

Received for recording
Burke Town Clerk's Office
Date: February 26, 2007
Recorded in Burke Land
Records Book 109
Page 88 - Time: 8:30 A.M.
138
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Town Clerk

**DECLARATION OF CONDOMINIUM
KINGDOM RIDGE CONDOMINIUMS I**

This Declaration of Condominium (the "Declaration") is made by **KINGDOM RIDGE REALTY TRUST**, a Vermont Trust with a place of business in Burke, County of Caledonia and State of Vermont (the "Declarant").

Background

1. KINGDOM RIDGE REALTY TRUST is the owner in fee simple of 2.95 acres of land, more or less, located on Kirby Road in Burke, Vermont, together with all easements, rights, appurtenances, and improvements thereto, described in the attached Exhibit "A" attached hereto on a Site Plan entitled: "Land Survey for Kingdom Ridge" prepared by Northeast Surveys dated September 2005 " and to be recorded with this Declaration, a copy of which is attached hereto as Exhibit "B-1" (the "Plan").
2. Declarant intends to establish a multi-unit Common Interest Community on the Property, substantially as depicted on the Plan and as shown on a plan entitled: "Land Survey for Kingdom Ridge" prepared by Northeast Surveys dated September 2005 attached hereto as Exhibit "B-1", the "Condominium Plan", as a condominium regime.
3. The Property has received permits and approvals for the construction of six (6) condominium units in three duplex style buildings, as shown on the Condominium Plan attached hereto as Exhibit "B-1."

NOW, THEREFORE,

Declarant hereby makes and executes this Declaration of Condominium for the purposes stated herein and upon the following terms and conditions:

ARTICLE I

Submission: Defined Terms

Section 1.1. Submission. Declarant hereby submits the Property to this Declaration and to the provisions of Title 27A V.S.A. §§ 1-101 *et seq.*, known as the Vermont Common Interest Ownership Act (the "Act"), and hereby creates with respect to the Property a condominium to be known as the "KINGDOM RIDGE CONDOMINIUMS I" (the "Condominium") which shall be created, held, sold, transferred, conveyed, used, occupied, mortgaged, or otherwise encumbered subject to the reservations, covenants, conditions, restrictions, easements, assessments, and liens hereinafter set forth which are for the purpose of protecting the value and desirability of the Property, and which shall run with the title to the Property, and which shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, and their respective heirs, legal representatives, successors, and assigns, and shall inure to the benefit of each and every owner of all or any portion of the Property.

Section 1.2. Definitions. Each capitalized term used herein without definition shall have the meaning specified in this Declaration or the Bylaws of the KINGDOM RIDGE CONDOMINIUMS Condominium Association, Inc. attached hereto as Exhibit "D" (the "Bylaws"), or if not otherwise defined in this Declaration or the Bylaws then as defined in the Act:

"Act" means the Vermont Common Interest Ownership Act 27A V. S.A. §§ 1-101 *et seq.*

"Allocated Interests" means the undivided interest in the Common Elements, the Common Expense Liability, and the votes in the Association.

"Assessment" means the amount assessed against the owners of each Unit from time to time by the Association described below in the manner provided herein.

"Association" means the Kingdom Ridge Condominium Association, a non-profit association.

"Board of Directors" means the board of directors charged with the management and operation of the Association and is the Executive Board as defined in the Act.

"Building(s)" means the structures and related improvements which, upon completion of construction, contain the Units in the Condominium.

"Bylaws" means the Bylaws of the Association attached hereto as Exhibit "D" as amended from time to time.

"Common Elements" means all portions of the Property and appurtenances thereto other than the Units.

"Common Expenses" means the expenditures made by or financial liabilities of the Association and any allocations to reserves.

"Common Expense Liability" means the liability for Common Expenses allocated to each Unit pursuant to § 2-107 of the Act.

"Condominium" means the KINGDOM RIDGE CONDOMINIUMS I, a Common Interest Community in which portions of the real estate (the Units) are designated for separate ownership and the remaining portions of the real estate (the Common Elements) are designated for common ownership solely by the owners of the Units.

"Declarant" means KINGDOM RIDGE REALTY TRUST, and its successors and assigns.

"Declaration" means this Declaration of Condominium of KINGDOM RIDGE CONDOMINIUMS, as it may be amended from time to time, and includes all of the Exhibits hereto.

"Development Rights" means any right or combination of rights reserved by the Declarant in this Declaration to create Common Elements or Limited Common Elements within the Condominium, to subdivide Units or convert Units into Common Elements from the Condominium. The Declarant's Development Rights include the Special Declarant Rights defined in the Act.

"First Mortgagee" means the holder of any first mortgage lien or the beneficiary under any first deed of trust encumbering a Unit. The term "mortgage" includes both mortgages and deeds of trust.

"Floor Plan" means the description and layout of the buildings as set out in Exhibit B-3.

"Institutional," as used in conjunction with "Lender," "Holder," "Mortgagee" or "First Mortgagee," means commercial and savings banks, savings and loan associations trust companies and established mortgage companies, insurance companies private mortgage insurance companies, pension funds, any corporation, including a corporation of or affiliated with the State of Vermont or United States Government, including, without limitation, the Vermont Economic Development Agency and the Vermont Housing Finance Agency, and its affiliates, or any federal credit unions, and other entities or agencies chartered under federal or state laws.

