

**BAY RIDGE UPPER TIER COMMON INTEREST COMMUNITY
CONDOMINIUM DECLARATION**

Champlain Housing Trust, Inc. ("Declarant"), the owner of the Property as defined in this Declaration, hereby declares that the Property together with all easements and rights benefitting the Property shall be subject to and have the benefits of the provision of Title 27A of Vermont Statutes Annotated, known as the Vermont Common Interest Ownership Act (the "Act") and hereby declares that the Property shall be a condominium pursuant to the Act to be known as the Bay Ridge Upper Tier Common Interest Community. The condominium is located in Shelburne, Vermont. All recording references are to the Town of Shelburne land records.

Background

1. Declarant is the record owner of a certain parcel of land with an address of 3164 Shelburne Road in Shelburne, Vermont. In connection with the Project (defined below), the Declarant is executing this Declaration to establish a residential rental and for-sale common interest community on the Property, with improvements to be built in one or more phases and for the purpose of subjecting the Property to the terms and conditions of the Project and this Declaration.

2. Declarant herein declares a total of two (2) Units within the Project, Unit 1 and Unit 2, each comprising of multiple Building Footprints as depicted on the Plan. Declarant shall have the right to declare one or more common interest communities with a Unit, which shall be considered a lower tier common interest community, and which may be developed individually or in combination for one or more housing projects (each a "Single Unit Project"). In the event a common interest community is established for a Single Unit Project, the common interest community will be created by a separate declaration subject to the provisions of this Declaration and which shall be recorded as provided by applicable law. The common interest community established within one or more of the Units and comprising a Single Unit Project shall be governed by its own unit owners association (a "Single Unit Owners Association"), under the umbrella of this Declaration and the owners thereof will be members of both the Association and the Single Unit Owners Association.

3. Declarant reserves a number of Development Rights in this Declaration in connection with the Project, including but not limited to the right to create additional common elements or limited common elements, the right to adjust the boundaries of the Units (including further subdivision and/or combination of the Units) or to convert portions of the Units into common elements and the right to amend this Declaration from time to time to bring the Declaration into conformance with the Project Plat and Project Plans and the permits and approvals for the Project as the same may be amended from time to time and as more particularly identified in article XVI of this Declaration.

ARTICLE I GENERAL PROVISIONS

1.1 Rules of Construction. For purposes of this Declaration and any other instrument which incorporates by reference the definitions and rules of construction contained in this Declaration, unless it is otherwise expressly provided or unless the context otherwise requires:

- (a) The defined terms include the plural as well as the singular numbers;
- (b) all accounting terms not otherwise defined herein have the meaning assigned to them by, and all determinations concerning such undefined terms shall be made in accordance with, generally accepted accounting principles and practices, consistently applied;
- (c) whenever any person is referred to herein, such reference shall include the successors of such person, whether by consolidation, merger, sale, amalgamation or otherwise;
- (d) whenever any agreement or other contractual instrument is referred to herein, such reference shall be deemed to include such agreement or other instrument as it may from time to time be modified, amended, supplemented or restated;
- (e) whenever any law, regulation, ruling or other similar act of any jurisdiction is referred to herein, such reference shall be deemed to include such law, regulation, ruling or act as the same may from time to time be modified, amended, supplemented or restated, unless such inclusion would be inconsistent with the context of such reference any law, regulation, ruling or other act that supersedes or is adopted in substitution for it;
- (f) whenever the term "including" is used herein, such term shall be deemed to mean "including, but not limited to;"
- (g) references to sections or articles or portions thereof are references to the Sections or Articles of this Declaration;
- (h) capitalized terms not defined herein shall have the meaning assigned to them in the Act.

ARTICLE II DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

“Act” means Title 27A of the Vermont Statutes Annotated, the Vermont Common Interest Ownership Act.

“Association” means Bay Ridge Upper Tier Common Interest Community Association, the association of the Unit Owners established pursuant to the requirements of Section 3-101 of the Act.

“Board of Directors” or “Board” means the Board of Directors of the Association.

“Building Footprint” means each of the building footprints depicted on the Plan.

“Bylaws” means the Bylaws of the Association required by Article III of the Act, as amended from time to time.

“Common Element” means any portion of the Common Interest Community established hereby other than the Units.

“Common Expenses” means the following: (a) all sums lawfully assessed against a Unit Owner by the Association; (b) expenses of administration, maintenance, repair or replacement of Common Elements; (c) expenses agreed upon as common expenses by the Association; and (d) expenses declared Common Expenses by this Declaration, the Bylaws or the Act.

“Condominium” means Bay Ridge Upper Tier Common Interest Community, a residential common interest community in which portions of the real estate are designated for separate ownership by the Unit Owners and each Unit Owner has an undivided interest in the Common Elements.

“Declarant” means Champlain Housing Trust, Inc., a Vermont non-profit corporation.

“Declaration” means this Declaration, together with the Plat and the Plan identified herein, as amended from time to time.

“Development Rights” means any right or combination of rights reserved by the Declarant in this Declaration to create Units, Common Elements or Limited Common Elements within the Condominium, to subdivide Units or convert Units into Common Elements, or to add

or withdraw real estate from the Condominium. The Declarant's Development Rights include all of the Special Declarant Rights defined in the Act. Unless sooner terminated, the Development Rights shall expire in twenty (20) years.

"Limited Common Element" means a portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units.

"Mortgagee" means any Person who holds the interest of a mortgagee in the Property or in a Unit.

"Person" means an individual, partnership, corporation, trust, an unincorporated association, syndicate, joint venture or organization, or a government or any department or agency thereof, or any other legal entity.

"Plan" means the plan of the common interest community titled "Bay Ridge Upper Tier Common Interest Community, Shelburne Rd. & Champlain Dr., Shelburne, Vermont 04582" prepared by Civil Engineering Associates, Inc. dated June 24, 2024, that is to be recorded in the Town of Shelburne land records.

