LEBANON CITY COUNCIL
DECEMBER 9, 2020 - 6:30 PM
JOINT SPECIAL MEETING
CITY COUNCIL & BOARD OF ASSESSORS
REMOTE VIA MICROSOFT TEAMS
LEBANONNH.GOV/LIVE

1. Call to Order

The December 9, 2020 Lebanon City Council Meeting is hereby called to order.

2. Pledge of Allegiance

3. Public Forum Announcement by the Mayor

Any member of the public who desires to speak on any item may do so when the item is taken up by the Council and will be allowed to speak on the subject for not more than three minutes. **(Note: Speakers are asked to state their name, ward of residence, and to use the microphone provided.)**

4. Open to the Public

5. New Business

A. Acceptance of Bid and Authorization of Sale of 695 Dartmouth College Highway, Lot #2. (Property was acquired through Tax Deed)

B. Review and authorize City Manager to sign Payment in Lieu of Taxes (PILOT) and Mobile Integrated Healthcare (MIH) Agreements with DHMC

C. Discussion and Questions Regarding Proposed 2021 Municipal Budget

6. Adjournment

Due to the current situation with the COVID-19 Pandemic, the City of Lebanon is offering its meetings via Microsoft Teams. Members of the public are encouraged to attend by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the Microsoft Teams software or by phone. Please visit LebanonNH.gov/Live for full details.

THE AGENDA, IN ITS ENTIRETY IS AVAILABLE ON THE CITY'S WEBSITE AT LEBANONNH.GOV

AGENDA
LEBANON CITY COUNCIL
DECEMBER 9, 2020

5. NEW BUSINESS:

5.A – ACCEPTANCE OF BID AND AUTHORIZATION FOR THE SALE OF 695 DARTMOUTH COLLEGE HIGHWAY, LOT #2

BACKGROUND

On September 16, 2019, the City Council accepted the tax collector's deed for the mobile home located at 695 Dartmouth College Highway, further identified as Tax Map 99, Lot 8, Plot 200 in accordance with the provisions of RSA 80:58-86. The former property owner has not expressed an interest in re-purchasing the property at this point.

On August 5, 2020, the City Council authorized the City Manager to initiate the process to sell the property by sealed bid. One bid was received for the opening that was scheduled for November 25, 2020. The bid was submitted by Gordon Bagley Jr. in the amount of $1,875. Mr. Bagley is the owner of the mobile home park. The amount of his bid is reflective of the amount of rent the City owed since taking ownership of the mobile home, plus the cost for property maintenance and winterizing of the structure.

The Council must now vote to accept the bid and authorize the City Manager to execute the documents necessary to sell the property.

ACTION

The City Council is asked to take the following action:

MOVED, that the Lebanon City Council hereby accepts the bid from Gordon Bagley Jr. in the amount of $1,875 to purchase the mobile home located at 695 Dartmouth College Highway, Tax Map 99, Lot 8, Plot 200, and in accordance with City Policy CC-102, Real Property Transactions and NH RSA 80:80, authorizes the City Manager to take all actions necessary to execute the sale of the mobile home.

Included in this Section:

1. September 16, 2019 Tax Collector's Deed
2. City of Lebanon Property Record Card
3. NH RSA 80:80

TAX COLLECTOR'S DEED
CITY OF LEBANON, NEW HAMPSHIRE

KNOW ALL MEN BY THESE PRESENTS, that I, Susan J. McBain, collector of taxes for the City of Lebanon, in the County of Grafton and State of New Hampshire, for the year 2019, by the authority in me vested by the laws of the state, and in consideration of Ten Thousand Five Hundred Sixty-Seven Dollars and Twenty Cents ($10,567.20), for the tax years 2009 through 2016, paid by the **City of Lebanon**, do hereby sell and convey to the **CITY OF LEBANON**, a municipal corporation, with offices at 51 North Park Street, County of Grafton and State of New Hampshire, 03766, the following described premises, to have and to hold the said premises with the appurtenances to the City of Lebanon.

A certain mobile home situated on 695 Dartmouth College Highway, Lot #2, and further identified by the City of Lebanon Tax Map 99, Lot 8 Plot 200, and being the same parcel previously taxed to the **Susan C. Wilson**, in the 2009 through 2016 tax years.

Meaning and intending to describe and convey all and the same premises conveyed to Susan C. Wilson, by a deed, dated September 27, 2007, and recorded at the Grafton County Registry of Deeds, Book 3452, Page 0182.

This Tax Collector's Deed is the result of the tax lien executed on the 5th day of May, 2017 and recorded at the Grafton County Registry of Deeds, Book 4282, Page 701.

I do hereby covenant with said City of Lebanon, that in making this conveyance I have in all things complied with the law, and that I have a good right, so far as the right may depend upon the regularity of my own proceedings, to sell and convey the same in the manner aforesaid.

This transfer is exempt from taxation pursuant to RSA 78-B:2 VI.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this 16th day of September 2019.

Susan J McBain

Susan J. McBain
City of Lebanon Tax Collector

STATE OF NEW HAMPSHIRE
GRAFTON COUNTY, SS

The forgoing instrument was acknowledged before me on this 16th day of September 2019, by Susan J. McBain, in her capacity as the City of Lebanon Tax Collector, as here voluntary act and deed.

Sandra L. Allard

Sandra L. Allard
Justice of the Peace/City Clerk]

Map	Block	Lot
99	8	200

695 DARTMOUTH COLLEGE HWY, Unit 2

Residential — Acct: 4563

City of Lebanon Property Record Card

	Total Card	Total Parcel
APPRAISED:	42,400.00 /	42,400.00
USE VALUE:	0.00 /	0.00
ASSESSED:	42,400.00 /	42,400.00

Patriot Properties Inc.

Property Location

No.	Alt No.	Direction/Street/City
695		DARTMOUTH COLLEGE HWY, LEBANON

Ownership

Unit No. 2

Owner 1	WILSON, SUSAN C
Owner 2	
Owner 3	
Street 1	695 DARTMOUTH COLL HWY, #2
Street 2	
Town/City	LEBANON
St/Prov	NH — Country — Occ
Postal	03766 — Type

Previous Owner

Owner 1	BELLAVANCE, APRIL M
Owner 2	
Street 1	695 DARTMOUTH COLL HWGY, LOT 2
Town/City	LEBANON
St/Prov	NH — Country
Postal	03766

Narrative Description

This parcel contains 0.00000 of land mainly classified as MOBIL HM with a MOBILE HM Building built about 2005, having primarily VINYL Exterior and 924 Square Feet, with 1 Residential Unit, 1 Bath, 1 Half Bath, 4 Rooms, and 2 Bdrms.

Other Assessments

Code	Description	Amount	Com Int

Property Factors

Item	Code	Description	%	Item	Code	Description
Zone 1	RL1	RL1	100	Utility 1	5	WELL
Zone 2				Utility 2	6	SEPTIC
Zone 3				Utility 3		
Census Tract	9617			Exempt		
Flood Hazard						
District 1				Topo		
District 2				Street		
District 3				Traffic		

In Process Appraisal Summary (First 3 Lines Only)

Use Code	Land Size	Building Value	Yard Items	Land Value	Total Value
103	0.00	42,400.00	0.00	0.00	42,400.00
Total Card	0.00	42,400.00	0.00	0.00	42,400.00
Total Parcel	0.00	42,400.00	0.00	0.00	42,400.00
Source	Mkt Adj Cost	Total Value per Sq Unit /Card	45.89	/Parcel	45.89

Legal Description

Entered Lot Size	
Total Land	
Land Unit Type	
Parcel ID	99-8-200

User Account	5849
GIS Reference	
GIS Reference	
Inspection Date	

User Defined

Old Map/Lot	
Inst Exempt	
Eld Update	
Plan Ref	
ASR Map	
Factor District	
Reval District	
Market Area	
Year	
Change Reason	

Previous Assessment (First 9 Lines Only)

Tax Yr	Use	Cat	Bldg Value	Yrd Items	Land Size	Land Value	Total Value	Assessed Value	Notes	Date
2019	103	FV	42,400	0	0.00000	0	42,400	42,400		11/05/2018
2018	103	FV	42,400	0	0.00000	0	42,400	42,400		08/31/2018
2017	103	FV	42,400	0	0.00000	0	42,400	42,400	Year End Roll	11/14/2017
2016	103	FV	42,400	0	0.00000	0	42,400	42,400		11/03/2016
2015	103	FV	42,400	0	0.00000	0	42,400	42,400	Year End Roll	10/19/2015
2014	103	FV	48,400	0		0	48,400	48,400	Year End Roll	08/20/2014
2013	103	FV	48,400	0		0	48,400	48,400	Year End Roll	10/28/2013
2012	103	FV	48,400	0		0	48,400	48,400	Year End Roll	10/15/2012
2011	103	FV	48,400	0		0	48,400	48,400	Year End Roll	09/28/2011

Print Date	Print Time
09/09/19	14:25:55

Last Rev Date	Last Rev Time
08/30/18	14:33:06

vincent

Pat Acct: 4563

Tax District: Lebanon

Sales Information (First 5 Lines Only)

Grantor	Legal Ref	Type	Date	Sale Code	Sale Price	V	TSF	Verification	Notes
BELLAVANCE, APRIL M	3452-0182		09/26/2007		54,000.00	No	No		
BELLAVANCE, APRIL M	3259-0839		03/20/2006		49,933.00	No	No		
BAGLEY, GORDON E JR, TRUS	2541-0423		05/25/2001		600.00	No	No		
COLLINS, MAXINE, ESTATE OF	12251CONV		01/01/1900		0.00	No	No		

Card 1 of 1

Building Permits (First 8 Lines Only)

Date	Number	Description	Amount	C\O	Last Visit	Fed Code	F. Description	GeneralNotes
07/19/2004	230-2004	MOBILE HM	33,930.00	C				

Activity Information (First 11 Lines Only)

Date	Result	By	Name
07/11/2006	Sales Measur	MP	M Pelletier
03/21/2005	Bdg Permit M	NB	N Bernaiche
08/31/2004	Bdg Permit M	DF	D Fitzgerald
03/20/1996	Field Review	GF	G Fields
06/22/1995	Measure/List	SS	S Sargent

Land Section (First 9 Lines Only)

Sign: ___/___/___

Use Code	Description	LUC Factor	No of Units	Depth/ PriceUnit	Unit Type	Land Type	LT Factor	Base Value	Unit Price	Adjusted Unit Price	Neigh	Neigh Infl	Neigh Modifier	Infl 1	%	Infl 2	%	Infl 3	%	Appraised Value	Alt Class	%	Spec Land	Juris	Land Factor	Assessed Value	Notes
Total AC/HA				Total SF/SM				Parcel LUC	103	MOBIL HM				Prime NB Desc	CURRIER MHP				Total			Total			Total		

Exterior Information

Type	11 - MOBILE HM		
Story Height	1 - 1.0		
(Liv) Units	1	Total	1
Foudation	5 - PIERS		
Frame	1 - WOOD		
Prime Wall	4 - VINYL		
Sec Wall			
Roof Struct	1 - GABLE		
Roof Cover	1 - ASPHALT SH		
Color			
View/Desir	AVERAGE		

General Information

Grade	C+ - AVG. (+)		
Year Blt	2005	Eff Yr Blt	
Alt LUC		Alt %	
Jurisdict		Fact	1.00000
Const Mod			
Lump Sum Adj			

Interior Information

Avg Ht/Fl			
Prime Int Wall	1 - DRYWALL		
Sec Int Wall			
Partition	T - Typical		
Prim Floors	4 - CARPET		
Sec Floors			
Basement Floors			
Subfloor			
Basement Garage			
Electric	3 - ADEQUATE		
Insulation	2 - TYPICAL		
Int vs Ext			
Heat Fuel	2 - GAS		
Heat Type	1 - FORCED H/A		
# Heat Sys	1.00		
% Heated	100	% AC	0
Solar HW	No	Cntrl Vac	No
% Com Wall	0	% Sprinkled	0

Bath Features

Full Bath	1	Rating	AVERAGE
A Bath		Rating	
3/4 Bath		Rating	
A 3QBath		Rating	
1/2 Bath	1	Rating	AVERAGE
A HBath		Rating	
Othr Fix		Rating	

Other Features

Kitchen		Rating	AVERAGE
A Kitchen		Rating	
Fireplace		Rating	
WSFlues		Rating	

Condo Information

Location	CMHP
Total Units	CURRIER MHP
Floor	
% Own	
Name	CURRIER MHP

Depreciation

Phys Cond	AV - Average	15
Functional		
Economic		
Special		
Override		
Total		15

Calc Summary

Basic $ / SQ	44.00000
Size Adj	1.01892
Const Adj	1.08480
Adj $ / SQ	48.63000
Other Features	5,900.00
Grade Factor	1.09000
NBHD Inf	0.90000
NBHD Mod	1.00000
LUC Factor	1.00000
Adj Total	49,868
Depreciation	7,480
Depricated Total	42,388

Comments

2 CURRIERS PARK
695 DC HWY
MH REMOVED 3/18/04
PER G BAGLEY
ADD 2005 SKYLINE MH
MODEL #314CTB

Res Breakdown (First 4 Only)

No Unit	Rooms	Bed Rooms	Floor
1	4	2	1
Totals			
1	4	2	

Remodeling

Exterior	
Interior	
Additions	
Kitchen	
Baths	
Plumbing	
Electric	
Heating	
General	

Mobile Home

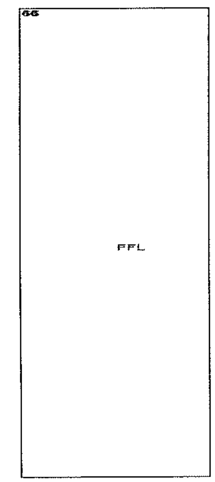
Make	
Model	
Serial #	
Year	
Color	

99-8-200

Parcel ID

Juris Factor	1.00000	Before Depr	48.63
Special Features	0.00	Val/Su Net	45.89
Final Total	42,400.00	Val/Su SzAd	45.89

Sketch



Sub Area (First 8 Only)

Code	Description	Area - SQ	Rate - AV	Undepr Value
FFL	1ST FLOOR	924.00	48.630	44,934.12
Net Sketched Area	924.00		Total	44,934.12
Size Adj	924.00	Gross Area 924.00	Fin Area	924.00

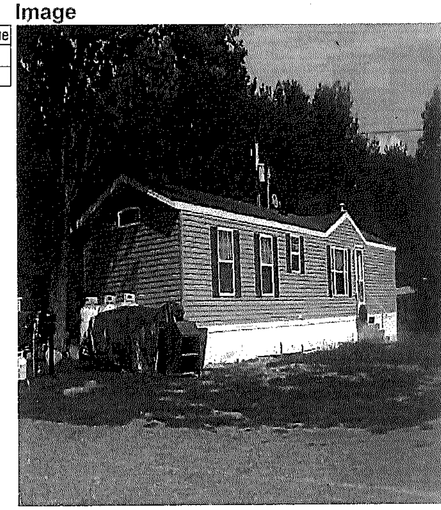
Sub Area Detail (First 10 Only)

