

**Development Agreement terms between City of Dover, New Hampshire (“City”) and
Chinburg Management, LLC (the “Developer”)**

Revision Date: November 20, 2020

1. The Developer seeks to redevelop the property known as Map 6, Lot 20, consisting of .53 acres, more or less, and which fronts First Street and Second Street, between Central Avenue and Chestnut Street (the “Project Site”). A more detailed agreement will be signed by the parties with the terms set forth herein and additional terms as is customary in New Hampshire (the “Development Agreement” or the “LDA”).
2. The Developer shall obtain final, unappealable site plan approval for the full build-out of the Project Site, by December 31, 2021, unless extended with the consent of the City which shall not be unreasonably withheld. If such approvals lapse for a period in excess of thirty (30) days, either party may terminate their obligations or the parties may provide for additional time, depending on the circumstances at that time.
3. The Developer shall hold meetings with the abutters prior to the Planning Board approval, and commencement of construction. These meetings shall be noticed to the City, and use the same abutting property list generated for the site plan submission to the Planning Board. The Developer shall invite the City and provide a copy of the attendance list to the City upon completion of the meeting.
4. As part of the development of the Project Site, the Developer desires to enter into a seven (7) year period where the taxes for the Project Site shall be set, as per New Hampshire RSA 79-E, at the assessed value for the Project Site in place at the time of the signing of this Term Sheet. The Dover City Council would need to enact the provisions of RSA 79-E, and the Developer, at its election, may apply for such tax relief. Adoption of RSA 79-E by the City is not a guarantee that the City will grant the Developer such requested relief if the application fails to meet requirements under RSA 79-E. Any tax relief granted shall be consistent with and in compliance with RSA 79-E. If granted, the period of tax relief pursuant to RSA 79-E shall commence upon the issuance of the first certificate of occupancy for any building to be developed on the Project Site (including a partial certificate of occupancy for that building); the parties agreeing that such certificate or partial certificate constitutes completion of a replacement structure for purposes of RSA 79-E:5.
 - a. If the City Council does not grant either the designation of the RSA 79-E district around the structure, or does not grant the relief sought by the Developer, either party may terminate their obligations or the parties may provide for additional time, depending on the circumstances at that time.
 - b. Beginning with Tax Year 2029 (assessment as of April 1, 2028 and first payment due December 1, 2028) the minimum Guaranteed Tax Assessment Value for the Project Site shall be seven million dollars (\$7,000,000.00). In Tax Year 2029 and each relevant tax year thereafter if the actual tax assessment is less than the Guaranteed Tax Assessment Value, the Developer shall owe and pay the tax shortfall to the City as if the Project Site was assessed at the Guaranteed Tax Assessment Value.
 - c. The parties acknowledge that upon issuance of certificates of occupancy for the improvements developed on the Project Site, the City will establish the actual assessment value of each respective improvement for which a certificate of occupancy is sought. During the period that the Guaranteed Tax Assessment Value for the Project Site is in place, if the actual assessment value for the Project Site decreases more than twenty-five percent (25%) from the most recent establishment of the actual assessment value of the Project Site in any five year period, and provided that the resulting actual assessment value is less than the Guaranteed Tax Assessment Value, the parties agree to discuss whether and how to continue with the Developer’s obligations to pay ad valorem taxes

based on the Guaranteed Tax Assessment Value for the Project Site, but the City is not required to grant any such relief.