"Plat" means the ALTA / NSPS Land Title Survey titled "Bay Ridge Apartments Bond Limited Partnership (Champlain Housing Trust), 3164 Shelburne Road, Shelburne, Vermont" prepared by Civil Engineering Associates, Inc. dated June 26, 2024, bearing its project number 21220, that is to be recorded in the Town of Shelburne land records.

"Project" means the residential rental and for-sale common interest community depicted on the Plat and the Plan, as the same may be amended from time to time.

"Property" means the real property located at 3164 Shelburne Road, Shelburne, Vermont. The Property is more particularly described in Section 3.5.

"Rules and Regulations" means the provisions and limitations promulgated from time to time by the Board of Directors governing the use of the Common Elements and Units. A Rule is any policy, guideline, restriction, procedure or regulation which is not set forth in this Declaration or the Bylaws which governs the conduct or the appearance of the Property.

"Single Unit Project" means a common interest community declared on one or more of the Units including, without limitation, improvements constructed within the Building Footprints depicted on the Plan.

"Single Unit Owners Association" means an association or associations of unit owners which may be formed in connection with the establishment of a common interest community regime for one or more Single Unit Projects.

“Stormwater Management System” means the Stormwater Management System outlined in Stormwater Discharge Permit No. 9446-9050.1 issued on February 23, 2024, recorded in Volume 488, Page 781 of the Town of Shelburne land records, and as depicted on the Plan.

“Unit” means a physical portion of the Property designated in this Declaration for separate ownership, and which may be further subject to a lower tier common interest community.

“Unit Owner” means any person who, from time to time, owns a Unit. “Unit Owner” does not include a person having an interest in a Unit solely as security for an obligation or pursuant to a lease.

ARTICLE III CERTAIN STATEMENTS REQUIRED BY THE ACT

3.1 Name. The name of the Common Interest Community created by this Declaration is Bay Ridge Upper Tier Common Interest Community.

3.2 Association. The name of the Association is Bay Ridge Upper Tier Common Interest Community Association, Inc.

3.3 Condominium. The Common Interest Community is a Condominium.

3.4 Location. The Condominium is located in the Town of Shelburne, Vermont. It is not located in any other municipality.

3.5 Property. The real estate constituting the Condominium consists of land in Shelburne, Vermont, as shown on the Plat, together with all of the easements appurtenant thereto, and is all and the same land and premises that were conveyed to the Declarant by Warranty Deed from Keshav, LLC, dated October 28, 2013, recorded in Volume 414, Page 220 of the Town of Shelburne land records.

The real estate is more particularly described on the Plat as follows:

Beginning at a point in the westerly sideline of the Shelburne Road right of way marked by a Vermont Agency of Transportation R.O.W. marker at the northeast corner of the herein described parcel;

thence S85°10'40"W a distance of 532.66' to an iron pipe found;

thence S05°22'24"E a distance of 200.00' to a capped iron rod to be set;

thence N84°35'12"E a distance of 146.92' to an iron pipe found;

thence S21°47'32"W a distance of 433.70' to a capped iron rod to be set in the northerly sideline of Champlain Drive;

thence S79°22'56"E in the northerly sideline line of Champlain Drive a distance of 216.38' to a capped pipe found;

thence N13°37'22"E a distance of 290.09' to an iron rod found at the northwesterly corner of land of Heritage Realty Inc.;

thence S78°36'54"E a distance of 147.17' to a capped iron rod found in the westerly sideline of Shelburne Road;

thence N13°35'44"E a distance of 431.84' to the Point of Beginning, containing an area of 4.842 acres, being the same more or less.

ARTICLE IV UNITS AND UNIT BOUNDARIES

4.1 Units. The Declarant creates two (2) Units. Unit 1 consists of the airspace above five (5) Building Footprints, labeled as A and B (inclusive of the shared Courtyard between the two, the driveway into the shared parking garage, and associated retaining walls), Dumpster Enclosure, Smoking Shelter and Play & Rec Areas on the Plan, as well as the existing-to-remain buildings on Building Footprints D, E, and G on the Plan. Unit 2 consists of the airspace above seven (7) Building Footprints labeled as H, J, K, L, M, N and O on the Plan.

As of the date hereof, the intent is to rehabilitate the existing improvements on Building Footprints D, E and G; all other buildings on the site are to be demolished. The buildings intended to be built on the Building Footprints A, B, H, J, K, L, M, N and O, and the Bike Shed need not be built and are depicted on the Plan as "Need Not Be Built."

4.2 Unit Boundaries. Units are designated as Unit 1 and Unit 2. The vertical boundaries of the Building Footprints are depicted on the Plan. The upper horizontal boundaries are 100 feet above the surface of the earth and the lower horizontal boundary is the top surface of the earth, including those areas excavated for construction of any building(s) to be constructed within a Building Footprint's vertical boundaries. The vertical boundaries of the existing-to-remain buildings on Building Footprints D, E and G are the existing outermost edge of the existing building. The upper horizontal boundary is 100 feet above the surface of the earth. The lower horizontal boundary is the plane consisting of the lower surface area of the foundation.

4.3 Development of Units. Any development, including but not limited to renovation and new construction, and any and all improvements appurtenant thereto may be completed by a Unit Owner, including the Declarant, within the Building Footprints of a Unit, so long as approved by and in accordance with the conditions of the Town of Shelburne and State of Vermont. At the election of a Unit Owner, including the Declarant, a sub-association may be formed exclusive to that Unit for the development of any Unit, including for a Unit to be declared and operated as a common interest community defined under the Vermont Uniform Common Interest Ownership Act, Title 27A VSA.

