARKET SURVEY

DEVELOPMENT: Jonathan's Landing Location: Long Island
Lake Winnepesaukee
Western exposure

Developer: Steve Watchmaker Land Purchase Date: Oct., 1981
Construction Period: 1982-present
shorefront single family
units completed first
condominiums followed

Broker: Preferred Properties
Center Harbor, N.H. 253-4345

Architect (s): Banwell, White & Arnold Land Planner (s): Matarazzo
Hanover, N.H. Design, Concord, N.H.

Other: Land purchase was a "no contingency offer" - three full price offers were received the first day property went on market.

LAND COMPONENT

Total Land Area 90 Acres Shore Frontage: 3,500 ft.

Character of Land:

Quality - probably the most variety of any of the projects surveyed - this is island property (connected by year-round bridge) - premium quality shore frontage - townhouses built on hillside rising approximately 90 vertical feet above lake level offering stunning views of water and mountains.

Accessibility - good - some might find drive less than direct, but roads are in good repair and serviced in winter.

Site Planning Issues - Matarazzo started site work plan but was replaced after work began - single family units are attractively sited - townhouses appear to stand out on hillside - substantial clear cutting for views has raised ire of environmentalists.

Appreciation Potential - all signs point to high appreciation due to breadth of market to whom these units appeal.

Other: - marketing concept: 1. view 2. size 3. luxury and quality.

- single family development alone was considered a "no brainer" considering the potential of the land.

- no condos at north end of lake at time of land purchase - this location was well suited to condo design.

- Oct., 1981 - prime rate 22%

Development Jonathan's Landing

BUILDING COMPONENT

Type of Units: luxury single family homes and attached "resort" condominiums

<u>Density Issues:</u>	<u>Original Devel.</u> <u>Plan</u>	<u>Actual Devel.</u> <u>Plan</u>
------------------------	---------------------------------------	-------------------------------------

<u>Total Number of Units:</u>	80	63 permitted incl. existing farmhouse
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<u>Area Density:</u>	units/acre 1 unit/acre	unit/acre 787 units/acre
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Allotment of Units:

<u>No.</u>	<u>Plan</u>	<u>Sq. Ft.</u> <u>/unit</u>	<u>Unit Sales</u> <u>Price</u>	<u>Units</u> <u>Sold</u>	<u>% of</u> <u>Units Sold</u>
	"A" unit 3 bedroom & sunroom	2484 SF	\$210,000		100%
	"B" unit 3 bedroom	1800 SF	\$159,900		96%
	"C" unit 2 bedroom	1700 SF incl. basement	NA		100%

Construction has not begun on final 4 townhouse units, yet all but one have been sold at pre-construction price of \$159,900.

Other: Waterfront single family units were sold first - average lot size: 1 1/2 - 1 3/4 acres - these initial sales allowed developer to realize much of the money he paid for land EARLY in development process.

- market: extremely high end - very high finish.
- 21 units delivered in 1983.
- 11 units delivered in 1984.
- hill units (condos) delivered in 1985.
- spoke highly of Windward Harbor - the 2 developments appeal to very different people. Jonathan's Landing: young, fast, affluent group - less family emphasis - interest is year-round as opposed to Windward Harbor - many young millionaires.
- negative: condominium units were originally perceived as too big - original plan 1640 SF without basement condo with upgraded basement: approximately 2400 SF.

Development: Jonathan's Landing

AMENITIES

island location - accessible year-round by bridge to
Moultonboro Neck

Average Travel Time:

Boston: 2 hrs. 20 minutes

Other:

Covered Parking:

N garages offered in single family
but not condos

Patios: optional - can be built in at walk-in basement level

Balconies: yes - excellent design

Views:

<input checked="" type="radio"/> Open	<input checked="" type="radio"/> Mountains
<input type="radio"/> Obstructed	<input checked="" type="radio"/> Lakes
<input checked="" type="radio"/> Clear Cut	<input checked="" type="radio"/> Both
<input type="radio"/> Natural	<input type="radio"/> Other

Notes: views from s.f. units at water are excellent -
views from hill units include water and mountains but overlook
expansive cleared areas cut for leaching fields.

Swimming:

Lake Pool Both

Lakeshore Frontage: c. 3,500 ft.

Sandy Beach

N 200' plus

Dock Swimming:

N not considered detrimental - s.f.
units have individual docks -
distinct boating focus

Boating:

N No. Indicate Boating 1st Preference: N/A

Sailboat Mooring:

Y

Powerboats:

Y

Size Capacity: 28' to 32'

Number of Slips: 53

Cost: \$14,900 Own/Rent:
warranty deed: slips sold
separately

Dock: inland marina forms focus of lakeshore units

Launching Ramp: . No

Services:

● Gas & Sundries:
supplies accessible at nearby
Harella's Landing - 1 1/2 mi.