5. The Developer shall provide the following Private Improvements:
 - a. Redevelopment of the site, including retaining the existing building. The existing building may be renovated for mixed-use with a minimum square footage of 3,500 SF for non-residential uses which may be located anywhere in the building. If said Commercial uses are not at the street level, the Developer may be required to request a Conditional Use Permit from the Planning Board. So long as the minimum non-residential square footage is satisfied, the existing building may have residential on the street level.
 - b. If redevelopment of the site creates a new building on the area currently used as a parking lot, the building's architecture shall complement and maintain the historic character of the existing building. The new building may be considered an addition to the existing building and may contain solely multi-family residential over street level parking. If there is no non-residential use on the street level, the Developer may be required to request a Conditional Use Permit from the Planning Board.
 - c. 20% of the residential units created shall be reserved, for three times the life of the 79-E period, for rental rates not to exceed the HUD 80% Rent Limit for the Portsmouth/Dover/Rochester MSA and shall be rented to tenants earning no more than 80% of the median income for the Portsmouth/Dover/Rochester MSA (the "Restricted Units").
 - i. The Restricted Units are permitted to float within the building; the designated units may change over time so long as the total number of Restricted Units remains constant.
 - ii. At each lease-up of a Restricted Unit, the tenant and property manager shall fill out a tenant income certification form and keep on file at the property manager's office. The City shall have access to the form and should any violation be found, the property manager shall have sixty (60) days to cure the violation. If the violation is not cured, the City may impose a penalty by requiring an additional Restricted Unit for a period of up to 12 months.
 - iii. The tenant income certification forms shall be updated every twelve (12) months. Should any tenant no longer meet the income eligibility requirements of the Restricted Units, the unit will continue to count towards the total for up to twelve (12) months while the property manager identifies and leases a different unit to a tenant who complies with the income requirements. The Restricted Unit designation will transfer to the newly leased unit.
6. The Developer shall grant a permanent easement to the City for the land underneath the "Dover Transportation Center" and an access easement to the Dover Transportation Center from Chestnut Street. The easement area shall be further described, but is displayed on exhibit A of this term sheet. The Developer shall work with the City to jointly develop the plan for the access easement whether a shared access or independent access from Chestnut Street for vehicles and pedestrians.
 - a. The granting of this easement shall be in lieu of the Developer paying Fire and Police Impact Fees for the proposed development on the Project Site
7. The Developer shall grant a permanent easement to the City for the land underneath the Community Trail as it crosses Map 31 Lot 4B, known as the Dover Transportation Center lot.
 - a. The granting of this easement shall be in lieu of the Developer paying Recreation Impact Fees for the proposed development on the Project Site.
8. Once this term sheet is accepted, approved, and signed off on by Eric Chinburg, representing the Developer, and the City Manager, the parties will work in good faith to formalize this term sheet within

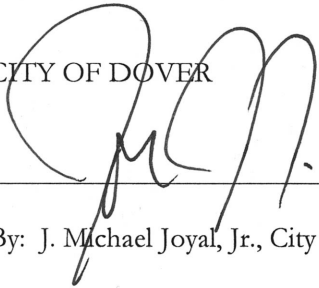
a comprehensive Development Agreement, which may contain additional terms deemed necessary or advisable by the parties. Any resulting Development Agreement will supersede this term sheet.

9. The City Manager shall seek to obtain approval from the City Council to draw a Community Revitalization District, separate from the previously established one off Washington Street. Should the City Council approve the designation, the Developer shall, at its sole expense, apply for relief as provided, for a term of no more than 7 years. Approval of said period is at the sole discretion of the City Council. The City Manager shall present the request to the City Council no later than January 27, 2021.
10. The City Manager shall seek to obtain approval from the City Council to execute the 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.
11. Nothing within this term sheet or any resulting Development Agreement shall in any way constitute or imply a required approval by the City Council or any City board, department, office, agency, or employee. Nothing within this term sheet or any resulting Development Agreement shall in any way relieve any of the parties from going through all required process and obtaining all required approvals from the City Council or any City board, department, office, agency, or employee, including but not limited to land use approvals, requirements for the provision of public utilities or services, or any other administrative, judicial, quasi-judicial, or legislative action.

ACKNOWLEDGEMENT

Negotiated in good faith and accepted by the undersigned on November 23, 2020.

CITY OF DOVER



By: J. Michael Joyal, Jr., City Manager

DEVELOPER
CHINBURG MANAGEMENT, LLC



By: Eric J. Chinburg, Manager