ARTICLE V COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

5.1 Common Elements. The Common Elements consist of any portion of the Property that is not a part of a Unit. Each Unit owner shall own an undivided percentage interest in the Common Elements equal to the percentage undivided interest assigned to each Unit in Article VI. Without limitation and for the sake of clarity, the following shall be Common Elements:

- (a) Margaret's Way;
- (b) The sidewalks along Margaret's Way;
- (c) Sewer main;
- (d) Water main;
- (e) Primary electrical service, from the street up to and including the transformers and transformer pads;
- (f) Stormwater infrastructure;
- (g) Telecom conduits; and
- (h) Aprons at all driveways.

5.2 Limited Common Elements. The Limited Common Elements consist of any portion of the Common Elements allocated for the exclusive use of solely Unit 1 or Unit 2 as designated by the Act and including but not limited to the following:

- (a) If and when constructed, the following shall be Limited Common Elements of Unit 1:

- (i) the walkways between Building Footprint D and Building Footprint E and the community green up to the sidewalk along the west side of Margaret's Way;
- (ii) the walkway from Building Footprint E along Margaret's Way, up to the first crosswalk across Margaret's Way;
- (iii) twenty-two (22) dedicated parking spaces adjacent to Building Footprints D and E;
- (iv) secondary electrical service from transformers adjacent to Building Footprints A, B, D, E, and G to the buildings on such Building Footprints;
- (v) the courtyard between buildings on the Building Footprints of Unit 1;
- (vi) the community garden/raised beds, garden shed and associated walkway;
- (vii) walkways extending from Building Footprints A, B, and the central courtyard to the eastern sidewalk along Margaret's Way or the sidewalk along Shelburne Road;
- (viii) landscaping associated with the contemplation garden or around foundations/entries of Building Footprints A, B, D and E.
- (ix) site lighting;
- (x) water, sewer, stormwater/drain, and telecom lines from Building Footprints A, B, D, E, and G to their point of connection with the primary service, main, or trunk line;
- (xi) the mail pedestal adjacent to Building Footprint E and the mail pedestal adjacent to Building Footprint A; and
- (xii) ground mount bike racks located adjacent to the playground and Building Footprint A.

(b) If and when constructed, the following shall be Limited Common Elements of Unit 2:

- (i) secondary electrical service from transformers adjacent to Building Footprints M, N, and O to the buildings on Building Footprints M, N, O, H, J, K, and L;

(ii) water, sewer, stormwater/drain, and telecom lines from Building Footprints M, N, O, H, J, K, and L to their point of connection with the primary service, main, or trunk line; and

(iii) the mail pedestal between Building Footprints J and K.

(c) Each Unit shall be responsible for all expenses associated with the maintenance, repair and replacement of the Limited Common Elements allocated to such Unit.

ARTICLE VI ALLOCATED INTERESTS AND VOTING

6.1 Allocated Interests. If and when the Units are fully developed, the undivided interests in the Common Elements will be allocated among the Units as follows:

<u>Unit Number</u>	<u>Percentage Undivided Interests</u>
1	63%
2	37%

6.2 Common Expenses. Undivided interest in the Common Expenses of the Association and the pro-rata share thereof that each Unit Owner is obligated to pay, are allocated between the Units in the same proportions as set forth in this Section; provided that each Unit shall be responsible for all expenses associated with the maintenance, repair and replacement of the Limited Common Elements allocated to such Unit.

6.3 Votes. The presence of the Voting Member designated in accordance with Section 18.3 hereof of each Unit Owner at a meeting of the Association shall constitute a quorum of the Unit Owners for such meeting. If and when the Units are fully developed, the votes of each Unit Owner will be allocated the following number of votes in the Association:

<u>Unit Number Owner</u>	<u>Number of Votes</u>
1	63
2	37

6.4 Determination of Allocated Interests. The allocations of undivided interests in the Common Elements and in the Common Expenses for the Units was determined based on the square footage within each Unit's Building Footprints.

6.5 Formula. The formula used to establish the allocation of votes in the Association was determined by rounding the percentage undivided interest in the Common Elements allocated to each Unit to the nearest whole number.

6.6 Subdivision. If any Unit is subdivided, then the percentage of undivided interest, the Common Expenses and the votes in the Association shall be reallocated between the owners of such subdivided Units according to the formulas identified in the immediately preceding two sections.

ARTICLE VII ENFORCEMENT OF RESTRICTIONS

7.1 Enforcement. This Declaration creates certain restrictions on and agreements between the Unit Owners. The acceptance of title to a Unit by a Unit Owner constitutes an agreement by such Unit Owner that this Declaration and the Bylaws, including all such restrictions and agreements, have been accepted by such Unit Owner, and the agreement of such Unit Owner to comply with all such restrictions and agreements.

7.2 Covenant. All such restrictions and agreements shall constitute a covenant binding and running with the title to each Unit, the Common Elements and the appurtenances thereto.

ARTICLE VIII EASEMENTS

8.1 Existing Easements. The Condominium is subject to the following existing easements:

- (a) Deed of Easement to Green Mountain Power Corporation dated March 16, 1983, recorded in Volume 86, Page 185 of the Town of Shelburne land records.
- (b) Deed of Easement from Robert P. and May J. Kenny to Robert B. and Marcella M. Peden dated April 2, 1985, recorded in Volume 90, Page 507 of the Town of Shelburne land records.
- (c) Deed of Easement to Vermont Gas Systems, Inc. dated August 8, 2019, recorded in Volume 453, Page 553.
- (d) Easement Deed regarding gas and electric and communications utility lines from Champlain Housing Trust, Inc. to KPC, LLC, dated April 10, 2023, recorded in Volume 485, Page 215 of the Town of Shelburne Land Records.
- (e) Easement Deed from Dubrul Family, LLC to Champlain Housing Trust, Inc., dated April 22, 2024, recorded in Volume 489, Page 122 of the Town of Shelburne Land Records.