Sub Area	% Usbl	Description	% Type	Qu	# of Tenants

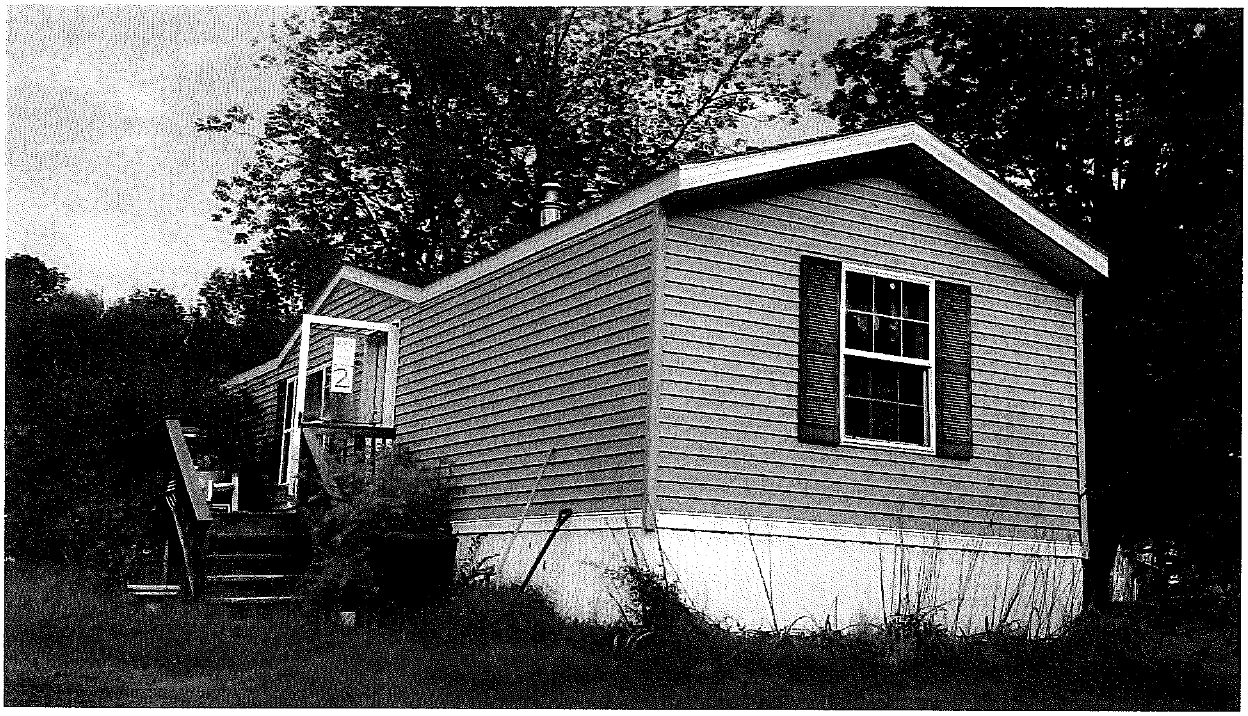
Special Features/Yard Items (First 20 Lines Only)

Code	Description	A	Y/S	Qty	Size/Dim	Qual	Con	Year	Unit Price	D/S	Dep	LUC	Fact	NB	Fact	Appr Value	J Code	J Fact	Juris Value
More	N			Total Yard Items					Total Special Features							Total SFYI			

Image



695 Dartmouth College Hwy, Unit 2



80:80 Transfer of Tax Lien. –

I. No transfer of any tax lien upon real estate acquired by a town or city as a result of the execution of the real estate tax lien by the tax collector for nonpayment of taxes thereon shall be made to any person by the municipality during the 2-year period allowed for redemption, nor shall title to any real estate taken by a town or city in default of redemption be conveyed to any person, unless the town, by majority vote at the annual meeting, or city council by vote, shall authorize the governing body to transfer such lien or to convey such property by deed.

II. If the governing body is so authorized to convey such property by deed, either a public auction shall be held, or the property may be sold by advertised sealed bids. The governing body shall have the power to establish a minimum amount for which the property is to be sold and the terms and conditions of the sale.

II-a. If the governing body is authorized to transfer such liens during the 2-year redemption period, either a public auction shall be held, or the liens may be sold by advertised sealed bids. The governing body may establish minimum bids, and may set the terms and conditions of the sale. Such liens may be sold singly or in combination, but no fractional interest in any lien shall be sold. Such transfer shall not affect the right of the owner or others with a legal interest in the land to redeem the tax lien pursuant to RSA 80:69, or make partial payments in redemption pursuant to RSA 80:71, but the transferee shall become the lienholder for purposes of RSA 80:72 and 80:76.

III. The governing body may, by a specific article in the town warrant, or by ordinance, be authorized to dispose of liens or tax deeded properties in a manner other than as provided in this section, as justice may require. Before proceeding under this provision, the governing body shall make an affirmative finding that disposal by a method other than sealed bid or public auction is in the public interest.

IV. Such authority to transfer or to sell shall continue in effect for one year from the date of the town meeting or action by the city or town council provided, however, that the authority to transfer tax liens, or to sell real estate acquired in default of redemption, or to vary the manner of such sale or transfer as justice may require, may be granted for an indefinite period, in which case the warrant article or vote granting such authority shall use the words "indefinitely, until rescinded" or similar language.

V. Towns and cities may retain and hold for public uses real property the title to which has been acquired by them by tax collector's deed, upon vote of the town meeting or city council approving the same.

VI. For purposes of this section, the authority to dispose of the property "as justice may require" shall include the power of the governing body to:

(a) Engage a real estate agent or broker to list and sell the property, including a sale conditional on the buyer's obtaining development approvals;

(b) Sell undeveloped parcels to abutters for consolidation into adjoining lots for the purpose of affordable housing development, preserving open space, or reducing development density; or

(c) Convey the property to a former owner, or to a third party for benefit of a former owner, upon such reasonable terms as may be agreed to in writing, including the authority of the municipality to retain a mortgage interest in the property, or to reimpose its tax lien, contingent upon an agreed payment schedule, which need not necessarily reflect any prior redemption amount. Any such agreement shall be recorded in the registry of deeds. This paragraph shall not be construed to obligate any municipality to make any such conveyance or agreement.

Source. 1987, 322:1. 1992, 173:3, 4. 1993, 176:10. 1997, 266:4, eff. Jan. 1, 1998. 2018, 149:1, eff. July 29, 2018.

AGENDA
LEBANON CITY COUNCIL – SPECIAL MEETING
DECEMBER 9, 2020

5. NEW BUSINESS AGENDA ITEM:

5.B – REVIEW AND AUTHORIZE CITY MANAGER TO SIGN PAYMENT IN LIEU OF TAXES (PILOT) AND MOBILE INTEGRATED HEALTHCARE (MIH) AGREEMENTS WITH DHMC

Discussions regarding potential agreements with DHMC are two parts:

1. A joint discussion between the City Council and Board of Assessors regarding the merits of the negotiated PILOT agreement with Dartmouth Hitchcock Medical Center. While the City Council will have input on the provisions of the agreement, it is the Board of Assessors that has the authority to enter into PILOT agreements in accordance with the provisions of NH RSA Chapter 72; and

2. A discussion with the City Council regarding a proposed three-year agreement for the provision of a Mobile Integrated Healthcare Program. The City Council has the authority to enter into the negotiated MIH agreement.

BACKGROUND

On January 24, 2002, the Board of Assessors and the City Manager executed the first PILOT agreement with DHMC. That agreement specified the amount of the payment in lieu of taxes that would be paid to the City on an annual basis for the term of the agreement which is set to expire on December 31, 2020.

On February 19, 2019 the City provided a letter to DHMC signaling its intent to negotiate a renewal of the PILOT agreement. During this same time period, City Manager Shaun Mulholland and Fire Chief Chris Christopoulos began unrelated discussions with DHMC regarding a possible agreement between the City and DHMC to begin a Mobile Integrated Health program.

DHMC through a separate proposed agreement (MIH Agreement) has agreed to fund the community paramedicine program. DHMC would fully fund a full-time paramedic or AEMT position in the Lebanon Fire Department, as well as 40 hours of staffing for the community nursing program in the City. This program would allow for the provisions of advanced healthcare in the community setting instead of the hospital which it is hoped will reduce healthcare costs and improve the quality of service for those who need it. The initial term of the agreement would be for a three-year period with extended service beyond that if the program is successful. The total estimated amount funding to the City for the agreement for the first three years is $715,280.

City Administration and DHMC officials have negotiated the respective agreements for consideration and action by both parties. The PILOT agreement would increase at a rate of 2.5% each year over the next twenty years of the agreement. As DHMC adds more property to the PILOT agreement the base square footage will be adjusted and add to the amount of the annual payment to the City. DHMC will provide the City with a one-time payment in the amount of $189,050 for the emergency vehicle intersection pre-emption system to be installed along the Route 120 corridor between Hanover Street and the Hanover town line.

ACTION ITEMS:

For approval of the PILOT Agreement, the following motion is offered for consideration by the Board of Assessors:

MOVED, that the Lebanon Board of Assessors hereby approves the Payment In Lieu of Taxes agreement between the City of Lebanon and Dartmouth Hitchcock Medical Center as outlined in the "First Amendment to Agreement" presented in the December 9, 2020 City Council/Board of Assessors Joint Meeting agenda packet; and hereby authorizes the City Manager to execute all documents and take any action necessary to enter into this agreement.

For approval of the MIH Agreement, the following motion is offered for consideration by the City Council:

MOVED, that the Lebanon City Council hereby approves the Mobile Integrated Healthcare-Community Paramedicine Program Agreement between the City of Lebanon and Dartmouth Hitchcock Medical Center as presented in the December 9, 2020 City Council/Board of Assessors Joint Meeting agenda packet; and hereby authorizes the City Manager to execute all documents and take any action necessary to enter into this agreement.

Included in this Section:

1. First Amendment to 2002 PILOT Agreement between the City of Lebanon and DHMC
2. January 24, 2002 PILOT Agreement between the City of Lebanon and DHMC
3. Proposed Mobile Integrated Healthcare-Community Paramedicine Program Agreement

FIRST AMENDMENT
TO
AGREEMENT

This FIRST AMENDMENT TO AGREEMENT (the "First Amendment") is dated as of the _____ day of________________, 2020, by and among **The City of Lebanon**, a municipal corporation in the County of Grafton, New Hampshire (the "City") and (i) **Mary Hitchcock Memorial Hospital** ("MHMH") and **Dartmouth-Hitchcock Clinic** ("DHC") (collectively "Dartmouth-Hitchcock"), (ii) **Dartmouth-Hitchcock Medical Center** ("DHMC"), and (iii) **Trustees of Dartmouth College** (which operates the Geisel School of Medicine) ("Dartmouth"), all of which are New Hampshire non-profit, voluntary corporations (collectively, the "Medical Center"). The City and the Medical Center are sometimes referred to as the "Parties."

Factual Background

This First Amendment is based on the following circumstances and mutual understandings:

A. On January 24, 2002, the Parties reached a compromise of their tax dispute and entered into an Agreement for a voluntary annual payment in lieu of taxes (the "PILOT Agreement"), with an expiration date of December 31, 2020.

B. Since the inception of the PILOT Agreement, the Medical Center and the City have complied with their respective obligations thereunder and enjoyed a close working relationship characterized by a shared commitment to their mutual well-being and that of the City's residents and the Medical Center's patients, employees, and students – many of whom reside in the City.

C. Article IV, Paragraph 1 of the PILOT Agreement requires that, on January 1, 2018, the Parties commence discussions to renew or extend the PILOT Agreement, and negotiate in good faith toward reaching an accord by December 31, 2020.

D. The Parties have negotiated in good faith and reached agreement on terms to extend the PILOT Agreement, in consideration of which Dartmouth-Hitchcock has agreed to make certain additional voluntary contributions to the City, as set forth in a letter to the City dated February 19, 2019, and in accordance with the terms of this First Amendment.

E. The Parties now wish to amend the terms of the PILOT Agreement, as authorized by Article IX, Paragraph 1, to: (i) extend the term of the PILOT Agreement; (ii) identify the additional voluntary contributions to be made by Dartmouth-Hitchcock in consideration of the extension of the PILOT Agreement term; and (iii) memorialize proposed clarifications of the PILOT Agreement discussed by the Parties in 2015 and more recently.

Terms of First Amendment to PILOT Agreement

In consideration of the above, and for other good and valuable consideration received, the Parties hereby agree as follows:

I. Amendment to Article I, Paragraph 8. Article I, Paragraph 8 of the PILOT Agreement is amended by replacing it in its entirety with the following:

> "Medical Center Property" shall for purposes of this Agreement mean (i) all property in the City presently owned, used and occupied by any of the Medical Center organizations for any Exempt Purposes of the Medical Center, which properties are listed in the attached Schedule A-2 as being "In PILOT", and (ii) all other property hereafter owned, used and occupied (including buildings under construction and the land appurtenant thereto intended for such use and occupancy) by any of the Medical Center organizations for Exempt Purposes, but specifically excluding property of Dartmouth not directly related to the operation of the Geisel School of Medicine.

II. Amendment to Article III. Article III of the PILOT Agreement is amended by adding the following after Paragraph 7:

8. Additional Voluntary Contributions to the City in Consideration of First Amendment. As consideration for the City's agreement to extend the term of the PILOT Agreement as set forth in Article IV below, Dartmouth-Hitchcock agrees to make the following additional voluntary contributions to the City:

8.1 Emergency Vehicle Intersection Pre-Emption System. Within fifteen (15) days following execution of this First Amendment, Dartmouth-Hitchcock will make a one-time payment to the City in the amount of ONE HUNDRED EIGHTY-NINE THOUSAND FIFTY DOLLARS ($189,050) to defray the cost of installation of certain GPS devices at traffic signals in the City (the "GPS Devices"). The Parties agree that the payment described in this Paragraph 8 is intended only for the purchase and installation of the GPS Devices and that Dartmouth-Hitchcock will have no further obligations or liabilities with respect to any costs associated with the ongoing maintenance or operation of the GPS Devices or any costs incurred by the City associated with the installation of additional or similar GPS Devices.

8.2 Community Paramedicine Program. The City and Dartmouth-Hitchcock acknowledge that the City intends to develop a community paramedicine program, called the Mobile Integrated Healthcare – Community Paramedicine program (the "MIH-CP"), the primary purpose of which is to train and deploy paramedic and emergency medical technicians to conduct in-home patient assessments of City residents who are vulnerable, including the frail and elderly following hospital discharge. In order to assist the City to develop and implement the MIH-CP, Dartmouth-Hitchcock agrees to provide financial and other support to the City, as agreed by the City and Dartmouth-Hitchcock under a separate written agreement executed no later than this First Amendment.

III. Amendment to Article IV, Paragraph 1. Article IV, Paragraph 1 of the PILOT Agreement is amended by replacing it in its entirety with the following:

Term. The term of this Agreement, which began with the calendar year commencing January 1, 2001, shall be extended beginning with the calendar year commencing January 1, 2021 and shall expire on December 31, 2040, unless earlier terminated pursuant to the provisions of this Agreement. The tax years subject to the terms of this Agreement commence with the tax year beginning on April 1, 2021 and end at the conclusion of the tax year beginning on April 1, 2040. The parties agree that commencing January 1, 2039, they will begin discussions to renew or extend this Agreement; and in agreeing to meet they also agree to negotiate in good faith toward reaching an accord by December 31, 2040.

IV. Clarifications and Amendments to the PILOT Agreement. The Parties wish to memorialize in this First Amendment and incorporate into the PILOT Agreement certain clarifications and amendments for the convenience of the Parties in order to implement the PILOT Agreement for another 20-year term:

A. Amendments and Additions to Exhibits and Schedules.

Exhibit A: Original list of properties included as Medical Center Property. No change to original exhibit.

Schedule A-1, **"Land Area of Medical Center Campus".** This is a new exhibit identifying the total acreage included in Exhibit A and Exhibit C in 2002, listing all changes to that acreage since 2002 and the remaining vacant land as of the date of this First Amendment.

Schedule A-2, "List of Parcels Owned by Medical Center in the Vicinity of DHMC Campus". This new exhibit lists the lot numbers used by the City pursuant to its tax maps for parcels owned by the Medical Center in the City of Lebanon near the DHMC Campus, as well as each parcel's PILOT status, as of the date of this First Amendment.

Schedule A-3, **"Aerial View of Lot 010-008 as of August 12, 2020".** This new exhibit identifies the current boundaries of Lot 010-008 which now incorporates property listed in both Exhibit A and Exhibit C of the PILOT Agreement.

Schedule A-4, **"Aerial View of Lot 010-022 as of August 12, 2020".** This exhibit identifies the current boundaries of Lot 010-022, of which 8.7 acres was included in Exhibit A of the PILOT Agreement.

Exhibit B: **"Annual Contribution Report for the Year _______ Pursuant to ¶1, Article III of the January 24, 2002 Agreement ... ".** This exhibit is amended to add the full date of the 2002 PILOT Agreement and to update the list of Schedules and Base Building Space as of the date of this First Amendment, as attached hereto.

Schedule B-1, "Base Contributions for Years 2021-2040 …". This schedule, formerly Schedule A in the PILOT Agreement, is amended as attached hereto. See also Section IV(B) of this First Amendment below that amends Article III, Paragraph 2, "Base Contribution", in the PILOT Agreement.