● Boat Supervision:
0 Out of Water Storage:
0 Other:

Other Sports:

0 Golf:
● Tennis: on site courts
0 Horseback Riding:
● Other: cross-country skiing
in winter - access to major
ski areas is good (1 hr.)
in winter.

Development: Jonathan's Landing

General Impressions of Project: Jonathan's Landing was certainly a new concept for the lake when it went before the Moultonboro Planning Board for approvals. Officially known as Jonathan's Landing Condominium and Yacht Club, marketing materials bill it as being "created for the few who demand the finest in elegant and leisure living." Developer Steve Watchmaker has fashioned the ultimate in luxury lakeside living. Steve was most thoughtful to provide me the most complete tour of any of the projects visited for purposes of this survey.

His marketing concept focused on three maxims: 1. view 2. size of units and 3. luxury and quality throughout. Obviously market research paid considerable dividends. The developer stipulated that each unit must provide a view of the water from a minimum of five rooms: kitchen, living room, master bedroom, sunroom and most importantly, the entrance way. The effect created is stunning. As Steve described, "You walk a prospect through the front door and you've got him." Nothing appears to be more successful in the sales approach than silence, while the visitor is allowed to pause and fully reflect upon the space in which he is standing. The quality of finishes and luxury appeal complete the picture (impression) for the first-time visitor. All units visited provided an active, exciting design with unique treatment of sunrooms and outdoor decks. The visitor is drawn immediately to this outer perimeter. One imagines the focus of leisure time activity within the home to be the deck in summer and the sunroom in winter. Exposures

are well conceived, and provide complete privacy from view of the adjacent units.

The appeal of the project is surprisingly broad in scope. The best of everything is provided to homeowners, couples in their late 30's and 40's. The orientation toward active participation in sports is immediately clear. In addition to tennis, swimming, sailing, water and snow skiing, the developer intends to provide considerable open areas and eventually playing fields on site. This project would not appear to attract the sedentary retirement community (even in terms of single family units), but rather provides all the amenities for those intent to be "on the go most all the time." In addition, the variety of facilities provide a perfect setting for social gatherings.

While the faster lifestyle may not be appealing to some long-term lakeshore residents, the developer has conceived a popular, vital and energized community that fulfilled a very real need. Media articles recount the fact that "the (Moultonboro) airport is busy with Lear jets" and Jonathan's undoubtedly is "home" to many of these incoming travelers.

A mystique is forming about Jonathan's Landing, which, no doubt, has contributed to its being a remarkable marketing success. This same perception should continue to fuel the appreciation in property values. Although there are considerably more investment buyers here than at other projects surveyed, one can fully understand the rationale behind these purchases. Speculative purchases are not discouraged, with some

units commanding \$1,000 per week in rentals while 3 bedroom waterfront units have been known to bring \$1200 -\$1300 for the same time frame. The trend, however, is now tipping toward the "user" purchaser as is evidenced in the recent sales of hill (townhouse) units. Forty week/year users are outnumbering spec buyers through a process of natural selection.

The project is not without its critics, who are sometimes less than complimentary. Neighbors complain of the new project fouling the clarity of the lake or accuse the developer of having clear cut the land to open view corridors. A considerable septic system was required for the project necessitating the removal of many native trees. In fairness, the project does not stand completed at the present time. Construction is still continuing. Steve Watchmaker has made a considerable personal (as well as corporate) commitment to Jonathan's Landing. He would like for it to be a model for future development projects he intends to undertake. His appraisal of the project was most candid in our discussion, touching on the negatives as well as the positives. He has an earnest desire to see things done properly at Jonathan's Landing. Neighboring factions will be amused by the "finishing touches" Steve plans to implement on the project. One ventures a guess that they will also be surprised by his ongoing commitment to quality as the project matures.



EXHIBIT 9 - Luxury Condominiums designed by Banwell, White, & Arnold for Jonathan's Landing Condominium and Yacht Club. Treatment of Solaria and Decks (some units have decks on 2 levels) is excellent providing unmatched views of the lake and the White Mountains

CHAPTER FOUR

A DEVELOPMENT PLAN FOR KEHONKA

"What was to city dwellers, until a generation ago, merely a holiday venture into the rural world, has become an earnest and almost desperate search for privacy and health and peace." 24

"The natural grandeur of Camp Kehonka is caught in the leveling process of the Great Society, development, crowding and taxation." 25