8.2 Easement for Access. Each Unit Owner is hereby granted an easement, in common with the Declarant and each other Unit Owner for: utility services, stormwater systems, and support, maintenance and repair of each Unit subject to such reasonable rules, regulations and restrictions as may be imposed by the Board. Each Unit is hereby benefitted by an easement in common with others for ingress and egress through and over all Common Elements by persons lawfully using or entitled to the same. Such easements and rights are subject to the limitations upon the use of the Limited Common Elements as otherwise set forth herein.

8.3 Easement for Encroachment. To the extent that any Unit or Common Element unintentionally and non-negligently encroaches on any other Unit or Common Element, an easement for the encroachment shall exist.

8.4 Easement for Completion; Utilities. Declarant, for itself and its successors and assigns, without restriction or limitation, hereby reserves easements, rights of way and licenses, and the right to grant easements, rights of way and licenses: (i) through, under, over and across the Common Elements, including the Limited Common Elements, and the undeveloped portions of the Property for the installation, maintenance, repair, replacement and inspection of lines and appurtenances for public or private sewer, water, drainage, gas, stormwater, electricity, telecom, cable, internet, and other utility services to the Units, without "tap on" or any other fee for doing so; (ii) for the purpose of completing the construction of buildings on the Building Footprints, Units and improvements on the Property, including but not limited to the Stormwater Management System; (iii) the right to maintain and modify the land surface, or to construct and maintain improvements, to control the drainage of surface water; (iv) compliance with permits, laws, rules, regulations, ordinance and other governmental regulations; and (v) all other easements as otherwise declared in this Declaration.

8.5 Easement for Stormwater Management System. Each Unit is subject to and benefitted by an easement for the shared use and maintenance of the Stormwater Management System in accordance with the Stormwater Permit and as depicted on the Plan, as the same may be amended from time to time. Upon inspection and certification by the Association's engineer as to those components of the Stormwater Management System situated on a Unit that those portions were built in compliance with the Stormwater Permit and the Plan, the Unit shall be subject to and benefitted by an easement in favor of the Association and other Units to maintain, repair and inspect.

8.6 Additional Easements. The Association shall have the power to authorize the appropriate officers of the Association to execute any and all easements as it may deem desirable for the benefit of the Project over, under, above or through any of the Common Elements, including the Limited Common Elements, for such purposes and upon such terms as the Association, in its sole judgment, deems desirable; provided, however, that all such easements shall be subordinate to the liens and rights of all mortgages and deeds of trust recorded prior in time thereto unless the mortgagee or trustee shall join therein.

8.7 Association Easement for Upkeep. Maintenance, repair and replacement of the Common Elements and of the Units shall be as provided for in this Declaration, the Bylaws, the Act and Rules and Regulations. Each Unit Owner shall afford to the Association and the other Unit Owners, and to their agents or employees, access across his or her Unit reasonably necessary for those purposes. If damage is inflicted on the Common Elements or any Unit through which access is taken, the Unit Owner responsible for the damage, or the Association, if it is responsible, shall promptly repair such damage.

ARTICLE IX INSURANCE

9.1 Unit Owner Insurance. (a) Each Unit Owner shall maintain, at a minimum, \$1,000,000 in general liability insurance per occurrence for bodily injury, property damage and personal injury in such forms as prudent commercial practice suggests, together with \$2,000,000 in umbrella coverage.

(b) Each Unit Owner shall obtain a separate policy of casualty insurance for its respective Unit to insure its Unit and the Limited Common Elements allocated to it, in such amounts as it shall determine, to provide not less than one hundred percent (100%) of the current replacement value in the event of damage or destruction from the casualty against which such insurance is obtained. Such insurance shall protect against fire and all other hazards or perils customarily covered for similar types of condominiums and the proceeds of such insurance shall be used only for the repair, replacement and reconstruction of the Units and Limited Common Elements. Each Unit Owner may elect such endorsements and deductible provisions as are, in its judgment, consistent with good business practice and the purpose for which the insurance is bought. Any policy of casualty insurance purchased by a Unit Owner shall name the Association and the other Unit Owner as an additional insured. A policy shall provide that it may not be canceled or substantially changed, except upon at least ten (10) days' written notice to the insured and each additional insured. The insurance shall be non-contributing with any insurance maintained by the Association.

(c) Each Unit Owner shall be responsible for insuring its personal property in an amount determined by such Unit Owner.

(d) All insurance policies purchased pursuant to this Section 9.2 shall name the other Unit Owner as an additional insured and name the Association as an additional named insured. All insurance policies shall not be canceled or substantially changed, except upon at least ten (10) days' written notice to the insured and the additional insureds.

9.2. Fidelity Coverage. The Association or the Unit Owners may obtain fidelity coverage or directors and officers liability coverage against dishonest acts on the part of the Board,

managers, employees and volunteers responsible for handling funds belonging to or administered by the Association or its Units in such amounts and in such forms as prudent condominium management practices suggest. Any such policy shall provide that it cannot be canceled or substantially changed, except upon at least ten (10) days' written notice to the insured.

9.3. Separate Insurance. No insurance purchased by the Association shall in any way prejudice the right of each Unit Owner to obtain insurance for its own Unit and the property therein for its own benefit, nor shall the insurance purchased by a Unit Owner prejudice the Association's rights and protection under policies purchased by the Association under this Declaration. All such separate policies of insurance obtained by a Unit Owner shall contain a waiver of subrogation if available.

9.4. Adjustment; Insurance Trustee. Any loss covered by the policies purchased by the Association shall be adjusted with the Association, but the proceeds for that loss are payable to any insurance trustee designated in the policy for that purpose, or otherwise to the Association, in either case to be held in trust for the Association, each Unit Owner and such Unit Owner's mortgagee, as their interests may appear.

ARTICLE X TAXES AND GOVERNMENTAL ASSESSMENTS

The Association shall pay all taxes and other governmental assessments for which no Unit Owner is separately liable that is assessed against the Property or arises out of the use of the Property.

ARTICLE XI MAINTENANCE, REPAIR, RECONSTRUCTION OR REPLACEMENT OF DAMAGED OR DESTROYED PROPERTY

The Association shall at its expense maintain all of the Common Elements in a good state of repair. The Association shall promptly repair, reconstruct or replace, as applicable, any Common Element that has been damaged or destroyed.

ARTICLE XII ASSESSMENTS

12.1 Common Expenses. Common Expenses shall be expenses of the Association and shall be allocated between and be paid by both of the Unit Owners in the ratio of their percentage undivided interests; provided that a Unit Owner shall be responsible for all expenses associated with the maintenance, repair and replacement of the Limited Common Elements allocated to such Unit. A Common Expense benefiting only one of the Units or their Unit Owners may be assessed exclusively against the Unit or Unit Owner benefited.

12.2 Reserved.

12.3 Taxes. Taxes and other governmental assessments, insurance premiums, maintenance, repair, reconstruction or replacement costs attributable to the Common Elements shall be assessed against each Unit Owner based on a budget adopted annually. Assessments shall be made by the Association monthly. Each monthly assessment shall be in an amount equal to all of such allocable expenses paid or accrued in the calendar month immediately preceding the calendar in which such assessment is made. Assessments shall be made by the delivery of notice by any appropriate means to a Unit Owner. Assessments identified in this Section 12.3 shall be allocated between the Unit Owners in the ratio of their percentage undivided interests.

12.4 Interest. An assessment shall become past due on the 30th business day next following the date on which notice of an assessment is delivered to a Unit Owner. Interest shall accrue on the unpaid portion of past due assessments at the maximum rate of interest that may then be charged under 9 V.S.A. § 41a(5) or any successor statute thereto.

12.5 Default Allocation. In the case of any assessment not specifically provided for herein, assessments shall be allocated in accordance with Section 3-115 of the Act.

12.6 Late Fees. In addition to the principal of and interest on any assessment, there shall be added to any assessment when it becomes past due (i) a late charge equal to 5% of such assessment plus (iii) all other costs incurred by the Association in connection with the collection of an assessment including the Association's court costs and attorneys' fees actually incurred, if any.

ARTICLE XIII LIENS SECURING THE PAYMENT OF ASSESSMENTS

The Association shall have a lien on a Unit to secure the payment of any assessment levied against that Unit, including interest, penalties, administrative fees, and attorney fees and collection costs assessed. The provision of Section 3-116 of the Act shall govern the creation,

attachment, priority and enforcement of all such liens.

ARTICLE XIV CONDEMNATION

If all or any part of the Property is taken by eminent domain, the Association shall be the sole and exclusive agent of the Unit Owners with respect to (i) participation in any proceeding inquiring into the necessity, and/or (ii) recovering just compensation for such taking of any of the Common Elements or the appurtenances to the Property. In the event of a taking by eminent domain and the payment of compensation therefor by the taking authority, the Unit Owners and the Association shall negotiate among themselves for the fair distribution among them of such compensation. If the Unit Owners and the Association are not able to agree about the distribution of such compensation among them within thirty (30) days of the date after which the amount of such compensation has been finally determined and tender thereof has been formally made by the condemning authority, the Association and the Unit Owners shall immediately refer their dispute to the American Arbitration Association for final and binding arbitration of the distribution of such compensation.

ARTICLE XV CERTAIN RESTRICTIONS ON THE USE OF THE UNITS

15.1 Use of Property Subject to Permits. The Property may be used and conveyed only in accordance with the conditions of the Town of Shelburne and State of Vermont permits and approvals for the development of the Property and the permits and approvals referenced therein, all protective covenants and easements and rights of way for utilities of record, and the Town of Shelburne, Vermont, Zoning Regulations, as the same may be amended from time to time.

15.2 Promulgation of Rules and Regulations. The Board of Directors of the Association may promulgate other rules and regulations applicable to the Units. Such rules and regulations shall be binding on all Unit Owners and occupants of the Units unless the Board at a regular or special meeting rescinds or modifies such rule or regulation. Such Rules and Regulations may impose stricter standards than those contained in this Section. The Association, acting through the Board, shall have standing and power to enforce such standards.

15.3 Use. Except for rights reserved by the Declarant, each Unit shall be used solely for residential purposes, including associated property management and resident services efforts. Residential purposes may include home occupations permitted pursuant to lease requirements imposed by the Unit Owner of Unit 1 or shared equity requirements imposed on owners of any common interest community units to be created pursuant to a Single Unit Project contemplated for Unit 2.

15.4 Unit Maintenance. Owners will reasonably maintain their Units and associated Limited Common Elements and keep them generally free of debris.

15.5 Conduct and Liability of Owners/Occupants. No Unit shall be used or maintained in a manner which shall interfere with the comfort or convenience of occupants of other Units or in violation of rules and regulations established by the Board. No unlawful use may be made of the Property or the Units; the Unit Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Vermont and all applicable ordinances, rules and regulations of the Town of Shelburne. The violating Unit Owner shall hold harmless the Association and other Unit Owners from all fines, penalties, costs and prosecutions for any violation or noncompliance.

A Unit Owner shall be liable for the expenses of any maintenance, repair or replacement rendered by the Unit Owner's act, neglect or carelessness or by that of any employees, agents, lessees, or other invitees.

No Unit Owner shall conduct any activity which may result in an increase in insurance rates occasioned by the use, misuse, occupancy or abandonment of a Unit or its appurtenances, the Limited Common Elements or the Common Elements.