Schedule B-2, "Contributions for Taxable Properties Acquired from Unaffiliated Owner …". This schedule, formerly Schedule B in the PILOT Agreement, is amended to change its name by replacing "Schedule B" with "Schedule B-2" as attached hereto.

Schedule B-3, "Medical Center Base Building Space (BBS)". This schedule is a new spreadsheet showing buildings owned by the Medical Center that are included in, or excluded from, the updated and amended "Base Building Space" of 2,120,601 square feet as of the date of this First Amendment under Article III, Paragraph 4 of the PILOT Agreement as attached hereto. It identifies the building gross square feet ("BGSF") of each floor of each building by owner and/or occupant. This Schedule B-3 will be used, and revised as applicable, annually hereafter to show all cumulative changes, additions or deletions to BGSF as of each January 15, beginning in January 2021. All new improvements constructed after the date of this First Amendment that qualify as Medical Center Property will be included as Updated Building Space ("UBS") applicable to each Annual Contribution. See also Section IV(D) of this First Amendment below that amends Article III, Paragraph 4, "Contribution to the City for Additional Future Exempt Space", in the PILOT Agreement.

Exhibit C: Original list of five properties described in Article III, Paragraph 3 of the PILOT Agreement. No change to original exhibit.

Schedule C-1, "Revised Acreage of Exhibit C". This new exhibit reflects changes since 2002 to the land area of Exhibit C lots and their actual acreage as of the date of this First Amendment.

Schedule C-2, "Plan Excerpt of Exhibit C Land Area". This new exhibit shows an excerpt of a plan used in 2002 that identifies the location of lots that were listed in Exhibit C, which land area has since been merged into Lot 10-8 in the City's tax maps.

Exhibit D: "Tax Year and PILOT Agreement Illustrations". This is a new exhibit that provides examples of the timing of events in a typical tax year in relation to the Annual Contributions that implement the PILOT Agreement.

B. Amendment of Article III, Paragraph 2, "Base Contribution". The Parties agree that the original Base Contribution of $800,000 set forth in Article III, Paragraph 2 and the schedule of payments shown in the original Schedule A of Exhibit B in the PILOT Agreement shall be replaced with a new Base Contribution schedule for the Years 2021 through 2040 as shown on **Schedule B-1** attached hereto. The Base Contribution for 2021 shall equal the total Annual Contribution to the City from the Medical Center for the Year 2020 of $1,805,961 less $72,696 (representing changes from the 2020 Contribution Report), multiplied by Two and One Half Percent (2.5%) for a new Base Contribution of $1,776,597 for the Year 2021 that increases by Two and One Half Percent (2.5%) each year thereafter. The purpose of this amendment is to reset the beginning point of future Base Contributions for the next 20-year term for the convenience of the parties and not as a substantive change to the original PILOT Agreement.

C. Clarification to Article III, Paragraphs 1-4 addressing "Building Space." The Parties agree and acknowledge that the BBS as of 2002 under the Agreement was 1,769,121 gross square feet, and that an increase in the Annual Contribution under Article III, Paragraph 4, would occur only if and when the UBS exceeded the 1,769,121 square foot BBS.

D. Amendment to Article III, Paragraph 4, "Contribution to the City for Additional Future Exempt Space." The Parties agree to update the beginning amount of the BBS as of the date of this First Amendment which shall equal, with the change described below, the BGSF that were part of the Medical Center Property and reported as the UBS for the calculation of the *Annual Contribution Report For The Year 2020.* The purpose of this amendment is to reset the threshold BBS for calculating future annual contributions based on changes to the UBS over the next 20-year term for the convenience of the parties and not as a substantive change to the original PILOT Agreement.

The BBS as of the date of this First Amendment shall be 2,120,601 gross square feet. A full list of buildings owned by the Medical Center in the City of Lebanon and their gross square footage that are included in the BBS of 2,120,601 square feet are listed in **Schedule B-3** attached hereto.

The increase in BBS from 1,769,121 gross square feet in 2002 accounts for the cumulative increase of Medical Center Property used for Exempt Purposes. The Parties agree that the gross square feet of 2,057,679 reported as UBS from DHMC in its *Annual Contribution Report for the Year 2020* shall be increased by 62,922 square feet. The net increase in BBS reflects the addition of improvements that had been included on Schedule B in the *Annual Contribution Report for the Year 2020* as well as other changes for the purpose of establishing the new threshold BBS in this First Amendment.

An increase in the Annual Contribution will occur under Article III, Paragraph 4 if the UBS, beginning in January 2021 and annually thereafter, exceeds the BBS of 2,120,601 square feet, as reported in annual updates of Schedule B-3 filed with the City each January.

E. <u>Clarifications to Article III, Paragraphs 1-4 addressing Annual Contributions to the City.</u>

1) The Parties agree and acknowledge that circumstances have arisen since 2002 that have needed clarification related to vacant land, new construction and the timing of additions to the Annual Contributions for formerly taxable property and annual exemption applications related thereto. The Parties agree to clarifications of the PILOT Agreement as set forth below.

2) The Annual Contributions described in Article III apply only to property that has qualified for, and received, a tax exemption from the City in the same tax year. (Art. I, ¶¶7-8; Art. II, ¶¶1-2; Art. III, ¶¶1-4.)

a) When the Medical Center claims a charitable exemption for property on the annual application due to the City by April 15 of each year under RSA 72:23-c, it will list all "Medical Center Property" (as defined by Article I, Paragraph 8) that is, as of April 1 of that same calendar year, used and occupied by the Medical Center for Exempt Purposes inclusive of all real estate actively under construction at that time for those same Purposes. (Art. II, ¶¶1-2.) Consistent with, and as described in, Paragraphs 3 and 4 of Article III of the PILOT Agreement, all such property that is Medical Center Property on April 1 (excluding improvements actively under construction unless such improvements have received either a temporary or final Certificate of Occupancy ("CO")) will be included in the calculations for the next, and subsequent, January 15 Annual Contribution. See also Section IV(E)(3) of this First Amendment below.

b) By way of illustration, a tax year begins on April 1, 2020 and ends on March 31, 2021 (the "2020 Tax Year"). On or before April 15, 2020, the Medical Center submits its annual exemption application and the City thereafter makes a decision as to the exemption of such real estate. The Annual Contribution paid in January 2021 pursuant to Article III of the PILOT Agreement applies to all property that qualified as Medical Center Property for the 2020 Tax Year. For further illustration, see **Exhibit D,** attached hereto.

3) Under Article III, Paragraph 4 of the PILOT Agreement, if the Medical Center begins construction of new improvements at any time during a tax year on real estate that is listed in the Medical Center's exemption application and used and

occupied, or intended to be used and occupied, for Exempt Purposes upon completion, whether the improvements will be a new building or an expansion of an existing building, the improvements are not subject to tax or to an additional PILOT contribution as UBS until the first January 15 following issuance of either a temporary or final CO for such new building space. After issuance of a CO, Schedule B-3 is revised to add the new square footage as UBS for the next, and subsequent, January 15 Annual Contribution. For further illustration, see **Exhibit D** attached hereto.

4) Treatment of vacant land:

a) Vacant land owned by any of the Medical Center organizations in the City of Lebanon is taxable every April 1 so long as it is vacant. (Art. I, ¶¶7-8; Art. III, ¶3.)

b) The acreage of vacant land, once actively under construction where the improvements are or will be used and occupied by the Medical Center for Exempt Purposes, inclusive of land under the improvements and appurtenant to each planned building or parking structure and ground parking area, becomes Medical Center Property covered by the PILOT Agreement beginning with the first tax year after such land with its improvements is listed on the exemption application filed by the Medical Center and has qualified as Medical Center Property. (Art. I, ¶8; Art. II, ¶¶1-2; Art. III, ¶3.)

i. The Parties agree and acknowledge that the total remaining taxable, vacant acreage of the Medical Center Campus identified on Exhibit A and Exhibit C in the PILOT Agreement is 149.01 acres as of the date of this First Amendment, as shown in **Schedule A-1.**

c) If acreage of vacant land acquired from an unaffiliated owner at some point in time undergoes active construction for improvements that will be used and occupied by the Medical Center for Exempt Purposes, the Medical Center adds that acreage to the next exemption application after construction begins. The land is also added to the next, and subsequent, Schedule B-2 for an additional contribution to the City equal to the taxes paid on such property in the immediately preceding tax year. (Art. III, ¶3; Art. II, ¶¶1-2.)

i. By way of illustration, if land acquired from an unaffiliated owner in 2015 is vacant on April 1, 2020, it is taxable for the entire 2020 tax year. If the same land begins to undergo construction to add improvements for future Exempt Purposes by July 1, 2020, taxes are still due for the land for the 2020 tax year. The Medical Center adds the land to its next exemption application (for the 2021 tax year due on or before April 15, 2021), and after the City grants the exemption, it is not taxed for the 2021 tax year. The Medical Center adds the amount of the tax paid for the 2020 tax year to Schedule B-2 for its Annual Contribution to be paid in January 2022. For further illustration, see **Exhibit D** attached hereto.

5) The approach described immediately above in Section IV(E)(4)(c) of this First Amendment is also used for taxable land with improvements acquired by the Medical Center from an unaffiliated owner. (Art. III, ¶3; Art. II, ¶¶1-2.) The commencement of construction of new improvements or actual occupancy of the acquired improvements if no construction is needed for the intended Exempt Purposes will qualify the property as Medical Center Property as of the beginning of the first tax year after the Medical Center adds it to the exemption application and it is granted by the City.

a) After the exemption application is filed and granted by the City, the tax attributed to the land and improvements for the immediately preceding tax year is included in the next, and subsequent, Annual Contribution in Schedule B-2 (e.g., beginning the first January 15 following submission of the exemption application and it being granted) pursuant to Article III, Paragraph 3 of the PILOT Agreement. If the formerly-taxable building acquired from an unaffiliated owner is expanded, Article III, Paragraph 4 of the PILOT Agreement applies and the UBS is increased by the number of square feet of new building space constructed. By way of illustration, see **Exhibit D** attached hereto.

V. Annual Meeting of the Parties. To ensure the proper application of the complexities of the PILOT Agreement to the Medical Center Property, the Parties agree to meet annually prior to the end of the calendar year to review, discuss or conduct the following:

(a) Base Building Space versus Updated Building Space and its impact on additions or deductions to the next Annual Contribution;
(b) Calculation of current commercial, vacant or otherwise taxable property;
(c) New properties acquired by the Medical Center;
(d) Changes in use of any existing Medical Center property or other property owned by Dartmouth-Hitchcock;
(e) Inspections of any Medical Center property by City assessing officials or their agents, if needed;
(f) Future Medical Center plans; and
(g) Proposed PILOT report for the January filing.

VI. Full Force and Effect. All terms of the PILOT Agreement not specifically amended or modified by this First Amendment remain in full force and effect. The Parties ratify and confirm the provisions of the PILOT Agreement as amended hereby.

VII. Execution, Delivery and Counterparts. This First Amendment may be executed and delivered by facsimile or other electronic transmission, in any number of counterparts, each of which will be deemed to be an original and all of which will constitute one agreement that is binding upon each of the Parties.

FOR THE CITY OF LEBANON:

____

Shaun Mulholland
City Manager
Duly Authorized

FOR MARY HITCHCOCK MEMORIAL HOSPITAL AND FOR DARTMOUTH-HITCHCOCK CLINIC:

____

Joanne M. Conroy, MD
Chief Executive Officer and President
Duly Authorized

FOR DARTMOUTH-HITCHCOCK MEDICAL CENTER:

____

Joanne M. Conroy, MD
Chief Executive Officer and President
Duly authorized

FOR TRUSTEES OF DARTMOUTH COLLEGE:

____

____

Print Name

____

Title
Duly authorized

EXHIBIT A

Tax Map & Lot No.	Owner	Property Description	Primary Use
1. 010-008-00200	Mary Hitchcock Memorial Hospital	Hospital and Clinic Condominium Units	Academic Medical Center
2. 010-008-00300	Dartmouth-Hitchcock Medical Center	Land inside Loop Road	Academic Medical Center
3. 010-008-70200	Trustees of Dartmouth College	College Condominium Units 1 and 2	Academic Medical Center
4. 010-006-70100	Mary Hitchcock Memorial Hospital	2.5 acres and Child Care Center	Child Care Center for Academic Medical Center
5. 010-022-00000	Mary Hitchcock Memorial Hospital	8.7 acres and Buildings	Record and Financial Services Buildings for Academic Medical Center

SCHEDULE A-1

LAND AREA OF MEDICAL CENTER CAMPUS

(EXHIBIT A & EXHIBIT C)

DHMC

LAND AREA CALCULATIONS

PER PICTOMETRY AERIAL IMAGERY & "CONDOMINIUM SITE PLAN FOR DHMC CONDOMINIUM" BY PATHWAYS CONSULTING LLC DATED MAY 2014

CALCULATED BY RICHARD VINCENT, CHIEF ASSESSOR

TOTAL ACREAGE	286.20
LOOP RD & LAND INSIDE RD	-87.00
LAND OUTSIDE LOOP RD	199.20
LOTS 10/2 TO 10/6 (EXH C)	-41.20
OUTPATIENT SURG CTR	-3.06
JACK BYRNE CTR	-5.93
TOTAL VACANT ACREAGE	149.01

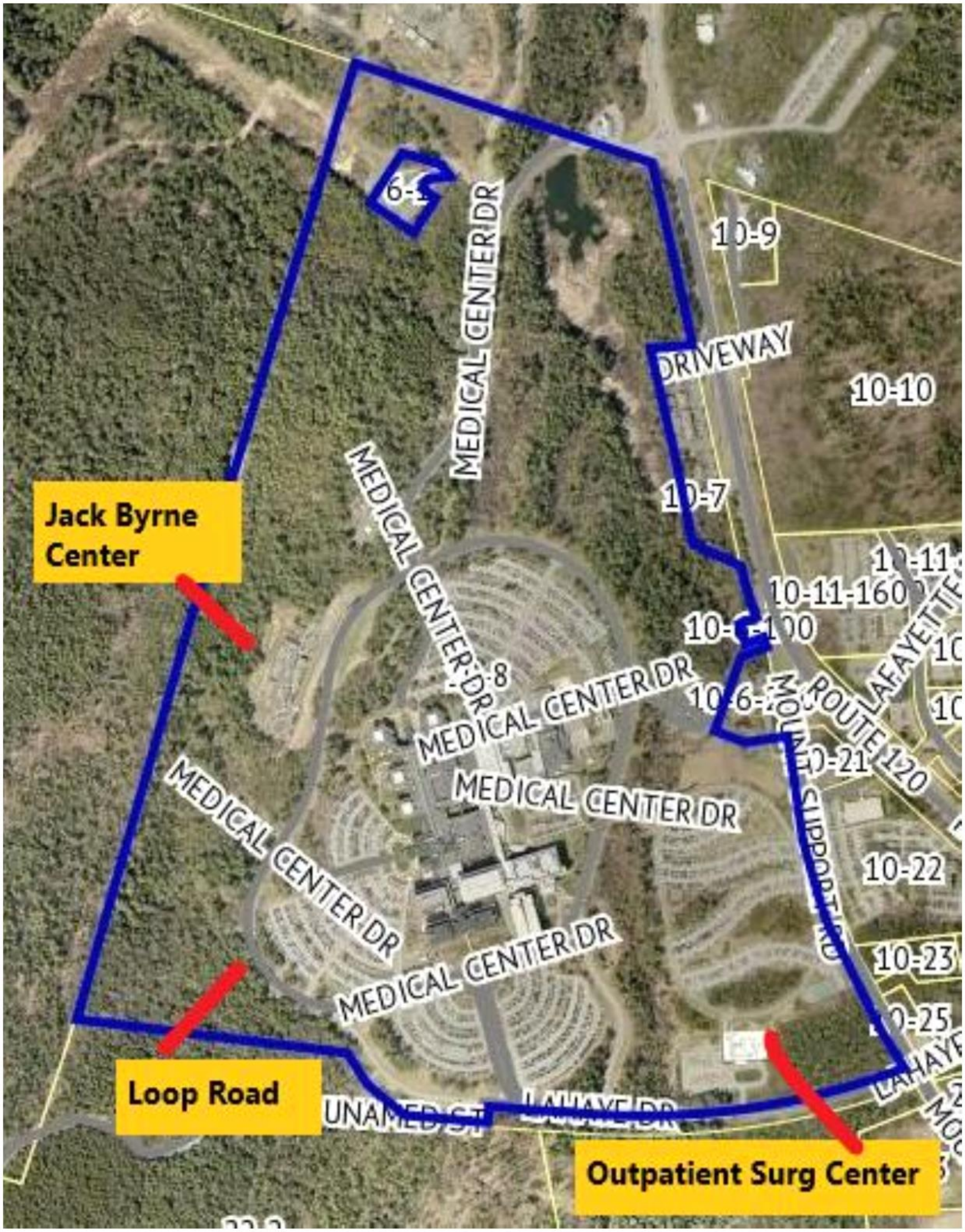
SCHEDULE A-2

List of Parcels Owned by Medical Center in the Vicinity of DHMC Campus (By Map/Lot Number) as of November 16, 2020