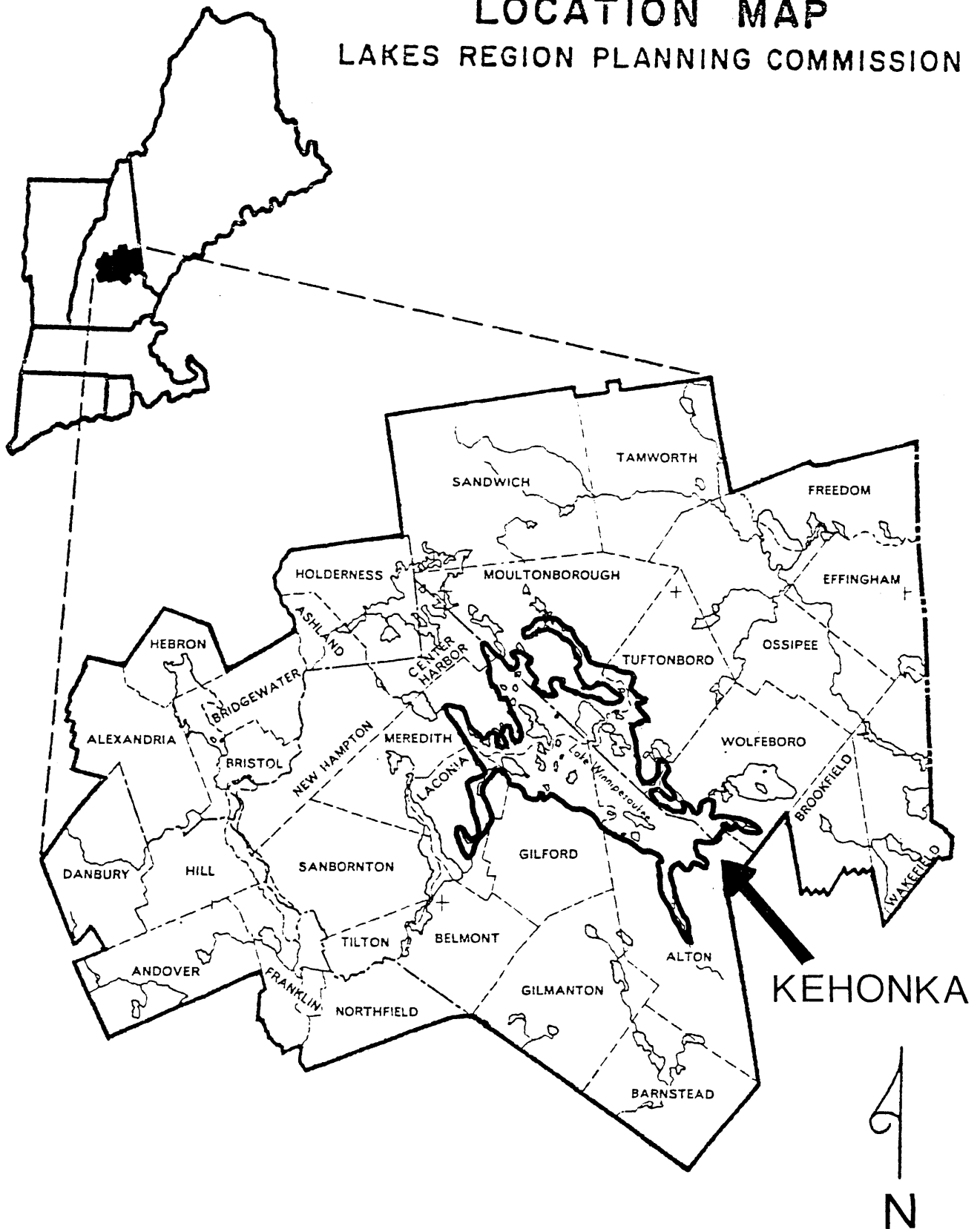
From a fiscal standpoint, Kehonka's present situation is tenuous. It is likely that the debt figure will continue to rise for at least the next two years, as the current directors will again be forced to look to the bank to satisfy interest obligations on the balance outstanding. The Wolfeboro National Bank is well aware of the substantial value of the Kehonka property which serves as surety on all loans extended. Nevertheless, without a concrete course of action for Kehonka's future direction firmly in place, loan officers will be increasingly hesitant to advance additional funds. The current directors will be faced with a variety of extremely complex issues over the next twelve months. The process will be arduous considering the fact that each Ballentine family member has distinct objectives in mind. They must inevitably reach consensus, for decisions of ever-increasing magnitude will be forced upon them as the fall months approach. Should hesitancy or a failure to

24 Zube, Changing Rural Landscapes, p. 116.

25 Excerpt from a speech given by A. Cooper Ballentine at a conference of the N.H. Department of Health and Welfare on May 24, 1984.

LOCATION MAP

LAKES REGION PLANNING COMMISSION



PREPARED BY:
Lakes Region Planning Commission

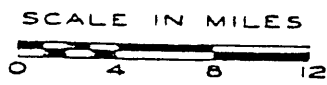


EXHIBIT 10 - Counties comprising The Lakes Region
(used by permission of the Lakes Region Planning Commission)

reach agreement occur at that critical time, their options may quickly disappear, and their credibility will likely be severely undermined.