15.6 Occupants Bound. All provisions of the Declaration and any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Unit Owners and which provide for sanctions against Unit Owners shall also apply to all occupants of the Property.

15.7 No Hazardous Use or Waste. Nothing shall be done or kept on any Unit or on the Common Elements which will increase the rate of insurance for the Property or any part thereof applicable for residential use. No Unit Owner shall permit anything to be done or kept on his or her Unit or on the Common Areas which will result in the cancellation of insurance on the Property or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste shall be committed in or on the Common Elements.

ARTICLE XVI DECLARANT'S RESERVED DEVELOPMENT RIGHTS

16.1 Sales Office. Declarant reserves the right to use or maintain any portion of the Property as sales offices, management offices, models, and for the placement of signs until such time as the Declarant has conveyed title to all of the Units and Common Elements to Unit Owners.

16.2 Alteration of Units. Declarant reserves the right to alter the layout and arrangement of the Units (except for Lots which are not owned by Declarant or Units that have

been sold by Declarant to Unit Owners), said right to last as long as the Declarant controls the Association or owns any of the Units so altered. If Declarant shall make any such alterations, they shall be reflected in an amendment to this Declaration. The Declarant may make any alterations within or affecting any Unit, so long as Declarant owns said Unit, without the prior written consent of the Board of Directors, provided that such alterations do not materially adversely affect an existing conveyed Unit.

16.3 Amendment to Modify and Complete Condominium. For so long as the Declarant owns any interest in the Property, the Declarant reserves for itself and its successors and assigns, the absolute right, which may be exercised at any time or from time to time in Declarant's sole discretion, to develop and improve all of the Property owned by the Declarant. The location and configuration of the Units proposed for the Property on the Plan and Plat may be modified by Declarant in its sole discretion (except for Units which have been sold by Declarant to Unit Owners). Declarant also reserves the right, in its sole discretion, at any time or from time to time to unilaterally amend this Declaration to complete the Condominium provided there are no materials impacts on Units previously sold. The maximum number of Units in the Project is two (2).

16.4 Easement for Further Development. For so long as Declarant owns any interest in the Property, Declarant hereby reserves for itself and its successors and assigns, without restriction or limitation, perpetual non-exclusive easements, rights of way, and licenses, and the right to grant easements, rights of way and licenses, over, under, across and through all of the Property (except for Units that have been sold by Declarant) for the purpose of storing building materials and supplies and equipment used in improving the Property; construction, maintenance, repair, replacement of improvements, Single Unit Projects, roads, driveways, sidewalks, pedestrian trails, fences, trees, shrubs, landscaping, utility lines, equipment and other improvements included as part or necessary to serve the portion of the Property being developed by Declarant and any Single Unit Projects located thereon; making future connections, hookups, and tie-ins to utility lines, equipment, and other improvements constructed to serve the Property, the Single Unit Projects or other improvements located thereon.

16.5 Permits and Approvals for Further Development. Each Unit Owner acknowledges, by acceptance of an instrument of conveyance for an interest in a Unit, that Declarant has the right to develop the Project as depicted on the Plat and the Plan, in phases over time and that Declarant may also, in the future, seek to develop the Property in a different manner, subject to the specific limitations set forth in this Declaration, and that changes over time and/or changes in the market or housing demands may affect the needs for the Project, and therefore, Declarant hereby reserves the right in its absolute discretion to develop the unsold portions of the Property in a different manner, including but not limited to amending the permits to revise the number of residential housing units. In such event, neither the Association nor any Unit Owner may take any action or adopt any rule that will

interfere with or diminish any Special Declarant Rights without the prior written consent of Declarant.

16.6 Mechanic's Liens. No lien for labor or materials arising under statute or otherwise shall attach to or encumber any Common Elements or Units other than the specific Unit on which the work giving rise to the lien is then or was proceeding. If the Declarant or any Unit Owner fails to pay costs of construction or materials which results in the filing of a mechanics lien that purports to encumber any property in the Project other than the Unit where the construction which gives rise to the lien is then or was proceeding, the Declarant or Unit Owner shall cause any and all such mechanics' liens and perfections of the same to be paid and satisfied of record within the later of thirty (30) days of such filing or the Declarant's or Unit Owner's receipt of notice of the claim of such a lien or will bond such mechanics' liens and use its best efforts to have such liens discharged by an order of a court of competent jurisdiction within such period.

16.7 Amendments Under this Article. Prior to the sale of the first Unit, any amendment to this Declaration permitted by this Article need be signed and acknowledged only by the Declarant. In addition, prior to the sale of any Units, the Declarant may make whatever amendment it deems advisable, in its sole discretion, without the consent of any person.

16.8 Transfer of Declarant's Development Rights. Declarant's reserved Development Rights may be transferred in accordance with Section 3-104 of the Act.

16.9 Easement for Completion. For as long as the Declarant owns any interest in the Property, the Declarant hereby reserves for itself and its successors and assigns, easements, rights of way, and licenses, and the right to grant easements, rights of ways and licenses to others, over, under, across and through all of the Property for the purpose of:

- (i) completing the Improvements to the Property described in this Declaration and depicted on the Condominium Plan, and for the purpose of sales activities, such as erecting signs advertising the Condominium; (ii) providing utility service to the Property, including but not limited to the installation of USPS equipment, telecom services, or electric/water/sewer meters for each Unit; and (iii) compliance with permits, laws, rules, regulations, ordinances and other governmental requirements.

16.10 Interference. The Unit Owners and the Association shall not interfere with Declarant's efforts to complete the Improvements, to market and sell Units, or with Declarant's exercise of any Development Rights reserved in this Declaration.

