

DECLARATION OF COVENANTS

KNOW ALL MEN BY THESE PRESENTS that _____, a New Hampshire Limited Liability Company/Corporation, having a principal place of business at _____, New Hampshire _____ (the “Grantor”), for consideration of tax relief granted by the City of Claremont, a municipal corporation with a principal place of business at 58 Opera House Square, Claremont, New Hampshire, 03743 (the “Grantee” or “City”), pursuant to the provisions of RSA Chapter 79-E, grants and agrees to the following COVENANTS for the public benefit of the City,

These covenants are made in exchange for property tax relief granted with respect to a certain property owned by Grantor, identified in the City’s records as _____ and as Parcel ___ on the City’s tax maps, and further described by Exhibit A, attached hereto and incorporated herein (the “Property”). This property tax relief has been granted as the result of the substantial rehabilitation or replacement of a qualifying structure located on the Property by Grantor in accordance with Grantor’s proposal, as described by Exhibit B, attached hereto and incorporated herein (the “Project”), as approved by the Claremont City Council on _____.

These Covenants are to protect the public benefit in accordance with the provisions of RSA 79-E and shall be in effect for twice the number of years of tax relief approved by the City Council, 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. Notwithstanding the foregoing, the tax relief shall be null and void if the Project is not completed by March 31 of [deadline year for completion].

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 in accordance with the provisions of RSA 79-E:7 because the substantial rehabilitation of the Property:

- I. [list benefits as found by Council approval]
- II.
- III. (etc.)

The terms of these Covenants hereby granted by the Grantor to the City with respect to the Property shall be effective for twice the number of years of 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 Grantor's Project as approved by the Claremont City Council on [date of Council approval].

- a) Grantor shall secure a building permit for the project and commence construction no later than [date], 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, [deadline year];
- c) All work on the Project must be completed in order for the tax relief to become effective. Should the Project be only partially completed prior to March 31 of any year prior to final completion, the Property shall be fully assessed for the value of the 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, the owner of the Property shall make payments in lieu of taxes (PILOT) 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, such as affordable housing]

2. MAINTENANCE OF THE PROPERTY. Grantor agrees to maintain, use and keep the Property, including any structures thereon, in a condition that furthers the public benefits for which the 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, to ensure proper restoration or replacement of the Project and the Property for twice the number of years of tax relief granted, which shall name the City as an additional insured by endorsement and shall provide the City with certificates of insurance. 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 made; otherwise the Grantor shall be subject to the termination provisions set forth in RSA 79-E9, I. The collateral assignment of proceeds and obligation to name the City as an additional insured shall remain in effect for twice the number of years of tax relief granted.

4. RECORDING. Grantee shall record this Declaration of Covenants at the Sullivan County Registry of Deeds at the sole expense of the Grantor.

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 tax relief period, based on the pre-rehabilitation assessed value, unless Grantor fails to comply with terms of these Covenants or otherwise fails to maintain or utilize the Property and any structures thereon in accord 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 accord with the Project documents, the City Council shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the Project has been diminished and shall further determine whether to terminate or reduce the tax relief period in accordance with such determination. If these Covenants are terminated, the City shall assess all taxes to the owner as though no tax relief was granted, with interest, in accordance with RSA 79-E:9, II.

Grantor shall be bound by all applicable provisions of RSA Chapter 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.

Witness my hand this ____ day of _____, 2015.

[Name of Grantor]

By: _____
[corporate officer/LLC manager or member], duly authorized

Title: _____

On this the ____ day of _____, 2015, before me, the undersigned officer, personally appeared _____, who acknowledged him/herself to be the _____ of _____, and that he/she, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing as _____.

In Witness Whereof, I hereunto set my hand and official seal.

Justice of the Peace/Notary Public

My commission expires: