

## TERM SHEET

The City of Dover, New Hampshire through and including the Dover Housing Authority (“City”) and CPI Management LLC (the “Developer”) (collectively the “Parties”) intend to enter into a Development Agreement concerning the development of a certain property in Dover, New Hampshire that the City owns.

1. The Developer seeks to develop a portion of the property known as Map 22 Lot 1 consisting of approximately 21 acres, more or less, along the Cochecho River, as depicted on a survey entitled “Lot Line Adjustment Plan, City of Dover” (add plan details when available) (the “Project Site”) in Dover, New Hampshire. The Developer intends to develop the Project Site consistent with the applicable design guidelines and in such a way that it is more likely than not that upon completion, the assessed value of the Project Site will meet or exceed the Guaranteed Tax Assessment Value described in section 8. A more detailed agreement will be signed by the Parties with the terms set forth herein and additional terms as may be necessary and/or customary (the “Development Agreement”).
2. The Parties agree that this Term Sheet will be reviewed and approved by the Cochecho Waterfront Development Advisory Committee (CWDAC) and the Board of Directors for the Dover Housing Authority, prior to review and consideration by the Dover City Council.
3. Developer’s rights pertain to purchase and development of the Project Site, less portions to be retained by the City. The City shall subdivide the Project Site into parcels as shown on a Concept Site Plan that will depict the parcel(s) to be retained by the City and the parcels that are intended to be conveyed to the Developer. Development and the transfer of parcels shall be completed in phases, as depicted upon a Concept Site Plan and agreed to by both Parties. Pursuant to said plan, both Parties shall agree to benchmarks for each phase of development based on reasonable and customary time periods for design, permitting, construction and marketing of each phase of the development. The fulfillment of those benchmarks shall provide security for the opportunity to complete the next phase of development.

In concert with the development of benchmarks, there shall also be a deadline for completion of said benchmarks. With each deadline shall also be a mechanism for reasonable extensions should they be required to be mutually agreed upon by the Parties. Should there be a cost for an extension, the Developer shall not have to pay a cost, if the delay causing the extension is the City’s responsibility.

4. The Developer shall file for site plan application with the Dover Planning Board for the full build-out of the Phase I (South side of Washington Street) of the project, as depicted on a Concept Site Plan described in section 5 below, no later than December 31, 2019, unless extended with the written consent of the City, which shall not be unreasonably withheld. The Developer shall commence construction of Phase I by March 31, 2021.

The Developer shall obtain approval from CWDAC by June 1, 2020 of an updated Concept Site Plan, and final site plan approval for Phase II (North side of Washington Street) within six months of approval of the Remedial Action Plan (“RAP”) as described in section 5, as depicted on a Concept Site Plan described in section 5 below, unless (i) extended with the written consent of the City, which shall not be unreasonably withheld or (ii) as extended by the City’s delay in performance of a condition precedent that it owes to Developer.

5. The Project shall include certain “Public Improvements” and certain “Private Improvements”

as more specifically described within the Development Agreement and depicted upon a Concept Site Plan developed as an exhibit to the Development Agreement. The Public Improvements shall be completed at the sole cost and expense of the City unless otherwise specified herein or in the Development Agreement. The Private Improvements shall be completed by the Developer at its sole cost and expense unless otherwise specified herein or in the Development Agreement.

The City contemplates the construction of public infrastructure and public amenities within the Project Site, including excavation of the “Bluff” area, grading of the Project Site to raise the elevation in anticipation of sea level rise, shoreline stabilization, the development of a public park along the waterfront, and completion of legally required environmental remediation in accordance with a Remedial Action Plan (RAP) approved by both Parties, in writing prior to submission to the State, and subsequently approved by the State. Prior to the Developer’s commencement of construction of Phase I of the project, the City shall have completed Public Improvements in the Southern portion of the Project Site necessary for Developer to commence construction on the Phase I parcel, the scope of which shall be more particularly specified in the Development Agreement.