Kehonka could be out from under its financial burden rather quickly should it decide to sell all or part of the ninety-three acre lakeshore tract. The property has been recently appraised at from \$2.5 to \$5.5 million. Under the ownership entity known as Winnepesaukee Properties, Ltd., there are considerable other landholdings (see Exhibits 11 and 12) as well. These properties, hereafter referred to as "backlands", possess a certain appeal in their own right, but do not command the attention of broker, developer or buyer to the same extent as those properties close to the lake. The sale of the backlands would not, by itself, eradicate the debt situation that now exists.

The development scheme I have proposed seeks to balance two important objectives:

1. Reduce Kehonka's debt obligation to the greatest extent possible.
2. Permit Kehonka to continue to operate in as unadulterated a form as practical as it has for eighty-four summers.

The ongoing existence of camp is a most emotional issue. So too, it must be an issue of practicality from an operating standpoint. It is hoped that the directors will fashion a suitable business test as part of the general plan for Kehonka. No one could expect that they continue to operate an institution that failed to meet the stipulated requirements of such a test. Should this event come to pass, the Kehonka lakeshore will undoubtedly fall into the hands of developers,

EXHIBIT 11

ALTON TAX MAPS
BACKGROUND INFORMATION

Property Map Index 1972
Town of Alton, Belknap County
James W. Sewall Company
Old Town, Me.: Surveyor

Property Tax Map Index: 2/19/85

Tax Map References:

- # 80-81 Little Barndoor Island
- 21 - Camp and Knight's Pond Area
- 19 - Rines Rd. and Drew Hill Rd. Area
- 18 - S. Portion of Clay Point

<u>PROPERTY NO.</u>	<u>TAX MAP & LOT</u>	<u>ACREAGE</u>	<u>LOCATION</u>	<u>OWNER</u>	<u>BUILDINGS</u>	<u>ASSESSED VALUE</u>	
						<u>LAND</u>	<u>TOTAL VALUATION</u>
1	021 - 037	41	Land Abut. Knight's Pond	Winnipesaukee Properties Ltd. Wolfeboro, N.H.	\$0	\$6,250	\$6,250
2	018 - 037	79	Mt. Jewett Property E. of Roberts Cove Rd.	Winnipesaukee Properties Ltd. Wolfeboro, N.H. 03894	\$14,300	\$42,650	\$56,950
3	021 - 009	93	Camp Kehonka Property	Winnipesaukee Properties Ltd. Wolfeboro, N.H. 03894	\$116,400	\$529,850	\$646,250
4	021 - 035	9	Wolfeboro/Alton Border W. Side of Rt. 28 Springfield Pt. Entrance	Winnipesaukee Properties Ltd. Wolfeboro, N.H. 03894	\$0	\$1,000	\$1,000
5	019 - 035	6.75	Drew Hill Rd. Drew Hill Lot No. 2	Winnipesaukee Properties Ltd. Wolfeboro, N.H. 03894	\$0	\$7,200	\$7,200
6	019 - 037	24	Drew Hill Rd. Across from Lot No. 35	Winnipesaukee Properties Ltd. Wolfeboro, N.H. 03894	\$0	\$14,650	\$14,650