Map/Lot	Location	Description	Notes
10-08	Campus	Court Commercial	Taxable
10-8-100	Campus	Land Outside Loop Road	Taxable if Vacant
10-8-200	Campus	Hospital Building Proper & Maint Bldgs	In PILOT
10-8-300	Campus	Land Inside Loop Road	In PILOT
10-8-70100	Campus	Day Care Center	In PILOT
10-8-70200	Campus	Medical School Condo	In PILOT
10-10	Route 120	Vacant Land	Taxable
10-11-3200	44 Lafayette St	Data Ctr/Former Post Office Bldg	In PILOT
10-13	Lafayette St	Vacant Land	Taxable
10-21	460 Mt Support Rd	Vacant Land	Taxable
10-22	444 Mt Support Rd	Clinic Records Center & Admin/Financial Services	In PILOT
10-23	Mt Support Rd	Vacant Land	Taxable
10-24-100	Mt Support Rd	Vacant Land	Taxable
10-24-200	Mt Support Rd	Vacant Land	Taxable
10-25	432 Mt Support Rd	Vacant Land	Taxable
22-2	127 Lahaye Dr	Vacant Land	Taxable
24-2	401 Mt Support Rd	Land under Construction For Non-Medical Center Housing	Taxable
24-3	419 Mt Support Rd	Single-Family Dwelling	Taxable
24-4	Mt Support Rd	Vacant Land	Taxable
24-5	Mt Support Rd	Vacant Land	Taxable
24-6	424 Mt Support Rd	Vacant Land	Taxable
24-8	Mt Support Rd	Vacant Land	Taxable

Map/Lot	Location	Description	Notes
51-2	52 N. LaBombard Rd	Admin Office & Wrhse/Main Shop	In PILOT Except 9,638 SF on 2nd Floor, Occupied By Conifer Billing Services
51-3	50 N. LaBombard Rd	Services Ctr	In PILOT
64-9	18 Old Etna Rd	Heater Rd Outpatient Clinic	In PILOT
76-10	Mt Support Rd	Vacant	Taxable

Schedule A-3
Medical Center – Main Campus
Aerial View of Lot 010-008
As of August 12, 2020



14

<u>Schedule A-4</u>
Medical Center – Main Campus
Aerial View of Lot 010-022
As of August 12, 2020

EXHIBIT B

ANNUAL CONTRIBUTION REPORT FOR THE YEAR _________

Pursuant to ¶1, Article III of the

January 24, 2002 Agreement Between

The City of Lebanon & Dartmouth Hitchcock Medical Center

A. BASE CONTRIBUTION (Art. III-2)
From Schedule B-1: **$____________**

B. ADDITIONAL CONTRIBUTIONS: ACQUIRED TAXED PROPERTIES USED BY DHMC FOR EXEMPT PURPOSES (Art. III-3) Total from Schedule B-2: **$____________**

C. ADDITIONAL CONTRIBUTION: ADDITIONAL FUTURE EXEMPT SPACE (Art. III-4)
[Applicable if Updated Building Space Exceeds Base Building Space on January 1]

Base Building Space (BBS): 2,120,601 sq. ft.
Updated Building Space (UBS): ___________sq. ft.

Formula: $\dfrac{\text{UBS less BBS}}{\text{BBS}}$ **x Base Contribution for the year (A above)**

$\dfrac{\text{\_\_\_\_\_\_\_\_\_\_\_\_ sf} - 2{,}120{,}601\text{ sf}}{2{,}120{,}601\text{ sf}}$ **x $________________ = $____________**

D. ANNUAL CONTRIBUTION TO THE CITY FROM DHMC FOR THE YEAR (sum of A, B & C above per ¶1, Art. III)* **$____________**

____
Authorized Officer of DHMC

***In the extremely unlikely event that the seventh sentence of paragraph 1 of Article III applies (i.e. at least 10% of DHMC property is transferred to a taxable entity, and UBS is less than BBS), the Annual Contribution determined under that sentence would apply. In the limited circumstances covered by that sentence, the Annual Contribution under D above would be determined by the following formula:**

$\dfrac{\text{UBS}}{\text{BBS}}$ **x the amount of the Annual Contribution that would otherwise be due such year**

SCHEDULE B-1			
BASE CONTRIBUTIONS FOR YEARS 2021-2040			
PURSUANT TO PARAGRAPH 2 OF ARTICLE III			
($1,776,597 IN 2021, INCREASED 2.5% ANNUALLY THEREAFTER)			
YEAR#	YEAR		PAYMENT
1	2021		$1,776,597
2	2022		$1,821,012
3	2023		$1,866,537
4	2024		$1,913,201
5	2025		$1,961,031
6	2026		$2,010,056
7	2027		$2,060,308
8	2028		$2,111,816
9	2029		$2,164,611
10	2030		$2,218,726
11	2031		$2,274,194
12	2032		$2,331,049
13	2033		$2,389,325
14	2034		$2,449,059
15	2035		$2,510,285
16	2036		$2,573,042
17	2037		$2,637,368
18	2038		$2,703,302
19	2039		$2,770,885
20	2040		$2,840,157

SCHEDULE B-2

Contributions for Taxable Properties Acquired from Unaffiliated Owner & Used by Medical Center for Exempt Purposes

YEAR: ____________

Properties Covered:

#1.
1. **Description: ____**
2. **Last year taxed: ____________________________________**
3. **Amount of tax paid that year: $________________________**
4. **III-3 Contribution in previous yr. (if any): $______________**

CONTRIBUTION FOR PROPERTY #1:

i. If taxed on previous April 1 & now exempt, enter tax paid previous year. OR

ii. If owned by DHMC and exempt previous year, enter previous year III-3 contribution for property times 1.025

CONTRIBUTION FOR PROPERTY #1 $________________

#2.
1. **Description: ____**
2. **Last year taxed: ____________________________________**
3. **Amount of tax paid that year: $________________________**
4. **III-3 Contribution in previous yr. (if any): $______________**

CONTRIBUTION FOR PROPERTY #2:

i. If taxed on previous April 1 & now exempt, enter tax paid previous year. OR

ii. If owned by DHMC and exempt previous year, enter previous year III-3 contribution for property times 1.025

CONTRIBUTION FOR PROPERTY #2 $________________

#3.
1. **Description: ____**
2. **Last year taxed: ____________________________________**
3. **Amount of tax paid that year: $________________________**
4. **III-3 Contribution in previous yr. (if any): $______________**

CONTRIBUTION FOR PROPERTY #3:

i. If taxed on previous April 1 & now exempt, enter tax paid previous year. OR

ii. If owned by DHMC and exempt previous year, enter previous year III-3 contribution for property times 1.025

CONTRIBUTION FOR PROPERTY #3 $________________

[ADD HERE ADDITIONAL III-3 PROPERTIES, IF ANY]

TOTAL ART. III-3 CONTRIBUTIONS TO THE CITY FROM DHMC FOR THE YEAR (SUM OF 1, 2, 3, etc. above) – (Also enter figure in "B" of Report)

$________________

SCHEDULE B-3: MEDICAL CENTER BASE BUILDING SPACE (BBS)

DHMC SPACE OCCUPANCY AND OWNERSHIP BY BUILDING AND FLOOR

Building	Floor	Occupant					BGSF	DGSF	Owner (COM)			DGSF and	Allocations		
		COM	DHC	GEISEL	MHMH	NON-DGSF			DHC	GEISEL	MHMH	COM Total	DHC	GEISEL	MHMH
01 (Inpatient Care Towers)	1	2,819			30,480	6,507	39,806	30,480				33,299			
	2	882			31,805	1,713	34,400	31,805				32,687			
	3	1,178	110		29,344	1,820	32,452	29,454				30,632			
	4	1,181			28,688	1,836	31,705	28,688				29,869			
	5	1,193			28,533	2,007	31,732	28,533				29,725			
	6	1,152				5,738	6,890	-				1,152			
	Bldg Total:	8,404	110	-	148,849	19,622	**176,985**	148,959	6	-	8,397	157,363	0.07%	0.00%	99.93%
02 (Diagnostic & Treatment East)	1					6,306	6,306	-				-			
	2	20,668		1,703	71,771	15,375	109,518	73,474				94,142			
	3	13,938	13,084		96,154	4,453	127,629	109,238				123,175			
	4	3,537			103,628	5,593	112,758	103,628				107,165			
	5	3,062		1,894	38,867	23,300	67,123	40,761				43,822			
	6					24,644	24,644	-				-			
	7					2,175	2,175	-				-			
	Bldg Total:	41,205	13,084	3,596	310,419	81,847	450,152	327,100	1,648	453	39,104	368,304	4.00%	0.58%	95.42%
03 (Diagnostic & Treatment West)	2	3,093		15	38,604	1,482	43,194	38,619				41,712			
	3	6,893			27,651	1,790	36,335	27,651				34,544			
	4	4,449			25,168	1,568	31,185	25,168				29,617			
	5	4,580	9,942	133	13,134	1,181	28,969	23,209				27,788			
	6					4,481	4,481	-				-			
	Bldg Total:	19,015	9,942	148	104,558	10,501	144,164	114,648	1,649	24	17,342	133,662	8.67%	0.13%	91.20%
04 (Clinic Building)	2	8,011			4,031	15	12,056	4,031				12,042			
	3	17,127	32,630		17,240	764	67,762	49,870				66,997			
	4	12,453	42,047	28	6,586	1,111	62,226	48,662				61,115			
	5	11,641	25,940	123	21,216	1,085	60,005	47,279				58,920			
	6	2,335					2,335	-				2,335			
	Bldg Total:	51,568	100,618	151	49,073	2,975	**204,384**	149,842	34,627	52	16,888	201,410	67.15%	0.10%	32.75%
05 (Main Entrance/ Administration)	2	2,409			6,933	115	9,458	6,933				9,343			
	3	12,320	1,904	587	13,616	926	29,352	16,107				28,426			
	4	4,942	9,380	94	6,436	978	21,830	15,910				20,853			
	5	4,461	5,279	7,375	67	967	18,149	12,721				17,182			
	Bldg Total:	24,132	16,563	8,055	27,053	2,987	**78,790**	51,671	7,736	3,762	12,635	75,803	32.06%	15.59%	52.36%
06 (Rubin / Cancer Center)	10	532				2,796	3,328	-				532			
	2	1,200	6,433	961	24,537	5,217	38,349	31,931				33,131			
	3	5,140	15,007	3,362	10,644	1,137	35,288	29,012				34,152			
	4	4,678	11,678	7,471	5,835	1,269	30,931	24,984				29,661			
	5	3,731	9,406	1,575	7,750	10,345	32,807	18,731				22,461			
	6	942		21,544	2,327	1,056	25,869	23,870				24,813			
	7	942	136	20,732	2,538	1,005	25,352	23,405				24,347			
	8	947		22,514	817	938	25,216	23,330				24,278			
	9	503				16,599	17,102	-				503			
	Bldg Total:	18,615	42,659	78,158	54,447	40,363	**234,241**	175,263	4,531	8,301	5,783	193,878	24.34%	44.59%	31.07%
07 (Williamson)	2	4,284		16,494		6,306	27,085	16,494				20,779			
	3	9,135		9,294	7,456	2,442	28,327	16,749				25,885			
	4	6,312		417	18,404	1,364	26,498	18,822				25,134			
	5	4,057		17,543		1,349	22,949	17,543				21,600			
	6	3,895		16,416	364	1,347	22,022	16,780				20,675			
	7	2,866		17,321		1,362	21,548	17,321				20,187			
	8	835				14,009	14,845	-				835			
	9	654				352	1,006	-				654			
	Bldg Total:	32,039	-	77,485	26,224	28,532	**164,280**	103,709	-	23,938	8,100	135,748	0.00%	74.71%	25.28%
08 (Borwell)	2	1,144		824	2,029	7,924	11,921	2,853				3,997			
	3	2,368		29,973	4,445	751	37,536	34,417				36,785			
	4	1,003			30,893	1,798	33,694	30,893				31,896			
	5	1,998		6,285	21,702	1,935	31,921	27,988				29,986			
	6	947	98	27,868	921	1,892	31,726	28,887				29,834			
	7	933		28,900		1,882	31,715	28,900				29,833			
	8	701				17,392	18,093	-				701			
	Bldg Total:	9,094	98	93,850	59,990	33,574	**196,606**	153,938	6	5,544	3,544	163,032	0.06%	60.97%	38.97%
10 (Energy Power Plant)	2	28,009			2,397	175	30,581	2,397				30,405			
	3	7,484			3,363	423	11,270	3,363				10,847			
	Bldg Total:	35,492	-	-	5,760	598	**41,851**	5,760	13,633	8,227	13,633	41,253	33.05%	19.94%	47.01%
11 (Faulker Building)	2	10,007	6,287		21,071	5,239	42,603	27,357				37,364			
	3	14,718	16,874	220	10,840	1,319	43,971	27,934				42,652			
	4	13,286	20,914		6,442	1,372	42,013	27,355				40,641			
	5	11,965	22,576	130	4,748	1,363	40,782	27,454				39,419			
	6	6,563	27,207		1,334	1,357	36,460	28,541				35,103			
	7	1,462				12,045	13,507	-				1,462			
	Bldg Total:	58,000	93,857	350	44,434	22,694	**219,336**	138,641	39,265	146	18,589	196,641	67.70%	0.25%	32.05%
CONDO TOTALS		**297,565**	**276,930**	**261,793**	**830,807**	**243,693**	**1,910,788**	**1,369,530**	**103,101**	**50,447**	**144,015**	**1,667,095**	**22.8%**	**18.7%**	**58.5%**

