

## DECLARATION OF COVENANTS

**KNOW ALL MEN BY THESE PRESENTS** that \_\_\_\_\_, with a principal place of business at \_\_\_\_\_, (owner of the Property described below and referred to hereinafter the "Grantor"), for consideration of property tax relief granted by the City of Lebanon, a municipal corporation with a principal place of business at 51 North Park Street, Lebanon, New Hampshire 03766 (hereinafter the "Grantee" or "City"), pursuant to the provisions of RSA Chapter 79-E (Community Revitalization Tax Relief Incentive), grants and agrees to the following COVENANTS for the public benefit of the City:

**WHEREAS** these covenants are made in exchange for property tax relief granted with respect to a certain property owned by the Grantor, identified in the City's records as \_\_\_\_\_ and Map \_\_\_\_\_, Lot \_\_\_\_\_ on the City's tax maps, and further described by Exhibit A, attached hereto (hereinafter the "Property"). This property tax relief has been granted as a result of the substantial rehabilitation or replacement of a qualifying structure located on the Property by the Grantor in accordance with the Grantor's proposal, as described in Exhibit B, attached hereto (hereinafter the "Project"), as reviewed and approved by the City of Lebanon City Council on \_\_\_\_\_; and

**WHEREAS** these Covenants are to protect the public benefit(s) in accordance with the provisions of RSA 79-E and shall be in effect for \_\_\_\_\_ years, which is twice the number of years of the property tax relief approved by the City Council, such property tax relief having been approved for a term of \_\_\_\_\_ years, beginning on April 1st of the tax year commencing immediately after the completion of the Project, unless otherwise terminated as described herein; and

**WHEREAS** the Grantee agrees that the substantial rehabilitation or replacement of a qualifying structure in accordance with the Project as proposed by Grantor and approved by the City provides a demonstrated public benefit(s) in accordance with the provisions of RSA 79-E:7 because the substantial rehabilitation or replacement of the qualifying structure achieves the following:

1. *[list benefits as found by City Council approval]*
2. ...
3. ...

**NOW THEREFORE**, the terms of these Covenants hereby granted by the Grantor with respect to the Property shall be effective for twice the number of years of property tax relief granted and are stated as follows:

1. REHABILITATION / REPLACEMENT OF A QUALIFYING STRUCTURE LOCATED ON THE PROPERTY. Grantor agrees to substantially rehabilitate or replace a qualifying structure located on the Property in accordance with the Grantor's Project as approved by the Lebanon City Council on \_\_\_\_\_.

a) Grantor shall secure a Building Permit for the project and commence construction no later than \_\_\_\_\_, unless otherwise extended by the City in writing;

b) The substantial rehabilitation or replacement, as approved, shall be completed and a certificate of occupancy obtained by the Grantor on or before March 31, \_\_\_\_\_, unless otherwise extended by the City in writing;

c) All work on the Project shall be completed in order for the property tax relief to become effective. Should the Project be only partially completed prior to March 31st of any year prior to final completion, the Property shall be fully assessed for the value of work completed during that year and any subsequent year prior to final completion;

d) If the Property or any portion of the Project at any time is fully or partially exempt from real or personal property tax during the term of this Covenant, the owner of the Property shall make payments in lieu of taxes (PILOT) for the remaining term of this Covenant in an amount equal to the ad valorem tax that would be payable on real and personal property if the Property were not exempt from such tax;

e) [Project specific requirements, if applicable, such as affordability covenants]

2. MAINTENANCE OF THE PROPERTY. The Grantor agrees to maintain, use, and keep the Property, including any structures thereon, in a condition that furthers the public benefit(s) for which the property tax relief was granted.

3. REQUIRED INSURANCE, USE OF INSURANCE PROCEEDS, AND TIMEFRAME TO REPLACE OR REMOVE DAMAGED PROPERTY. Grantor agrees and is required to obtain and maintain property and casualty insurance, as well as flood insurance, if appropriate, for twice the number of years of property tax relief granted to ensure proper restoration or replacement of the Project and the Property. Such insurance shall name the City as an additional insured by endorsement and the City shall be provided with certificates of insurance annually. Grantor agrees to collaterally assign to the City, subject to the rights of any current or future mortgagee of the Property and any structures thereon, all rights to the proceeds of any property or casualty insurance coverage, which collateral assignment may be exercised by the City to ensure proper and timely restoration or demolition of the Property, including any damaged structures thereon. Grantee further requires that restoration or demolition commence within one year following the date of any occurrence or incident for which an insurance claim is or could be made; otherwise the Grantor shall be subject to the termination provisions set forth in RSA 79-E:9, I. The collateral assignment of proceeds and obligation to name the City as an additional insured shall remain in effect for the term of these Covenants.

4. RECORDING. Grantee shall record this Declaration of Covenants at the Grafton County Registry of Deeds at the sole expense of Grantor and shall retain a copy of the recorded agreement.

5. ASSESSMENT OF THE PROPERTY. Upon completion of the Project, Grantee agrees that the Property, including all such improvements related to the Project, shall be assessed, during the term of the property tax relief period, based on the pre-rehabilitation assessed value, unless Grantor fails to comply with the terms of the Covenants or otherwise fails to maintain or utilize the Property and any structures thereon in accordance with the Project documents.

6. TERMINATION OF COVENANTS. Pursuant to RSA 79-E:9, if Grantor, its agents, employees, successors, assigns, legal representatives or transferees, fails to abide by the terms of these Covenants or otherwise fails to maintain or utilize the Property and any structures thereon in accordance with the Project documents, the City Council shall, after a duly-noticed public hearing, determine whether and to what extent the public benefit(s) of the Project has been diminished and shall further determine whether to terminate or reduce the property tax relief period in accordance with such determination. If these Covenants are terminated, the City shall assess all taxes, with interest, to the owner as though no property tax relief was granted in accordance with RSA 79-E:9, II.

Grantor shall be bound by all applicable provisions of RSA 79-E for the term of these Covenants. These Covenants are a burden upon the Property and shall bind all agents, employees, successors, assigns, legal representatives or transferees of Grantor. Such Covenants may not be amended, modified, or terminated except by consent of the City.

This agreement made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

GRANTOR:

By: \_\_\_\_\_  
Duly Authorized

GRANTEE:

By: \_\_\_\_\_  
Duly Authorized