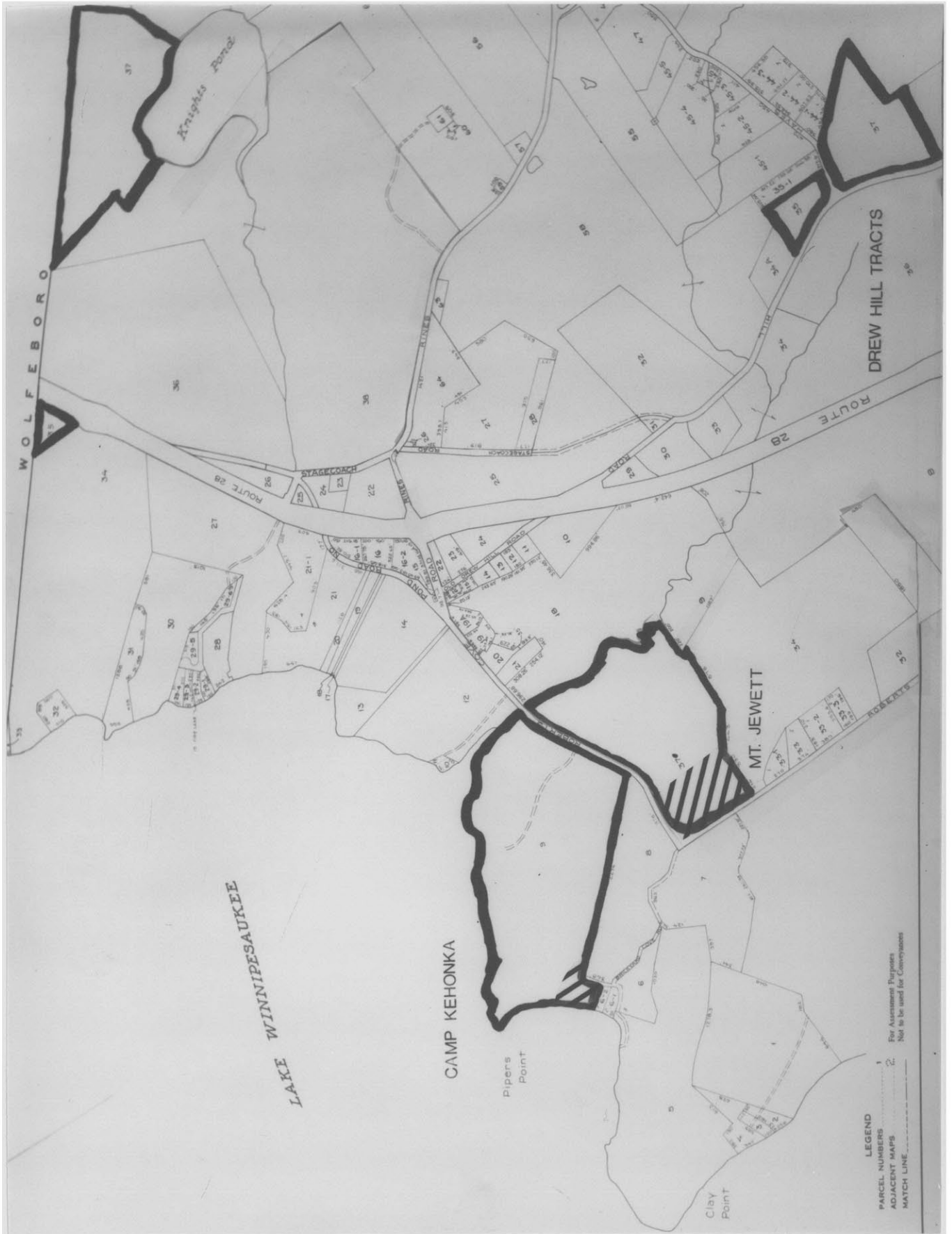


EXHIBIT 12 - Location of tracts owned by Winnepesaukee Properties, Ltd.

most likely in its entirety. If, however, through cost control measures, adherence to a strict management plan and active recruitment, Kehonka can persevere, it must be given the latitude to do just that. The suggested development plan was conceived to assist Kehonka through troubled times, not to perform major surgery to prolong the existence of a terminally ill patient. It should not be perceived as a panacea, but rather as a quality plan of enduring value, capable of co-existing compatibly with Kehonka no matter what the future holds. I believe Kehonka can, under its new direction, attain even greater heights than those it has experienced to date.

Although Kehonka carries the Wolfeboro address, the subject properties are located in Alton, N.H. As such, any development must adhere to the local ordinances of that municipality. A summary of these development guidelines is included in Exhibit 13. While somewhat less restrictive in nature than those of neighboring municipalities, Alton's ordinance is well conceived and effective. As development pressures mount at the southeastern end of Winnepesaukee, one wonders about the possibility that Alton will substantially tighten its zoning requirements in the near future. Alton is the most readily accessible point on the lake from key markets like Boston and Portland. The impact of future immigration will be especially pronounced here.

The two areas deemed most acceptable for development in terms of the objectives previously stated are the southern extremity of Point Beach and the area known as Mt. Jewett. Point Beach (refer to Exhibit 14) is a natural sand beach with northwestern exposure and views

EXHIBIT 13
SUMMARY OF TOWN OF ALTON
ZONING REGULATIONS

<u>ZONE</u>	<u>LAKESHORE RESIDENTIAL (LR)</u>	<u>RURAL (RU)</u>
<u>Permitted Use:</u>	Single family dwellings only 1 dwelling per lot	All uses permitted in lakeshore residential and residential com- mercial zones. *RC zone allows multi- family dwellings.
<u>Minimum Lot Size:</u>	30,000 SF	1 acre per family up to 5 contiguous units allowed in sin- gle structure (must adhere to 1 acre/ family requirement.)
<u>Sewerage Disposal:</u>	Must comply with regulations established by N.H. Water Supply and Pollution control Commission	- same -
<u>Roadfront Setback:</u>	25 ft.	25 ft.
<u>Maximum Building Height:</u>	35 ft.	35 ft.
<u>Shorefront Restrictions:</u>	Water setback: 30 ft. Docks: 1 slip/6 ft. of shore frontage Minimum frontage: 100 ft./d.u.	Not applicable



EXHIBIT 14 - Aerial Views of Point Beach and Piper's Point comprising portion of Camp Kehonka property. Top photograph shows full extent of natural sand beach. Bottom photograph encompasses site of single family unit development directly below horseshoe dock. A clear understanding of the overall value of the Kehonka property can be gained from these photographs.