Building	Floor	Occupant					BGSF	DGSF	Owner (COM)			DGSF and
		COM	DHC	GEISEL	MHMH	NON-DGSF			DHC	GEISEL	MHMH	COM Total
Non-Condo Buildings												
18 (Outpatient Surgery Center)	0				9,415	570	9,985	9,415	-	-	-	9,415
	1				28,556	554	29,110	28,556	-	-	-	28,556
	Bldg Total:	**-**	**-**	**-**	**37,971**	**1,124**	**39,095**	**37,971**	**-**	**-**	**-**	**37,971**
21 (Clinic Records Center)	1				17,646	138	17,784	17,646	-	-	-	17,646
	Bldg Total:	**-**	**-**	**-**	**17,646**	**138**	**17,784**	**17,646**	**-**	**-**	**-**	**17,646**
22 (Colburn Hill North)	1	1,990			15,086	552	17,629	15,087	-	-	1,990	17,077
	Bldg Total:	**1,990**	**-**	**-**	**15,086**	**552**	**17,629**	**15,087**	**-**	**-**	**1,990**	**17,077**
23 (Colburn Hill South)	1				5,781	122	5,904	5,781	-	-	-	5,781
	Bldg Total:				5,781	122	**5,904**	**5,781**	-	-	-	**5,781**
24 (New Colburn Hill)	1	10,899			17,722		28,621	17,722	-	-	10,899	28,621
	2	3,623	1,206		20,301		25,129	21,507	203	-	3,420	25,129
	Bldg Total:	**14,521**	**1,206**	**-**	**38,023**	**-**	**53,750**	**39,228**	**446**	**-**	**14,075**	**53,750**
25 (Day Care Center)	1				9,779		9,779	9,779	-	-	-	9,779
	Bldg Total:	**-**	**-**	**-**	**9,779**	**-**	**9,779**	**9,779**	**-**	**-**	**-**	**9,779**
26 (52 LaBombard)	1	3,447			6,191		9,638	6,191	-	-	3,447	9,638
	2	2,379			7,259		9,638	7,259	-	-	2,379	9,638
	Bldg Total:	**5,826**	**-**	**-**	**13,450**	**-**	**19,277**	**13,450**	**-**	**-**	**5,826**	**19,277**
27 (52 LaBombard)	1				11,992	513	12,506	11,992	-	-	-	11,992
	2				3,405	275	3,680	3,405	-	-	-	3,405
	Bldg Total:	**-**	**-**	**-**	**15,397**	**788**	**16,185**	**15,397**	**-**	**-**	**-**	**15,397**
28 (50 LaBombard)	1				23,750	218	23,968	23,750	-	-	-	23,750
	Bldg Total:				**23,750**	**218**	**23,968**	**23,750**	**-**	**-**	**-**	**23,750**
30 (Heater Road)	1	10,018			22,808		32,827	22,808	-	-	10,018	32,827
	2	5,469	28,334				33,803	28,334	5,469	-	-	33,803
	3	4,470	26,305		2,304		33,079	28,609	4,110	-	360	33,079
	4	4,700					4,700	-	2,255	-	2,444	4,700
	Bldg Total:	**24,657**	**54,639**	**-**	**25,113**	**-**	**104,409**	**79,752**	**11,834**	**-**	**12,822**	**104,409**
31 (Jack Byrne Center)	1				27,650		27,650	27,650				27,650
	Bldg Total:				**27,650**	**-**	**27,650**	**27,650**	**-**	**-**	**-**	**27,650**
44 (44 Lafayette)	1				12,387	766	13,153	12,387	-	-	-	12,387
	Bldg Total:				**12,387**	**766**	**13,153**	**12,387**	**-**	**-**	**-**	**12,387**
Hangar	1				8,146	199	8,345	8,146	-	-	-	8,146
	2				1,761	414	2,175	1,761	-	-	-	1,761
	Bldg Total:	**-**	**-**	**-**	**9,907**	**613**	**10,520**	**9,907**	**-**	**-**	**-**	**9,907**
Maint	1				7,525	268	7,793	7,525	-	-	-	7,525
	Bldg Total:				**7,525**	**268**	**7,793**	**7,525**	**-**	**-**	**-**	**7,525**
BLDG GRAND TOTAL:		**46,995**	**55,845**	**-**	**259,464**	**4,590**	**366,895**	**315,310**	**12,280**	**-**	**34,714**	**362,305**

Commercial Space	
Building 3 Food Court & Other	7,061
Building 5 Credit Union & Other	1,338
Building 6 Immunex	2,229
Building 7 C Carter	175
Building 26 Conifer	9,638
Total Commercial Space	20,441
from S Donnelly / B Derosia	
Rooftop Mechanical	136,640
from A Houghton	
BBS Calculation	
BGSF	2,277,682
Less: Roof Top Mechanical	(136,640)
Less: Commercial	(20,441)
Total BBS	2,120,601

MAPS TO REPORT / LINE 20 - UBS

EXHIBIT C

Tax Map & Lot No.	**Owner**	**Property Description**	**Primary Use**
1. 010-002-00000	Mary Hitchcock Memorial Hospital	7.8 acres	Vacant Land
2. 010-003-00000	Mary Hitchcock Memorial Hospital	7.8 acres	Vacant Land
3. 010-004-00000	Mary Hitchcock Memorial Hospital	7.8 acres	Vacant Land
4. 010-005-00000	Mary Hitchcock Memorial Hospital	7.5 acres	Vacant Land
5. 010-006-0000	Mary Hitchcock Memorial Hospital	11.8 acres	Vacant Land

F:\ wp\TCC\DHMC\Agreement\1-11-02 (1/17/02)

SCHEDULE C-1

REVISED ACREAGE OF EXHIBIT C

Tax Map & Lot No.	Owner	Property Description	Primary Use
1. 010-002-00000	Mary Hitchcock Memorial Hospital	7.0 acres	Vacant Land
2. 010-003-00000	Mary Hitchcock Memorial Hospital	7.1 acres	Vacant Land
3. 010-004-00000	Mary Hitchcock Memorial Hospital	7.8 acres	Vacant Land
4. 010-005-00000	Mary Hitchcock Memorial Hospital	7.5 acres	Vacant Land
5. 010-006-00000	Mary Hitchcock Memorial Hospital	11.8 acres	Vacant Land**
	Total Acreage	41.20 acres	

EXHIBIT C-2 SHOWS THE LOCATION OF THE FIVE LOTS LISTED ABOVE. THE MAP/LOT NUMBERS LISTED ABOVE NO LONGER EXIST, SINCE ALL WERE MERGED INTO MAP/LOT 10-8.

** The Day Care Center was formerly part of Map/Lot 010-006-00000 but 2.5 acres were segregated and identified as Map/Lot 010-006-70100 when included in Exhibit A. After the merger into Lot 10-8, its lot number became 010-8-70100.

Schedule C-2

Plan Excerpt of Exhibit C Land Area

(lots highlighted are listed on Exhibit C)

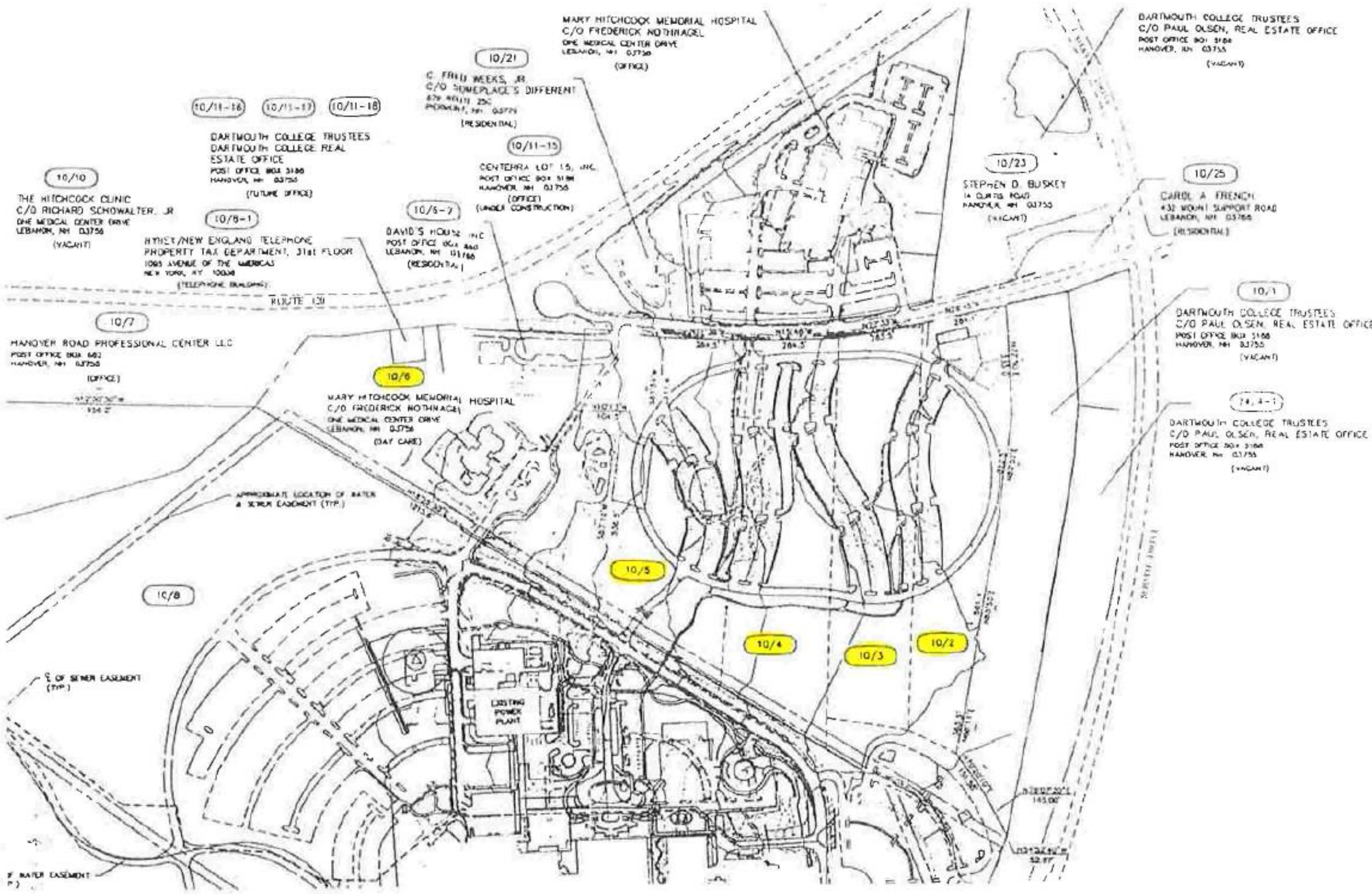


EXHIBIT D: TAX YEAR AND PILOT AGREEMENT ILLUSTRATIONS												
	April	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**
	Tax year begins on 4/1; annual exemption application (Form A-9) due on 4/15 listing all property used/occupied for Exempt Purposes on 4/1		City decides exemption to property listed on A-9 application	1st tax bill due; it equals half of taxes from preceding year		Tax rate set for tax year based in part on info in A-9 exemption application			2nd tax bill due for applicable tax year; relies on tax rate set and status of property granted exemptions for that tax year	Annual PILOT Contribution due by 1/15 for all real estate that was exempt at the start of the tax year ("Medical Center Property")		Tax year ends on 3/31
Examples of How Property Fits Into Annual Tax Year and PILOT Agreement Schedule												
PROPERTY #1												
Year 1	Vacant land owned by DHMC prior to 2002; vacant land is taxable			Taxes due for vacant land based on status and use on 4/1		Construction begins on vacant land for future Exempt Purposes			Taxes due for the vacant land based on status and use on 4/1	No contribution due in annual PILOT for the improvements during construction		
Year 2	Acres under and appurtenant to improvements added to A-9 exemption application for 1st time		City grants exemption; former vacant land now part of MC Property and no longer taxed				Improvements on former vacant land are completed; CO issued			New sq. ft. from improvements added to Updated Building Space in Schedule B-3 for Annual Contribution		
PROPERTY #2												
Year 1	Improved real estate already exempt and included in A-9 application		Construction begins to expand the existing structure	No taxes due for this property					No taxes due	Construction on-going; no increase to BBS for the expanded sq. ft. since no CO yet		
Year 2	Improved real estate already exempt and included in A-9 application; on-going construction				Construction of expansion is completed; CO issued					New sq. ft. from expansion added as UBS in Schedule B-3 for Annual Contribution		

	April	May	June	July	August	September	October	November	December	January	February	March
	Tax year begins on 4/1; annual exemption application (Form A-9) due on 4/15 listing all property used/occupied for Exempt Purposes on 4/1		City decides exemption to property listed on A-9 application	1st tax bill due; it equals half of taxes from preceding year		Tax rate set for tax year based in part on info in A-9 exemption application			2nd tax bill due for applicable tax year; relies on tax rate set and status of property granted exemptions for that tax year	Annual PILOT Contribution due by 1/15 for all real estate that was exempt at the start of the tax year ("Medical Center Property")		Tax year ends on 3/31
PROPERTY #3												
Year 1		Taxable improved real estate is acquired		Taxes due based on status and use of property on 4/1	Renovations plus expansion begin on existing building for future Exempt Purposes				Taxes due based on status and use of property on 4/1	No contribution due; property was taxed; construction not complete		
Year 2	Property added to A-9 exemption application for 1st time since intended use is for Exempt Purposes when construction complete		City grants exemption; real estate becomes MC Property subject to PILOT				Expansion is completed; CO is issued			Taxes for property from Year 1 added to PILOT in Schedule B-2 for 1st time; new sq. ft. from expansion also added to UBS in Schedule B-3		
PROPERTY #4												
Year 1		Taxable improved real estate is acquired		Taxes due based on status and use of property on 4/1	Renovations begin on existing building for future Exempt Purposes			Renovations complete; no new sq. ft.; building receives CO	Taxes due based on status and use of property as of 4/1	Building now used for Exempt Purposes but no contribution due since property was taxed		
Year 2	Property added to A-9 exemption application for 1st time		City grants exemption; real estate becomes MC Property for PILOT							Taxes for property from Year 1 added to Schedule B-2 for 1st time; no new sq. ft so no UBS		

	April	May	June	July	August	September	October	November	December	January	February	March
	Tax year begins on 4/1; annual exemption application (Form A-9) due on 4/15 listing all property used/occupied for Exempt Purposes on 4/1		City decides exemption to property listed on A-9 application	1st tax bill due; it equals half of taxes from preceding year		Tax rate set for tax year based in part on info in A-9 exemption application			2nd tax bill due for applicable tax year; relies on tax rate set and status of property granted exemptions for that tax year	Annual PILOT Contribution due by 1/15 for all real estate that was exempt at the start of the tax year ("Medical Center Property")		Tax year ends on 3/31

PROPERTY #5												
Year 1		Taxable vacant land is acquired		Taxes due based on status and use of vacant land on 4/1	Construction begins on a new building intended for future Exempt Purposes				Taxes due based on status and use of vacant land on 4/1	No contribution due since vacant land was taxed and improvements are incomplete		
Year 2	Property is added to A-9 exemption application for 1st time due to intended use for Exempt Purposes		City grants exemption; real estate becomes MC Property for PILOT							Taxes for land from Year 1 added to PILOT in Schedule B-2 for 1st time; no UBS added to Schedule B-3 since improvements incomplete		
Year 3	Property included on A-9 exemption application again		City grants exemption			New building complete and CO issued				Taxes for land from Year 1 increased by 2.5% in Schedule B-2; new sq. ft. from new building added as UBS to Schedule B-3		

AGREEMENT

This Agreement (the "Agreement") is dated as of the 24th day of January, 2002, by and between

The City of Lebanon, a municipal corporation
in the County of Grafton, New Hampshire,

And

Mary Hitchcock Memorial Hospital, Dartmouth-Hitchcock Clinic, Dartmouth-Hitchcock Medical Center, and Trustees of Dartmouth College (which operates Dartmouth Medical School), all four of which are New Hampshire non-profit corporations (collectively the "Medical Center").

Preliminary Statement

In March of 1998, the City denied the Medical Center's 1997 tax exemption applications with respect to the Medical Center's Lebanon facility and has billed the Medical Center for taxes on its facility for the tax years 1997 through 2001, with the exception of Dartmouth College which it billed only for 1997. The Medical Center has appealed the City's action to Superior Court. Extensive discovery in that litigation is currently underway, with trial of the matter scheduled for sometime in 2002.

The City and the Medical Center have concluded that it is in their respective best interests to settle their tax dispute and have reached a compromise agreement on the appropriate terms for such a settlement, as detailed herein.

The City and the Medical Center also recognize that their long-term interests are closely linked and that it is therefore in the best interests of the residents of the City and the Medical Center's patients, employees and students - a large number of whom are Lebanon residents - that the City and the Medical Center in the future work together on matters of mutual interest and concern. For these reasons, the City and the Medical Center have as part of this Agreement confirmed their shared commitment to the future well-being of both the City and the Medical Center and have agreed to establish a process in this Agreement for assuring the needed ongoing close working relationship between the City and the Medical Center.

ARTICLE I
Definitions

1. The "City" shall mean the above-named City of Lebanon, New Hampshire, a municipal corporation and the Respondent in the Current Proceeding.

2. The "Hospital" shall mean the above-named Mary Hitchcock Memorial Hospital non-profit corporation, a Petitioner in the Current Proceeding.

3. The "Clinic" shall mean the above-named Dartmouth-Hitchcock Clinic non-profit corporation, a Petitioner in the Current Proceeding and formerly known as The Hitchcock Clinic.

4. The "DHMC Corporation" shall mean the above-named Dartmouth-Hitchcock Medical Center non-profit corporation, a Petitioner in the Current Proceeding.

5. "Dartmouth" shall mean the above-named Trustees of Dartmouth College, a Petitioner in the Current Proceeding.