The Public Improvements shall also include Street, Streetscape and Utilities Improvements (specifics of utilities improvements will be negotiated as part of Development Agreement) including the public streets, sidewalks, utility services stubbed to the development parcels, parking areas open to the general public, sitework to bring the development parcels to “pad ready” condition, and other infrastructure improvements to be constructed to serve the Waterfront Park and the Private Improvements. The City shall cause for the design, engineering and completion of Public Street, Streetscape and Utility Improvements at its costs, with reasonable opportunity for input by the Developer.. The City intends to finance all or a portion of the Public Improvement using tax increment financing (currently, authorized up to six million six hundred thousand dollars (\$6,600,000)). The Developer, with the written approval of the City, may complete some or all of the Public Improvements with an associated credit against the purchase price. The Public Improvements may be phased so as to be completed consistent with the Developer’s phasing of the Project according to a schedule and standards to be mutually agreed upon by the Parties.

The Private Improvements shall comprise mixed-use development which shall include multi-family residential, office, retail, restaurant, and, possibly, hotel and/or banquet facilities, along with dedicated private parking serving those uses, which may be shared by among the Parcels. The following elements comprising the development program shall be depicted on a Concept Site Plan to accompany the Development Agreement:

- Approximately four hundred and seventy-five (475) multi-family residential units and hotel rooms.
  - Approximately 25,000 gross square feet of street level commercial space, including restaurant space.
  - Approximately 500,000 gross square feet total.
  - The conceptual development program is predicated upon the assumption that the Developer shall receive a conditional use permit to erect five story buildings.
  - The Concept Site Plan will document what percentage each building will be leasable ground floor space for commercial uses as mutually agreed upon by the Parties
6. In the event that the development of the Project Site is approved by the Dover Planning Board, all conditions precedent related to such approval have been satisfied, and all applicable

appeal periods have expired, the City shall convey, by quitclaim deeds, the parcel known as Map 22 lot 1, in parts consistent with an approved subdivision plan to the Developer for a total cost \$3,372,500, as paid in pro-rata installments per parcel, and pursuant to the subdivision plan. The pro-rata costs shall be based upon the residential and/or hotel unit count in that phase at a cost outlined below.

A \$100,000 payment to the City (“the deposit”) from the Developer shall be used for expenditures by the City, including expenditures incurred by the City to hire experts and other consultants (economic, legal and site design).

Developer has and shall pay the Deposit as follows: Developer shall be credited for its \$20,000 initial deposit, which was paid by Developer at the time of its designation as the “Preferred Developer”, an additional \$20,000 Developer deposit to be paid upon the execution of this Term Sheet, and an additional \$60,000 deposit to be paid upon execution of Development Agreement. Half of the Deposit shall be credited against the purchase price of Phase I purchased by Developer at the time of conveyance of such parcel, with the balance to be credited against the purchase prices of the remaining parcels on a pro rata basis.

The purchase price for each parcel shall be based upon a rate of \$7,100 per unit proposed for that parcel, up to 475 units of residential or hotel (or a mixture thereof).

The Developer shall have the right, on a phase by phase/parcel by parcel, basis to provide for the construction of Public Improvements, as noted in section 5 the cost of which would be credited towards the purchase price. In addition, the Developer shall have the right to provide improvements which offset the Public Safety and Recreation Impact Fees, subject to the written consent of the City. The City shall retain a right of reverter on any parcel transferred should the project not be completed on the parcel in question within the time frames mutually agreed upon by the Parties.