stretching the length of Winnepesaukee. Without question the "crown jewel" of the Kehonka property, the area serves as the center of waterfront activity for the younger Point campers. The southern portion of the beach is infrequently used and offers the greatest potential from a development standpoint. The land directly behind the beach is level, relatively well sheltered and comprised of a rather sandy subsoil structure. While considerable amounts of fill would be required, this location would prove ideal for the construction of three (3) substantial single family homes. The plan would call for these units to be set back a minimum of 225 ft. from the beach but with direct access to the lakeshore by footpath. The Mt. Jewett property is located back from the lake, east of Robert's Cove Road. Here the topography of the land is rolling, providing higher elevations with views of the lake and mountains both towards the north and west. The view of the mouth of Alton Bay is particularly striking. The land is substantially wooded but would be conducive to limited clearing to allow for more dramatic views. The entrance to the property would be located so as to take full advantage of an existing open field, approximately 2 1/2 acres in size. This tract is zoned rural (R.U.) and would lend itself to the development of multi-family condominium units. While removed from the water, the charm of these units would be derived from their peaceful hilltop setting overlooking the lake. Purchasers of these units would be part of the same homeowners association sharing equally in common ownership of a portion of Point Beach. Common usage of the beach by

homeowners would not constitute a conflict with Kehonka's ongoing use of the northern portion of the beach for swimming and related waterfront activities.

Following complete review of the results of my own market survey (Chapter 3) I would enter into a contract with the firm known as Applied Economic Research to secure a full market analysis for the proposed development. Principal Russel Thibeault is generally regarded as the local individual best qualified to provide information for projects of this type in the Lakes Region. Armed with the results of his survey, a more realistic and focused marketing approach can be structured with a minimum of wasted time and energy. The next step will be to determine the target of the marketing effort. While this determination will hinge largely upon A.E.R.'s findings, current perceptions are that the project will appeal most to families in the early 40's to 50's age range. It is anticipated that an early general mailing to past Kehonka campers, families and friends will generate considerable interest in the project. A portion of the pre-construction budget will be allotted to cover the expense of a simple descriptive brochure to be included in this general mailing. Emphasis shall be placed upon the views, lakeshore access and the Kehonka heritage in the marketing literature.

Determining the project development team will constitute the next order of business. In rapid succession, to allow for a consensus design much like that structured by Peter Hare at Windward Harbor, I would select an architect, land planning specialist and broker for the project. The input of architect and land planner are traditional at

the outset of a project, but not so that of the local broker. To be most successful, the marketing of lakeshore and backland property, in particular, merits a knowledgeable broker's input from inception. Through his involvement, the developer can best keep abreast of the pulse of the market. Subtle changes in buyer interest are best known at the time a project gets underway, not midway through the development process. The input from the broker will be channeled directly to the architect and land planner so that their combined design efforts can stay well ahead of market changes. My choice for broker on this project would be between an established local firm of thirty years' experience, and an affiliate of a national real estate firm well versed in the sale of lakeshore property. A competition between the two firms to see which could generate the greater number of pre-construction sales, or prospects, might be arranged to determine who would receive the exclusive listing.

Architect and land planner must be able to work in close conjunction. The two sites involved require an extremely competent treatment and an approach that is much more traditional than contemporary. Those firms selected will work on both sites in an effort to tie the two elements to one another. As much as possible, there must be one overall identity for the project, a difficult task when one considers the substantial differences between single and multi-family recreational dwelling units. Of all the projects visited I found Point Breeze to be most successful in terms of overall design and sensitivity. Sasaki and Associates were fortunate to have had such a favorable site

to work with, but they especially distinguished themselves in terms of physically siting each structure. Setbacks from the water are generous and removal of trees and natural vegetation was kept to a minimum (see Exhibit 6C). This same careful attention will be required on the Kehonka sites. In this regard it will benefit the project to have the firm of Matarazzo Design under contract in a land planning capacity. The firm's involvement in virtually every major lakeshore development in the Winnepesaukee area speaks highly as to its past track record. Peter Hare, developer of Windward Harbor, attributes much of his project's success to the suggestions put forward by Matarazzo in the design phase of the project.

Drawing upon the collective expertise of market analyst, broker, architect and land planner, the team would next determine the three (3) key maxims central to the project's theme. At the outset, I would envision these to be:

1. views to the water.
2. traditional design executed in subtle earth tones.
3. creation of a mood that is more contemplative than actively participative.

While the attempt to create a specific mood or character for a project is certainly risky, it will be a goal for this development. The desire would be that homeowners feel as comfortable relaxing over the Sunday newspaper as they would participating in any other active recreational diversion. In sharp contrast to Jonathan's Landing, I do not wish to

create an environment in which residents feel compelled to be doing something every minute of the day. These maxims are but a starting focus for the design team. Certainly there will be new ideas, new directions to incorporate as they come to light in the design process. Maintaining flexibility to include new themes will be a key to the success of this project.