6. The "Medical Center" shall mean the Hospital, the Clinic, the DHMC Corporation, and Dartmouth and all affiliated non-profit organizations owned and/or controlled by one or more of such four entities.

7. "Exempt Purposes" shall mean those purposes of the Medical Center described in the charters of their respective organizations and that are charitable or educational under RSA 72:23,IV and RSA 72:23,V and RSA 72:23-l, as currently enacted, including providing healthcare, medical education, and medical research, and the support functions and services directly related thereto.

8. "Medical Center Property" shall for purposes of this agreement mean (i) all property of the Medical Center in the City presently owned, used and occupied by any of the Medical Center organizations for any Exempt Purposes of the Medical Center, which properties are listed in Exhibit A, (ii) the 2001 Expansion Project Space as described in Paragraph 4 of Article III, and (iii) all other property hereafter owned, used and occupied (including buildings under construction and the land appurtenant thereto intended for such use and occupancy) by any of the Medical Center organizations for Exempt Purposes, but specifically excluding property of Dartmouth not directly related to the operation of Dartmouth Medical School.

9. "Current Proceeding" shall mean all appeals brought by the Medical Center styled Dartmouth-Hitchcock Medical Center, et al. v. City of Lebanon, (Docket # 2000-E-273), pending at the Merrimack County Superior Court.

10. "Stipulated Judgment" shall mean an Order in the Current Proceeding issued by the Merrimack County Superior Court, which Order shall be in all respects final and which shall not be subject to appeal, and which shall incorporate all the terms of this Agreement.

ARTICLE II
Exempt Status of the Medical Center Property

1. Medical Center Commitment to Operate for Exempt Charitable and Educational Purposes. The Medical Center shall conduct its operations and will use the Medical Center Property in accordance with its charitable and educational missions. Each year during the term of this Agreement, the Medical Center will timely file with the City tax exemption applications on charitable and/or educational grounds for the Medical Center Property and file such other information required and/or requested by the City pursuant to RSA 72:23,VI and 23-c.

2. City Commitment to Grant Property Tax Exemptions. The City shall promptly reconsider and grant the tax exemption applications for the properties for which such applications were filed with respect to the Medical Center Property for the tax years 1997 through 2001 as listed on Exhibit A. In addition, each year during the term of this Agreement that the Medical Center files tax exemption applications on charitable and/or educational grounds for Medical Center Property, the City shall act on and grant such applications by July 1 each year notwithstanding any change in New Hampshire law.

3. Refund of Paid Taxes. The City shall refund to the Medical Center all taxes paid by the Medical Center to the City under protest ($13,424,782.00) for the tax years 1997, 1998, and 1999 for those properties identified in Exhibit A together with the actual income earned by the City on such amounts. Such refund shall be made within fifteen (15) days after the Effective Date of this Agreement as established under paragraph 4 of Article V of this Agreement, and the City shall provide the Medical Center prior to or at the time of said payment with a full accounting of the taxes paid and the income earned thereon.

4. Medical Center's Release of Claims Against The City and the City's Release of Claims Against the Medical Center. The Medical Center hereby forgives and releases all claims, rights, demands, suits, and causes of action against the City that arise out of, that were, or could have been brought in the Current Proceeding (except for any claims arising from any breach of the terms of this Agreement). The City hereby forgives and releases all claims, rights, demands, suits, and causes of action against the Medical Center that arise out of, that were, or could have been brought in the Current Proceeding, including any claim that it may have for unpaid taxes, penalties, interest and any other costs with respect to the tax years 1997, 1998, 1999, 2000 and 2001 (except for any claims arising from any breach of the terms of this Agreement). The City further agrees to promptly remove and release any and all tax liens on any Medical Center Property. Each party shall bear its own costs in connection with the prosecution and defense of the Current Proceeding and the negotiation of this Agreement.

5. Information on Charitable and Educational Services. The Medical Center will annually report to the City on the charitable and educational services it provides (including the amount given to the public and charity care), and continue to provide (i) conspicuous and continuous notice to the public of the availability of free or reduced cost care and (ii) on an annual basis, free or low cost seminars and publications to the public about healthcare issues of general interest. In addition, beginning in 2004 and every three years thereafter, the Medical Center, at a meeting of the Lebanon Board of Assessors, will present a detailed analysis of the charitable services provided over the prior three years. Such meeting shall be open to the public

and include an opportunity for the public to comment, ask questions, and mention concerns about the charitable or educational services provided by the Medical Center in pursuing its mission.

6. City's Cessation of Commitment to Grant Property Tax Exemptions. Notwithstanding the commitment in paragraph 2 of this Article II, the parties agree that, at the option of the City, the City will have no obligation to grant property tax exemptions to the Medical Center in the event that (i) the Medical Center does not make its Annual Contributions in a timely manner as provided for in Article III, or (ii) the Medical Center shall, in the final determination of a court of competent jurisdiction, otherwise violate the terms of this Agreement, with the exception of Article II, paragraph 5, Article VIII, or Article IX, paragraph 8.

ARTICLE III
Medical Center Contribution to the City

1. Annual Medical Center Contribution to the City. The Medical Center shall in each calendar year during the term of this Agreement make a financial contribution to the City (the "Annual Contribution") and the City shall accept the Annual Contribution notwithstanding any change in New Hampshire law. The Annual Contribution shall each year consist of the sum of (i) the Base Contribution pursuant to paragraph 2 below, (ii) any additional contributions pursuant to paragraph 3 below, and (iii) any additional contribution pursuant to paragraph 4 below. The Annual Contributions from the Medical Center to the City for 2001 and 2002 shall be made within 15 days after the Effective Date of this Agreement. The Annual Contributions for subsequent years, beginning in 2003, shall be made by January 15 of each such year. The Medical Center shall, in connection with the payment to the City of each Annual Contribution, submit a signed report with respect to such Annual Contribution in the form of Exhibit B hereto. If after such contribution there occurs an acquisition or conversion between January 15 and April 1 that gives rise to an additional contribution for such year under paragraph 3 below that has not been included in such contribution and report by January 15, the Medical Center shall make the additional contribution due and an amended annual report for such year within thirty (30) days after such acquisition or conversion. Notwithstanding the foregoing, if on January 1 of any year of this Agreement, the amount of the Updated Building Space of the Medical Center Property shall (i) be less than the Updated Building Space on the previous January 1 by Ten Percent (10%) or more by reason of a sale or other transfer to a taxable entity, and (ii) be less than the Base Building Space, then the Medical Center shall in that year, and in subsequent years in which the Updated Building Space is less than the Base Building Space, be entitled to a reduction in its Annual Contribution under this paragraph to an amount determined by multiplying the Annual Contribution that would otherwise be due for such year pursuant to the first two sentences of this paragraph by a fraction, the numerator of which is the amount of the Updated Building Space in each such year and the denominator of which is the Base Building Space. For purposes of this paragraph, Updated Building Space and Base Building Space shall have the same definitions as set forth in paragraph 4 below.

2. Base Contribution. The amount of the Base Contribution for 2001 shall be Eight Hundred Thousand Dollars ($800,000). Beginning with 2002, such contribution shall each year be increased Two and One Half Percent (2.5%) in amount from the contribution made for the immediately preceding year pursuant to this paragraph, as shown in Schedule A of Exhibit B.

The amount of the Base Contribution due under this Paragraph 2 shall be included in and paid as part of the Annual Contribution pursuant to Paragraph 1 of this Article III.

3. Additional Contributions to the City Due to Acquisition and Exempt Use of Previously-Taxed Properties. In the event that the Medical Center shall during the term of this Agreement (i) acquire from a party other than one or more of the Medical Center entities defined in Article I, paragraph 6, real property located in the City of Lebanon that is at the time of such acquisition subject to real estate taxation and (ii) thereafter use such property for Exempt Purposes, then in each such instance the Medical Center shall beginning in the first calendar year such property is exempt from taxation (pursuant to paragraphs 1 and 2 of Article II) make an additional contribution to the City equal to the taxes paid on such property in the immediately preceding tax year. Furthermore, beginning with the second calendar year any such additional contribution is made, such contribution shall each year be increased Two and One-Half Percent (2.5%) in amount from the contribution made pursuant to this paragraph for the immediately preceding year. Any such additional annual contribution to the City pursuant to this paragraph 3 with respect to any particular property shall be the only contribution made under this Agreement with respect to such property and continue only as long as and to the extent that such property is owned, used and occupied by the Medical Center for Exempt Purposes. Any such additional contributions under this paragraph 3 in any calendar year shall be included in and paid as part of the Annual Contribution pursuant to paragraph 1 of this Article III. Unless and until such time as such real property acquired is in fact used and occupied by the Medical Center for Exempt Purposes as of April 1 of any tax year, it shall continue to be taxable under New Hampshire law. Moreover, nothing herein shall be construed to impair or annul any landowner's liability for a land use change tax pursuant to RSA 79-A if applicable under New Hampshire law. Nor shall this Agreement prevent the Medical Center from appealing under New Hampshire law a post acquisition re-appraisal by the City. For purposes of this paragraph, the properties listed in Exhibit C shall be deemed real property acquired from a party other than one or more of the Medical Center entities defined in Article I, Paragraph 6, that is subject to real estate taxation on or as of March 1, 2002 and used for Exempt Purposes by the Medical Center as of such date.

4. Contribution to the City for Additional Future Exempt Space. If on January 1 of any year of this Agreement the amount of building gross square feet ("BGSF") in buildings that are then part of the Medical Center Property (the "Updated Building Space") exceeds the Base Building Space (as hereafter defined), then the Medical Center shall make an additional annual contribution in an amount determined by multiplying the Base Contribution due for such year pursuant to paragraph 2 above by a fraction, the numerator of which is equal to the amount by which the Updated Building Space exceeds the Base Building Space and the denominator of which is the Base Building Space. "Base Building Space" shall be the sum of (i) 1,302,121, which is the gross square feet of the Medical Center Property on the Effective Date of this Agreement, and (ii) the 2001 Expansion Project Space, being the amount of gross square feet of building space other than parking structures in Medical Center Property in the Medical Center expansion project currently before the City's Planning Board (PB 2001-13). The 2001 Expansion Project Space shall be the greater of (i) 467,000 BGSF or (ii) the amount of actual BGSF in the expansion project certified in writing by the Medical Center to the City, such notice to be delivered no later than the issuance of the first Building Permit by the City for the expansion project. Calculation of the Updated Building Space shall not include: (i) parking structures or ground parking area, (ii) buildings or parts thereof under construction for which a temporary or final Certificate of Occupancy has not been issued by the City to the Medical

Center, and (iii) the BGSF at the time of acquisition of properties with respect to which the Medical Center is making an additional contribution pursuant to paragraph 3 above. For purposes of this paragraph, calculation of the Updated Building Space shall include any increase of BGSF in buildings expanded or constructed for Exempt Purposes by the Medical Center under paragraph 3 of this Article III. The amount of each such additional contribution due under this paragraph 4 shall be included in and paid as part of the Annual Contribution pursuant to paragraph 1 of this Article III.

5. One-Time Medical Center Contribution to the City. In reliance upon the City's agreement to make the term of this Agreement cover the tax years 1997 through 2000, and the City's representations in this Agreement, the Medical Center will make an additional one-time contribution to the City in the amount of Three Million Five Hundred Thousand Dollars ($3,500,000). Such contribution shall be made within 15 days after the Effective Date of this Agreement.

6. Cessation of Medical Center's Annual Contributions. Notwithstanding the Annual Contributions provided for in paragraph 1 of this Article III, the Medical Center's obligation to make such contributions shall cease at the option of the Medical Center in the event that (i) the City shall in any tax year subject to the terms of this Agreement tax any part of the Medical Center Property, or (ii) the City shall, in the final determination of a court of competent jurisdiction, violate the terms of this Agreement with the exception of Article II, paragraph 5, Article III, paragraph 7, Article VIII, or Article IX, paragraph 8.

7. Use By City of Medical Center Contributions. The funds contributed by the Medical Center to the City pursuant to this Agreement shall be general funds for use by the City for such City purposes as the City shall annually determine in its sole discretion.

ARTICLE IV
Term and Termination

1. Term. The term of this Agreement shall begin with the calendar year commencing January 1, 2001 and shall expire on December 31, 2020, unless earlier terminated pursuant to the provisions of this Agreement. The tax years subject to the terms of this Agreement commence with the tax year beginning on April 1, 1997 and end with the tax year beginning on April 1, 2020. The parties agree that commencing January 1, 2018, they will begin discussions to renew or extend this Agreement; and in agreeing to meet they also agree to negotiate in good faith toward reaching an accord by December 31, 2020.

2. Termination By Agreement. This Agreement may be terminated at any time upon the mutual agreement of all the parties hereto. Such agreement to terminate shall be in writing.

3. Termination Due to Change in Medical Center. This Agreement shall terminate in the event that any one of the Hospital, the Clinic, the DHMC Corporation or Dartmouth Medical School shall either expressly convert to a for-profit business corporation under New Hampshire law or be acquired by a for-profit organization.

ARTICLE V
Implementation of Agreement

1. Approval by City. The City shall take all steps required by applicable New Hampshire law to authorize persons to execute, deliver, and perform this Agreement, but its enforceability shall be conditioned upon approval and execution of the Agreement by the Lebanon Board of Assessors at a public meeting and execution of the Agreement by the City Manager within thirty (30) days of such public approval.

2. Approval by the Medical Center. Each of the component organizations of the Medical Center shall take all steps as set forth in their respective organizational documents to authorize persons to execute, deliver and perform this Agreement, but its enforceability shall be conditioned on approval of the Agreement by the governing boards of the Medical Center constituent organizations within thirty (30) days of such signing.

3. Approval by and Continuing Jurisdiction of the Superior Court. After all of the approvals called for in paragraphs 1 and 2 of this Article are obtained, the City and the Medical Center shall jointly submit this Agreement, including all Exhibits, to the Merrimack County Superior Court for its review and approval. The City and the Medical Center shall request a hearing before the Superior Court and shall support approval of this Agreement. The hearing shall be requested as soon as possible. For purposes of the Agreement, final approval shall be the date on which the order approving this Agreement is entered in the Court's docket. By obtaining Court approval, the parties agree that they consent to the Merrimack County Superior Court's continuing jurisdiction and authority to enforce any claim for violation of the Agreement through the exercise of its judicial powers so long as the special judge assigned to this case is available to the parties in that venue; otherwise, such jurisdiction and authority to enforce the Agreement shall revert to the Grafton County Superior Court. The parties hereby agree that (i) any such Court shall have exclusive jurisdiction to enforce the Order, (ii) any such Court shall have venue and personal and subject matter jurisdiction as to all matters arising under this Agreement, (iii) any such Court shall have authority to approve service of process by registered mail, return receipt requested, or by any other manner provided by law, and (iv) the prevailing party or parties in a suit for breach of this Agreement shall be entitled to all costs of such suit, including attorneys' fees.

4. Effective Date. Except as otherwise set forth herein, the obligations of the City and the Medical Center shall be absolute and binding as of the date of the entry of the Order on the Court's docket approving this Agreement, and such date shall be the Effective Date of this Agreement. Until that time, all action in the Current Proceeding shall be stayed.

ARTICLE VI
Representations and Warranties

1. The City's Authority. The City represents that it is duly organized, validly existing and in good standing under the laws of New Hampshire and has all requisite municipal power and authority under the City's Charter and under the laws of New Hampshire to execute the Agreement, to settle the Current Proceeding and release all claims therein, and to be bound by the Agreement and Stipulated Judgment. The City represents that (i) persons executing and delivering the Agreement on the City's behalf have been duly and validly authorized by all

necessary municipal action taken by and on the part of the City, (ii) the Agreement has been duly and validly executed and delivered by the City, and (iii) the Agreement constitutes the valid and binding obligation of the City for the entire twenty-year term, enforceable against the City in accordance with its provisions, including but not limited to the remedies under Article VII.

