



WATERFRONT FACT SHEET

APRIL 18, 2007

PARTIES AND BACKGROUND:

- The City of Dover has owned the waterfront parcel since 1859. The parcel is shown on the Tax Maps of the City of Dover as Map 22, Lot 1.
- Dickinson Development Corporation has a principal place of business at 1266 Furnace Brook Parkway, Quincy, Massachusetts. Mark Dickinson is the principal of the corporation.
- The Dover City Council adopted a resolution on February 5, 2005 delegating authority to the Dover Housing Authority to develop the waterfront.
- The Cochecho Waterfront Development Advisory Committee (CWDAC) was formed pursuant to the resolution of the Dover City Council. This group advises the Dover Housing Authority.
- During May 2005, the Dover Housing Authority issued a Request for Qualifications (RFQ) to potential developers.
- During November 2005, the Dover Housing Authority issued a Request for Proposals (RFP) to developers.
- Dickinson Development responded to the RFP;
- During October 2006, Dickinson Development was selected as the Preferred Developer for the Dover waterfront development project.
- During November 2006, the CWDAC found the revised plans of the Dickinson Development Corp were generally consistent with the 2005 Charette.
- During December 2006 and January 2007, public input was solicited and Dickinson Development revised the concept plan in response to the public input.
- The CWDAC has unanimously endorsed the revised Concept Plan of Dickinson Development presented to the CWDAC on January 22, 2007.
- The parties have negotiated a Term Sheet intended to be legally binding. The Term Sheet will be the basis for a Land Disposition Agreement (LDA) agreement. This

agreement will be signed by December 31, 2007. The focus of the further negotiations for Land Disposition Agreement will be on the building standards, construction requirements and protections to insure the buildings will comply with the community vision.

LIMITATION ON THE DEVELOPER'S ABILITY TO ASSIGN

- The development of the waterfront will be accomplished in phases. It is expected to involve four (4) phases.
- The build-out of the project is expected within five (5) years after the closing.
- The developer will finance all, or a portion of, the development. Other private investors or equity partners will probably join Dickinson Development.
- A special purpose entity is expected to be formed for Phase I.
- Dickinson Development will generally be the managing member and maintain fifty (50%) percent or more ownership of any special purpose entity for Phase I. If the lender requires Dickinson to relinquish a greater interest in the special purpose entity, Dickinson will be required to sign sufficient documentation to insure the performance of the special purpose entity in the nature of a co-signing obligation.
- The Dover Housing Authority will have the authority to approve or disapprove of any successors and assigns of Dickinson Development

THE PROJECT

- The development of the waterfront will involve Public Improvements and Private Improvements.
- The Public Improvements consist of items for which the City of Dover would be responsible for paying as a matter of law or if the City desired to provide these amenities to the public
- The Public Improvements will be:
 - Environmental Remediation
 - "Odor control measures" on the pump station (Note: These improvements are different from the "process" improvements expected to be performed by the City of Dover pursuant to the Master Plan report.)
 - Waterfront Park (including a walkway, pier and banking stabilization)
 - Relocation of the pedestrian bridge
- The Private Improvements will be :
 - Restaurant on the waterfront

- Commercial; retail building
 - Residential condominiums –approximately 182 units
 - Residential townhouses on the Bluffs—approximately 20-25 units if access is gained
 - Streets and utilities (Note: These improvements will be public improvements only after accepted by the City)
- The Developer will have to build the project adhering to certain standards. The standards shall be contained in the Land Disposition Agreement. These Land Use and Design Standards will be recorded at the Strafford County Registry of Deeds as restrictive covenants. These standards will address the definition, minimums, maximums, and other parameters of allowed uses, height, massing, design/construction standards, parking requirements, landscaping and other conceptual concepts.
 - All Public and Private Improvements will be subject to approval by the Dover Planning Board.
 - The Dover Housing Authority will review all Site Plans for compliance with the Term Sheet and the Land Disposition Agreement prior to submission to the Planning Board.
 - The Developer will have to acquire state and federal permits from State and Federal regulatory agencies;
 - The Developer will pay all the permitting fees for all approvals and permits from local, state and federal boards and agencies. (Note: The Developer will not receive a credit on the purchase price for these costs.

THE PROPERTY

- The portion of the City owned land upon which the development will occur is approximately 21 acres.
- A professional survey will be conducted before the closing transaction to establish the precise acreage. Exact metes and bounds descriptions will be available to separate the private land from the public land prior to development starting.
- The City of Dover will convey the 21 acres +/- to a title holding entity designated and controlled by Dickinson Development Corp. and/or the special purpose entity created for the purpose of developing the Project. A closing is scheduled on or about December 31, 2009, unless extended by the terms of the agreement.
- The City of Dover will not convey the portion of the land for the Waterfront Park or the small portion of land where the pump station is located.
- Portions of land for future city streets will be conveyed back to the City when the streets are accepted.