A formal expression of the design program will be drafted after initial surveys are completed by the design team. Jointly we shall agree upon a common list of objectives for the project as well as specific design criteria. Charts of individual responsibility will be prepared along with a full listing of design elements. A plan for linking the two development nodes will be discussed offering perhaps the best opportunities for individual creative license. Attention will be focused on how the project should interact with its immediate environment upon its completion. Examples of other projects will be closely studied, time allotted to qualify their negative as well as positive points, and a departure point for building design agreed upon.

Sasaki was most successful in incorporating the home designs of Acorn Structures, Inc. in the Point Breeze development. The response from buyers far exceeded the expectations of the developer, Clark-Morton Associates. Much of this success is attributable to the Point Breeze location, but an equal measure is due to the traditional yet imaginative design of the units. This same traditional styling will be well accepted at the two Kehonka sites. In terms of unit size, the Acorn units once again are the correct choice. I envision the hilltop units

to be two and three bedroom design ranging in size from 1750 to 2350 square feet each. Depending upon siting of the structures and specific slopes, several units will have walk-in basements which may be finished to the owners' specifications. The larger single family homes on Point Beach will range in size from 3,800 to 4,500 square feet of usable area. The siting of the buildings will be such that each enjoys a natural view corridor to the water, but is shielded from view of its neighbors by means of a natural vegetation buffer. A field study of the Samoset development will be arranged for all members of the design team, for it was at that high density development that native vegetation was most sensitively maintained to provide a separation between units.

Every effort will be made to secure Sugarloaf Mountain Builders as contractor on both phases of the Kehonka development. Their record of accomplishment speaks highly of their homebuilding talents. In addition to building many of the seasonal homes in the Kingfield, Maine, area, they too were involved in construction of the Samoset project on Winnepesaukee. The emphasis on timely construction completion is most critical on the Kehonka project. Their attention to quality in all phases of the construction process is well documented.

Sale prices of the hilltop units when they come on line in August, 1987, will range from \$169,900 to \$189,000 for the two and three bedroom condominiums. It is anticipated that the increasing demand for units of this type in the Lakes Region, coupled with the access to Point Beach will make this location most attractive to potential buyers. Initial studies support the construction of a total of twelve (12) units on the

fifteen-acre tract known as Mt. Jewett. This will likely be constructed in two phases of five and seven units respectively, timed approximately one year apart. Phase I development will be comprised of one duplex and one triplex unit each in compliance with the Alton minimum requirement of one acre per family. Distribution of Phase II development is, as yet, undecided, but would likely include one triplex and two duplex structures widely separated from one another. Service road access will be designed to follow existing contours and hence minimize excavation and backfilling. The road construction will also be phased in conjunction with the units so that costs can be fairly allotted to each phase of development. This also allows for greater flexibility if, due to market conditions, delivery date of Phase II is postponed.

The single family component of the Kehonka development will also be phased with construction beginning on the first home on September 1, 1986, assuming all aspects of permit approval go smoothly. The intention will be to work in close cooperation with the Alton Planning Board, in essence sharing our plans for the three homes from design inception. By seeking the board's tacit blessing in the early stages of design we would hope to facilitate the approvals process for subsequent phases. Construction of the second and third homes would follow at eight-month intervals, or sooner as market conditions justified. Selling prices for the homes would be in the range of \$425,000 to \$550,000 with lot sizes of approximately 1 1/2 acres each. There would be ample opportunity to custom-design each of the homes to the buyer's specifications should he so desire. Based upon the sales prices now

being realized at the western end of Winnepesaukee, it would not be unrealistic to custom-design a home in the selling range of \$700,000. The proximity to the water, excellent beach and prime western exposure would certainly support such a design.

It is anticipated that financing for a two-tiered project such as this would be secured through Laconia Federal Savings and Loan of Laconia, New Hampshire. In past years, they have become actively involved in the financing of lakeshore development projects on Winnepesaukee. Current commitments include Windward Harbor on Moultonboro Neck and the Southdown Shores development on Paugus Bay. Thomas Garfield, senior lending officer at the bank, described how the institution made a conscious decision to specialize in waterfront property acquisition and development lending some years ago. In short, they see themselves as trend-setters, typically tailoring individual loan terms to the particular scope of each project. They are a relatively small lending institution (assets: c \$80 million) but under the corporate umbrella of Numerica Corporation of Manchester, N.H., are readily able to participate out commitments to sister institutions, Numerica Savings of Manchester, N.H. (assets: c \$300 million) and Home Savings, Berlin, N.H. (assets: c \$120 million).

Although terms of these loans are frequently changing, they typically negotiate commitments at prime plus 1% with interest only payable monthly, subject to a monthly adjustment to cover the bank's cost of capital. Tom advised that Laconia Federal Savings & Loan prefers to keep its commitments clear, up front and unfettered, and

consequently they do not involve themselves in any form of equity participation (kickers) on lakefront developments. This has proven to be a wise course for the bank to follow, for even the most promising projects on paper have been known to stumble on occasion. Overall, the practice of backing competent development on Winnepesaukee has been a profitable undertaking for Laconia Federal.