2. The Medical Center's Authority. The Medical Center represents that each of its undersigned constituent organizations is a New Hampshire corporation, duly organized, validly existing and in good standing under the laws of New Hampshire and has all requisite power and authority under the laws of New Hampshire to execute the Agreement, to settle the Current Proceeding and release all claims therein, and to be bound by the Agreement and Stipulated Judgment. The Medical Center represents that (i) the persons executing and delivering the Agreement on behalf of the Medical Center have been duly and validly authorized by all necessary corporate action taken by and on the part of the Medical Center, (ii) the Agreement has been duly and validly executed and delivered by the Medical Center, and (iii) the Agreement constitutes the valid and binding obligation of the Medical Center for the entire twenty-year term, enforceable against the Medical Center in accordance with its provisions, including but not limited to the remedies under Article VII.

ARTICLE VII
Remedies

1. Inviolability of the Agreement and Stipulated Judgment. Each party acknowledges and agrees that this Agreement constitutes (i) an agreement for the voluntary annual payment in lieu of taxes ("PILOT") pursuant to RSA 72:23-n, which statute the parties construe as authorizing a multi-year PILOT agreement; (ii) a settlement and compromise of all pending matters between the Medical Center and the City relating to the application of property taxes to the Medical Center Property with respect to the City tax years commencing on April 1 of 1997, 1998, 1999, 2000 and 2001; and (iii) a settlement and compromise of all matters relating to the application of property taxes to the Medical Center Property with respect to City tax years during the term of this Agreement up to and including the tax year commencing on April 1, 2020. Consequently, each party agrees that all of the terms of this Agreement shall be incorporated into the Stipulated Judgment approving this Agreement, and no party shall attempt to abrogate the Stipulated Judgment or this Agreement or any of the terms, conditions, provisions therein or herein. The parties acknowledge and agree that, if any third party attempts to abrogate either the Stipulated Judgment or this Agreement or any of the terms, conditions or provisions contained therein or herein, then each party shall defend the Stipulated Judgment and this Agreement.

2. Breach. Notice of Opportunity to Cure and Non-Binding Mediation. Notwithstanding any other obligations in this Agreement, prior to (i) the City's cessation of the granting of property tax exemptions pursuant to Paragraph 6 of Article II, (ii) the Medical Center's cessation of Annual Contributions pursuant to Paragraph 6 of Article III, or (iii) the commencement of any legal proceedings to enforce any claim for a violation of this Agreement, the party alleging any such breach shall first, prior to ceasing its obligations under this Agreement, give written notice to the other party of the alleged breach. The party receiving notice of breach shall have ten (10) days to cure such alleged breach. If the alleged breach is not cured, the parties shall then use their good faith efforts to resolve the dispute. If the dispute is not resolved through direct negotiations within a 20-day period, which may be extended by

agreement of the parties, the parties shall submit their dispute to a mutually-acceptable mediator. The parties shall, in consultation with the chosen mediator, promptly agree upon a format, timetable, and rules applicable to the mediation, and then promptly mediate. The parties may not commence litigation or seek other remedies with respect to the dispute, including termination of the Agreement, prior to the conclusion of the mediation. Prior to commencing litigation after the conclusion of mediation, the party seeking relief in court shall first notify the party against whom relief is sought in writing of its intent to commence litigation.

3. Specific Performance after Material Breach. In the event of a breach or threatened breach of the obligations of any party, damages at law may be an inadequate remedy, and accordingly, the obligations of each party to this Agreement shall be enforceable by any other by an order of specific performance or injunction, whether mandatory or prohibitory. The remedy provided by this paragraph shall not be available to the Medical Center in the event the City violates Article II, paragraph 5, Article III, paragraph 7, Article VIII, or Article IX, paragraph 8 of the Agreement. The remedy provided by this paragraph shall not be available to the City in the event the Medical Center violates Article II, paragraph 5, Article VIII, or Article IX, paragraph 8 of the Agreement.

4. Alternative Medical Center Remedy. In the event the Medical Center is not awarded injunctive relief pursuant to Paragraph 3 above specifically enforcing this Agreement, the parties agree that the Medical Center shall be entitled to the following alternative relief: The Medical Center has agreed to make the one-time contribution set forth in Article III, paragraph 5 in reliance upon this Agreement covering the tax years 1997 through 2000 and the City's representations in this Agreement. In the event the City shall in any tax year during the term of this Agreement tax any part of the Medical Center Property, fail to refund pursuant to paragraph 3 of Article II the taxes paid to the City for tax years 1997, 1998, and 1999, or violate the duty in paragraph 1 of Article VII not to attempt to abrogate either the Stipulated Judgment or this Agreement, the City shall, at the conclusion of proceedings under Article VII, and within thirty (30) days of written demand by the Medical Center, return to the Medical Center its one-time contribution of $3,500,000. The City also shall pay the Medical Center within said thirty (30) days an amount equal to all of the prior contributions made to the City pursuant to paragraph 1 of Article III, but in no event shall the amount paid to the Medical Center pursuant to this sentence exceed Three Million Dollars ($3,000,000), which amount shall be increased by an annual adjustment of Two and One Half Percent (2.5%), compounded annually from the Effective Date of this Agreement to the date of the City's action. The parties acknowledge that the City's payments to the Medical Center under this paragraph are intended to reasonably compensate the Medical Center for the damages it likely would sustain if the City breaches this Agreement, which damages the parties acknowledge would be difficult to prove, but which, at a minimum, would include refund of the Medical Center's one-time contribution of $3,500,000 and the expenses that it will incur to obtain a final unappealable judicial determination of its tax status. The remedy provided by this paragraph shall not be available to the Medical Center in the event the City violates Article II, paragraph 5, Article III, paragraph 7, Article VIII, or Article IX, paragraph 8 of the Agreement.

5. Alternative City Remedy. In the event the City is not awarded injunctive relief pursuant to paragraph 3 above specifically enforcing this Agreement, the parties agree that the City shall be entitled to the following alternative relief: The City has agreed to grant tax exemptions set forth in Article II in reliance upon the Medical Center's representations in this

Agreement. In the event the Medical Center shall in any calendar year during the term of this Agreement fail to make payment of its contributions to the City as provided for in Article III of this Agreement, or violate the duty in paragraph 1 of Article VII not to attempt to abrogate either the Stipulated Judgment or this Agreement, the Medical Center shall, at the conclusion of proceedings under Article VII, and within thirty (30) days of written demand by the City, pay to the City a total amount that is not less than five times the Annual Contributions made to the City for the preceding year pursuant to Paragraph 1 of Article III of this Agreement. The parties acknowledge that the Medical Center's payments to the City under this section are intended to reasonably compensate the City for the damages it likely would sustain if the Medical Center breaches this Agreement, which damages the parties acknowledge would be difficult to prove, but which, at a minimum, would include the Annual Contributions due to the City each year under this Agreement and the expenses that the City would incur to obtain a final unappealable judicial determination of its rights under this Agreement and New Hampshire law. The remedy provided by this paragraph shall not be available to the City in the event the Medical Center violates Article II, paragraph 5, Article VIII, or Article IX, paragraph 8 of the Agreement.

ARTICLE VIII
Relationships

In order to encourage the Medical Center and the City to work together in cooperative efforts that benefit all of the residents of the City and region who are served by the Medical Center and the City, the City and the Medical Center agree that representatives will meet periodically at the request of any party to discuss matters of mutual interest and concern. In addition, the Medical Center and the City will during the term of this Agreement engage in a cooperative planning process that will involve discussions between representatives of the Medical Center and the City concerning both the Medical Center's potential long-term future plans in the City and long-term City planning that would affect the Medical Center.

ARTICLE IX
Miscellaneous

1. Amendment and Waiver. This Agreement may not be amended or modified and any provision of this Agreement may not be waived, except by a writing executed by all parties to this Agreement or their counsel. No course of dealing between or among any parties having any interest in this Agreement will be deemed effective to amend, modify or waive any part of this Agreement or any rights or obligations of any parties under or by reason of this Agreement.

2. Notices. Etc. Except as otherwise expressly set forth in this Agreement, all notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by documented overnight delivery service. Notices, demands and communications to the Medical Center or to the City shall, unless another address is specified in writing, be sent to the address indicated below:

Notices to The Medical Center: President of Mary Hitchcock Memorial Hospital
One Medical Center Drive
Lebanon, NH 03756

Notices to The City: The City Manager
City of Lebanon
City Hall
Lebanon, NH 03766

3. Successors and Assigns. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and their respective nonprofit successors and permitted nonprofit assigns. It is the intent of the parties to bind their respective successors and assigns for the full twenty-year term of this Agreement to the fullest extent possible. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by either party without the prior written consent of the other party; provided, however, that the Medical Center may assign its rights and obligations hereunder to any nonprofit organization that acquires ownership of or leases any part or all of the Medical Center Property and devotes such property to Exempt Purposes.

4. Severability. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. However, if Article II, paragraphs 2, 3 or 4, Article IV, paragraph 1, or Article VII, paragraphs 1 or 4 shall be held to be prohibited by or invalid under applicable law, the Medical Center, at its sole discretion and election, shall have the right to terminate this Agreement without resort to the remedies set forth in Article VII. In addition, if Article II, paragraphs 1 or 4, Article III, paragraphs 1, 2, 3, 4 or 5, Article IV, paragraph 3, or Article VII, paragraph 5 shall be held to be prohibited by or invalid under applicable law, the City, at its sole discretion and election, shall have the right to terminate this Agreement without resort to the remedies set forth in Article VII. Provided, however, that the remedies in paragraphs 4 and 5 of Article VII shall remain available if a court should hold that either party shall have violated paragraph 1 of Article VII by attempting to abrogate the Stipulated Judgment or this Agreement. Should any other provision of this Agreement be held to be prohibited by or invalid under applicable law, such ruling would not invalidate this Agreement so long as it does not materially prejudice any party in its respective rights.

5. Entire Agreement. This document and the documents referred to herein contain the entire agreement between the parties relative to resolution of the Current Proceeding and supersede any prior understandings, agreement or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

6. Governing Law. This Agreement and any disputes arising thereunder shall be governed by and interpreted and construed in accordance with the substantive law of the State of New Hampshire.

7. Counterparts. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same instrument.

8. Ongoing Cooperation of the Parties. The parties recognize that the consummation of this Agreement and the transactions contemplated hereby will require the ongoing cooperation of the parties, and each of the parties hereby agrees to comply in good faith with the reasonable requests of any other party which may be made from time to time in furtherance of the objectives of the parties in entering into this Agreement.

9. No Impairment of Rights or Obligations on Other Matters. This Agreement is intended to resolve the matters addressed in this Agreement only. Nothing in this Agreement shall be interpreted to impair or annul the rights and obligations of the parties on other matters over which they have an interest under federal, state and local laws, including but not limited to City authority over building, zoning and planning land use laws and ordinances, or Medical Center authority over the use of property owned by its respective organizations.

10. Settlement Compromise. This Settlement Agreement is entered into in good faith to resolve the Current Proceeding. In the event the Agreement or the Stipulated Judgment are not applicable for any reason, they shall not have any res judicata or collateral estoppel effect nor shall they or any action taken pursuant to their terms be admissible in the event there is litigation between the parties other than in a dispute involving the Agreement.

FOR THE CITY OF LEBANON:

BOARD OF ASSESSORS

Lawrence A. MacLeod, Chairman

Reuben D. Cole

Linwood H. Bean

John Jay Hutchins

Frank Mastro

CITY MANAGER

James McSweeney, duly authorized

FOR THE MEDICAL CENTER:

DARTMOUTH-HITCHCOCK MEDICAL CENTER

By: James W. Varnum, its duly authorized Secretary

DARTMOUTH-HITCHCOCK CLINIC

By: John C. Collins, its duly authorized Chief Executive Officer

MARY HITCHCOCK MEMORIAL HOSPITAL

By James W. Varnum

James W. Varnum, its duly authorized President

TRUSTEES OF DARTMOUTH COLLEGE
DARTMOUTH MEDICAL SCHOOL

By Barry P. Scherr

Barry P. Scherr, its duly authorized Provost

EXHIBIT A

Tax Map & Lot No.	Owner	Property Description	Primary Use
1. 010-008-00200	Mary Hitchcock Memorial Hospital	Hospital and Clinic Condominium Units	Academic Medical Center
2. 010-008-00300	Dartmouth-Hitchcock Medical Center	Land inside Loop Road	Academic Medical Center
3. 010-008-70200	Trustees of Dartmouth College	College Condominium Units 1 and 2	Academic Medical Center
4. 010-006-70100	Mary Hitchcock Memorial Hospital	2.5 acres and Child Care Center	Child Care Center for Academic Medical Center
5. 010-022-00000	Mary Hitchcock Memorial Hospital	8.7 acres and Buildings	Record and Financial Services Buildings for Academic Medical Center

EXHIBIT B

ANNUAL CONTRIBUTION REPORT FOR THE YEAR ________

Pursuant to ¶1, Article III of the
January X, 2002 Agreement Between
The City of Lebanon & Dartmouth Hitchcock Medical Center

A. BASE CONTRIBUTION (Art. III - 2) $________.
From Schedule A:

B. ADDITIONAL CONTRIBUTIONS: ACQUIRED TAXED PROPERTIES USED BY DHMC FOR EXEMPT PURPOSES (III-3) – Total from Schedule B: $________.

C. ADDITIONAL CONTRIBUTION: ADDITIONAL FUTURE EXEMPT SPACE (Art. III-4)
[Applicable if Updated Building Space Exceeds Base Building Space on January 1]
Base Building Space (BBS): 1,769,121 sq. ft.
Updated Building Space (UBS):__________sq. ft.

Formula: $\frac{\text{UBS less BBS}}{\text{BBS}}$ x Base Contribution for the year (A above)

$\frac{\text{\_\_\_\_\_\_\_\_ sf} - 1{,}769{,}121 \text{ sf}}{1{,}769{,}121 \text{ sf}}$ x $________________ =

$________.

D. ANNUAL CONTRIBUTION TO THE CITY FROM DHMC FOR THE YEAR (sum of A, B & C above per ¶1, Art. III)*

$________.

____
Authorized Officer of DHMC

* In the extremely unlikely event that the seventh sentence of paragraph 1 of Article III applies (i.e. at least 10% of DHMC property is transferred to a taxable entity, and UBS is less than BBS), the Annual Contribution determined under that sentence would apply. In the limited circumstances covered by that sentence, the Annual Contribution under D above would be determined by the following formula:

$\frac{S}{\text{BBS}}$ x the amount of the Annual Contribution that would otherwise be due such year

SCHEDULE A

Base Contributions for Years 2001-2020
Pursuant to Paragraph 2 of Article III
($800,000 in 2001, increased 2.5% annually thereafter)

YEAR#	YEAR	PAYMENT
1	2001	$800,000
2	2002	$820,000
3	2003	$840,500
4	2004	$861,513
5	2005	$883,050
6	2006	$905,127
7	2007	$927,755
8	2008	$950,949
9	2009	$974,722
10	2010	$999,090
11	2011	$1,024,068
12	2012	$1,049,669
13	2013	$1,075,911
14	2014	$1,102,809
15	2015	$1,130,379
16	2016	$1,158,639
17	2017	$1,187,604
18	2018	$1,217,295
19	2019	$1,247,727
20	2020	$1,278,920

SCHEDULE B

Contributions for Taxable Properties Acquired from Unaffiliated Owner & Used by Medical Center for Exempt Purposes

YEAR: ________

operties Covered:

#1. 1. Description: ____________________
2. Last year taxed: __________
3. Amount of tax paid that year:$ _______
4. III-3 Contribution in previous yr.(if any) $ __________

CONTRIBUTION FOR PROPERTY #1:

i. If taxed on previous April 1 & now exempt, enter tax paid previous year. OR
ii. If owned by DHMC and exempt previous year, enter previous year III-3 contribution for property times 1.025

CONTRIBUTION FOR PROPERTY #1 $____________

#2. 1. Description: ____________________
2. Last year taxed: __________
3. Amount of tax paid that year:$ _______
4. III-3 Contribution in previous yr.(if any) $ __________

CONTRIBUTION FOR PROPERTY #2:

i. If taxed on previous April 1 & now exempt, enter tax paid previous year. OR
ii. If owned by DHMC and exempt previous year, enter previous year III-3 contribution for property times 1.025

CONTRIBUTION FOR PROPERTY #2` $____________

#3. 1. Description: ____________________
2. Last year taxed: __________
3. Amount of tax paid that year:$ _______
4. III-3 Contribution in previous yr.(if any) $ __________

CONTRIBUTION FOR PROPERTY #3:

i. If taxed on previous April 1 & now exempt, enter tax paid previous year. OR
ii. If owned by DHMC and exempt previous year, enter previous year III-3 contribution for property times 1.025

CONTRIBUTION FOR PROPERTY #3 $____________

[ADD HERE ADDITIONAL III-3 PROPERTIES, IF ANY]

TOTAL ART. III-3 CONTRIBUTIONS TO THE CITY FROM DHMC FOR THE YEAR (SUM OF 1,2, 3, etc. above) - (Also enter figure in "B" of report)

$____________.