7. Once the State of New Hampshire has approved the required RAP for the Project Site, the City shall cause the commencement of construction of the Public Improvements by no later than one (1) year following the RAP approval. The City shall notify Developer when it has received a Certificate of Completion, Certificate of No Further Action or similar evidence of completion of the RAP from the State of New Hampshire and Developer shall have no obligation to take possession of any parcel of the Project Site until the City has provided such evidence and all project benchmarks shall be extended accordingly. Cost-sharing for any ongoing monitoring and mitigation costs related to the environmental remediation shall be mutually agreed upon by the Parties.
8. No later than 18 months following issuance of the Certificate of Occupancy for the Private Improvements on Phase I developed, the Project Site shall have a minimum Guaranteed Tax Assessment Value of approximately \$7,500,000 per building (estimated \$15,000,000 total for the South Side development). In each relevant tax year thereafter if the actual tax assessment is less than the Guaranteed Tax Assessment Value, the project owner shall owe and pay the tax shortfall to the City as if the Project Site was assessed at the Guaranteed Tax Assessment Value.
9. The Developer shall convey to the City a Performance Mortgage to secure the Developer’s Guaranteed Tax Assessment obligations.
10. Developer shall have the right to transfer the Parcels (as shown on the subdivision plan), the

Development Agreement, and all or a portion of its rights in the Project Site (pursuant to this Term Sheet, Developer's status as Preferred Developer, the Development Agreement and any relevant permits, authorizations, approvals, resolutions or similar documents) to one or more special purpose entities ("SPE") formed for the sole purpose of developing the Private Improvements (each, an SPE), provided that either Jeffrey Johnston or James Goldenberg, the principals of Developer, retain Control of each such SPE. For purposes of this Term Sheet, "Control" means the ability, directly or indirectly, to direct or cause the direction of the management or policies of an SPE, or the power to veto major policy decisions of an SPE.

11. The City Manager shall obtain approval from the Dover City Council to execute a Development Agreement consistent with the terms and conditions in this Term Sheet. Any terms or conditions in the Development Agreement that represent changes or additions to the terms and conditions in this Term Sheet shall be subject to the consent and approval of the City, acting by and through its City Manager. Changes or additions considered material by the City Manager, in the City Manager's sole discretion, shall require approval by the City Council.
12. Developer shall have that period which begins with the date of full execution of this Term Sheet and ends on September 30, 2019, within which to inspect the Project Site and make any and all investigations and/or market studies which it deems necessary or relevant to make a determination as to whether the Project Site is suitable for Developer's purposes. Such investigations shall include, but not be limited to, title, survey, environmental, geotechnical, soil, zoning and use investigations and reviews. Developer and its representatives shall have full and complete access to the Project Site from and after the date hereof during business hours and upon at least twenty four (24) hours prior notice for the purpose of conducting its inspections and feasibility studies, which may include, but shall not be limited to, survey, environmental, geotechnical, soil, zoning and land use investigations and reviews.
13. In consideration of the time, effort and cost which Developer will be committing to this undertaking and in recognition of the time necessary to develop the Project Site, the City agrees that upon execution of this Term Sheet, City shall not, and shall not permit any of its agencies, departments, officers, employees or agents, to solicit, entertain, negotiate, accept or otherwise enter into or continue discussions involving the sale or redevelopment of all or a portion of the Project Site or any interest therein while this Term Sheet is in effect (other than with Developer). In the event that this Term Sheet is not replaced by a Development Agreement signed by all parties by September 30, 2019, then the provisions of this section shall expire.
14. This Term Sheet is an expression of intent of the Parties and an agreement to negotiate a final agreement in good faith and accordingly neither Party shall be legally bound until execution of the final Development Agreement, except for Section 12 and 13, which shall be binding on the Parties.

In witness whereof, the parties have signed this instrument this 25 day of March, 2019.

*[Handwritten Signature]*  
Witness

CPI MANAGEMENT LLC

*[Handwritten Signature]*  
By: Jeff Johnston, Its Manager  
Duly Authorized

*Steve Bird*  
Witness

DOVER HOUSING AUTHORITY

*[Handwritten Signature]*  
By: Allan B. Krans Sr., Its Executive Director  
Duly Authorized

*[Handwritten Signature]*  
Witness

CITY OF DOVER, NH

*[Handwritten Signature]*  
By: J. Michael Joyal, Its City Manager  
Duly Authorized