CHAPTER FIVE

THE OUTLOOK FOR KEHONKA AND THE LAKES REGION - CONCLUSIONS -

"The countryside is seen as a vast wild-life preserve resounding with birdsong, threaded by sparkling streams - ideal for recreation and something environmental designers like to label 'open space'... this hinterland is held to be the great antidote, spiritual as well as physical, to the evils of the city. As long as it survives unchanged, we ourselves can hope to survive; urban existence is a kind of purgatory." 26

Laura Mattoon would have found the quotation above most intriguing in 1902 as she journeyed north from New York City with Kehonka's first campers. The idea of retreating from the urban life to find the great antidote in the wilds was a revolutionary thought in that era. Today the wilds appear increasingly difficult to find, but a far greater number of city dwellers have joined the search for them. For Kehonka, as for the Lakes Region of New Hampshire in general, these are times of rapid and extraordinary change. Both are feeling the pressures of an increasingly mobilized society, determined to spend greater proportions of their rising disposable incomes to take them farther away from the urban environment. Distances appear to have grown shorter. Interests change rapidly. Young people look toward compiling a variety of exotic travel experiences during summer months rather than spending consecutive

26 Zube, Changing Rural Landscapes, p. 28.

years attending summer camp. All camps feel the effect of dwindling enrollments and are finding it more and more difficult to attract the interest of new families with camp-age children. It is earnestly hoped that this trend can be reversed, for the institution of summer camping is well worth preserving. On the southeastern portion of Lake Winnepesaukee alone, six private summer camps operate today. Together they occupy some of the most attractive lakefront real estate to be found anywhere. As one ponders rapidly escalating lakefront property values and the ever-increasing demand for private ownership of such property, the obvious question is: "can the institution of private summer camping survive?"

Perhaps of more far-reaching importance is the question: "can Lake Winnepesaukee continue to survive as we know it?" The region has undergone what could only be described as explosive growth in the twenty-five years since 1960. The cost of the typical summer cottage on the lake has now climbed to the point where, for all but the extremely wealthy, it is far out of financial reach. Consequently new forms of real estate ownership from condominiums to time sharing have become increasingly popular. The new forms of lakefront ownership have been so successful, in terms of sellout periods, that they have surprised even the developers responsible for their creation. Is it not safe to assume that a new era of high density condominium development looms in Winnepesaukee's immediate future? The simple fact is that even Winnepesaukee's considerable regenerative capabilities (it is a spring-fed lake) will be hard pressed to keep pace with the oncoming

crowds of visitors and first-time lakefront homeowners.

The municipalities surrounding the lake have been slow to react in terms of strengthening development regulations to face this challenge. It seems amazing to report that of the thirty-two municipalities comprising the Lakes Region, barely half (nineteen of thirty-two) have zoning ordinances and only twenty-three of thirty-two have completed master plans. Indeed, very little progress is being made along these lines as only one additional town, Bridgewater, N.H., has adopted zoning since 1978. However, through the combined efforts of the Lake Winnepesaukee Association, owner associations like L.I.L.A., and a personal interest on the part of Governor John Sununu, I have little doubt that the message will soon reach the individual municipalities.

While this undoubtedly will mean tougher times ahead for developers, I believe most will, when pressed, concede that responsible tightening of development regulations by the individual planning boards will make for better projects. All realize that the region's most priceless asset is its lakes, streams and great ponds. To allow water quality to continue to decline through overcrowding and misuse of the resource is counter-productive to all parties who share in its use. Developers have shown that in conjunction with reputable and creative architects and land planners, they can execute new and unique lakefront projects that are brilliant in concept and sensitive in function. The Kehonka project would take place on land that is special in a variety of different ways. If development of a portion of the property is unavoidable, then the splendor of the setting must surely serve to

elevate the developer's sensitivity to new heights previously unattained.

Kehonka can and will survive this latest crisis, as it has weathered formidable challenge in the past. Certainly it must be held accountable in terms of satisfying the practical issues of an appropriate business test. There is much talk of the critical component of time in the whole process. Time is of the essence, but to shortchange Kehonka in this regard would be a grievous mistake, for it is something that can never be recovered.

The development plan outlined herein was designed to mutually coexist with Kehonka as it will come to be known in the future. It neither solves all the interwoven questions and problems, nor stands in the way of development of the entire property should that prove to be the only feasible course of action. It does succeed in easing the current financial burden the directors now face, and, as such, serves to buy a small measure of additional time. Time will allow for the opportunity to complete satisfactory research studies, carefully weigh alternatives and make binding decisions that are as rational as human circumstances will permit. For all intents and purposes, the die are then cast and the relative outcome will soon become known, full well, to all interested parties.

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