- Temporary construction easements or licenses will be granted to the Developer to allow the Developer to construct the Waterfront Park and the relocation of the pedestrian bridge.
- Prior to the closing on the property, the Developer will have access to the property to conduct inspections and due diligence.
- After the closing, the Developer will be required to start construction within thirty (30) days.
- If the Developer does not substantially commence and /or complete Buildings 4,5,6,7 and 8 within seven (7) years, the DHA will have the option to take back the land for these buildings without payment of any consideration.
- Failure of the Developer to substantially commence development within ten (10) years of the recording of the deed transferring the Conveyed Land will allow the DHA to require conveyance of any portion of the Conveyed Land not yet developed nor substantially commenced to the satisfaction of the DHA for a buy back price based on fair market value.
- The Developer must complete Phase I before commencing subsequent phases.

PURCHASE PRICE

- The Purchase Price is Four Million Six Hundred Seventeen Thousand Dollars (\$4,617,000)
- The Developer will pay the purchase price as follows:
 - One million dollars (\$1,000,000) to the City of Dover at the closing;
 - Construction of a waterfront park by the Developer on behalf of the City at a cost of \$2,117,000 with funds advanced by and paid by the Developer;
 - Environmental remediation by the Developer at a cost of \$500,000 paid by the Developer solely from funds advanced by and paid by the Developer;
 - Reimbursement of third party costs incurred by the DHA and anticipated oversight costs throughout the development process in the amount of \$200,000 with funds advanced by and paid by the Developer in the form of deposits and other payments;
 - Supplemental public improvements of \$800,000 with funds advanced by and paid by the Developer including and prioritized as follows:

Excess environmental remediation costs

Odor control measures

Relocation of the pedestrian bridge

Other improvements agreed upon by the Developer and the DHA

The cost of environmental insurance, if desired, will be a Supplemental Public Improvement

INSPECTION PERIOD AND LAND DISPOSITION AGREEMENT

- The Developer will have the opportunity to inspect the property from the date of the signing of the Term Sheet to December 31, 2007.
- The Land Disposition Agreement (LDA) will be signed on or before December 31, 2007.
- The Developer shall obtain and pay for a survey by a qualified professional as part of the permitting process. The survey will become the property of the DHA if the Developer withdraws from the project.
- The City Manager on behalf of the City of Dover will have the authority to approve or disapprove of the assessment, design and implementation of the remediation plan for the clean up of the waterfront contamination.
- Before the LDA is signed, the following must occur:
 - Refinements to the concept plan may be made, but only if consistent with the current concept plan and only if approved by the DHA;
 - Land use and Design Standards will be adopted in a form suitable for recording in the Strafford County Registry of Deeds;
 - Supplemental Public Improvements and costs (updates) will be approved;
 - Revisions and updates to the cost estimates and the financial pro forma will be made by the Developer;
 - Evidence of a commitment by an equity investor to the satisfaction of the DHA will be supplied by the Developer;
 - Revisions and updates, if necessary, to the development schedule will be made by the Developer;
 - All parties are reasonably satisfied the City of Dover is committed to fund and acquire a vehicular bridge crossing to provide reasonable access to the Project area;
 - All parties are reasonably satisfied the City of Dover has obtained appropriate property interests to create a landing zone for the relocated pedestrian bridge;
 - All parties are reasonably satisfied the City of Dover has committed to expend \$1.5 million currently appropriated for improvements to the River Street Pump Station plant and its processing equipment;
- The Developer will pay \$100,000 at the signing of the LDA. These funds will be held in an escrow account until the closing.
- The Permitting Period will extend to December 31, 2009.

CLOSING

- The closing is scheduled to occur on or about December 31, 2009, unless extended by the terms of the agreement.
- There are two possibilities for delays in the closing:
 - Unavoidable delay by the City with a permissive extension by the Developer to allow the City to cure the inability to close;
 - Extension of the closing by the Developer for twelve (12) months upon the payment of \$10,000 per month.
- There are various preconditions to closing:
 - Completion of plans for the public improvements acceptable to the DHA and the approval of plans for environmental and odor control measures by city staff;
 - Agreement on an estimated program of Supplemental Public Improvements acceptable to the DHA;
 - Agreement on the environmental remediation and the odor control costs acceptable to the DHA and the City Manager on behalf of the City of Dover;
 - Agreement on the cost of the Waterfront Park improvements and the costs acceptable to the DHA;
 - Loan commitment for the Developer; satisfactory evidence provided by the Developer to the DHA;
 - Construction financing for Phase I provided by the Developer;
 - General contract for the construction of the Phase I public improvements provided by the Developer;
 - All approvals and permits for the entire project secured by the Developer;
 - Performance bonds for all public improvements paid for and supplied by the Developer;
 - Guarantees by the Developer that construction will start within thirty (30) days of the closing;
 - No defaults on the terms of the LDA.
- The closing will not occur if:
 - The cost of the environmental remediation and odor control measures exceeds \$1.3 million using up all the monies reserved for Supplemental Public Improvements (\$800,000 plus the \$500,000);

- The title to the property is deemed unmarketable;
- The City fails to expend monies for its share of the vehicular bridge;
- The City fails to acquire easements for the landing area of the pedestrian bridge;
- The City fails to commit \$1.5 million for the process improvements to the pump station;
- The Developer fails to pay the deposit of \$100,000 within seven (7) days of signing the LDA.

POST CLOSING

- The environmental liability of the City of Dover for the contamination of the waterfront parcel will survive the closing pursuant to state and federal law because the City generated the original contamination.
- The City of Dover promises to indemnify and hold the Dover Housing Authority harmless for environmental liabilities.