EXHIBIT C

Tax Map & Lot No.	Owner	Property Description	Primary Use
1. 010-002-00000	Mary Hitchcock Memorial Hospital	7.8 acres	Vacant Land
2. 010-003-00000	Mary Hitchcock Memorial Hospital	7.8 acres	Vacant Land
3. 010-004-00000	Mary Hitchcock Memorial Hospital	7.8 acres	Vacant Land
4. 010-005-00000	Mary Hitchcock Memorial Hospital	7.5 acres	Vacant Land
5. 010-006-0000	Mary Hitchcock Memorial Hospital	11.8 acres	Vacant Land

F:\wp\TCC\DHMC\Agreement\1-11-02 (1/17/02)

MOBILE INTEGRATED HEALTHCARE – COMMUNITY PARAMEDICINE PROGRAM AGREEMENT

This Mobile Integrated Healthcare – Community Paramedicine Program Agreement ("MIH Agreement") is dated as of ________________________, 2020 by and among **The City of Lebanon**, a New Hampshire municipal corporation in the County of Grafton (the "City"), and **Mary Hitchcock Memorial Hospital** and **Dartmouth-Hitchcock Clinic**, each a New Hampshire nonprofit corporation operating jointly as "Dartmouth-Hitchcock" (collectively "Dartmouth-Hitchcock" or "D-H"), hereinafter referred to individually or collectively as the "Participant(s)."

RECITALS

WHEREAS, the Participants share compatible missions which include the improvement of the health of residents in the City of Lebanon;

WHEREAS, Community Paramedicine is an important system of services, based on local need, provided by licensed emergency medical personnel integrated into the local health care system and overseen by licensed care providers (physicians and advanced care practitioners) (hereinafter "mobile integrated healthcare" or "MIH");

WHEREAS, advanced emergency medical technicians or paramedics ("MIH AEMTs or Paramedics") can be specially trained to conduct in-home patient assessments and provide specific primary health care and preventive services under the oversight of a medical director and acting pursuant to physician orders within a defined scope of practice;

WHEREAS, the City wants to develop a program for its residents that leverages collaboration between clinical care providers and MIH AEMTs or Paramedics to monitor the health of patients, thereby producing better health outcomes and reducing the number of ambulance transports, visits to the emergency department, and hospital readmissions ("MIH Program"); and

WHEREAS, Dartmouth-Hitchcock agrees to participate in the City's MIH Program operated by the Lebanon Fire Department under the direction of its Chief and in collaboration with its trained MIH AEMTs or Paramedics in accordance with the terms set forth below.

TERMS

NOW, THEREFORE, in consideration of the above, and for other good and valuable consideration received, the sufficiency of which is jointly acknowledged, the Participants agree to the following terms and conditions:

I. Scope of Work

a. Dartmouth-Hitchcock, through its Emergency Medical Services Director or designee(s), and the City, through the Chief of the Fire Department or designees(s), agree to participate and cooperate in the development of the MIH Program.

b. The Participants agree to share protected health information only as authorized by law and in compliance with the policies and protocols established by the Participants in the development of the MIH Program.

c. The Participants agree to collect data in a standardized manner in order to provide for a common evaluation framework with measurable performance outcomes and benchmarks that in turn will assist the Participants to plan, evaluate, analyze and assess the MIH Program on an on-going basis. Participants agree to share data with each other, upon request, for use by both Participants. Such data will be presented in the aggregate without patient identifiers and qualify in all respects as a limited data set under applicable state and federal law.

d. The Participants agree to cooperate to (i) finalize the initial structure of the MIH Program; (ii) assess regulatory and other requirements with which the MIH Program must comply; (iii) develop policies, procedures and protocols (including training) to ensure compliance and the proper administration of the MIH Program; (iv) establish mutually-agreeable objectives and outcomes for the MIH Program (the "Program Objectives"); and (v) develop mutually-agreeable and measurable performance outcomes and benchmarks to determine the extent to which the MIH Program has achieved the Program Objectives (the "Benchmarks"). The Participants will evaluate the MIH Program annually to determine if the Benchmarks demonstrate that the Program Objectives are being met. If the Performance Objectives are not being met, the Participants shall adjust the MIH Program as necessary, including by making mutually-acceptable modifications to the Program Objectives and/or Benchmarks.

e. Dartmouth-Hitchcock providers may issue orders for home visits to be performed by an MIH AEMT or Paramedic within the City of Lebanon and within the scope and expertise of the MIH AEMT or Paramedic, who will act on the orders during normal business hours within three (3) business days of receipt based on urgency and availability, unless Dartmouth-Hitchcock determines that such parameters must be modified. Dartmouth-Hitchcock will be responsible for exercising appropriate medical judgment in issuing the orders and assessing the health care treatment of their patients under the MIH program, but Dartmouth-Hitchcock will not be responsible for supervising the MIH AEMTs or Paramedics or for any failure of an MIH AEMT or Paramedic to perform the home visit in a proper and professional manner. The supervision of MIH AEMTs or Paramedics, or of any Community Nurse (defined below), are the sole responsibility of the City.

f. Dartmouth-Hitchcock at its expense shall provide [an] advisor(s) to the MIH Program, who shall participate in periodically reviewing and evaluating Program Objectives and data-driven performance outcomes and Benchmarks in order to improve or adjust the MIH Program as needed.

g. Dartmouth-Hitchcock and the City shall participate in joint case reviews when appropriate in order to improve the quality of the MIH Program and to document specific outcomes for evaluation purposes. To the extent possible, such reviews will be conducted under a quality assurance privilege.

h. The City shall provide to the MIH Program, subject to compensation provisions below, the services of one (1) full-time MIH AEMT or Paramedic holding, and maintaining in good standing, an unrestricted license issued by the State of New Hampshire at the Nationally Registered AEMT or Paramedic levels. The MIH AEMT or Paramedic shall be a full-time employee of the City under the supervision of the Fire Chief or his/her designee.

i. The City shall integrate the position(s) of at least one (1) Community Nurse into the MIH Program ("MIH Community Nurse") who shall also be employed by the City, subject to compensation provisions below, under the supervision of the Fire Chief or his/her designee. Each MIH Community Nurse shall hold, and maintain in good standing, a license as a Registered Nurse issued by the State of New Hampshire.

j. The City shall provide, at its expense, adequate workspace for the MIH AEMT or Paramedic and for the MIH Community Nurse(s).

k. The City shall ensure that the MIH AEMT or Paramedic and the MIH Community Nurse(s) are provided with the initial and ongoing (annual) training needed to carry out their MIH responsibilities (the "MIH Training"). Dartmouth-Hitchcock agrees to pay for the cost of training one full-time MIH AEMT or Paramedic and one full-time or two part-time Community Nurse(s) per year based upon a mutually-agreeable budget for the MIH Training costs.

l. As their employer, the City shall be solely responsible for the payment of compensation (wages and benefits, whether contractual and/or statutory, as applicable) of the MIH AEMT or Paramedic and of the MIH Community Nurse(s), and to comply with all other federal and state employer obligations with respect to the MIH AEMT or Paramedic and MIH Community Nurse(s).

II. Insurance

Each Participant, at no cost or expense to the other Participant, shall obtain and maintain throughout the term of this Agreement a policy or policies of professional liability insurance, comprehensive general liability insurance, and workers' compensation insurance issued by an insurance carrier or managed risk pool authorized by the State of New Hampshire, or under a self-insurance program, in such amounts as are reasonably acceptable to each other. Named Insureds under these policies shall include officers, employees, agents and volunteers of the Participants.

Upon request, each Participant shall provide the other with certificate(s) of insurance coverage and statement(s) from the insurance carrier(s) that the certificate holder will be notified at least 30 days prior to any cancellation, non-renewal or change in such coverage. Failure by either party to maintain proper insurance coverage shall, at the option of either Participant, be grounds for immediate termination of this MIH Agreement.

III. Compensation

a. Dartmouth-Hitchcock shall pay to the City, on an annual basis for the Term of this MIH Agreement, an amount equal to the wages, benefits, statutorily-required workers' compensation insurance and the City's share of payroll taxes (Social Security and Medicare) for the following positions, consistent with the then-current collective bargaining agreement between the City of Lebanon and the Lebanon Permanent Firefighters Association or the City of Lebanon Employment Policy, whichever is applicable:

1. One full-time MIH AEMT or Paramedic
2. One or two MIH Community Nurse(s) – up to 40-hours of services to the MIH Program per week

The current initial budgeted expense for the two employment positions for the first year, as well as the estimated expense for the subsequent two years, is provided in Appendix A (attached). Wages and benefits, as applicable, under the City's collective bargaining agreement or Policy are adjusted annually on January 1.

b. Dartmouth-Hitchcock shall pay to the City an amount equal to the cost for initial equipment purchases and training for the MIH Program for the first year set forth in Appendix A. Dartmouth-Hitchcock also will pay to the City the cost of ongoing annual equipment, maintenance and training expenses based on the budget for the two subsequent years also shown in Appendix A.

c. Payments from Dartmouth-Hitchcock to the City described in the preceding two paragraphs of this Section III shall be made no later than July 1 each year. Failure by Dartmouth-Hitchcock to make this payment on a timely basis shall, at the option of the City, be grounds for immediate termination of this MIH Agreement.

d. The funds provided by Dartmouth-Hitchcock for the MIH Program shall be used only for programmatic and employment costs related to the MIH Program and shall not be used in any way to replace funding for other City programs or other employment positions, existing or future, that are not related directly to the MIH Program.

IV. Term of Agreement

a. The initial term of this MIH Agreement shall commence on January 1, 2021 and expire on December 31, 2023 (the "Initial Term"), unless terminated earlier pursuant to Section V below or renewed pursuant to the succeeding paragraph (b) of this Section IV.

b. At least six (6) months prior to the end of the Initial Term and any renewal term thereafter, the Participants will review the Benchmarks and assess in good faith whether and to what extent the MIH Program has met the Program Objectives during the Initial Term. If the Participants conclude that the Program Objectives have been met, or are likely to be met in the future without a material increase in the resources to be provided either by the City or Dartmouth-Hitchcock, then the Initial Term (and any subsequent renewal terms) automatically will be renewed for another three-year term. For purposes of clarification, Dartmouth-Hitchcock acknowledges that it is committing resources to the MIH Program in furtherance of Dartmouth-Hitchcock's charitable mission and as a community benefit, and that the Program Objectives will not include the MIH Program achieving financial self-sustainability without further support from Dartmouth-Hitchcock. Dartmouth-Hitchcock will continue to support the MIH Program in a manner consistent with its initial contribution of financial and other resources if the MIH Program meets, and continues to meet, the Program Objectives.

V. Termination by Agreement or Default

This MIH Agreement may be terminated at any time before the expiration of the Term upon the mutual agreement of the Participants, which shall be set forth in writing and duly executed, or upon a material default by either Participant which remains uncured for a period of thirty (30) days after written notice of default is received by the defaulting Participant.

VI. Integration and Amendment

This MIH Agreement shall be binding on the Participants and represents the final and complete understanding of the Participants as regards the subject matter, and it supersedes all prior or independent agreements between the Participants covering the subject matter hereof. This Agreement shall not be modified or amended unless in writing, executed by Participants.

VII. Waiver of Breach

No waiver by either Participant of any term, covenant, condition or agreement contained herein, shall be deemed as a waiver of any other term, covenant, condition or agreement, nor a waiver of breach thereof deemed to constitute a waiver of any subsequent breach, whether of the same or a different provision of this MIH Agreement.

VIII. Choice of Law and Enforcement

This MIH Agreement shall be governed and construed in accordance with the laws of the State of New Hampshire, and in addition to any other lawful remedy, may be specifically enforced by a court of competent jurisdiction. Nothing herein shall be deemed to act as a waiver of the City's right to assert any and all protections, defenses, limitations of liabilities or immunities authorized by contract, law or otherwise, and in the event of a conflict, this provision shall control.

IX. Responsibility for Acts of Employees and Promise to Indemnify

Each Participant shall be solely responsible for its own acts and omissions and the acts and omissions of its employees, agents, officers and volunteers in the performance of its obligations under this Agreement and shall indemnify and hold the other Participant harmless from and against any and all demands, losses, liabilities, claims, or judgments, costs and expenses, including but not limited to reasonable attorney's fees, arising out of any act or omission of the Participant, its employees, agents, officers and volunteers in the performance of its obligations under this MIH Agreement. The obligation to indemnify as provided herein shall survive the expiration or termination of this MIH Agreement.

X. Joint and Several Obligations

MHMH and DHC are related organizations. Any reference to "Participant" as used in this MIH Agreement shall mean both entities jointly and severally, and both organizations shall be jointly and severally obligated to fulfill all terms and conditions of this Agreement as set forth herein.

XI. Participants are Independent Entities

Neither MHMH nor DHC is an agent, agency or department of the City, and the City is not an agent, agency or department of either MHMH or DHC. Nothing herein shall be construed as creating an agency relationship between the City and MHMH and/or DHC.

XII. Severability

If any term or provision of this MIH Agreement, or the application thereof to any person, entity or circumstance shall, to any extent, be judged to be legally invalid and/or unenforceable by a court of competent jurisdiction, the validity and/or enforceability of any other term, clause or provision in this MIH Agreement shall not be affected thereby.

XIII. Duly Authorized Signatories and Counterparts

By execution of this MIH Agreement, the undersigned each individually represents that he or she is duly authorized to execute and deliver this MIH Agreement and that the Participant shall be bound by the signatory's execution of this MIH Agreement. This MIH Agreement may be executed in any number of counterparts, all of which shall be construed together as but a single instrument and shall be binding on the parties as though originally executed on one originally executed document.

IN WITNESS WHEREOF the Participants have caused this Agreement to be executed as of the day, month and year written below.

CITY OF LEBANON

Date: ______________________________

By: ______________________________
Shaun Mullholland
City Manager
Duly Authorized

MARY HITCHCOCK MEMORIAL HOSPITAL

Date: ______________________________

By:______________________________
Joanne M. Conroy, MD
CEO and President
Duly Authorized

DARTMOUTH-HITCHCOCK CLINIC

Date: ______________________________

By:______________________________
Joanne M. Conroy, MD
CEO and President
Duly Authorized

APPENDIX A

MIH BUDGET	Year 1	Year 2 - Estimated 3% CPI	Year 3 - Estimated 3% CPI
MIH EMT or Paramedic			
Wages & Benefits	**$ 120,000.00**	**$ 123,600.00**	**$ 127,308.00**
MIH Community Nurse(s)			
40 hours @ $30/ hour	**$ 62,400.00**	**$ 64,272.00**	**$ 66,200.00**
Expenses (Mileage, etc.)	$ 1,500.00	$ 1,500.00	$ 1,500.00
Equipment & Maintenance Expense	**$ 125,000.00**	$ 5,000.00	$ 5,000.00
Training Expense	**$ 4,000.00**	**$ 4,000.00**	**$ 4,000.00**
TOTAL	**$ 312,900.00**	**$ 198,372.00**	**$ 204,008.00**

AGENDA
LEBANON CITY COUNCIL
DECEMBER 9, 2020

5. NEW BUSINESS:

5.C – <u>DISCUSSION AND QUESTIONS REGARDING PROPOSED 2021 MUNICIPAL BUDGET</u>

Due to the length of time needed for other discussion at the November 17th Budget Work Session, the Council did not have an opportunity for a wrap-up Question & Answer Session with City Administration. This agenda item will allow the members of the Council to ask any additional questions they may have regarding the proposed 2021 Municipal Budget in advance of the December 16 Public Hearing.

ACTION

No action is required by the Council. Item is for informational purposes only.

Information available but not included herein:

1. 2021 Municipal Budget as proposed by the City Manager