ARTICLE XVII UTILITIES

The Association shall have no obligation to provide utility or communications services to any Unit. It shall be the obligation of each Unit Owner to arrange, provide and pay for all such utility and communication services. Each Unit Owner shall at its expense indemnify, defend and hold the Association and each of the other Unit Owners harmless from and against any claim asserted by any Person arising out of the provision of such utility, communications or other services.

ARTICLE XVIII THE ASSOCIATION

18.1 Authority. The business affairs of the Condominium shall be managed by the Association. The Association shall be governed by the Bylaws, as they may be amended from time to time.

18.2 Membership.

- (a) Each Unit shall be assigned one appurtenant and indivisible membership in the Association which may not be assigned, hypothecated, pledged or transferred in any manner except as an indivisible appurtenance to the Unit. Multiple or joint Owners of a single Unit shall be treated for all purposes as jointly owning and holding the one membership appurtenant to that particular Unit.
- (b) A membership appurtenant to a Unit shall be initiated by subjecting such Unit to the terms of this Declaration. Once a membership is initiated, liability for Common Expenses shall automatically commence. Membership in the Association shall be owned and held by each Unit Owner, including the Declarant with respect to unsold Units.

18.3 Voting Rights. Each Unit Owner shall be entitled to cast the number of votes in any meeting of the membership indicated in Section 6.3 hereof. The person entitled to vote on behalf of a Unit Owner shall be known as the "Voting Member" of a Unit and shall be designated in a writing signed the Unit Owner and delivered to the Association.

18.4 Board of Directors. The initial Board of Directors shall be three (3) in number and shall be appointed by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant, so long as the Declarant retains control of the Association. Upon Declarant's conveyance of Unit 1, the Board of Directors shall be appointed by the Unit Owners. Unit 1 may

appoint two (2) Directors and Unit 2 may appoint one (1) Director. The Board of Directors shall elect its officers who shall take office upon election.

18.5 Reserved.

18.6 Miscellaneous. In addition to any other powers and authority given the Association or its Board of Directors in the Bylaws or in this Declaration:

- (a) Common Expenses of the Association shall be borne between the Units in accordance with their Allocated Interest, except that the Board of Directors may allocate expenses between the Units on a different basis if the basis is reasonably related to the benefits or the services provided.
- (b) The Board of Directors may enter into a management agreement to operate the affairs of the Association. Any management agreement entered into by Declarant must provide that it may be terminated by the Association without cause upon giving ninety (90) days notice.
- (c) The Association shall maintain current copies of its Declaration, Bylaws, and any rules and regulations concerning the Condominium, as well as its own books, records and financial statements. These will be available for inspection by Unit Owners, Mortgagees, and Grant Providers. In addition, the Association must have a financial statement prepared for the preceding fiscal year (if the project has been established for a full fiscal year) and, upon written request shall make the financial statement available for the holder, insurer, or guarantor of any mortgage that is secured by a Unit in the project, or any Grant Provider. The Association's audited financial statement shall be available within 120 days of the Association's year-end.
- (d) The Association shall establish a working capital fund to meet unforeseen expenditures or to purchase any additional equipment or services. At substantial completion of each Unit, or in no event later than the final closing of each Unit, the Declarant shall collect from each purchaser (and forward to the Association) an amount equal to one month of estimated Association dues. The amounts paid at closing shall not be considered an advance payment of regular Association dues but shall be part of the Association's working capital fund. Once control of the Association is transferred to the Unit Owners, the working capital fund shall be deposited into a segregated account. The Declarant shall not use the working capital funds to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association. However, when unsold Units are sold, the Declarant may reimburse itself for

funds it paid the Association for any unsold Unit's share of the working capital fund by using funds collected at closing when the Unit is sold.

- (e) Neither the Association nor the Board of Directors shall be liable for any failure of utility or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to person or property caused by the elements or by any Unit Owner or any other person, or resulting from electricity, water, snow, or ice which may leak or flow from any portion of the Common Elements, or from any pipe, drain, conduit, appliance, or equipment. The Association shall not be liable to any Unit Owner for loss or damage by theft, or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any Assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE XIX COMPLIANCE AND DEFAULT

19.1 Compliance. Each Unit Owner shall be governed by and with, all of the provisions of this Declaration, the Bylaws, and any Rules and Regulations established by the Board of Directors of the Association, as the same may be amended from time to time, and the Act. In addition to the remedies provided by the Act, the Declaration, or the Bylaws, the failure of a Unit Owner to comply with any of said requirements shall entitle the Association acting through its Board of Directors or through its agent or an aggrieved Unit Owner, to the following relief after appropriate written notice to the defaulting Unit Owner:

- (a) Liability. A Unit Owner shall be liable for the expenses of any maintenance, repair, or replacement rendered by the Unit Owner's act, neglect or carelessness or by that of any employees, agents, lessees, or other invitees of the Unit Owner. No Unit Owner shall conduct any activity which may result in an increase in insurance rates occasioned by use, misuse, occupancy, or abandonment of a Unit or its appurtenances, or of the Common Elements.
- (b) Fines. The Board of Directors of the Association shall have the right to impose upon a defaulting Unit Owner a reasonable fine, commensurate with the severity of the violation of any of the provisions of the above-referenced documents, which fine shall become a continuing lien against the Unit of the defaulting Unit Owner enforceable in the manner provided by the Act and the Bylaws.

- (c) Injunctions. The Board of Directors of the Association or any aggrieved Unit Owner shall have the right or remedy by appropriate legal proceedings, either at law or in equity, to abate or enjoin the continuance of any violation of the provisions of the above-referenced documents, including, without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any combination thereof, and any other relief afforded by a court of competent jurisdiction. Such remedies shall be deemed cumulative and shall not constitute an election of remedies. The failure of the Association or its Board of Directors to enforce any rights, covenants, or conditions of the Condominium shall not constitute a waiver of the right to enforce such rights, covenants, or conditions in the future. There shall be and there hereby is created and declared to be, a conclusive presumption that any violation or breach, or any attempted violation or breach, of any of the covenants and restrictions of the Declaration or Bylaws shall so damage the community and its property value that it cannot be adequately remedied by an action at law or exclusively by recovery of damages.
- (d) Costs and Attorney's Fees. In any proceeding of an alleged failure of a Unit Owner to comply with the terms of this Declaration, the Bylaws, or the Rules and Regulations of the Association, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorney's fees.

