

PILOT AGREEMENT

This Agreement (the “Agreement”) is entered into and made effective as of the last date of its execution below, by and between the City of Concord (the “City”), a municipal corporation with a principal place of business of 41 Green Street, Concord, New Hampshire, and Dartmouth Hitchcock Clinic (referred to herein as “DHC”), a nonprofit organization formed under the laws of New Hampshire with a principal place of business at One Medical Center Drive in Lebanon, New Hampshire. Each of the City and DHC is referred to herein individually as a “Party” and collectively as “Parties.”

WHEREAS, DHC owns property in Concord, New Hampshire identified as 247-249 Pleasant Street (Tax Map 734/Z Lot 21) and 253 Pleasant Street (Tax Map 734/Z Lot 21) (collectively referred to as the “Property”).

WHEREAS, the City and DHC have concluded that it is in their respective best interests to enter into the Agreement, which both parties agree is fair and reasonable and will provide certainty with respect to the annual payment to be made by DHC to the City with respect to the Property.

NOW, THEREFORE, the City and DHC, for good and sufficient consideration, the receipt of which is hereby acknowledged, agree:

1. Terms of this Agreement and extension: The Agreement shall be effective for an initial period of seven (7) years, covering tax years commencing April 1, 2024 through March 31, 2031. So long as the Parties comply with the terms of this Agreement, the City and DHC shall extend this Agreement for an additional five (5) year term, covering tax years April 1, 2031 through March 31, 2036, by executing an extension agreement no later than March 31, 2031. Notwithstanding the foregoing, either party may terminate this Agreement pursuant to the terms of Paragraph 7 below.
2. DHC will provide annual information to the City: At all times during the term of this Agreement and any extended term(s), DHC will remain incorporated as a nonprofit corporation under New Hampshire law, will continue to use the Property in furtherance of its charitable mission, and will not claim the charitable property tax exemption for any portion of the Property used or occupied by a for-profit entity. Each year, DHC will timely file a list of property for which a charitable tax exemption is claimed as required by RSA 72:23-c on BTLA form A-9 (or its successor form) and shall timely file a statement of its financial condition for the preceding fiscal year on BTLA form A-12 (or its successor form), and such other information as may be requested by the City under RSA 72:23-c or 23, VI, and include a statement of charitable benefits provided to the Concord population specifically.
3. The City will grant DHC’s application for a charitable tax exemption. So long as DHC complies with the terms of this Agreement, the City, beginning with 2024 tax year and as authorized by RSA 72:23-n, will grant DHC’s application for a charitable tax exemption and provide DHC written notice thereof within a reasonable time of receiving the application. The granting of a charitable tax exemption is subject to and limited by the terms of this Agreement.

4. Payment in Lieu of Taxes (“PILOT”). No later than the due date set forth in the tax bills received from the City each year, DHC will make the PILOT payment to the City as authorized by RSA 72:23-n, which payment will be calculated pursuant to paragraph 5 hereof.
5. Calculation of PILOT. Each year, in accordance with the same methodology it uses to assess comparable real estate subject to its taxing authority, the City shall assess the Property and impose a tax thereon calculated at fifty percent (50%) of the Property’s assessed value multiplied by the City’s full tax rate. DHC will make the annual PILOT payment as provided by paragraph 4 hereof. Notwithstanding the foregoing, DHC shall have the right to challenge the City’s assessed value of the Property, which challenge, if made, shall be governed and decided by RSA 76:16 *et seq* and RSA 76:17 *et seq*, applicable to tax abatement actions.
6. Application of Prior Tax Payments. For the tax year beginning April 1, 2024, the City will collect the PILOT payment from the contested tax year 2024 and 2025 payments made by DHC relating to the Property. The Parties agree that the PILOT payments for 2024 and 2025 shall be as follows:

<u>Tax Year 2024:</u>	<u>\$147,510.86</u>
<u>Tax Year 2025:</u>	<u>\$155,075.52</u>

To the extent the City holds additional money from DHC tax payments relating to the Property after application of these PILOT payments, the remaining money will be credited against future PILOT payments made under this agreement.

7. Parties’ right to terminate this Agreement. In the event there is a change in New Hampshire or federal law that adversely affects DHC’s qualification for a tax exemption, DHC or the City will have the right to terminate this Agreement upon giving written notice to the other party. A termination under this paragraph will take effect as of the start of the next tax year (April 1st) following the receipt of the notice. In the event this Agreement is terminated for any reason set forth herein, including a decision by either party not to extend this Agreement as provided in paragraph 1, neither party shall be prejudiced by this Agreement. DHC may continue to apply for charitable tax exemptions and the City reserves all rights in its review and action on any such application.

8. Remedies. Nothing in this Agreement is intended to limit the nature or extent of legal or equitable rights and remedies available to the Parties under New Hampshire law, including the equitable remedy of specific enforcement of the terms of this Agreement.
9. Authority to enter into this Agreement. The City and DHC represent and warrant that each of them has the authority to enter into this Agreement and that all applicable laws, ordinances, rules and procedures have been met in the approval and execution of the Agreement.
10. Notices. Any written notice required by this Agreement shall be given in writing or by electronic means, with proof of acknowledgment or receipt required. Notice to the City shall be sent to Jonathan Rice, Director of Assessing, 41 Green Street, Concord NH 03301. Notice to DHC shall be sent to: John P. Kacavas, Chief Legal Officer and General Counsel of Dartmouth-Hitchcock Health, One Medical Center Drive, Lebanon, NH 03766.
11. Successors and assigns. DHC, upon written notice to the City that sets forth the reason for exercising its rights under this paragraph, shall have the right to assign this Agreement to another non-profit organization upon approval of the City, which approval shall not be unreasonably withheld. Notwithstanding this language, the parties agree that any such successor organization will need to independently qualify for tax exempt status under RSA 72:23.
12. Entire agreement. This Agreement contains the entire agreement between the Parties with respect to DHC's entitlement to a charitable tax exemption for the tax years addressed herein, and it supersedes any prior understandings, agreements or representations by or between the Parties, written or oral, that might have related to the subject matter of the Agreement in any way.
13. Governing law. This Agreement shall be governed and interpreted under New Hampshire law.
14. Good faith compromise and limitation on effect of this Agreement. This Agreement is entered into by the Parties in good faith. Accordingly, this Agreement does not constitute or represent an admission by either Party as to the property tax status of DHC's real estate under New Hampshire law.

Date: _____

City of Concord

By: _____

Thomas J. Aspell, Jr.
City Manager,
Duly Authorized

Date: _____

Dartmouth Hitchcock Clinic

By: _____

Craig W. Beck
Chief Operating Officer, Community Group
Practices, Duly Authorized