19.2 Rights of Unit Owners. Each Unit Owner shall have a right of action against the Association for failure of the Association to comply with the provisions of this Declaration, the Bylaws, the Rules and Regulations of the Association, or the decisions made by the Association.

19.3 Waiver. No provision of this Declaration shall be deemed to have been waived by reason of any failure to enforce regardless of the occurrence of violations or breaches from time to time.

ARTICLE XX AMENDMENT

20.1 General. Except for amendments which may be made by the Declarant hereunder and as authorized by the Act, amendments by the Association as authorized by the Act, or by Unit Owners as authorized by the Act, and except for the limitations set forth in Section 2-117(d) of the Act, this Declaration may be amended by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association is allocated, except that any amendment which changes or alters the use of the Units from residential to non-residential shall require the vote or agreement of all Unit Owners, Mortgagees and Grant Providers. Except as otherwise provided herein, all amendments to this Declaration shall be made in accordance with Section 2-117 of the Act.

20.2 Rights Reserved to Declarant. Notwithstanding the amendment provisions set forth above in Section 20.1, the Declarant may during the period of Declarant Control, unilaterally amend this Declaration, and may also unilaterally amend this Declaration at any time to satisfy and meet any requirement of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the District #4 Environmental Commission, the Town of Shelburne, the Vermont Housing and Conservation Board, or a title insurance company insuring or offering to insure all or a portion of the Property.

20.3 Declarant Rights. The Provisions in this Declaration creating Declarant Rights may not be amended without the consent of the Declarant.

20.4 Consent of Mortgage Holders and Grant Providers. Amendments are subject to the consent requirements of Article XXI.

ARTICLE XXI RIGHTS RELATED TO MORTGAGEES AND GRANT PROVIDERS

21.1 Right to Request Notice. Upon written request to the Association from any Mortgagee, identifying its name and address and the Unit number upon which it holds a mortgage, such Mortgagee shall be entitled to timely written notice from the Association of:

(a) any condemnation loss or any casualty loss which affects any material portion of the Condominium or any Unit on which there is a mortgage held, insured or guaranteed by such qualified requesting party;

(b) any delinquency in the payment of assessments or other charges by the owner of a Unit that is subject to a mortgage held, insured or guaranteed by such qualified party which delinquency remains uncured for a period of sixty (60) days; and

(c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

21.2 Termination of the Condominium. Any termination of the legal status of the Condominium shall require the consent of all Mortgagees and Grant Providers. Any Mortgagee or Grant Provider who receives a notice of the proposed termination pursuant to Section 2-117 of the Act shall be deemed to have consented to such termination unless the Mortgagee or Grant Provider delivers a refusal to consent in writing to the Association within sixty (60) days of

receipt by such Mortgagee or Grant Provider of the notice.

21.3 Actions Requiring Consent of Holders of First Mortgages. The following actions require the consent of the holders of first mortgages on the Units:

- (a) change in the Allocated Interest of a Unit;
- (b) the partition or subdivision of a Unit; and
- (c) the abandonment, partition, subdivision, encumbrance, sale or
- (d) transfer of the Common Elements except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements.
- (e) Amend this Declaration in any material manner not contemplated by this Declaration as of the date hereof or as hereinafter amended in accordance with the terms hereof.

21.4 Liens. All taxes, mechanic's liens, and condominium assessments that may become liens prior to the first mortgage under local law shall relate only to the individual Unit and not to the Property.

21.5 Priority of Rights. With respect to a Unit or a portion thereof that is damaged or taken by condemnation, no provision in this Declaration, the Bylaws, or any rules or regulations adopted by the Association shall give any other party priority over any rights of the first mortgagee of such Unit regarding the distribution of insurance proceeds or condemnation awards.

ARTICLE XXII TERMINATION

This Common Interest Community and the Owners Association may be terminated only by the affirmative votes of all of the Unit Owners and only with the consent of all Mortgagees and Grant Providers.

**ARTICLE XXIII
MISCELLANEOUS**

23.1 This Declaration shall be binding upon and inure to the benefit of (i) each Unit Owner, (ii) the Association, (iii) anyone claiming by, through or under a Unit Owner, (iv) a lessee or other occupant of a Unit or a portion of a Unit, (v) a Mortgagee, and (vi) any person claiming any title or possessory interest in the Property or a Unit.

23.2 This Declaration is made and entered into pursuant to the Act and shall be construed consistently therewith.

[Signature Page Follows]

IN WITNESS WHEREOF, the Unit Owners have executed or caused this Declaration to be executed.

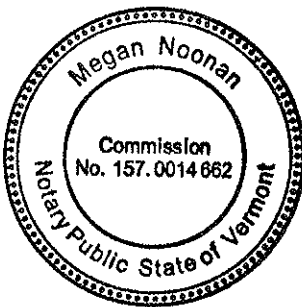
Executed on July 2nd, 2024.

Champlain Housing Trust, Inc.,

By: Miranda Lescaze
Duly Authorized Agent

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

At Burlington, Vermont, this 2 day of July, 2024, personally appeared Miranda Lescaze, duly authorized agent of Champlain Housing Trust, Inc., and acknowledged that his/her execution of this document was his/her free act and deed and the free act and deed of Champlain Housing Trust, Inc.



Before me [Signature]
Notary Public
My Commission Expires: 1/31/2025
Credential # _____

END OF
DOCUMENT