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

"Property" means the real property, together with any improvements located thereon, which is declared subjected to this Declaration by incorporation in the description set forth in Exhibit "A," as amended from time to time, as such Property may be expanded as permitted herein.

"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.

"Site Plan" means the description of that portion of Exhibit B-1 indicating the boundaries of the property herein concerned with and the location of the buildings and, in addition, the common driveway accessing this property located on premises currently owned of Burke Realty Trust.

"Unit" means a physical portion of the Condominium designed for separate ownership, the boundaries of which are described in Article 2 of this Declaration, together with all other appurtenant rights described in this Declaration.

"Unit Owner" or "Owner" means the Declarant or other person who owns a Unit, but does not include a person having an interest in a Unit solely as security for an obligation. The Declarant is the owner of any Unit created by this Declaration until the Unit is sold or conveyed

ARTICLE 2

Condominium Property

Section 2.1. Property. The Property consists of all and the same lands and premises, together with improvements thereon, and all easements benefiting and burdening the Project, and rights appurtenant thereto, as depicted and described in the Property Description attached hereto as Exhibit "A" and the Plan.

Section 2.2. Description of Condominium Generally. As of the date hereof, the Declarant intends to develop the Property as a condominium development consisting of three (3) structures with two (2) units each, substantially as depicted on the Site Plan, Exhibit B-1.

Section 2.3. Description of Building. The location of the existing Buildings which are a part of the Condominium is shown on the Condominium Plan. The buildings are shown on Exhibit "B-1" and are more particularly described as one story buildings measuring 18 feet in width and 22 feet in length, each containing one (1) Unit of one (1) bedroom each. Units 1, 2, 5 & 6 have basements. Units 3 & 4 have only crawl spaces. Units 1 & 2, Units 3 & 4, and Units 5 & 6 are attached by a common deck.

The principal materials of which each Building is or is to be constructed are: concrete foundation, wood frame construction, wood log siding over composite board for sheathing the exterior walls, painted metal for the roof, and gypsum wallboard (sheetrock) and some tongue and groove pine for the interior walls. The basements for the Units having basements have concrete walls and a concrete slab floor.

Section 2.4. Description of Units and Improvements. The Units and other improvements to the Property are depicted and described on the Condominium Plan. The Floor Plans attached hereto as Exhibit "B-3" show the layout, number of rooms, and approximate square footage of each typical exterior and interior Unit. The Buildings shall contain a total of six (6) one (1) bedroom, one story Units, with a loft, and with basements in Units 1, 2, 5 & 6 and crawl spaces only in Units 3 & 4. Exhibit "C" is a list of all Units made subject to the Condominium on the date hereof, the assigned value of each Unit, the Allocated Interests in the Common Elements allocated to each Unit, with parking spaces assigned to each Unit at the back of each Unit.

Section 2.5. Unit Boundaries. The Units are one level dwelling units with basements in units 1, 2, 5 & 6 and crawl spaces only in 3 & 4, and consist of the enclosed space occupying one floor except as provided for basements. The Units are depicted on the Floor Plans. In accordance with 27A V.S.A. §2-109(h)(2), each Unit has the following described boundaries:

The lower boundary of each Unit is the upper surface of the concrete floor of the slab.

The upper boundary of each Unit is the finished surface of the ceiling in the Unit measured inward from the exterior surface of the gypsum wallboard (meaning thereby, the surface of such wallboard which touches the ceiling joist to which it is attached). The wallboard forming the ceiling is part of the Unit. The ceilings are cathedral ceilings over that portion of the Unit which is not open from the ground floor to the ceiling.

The vertical (perimetric) boundaries of each Unit are the gypsum wall board attached to the perimeter load-bearing walls. All wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces of the Unit shall be a part of the Unit. There are no party or common walls between any of the Units.

Each Unit shall have the burdens and the benefits of the easements set forth in Article 5 herein.

Section 2.6. Substantial Completion. Units 5 & 6 will be substantially complete within the meaning of the term as used in the Act on or about December 15, 2006 as evidenced by the Certificate of Occupancy, copies of which are attached to the Declaration as Schedule "4". Units 1, 2, 3 & 4 will be substantially complete when Certificates of Occupancy have been issued, estimated to be on or before January 30, 2007.

ARTICLE 3 **Common Elements**

Section 3.1. Limited Common Elements.

- (a.) A "Limited Common Element" is a portion of the Common Elements allocated for the exclusive use of one or more than one, but fewer than all, of the Units.
- (b.) All fixtures or improvements designated to serve, attached to, or adjacent to a single Unit, but located outside the Unit's boundaries, all areas designated on Exhibit "B-3", (Floor Plan) as front and back entrances, and all exterior doors and windows, and any driveway parking spaces and/or storage area allocated to the Unit, are Limited Common Elements allocated exclusively to that Unit to which they are appurtenant. Except as otherwise provided herein, any expense for maintenance, repair or replacement relating to the Limited Common Elements shall be treated as and paid for as part of the Common Expenses.
- (c.) The specific limited common areas include the decks and stairs which serve each of the two units to which they are connected, as well as the three waste water systems, each system serving two units.

Section 3.2. Common Elements.

- (a) The "Common Elements" include the Limited Common Elements and consist of all the Property and appurtenances thereto described and depicted on Exhibits "B-1", "B-2" and "B-3," except the Unit.
- (b) Except as otherwise set forth herein as to the use of the Limited Common Elements, the Common Elements shall remain undivided and shall be devoted to the common use and enjoyment of all Unit Owners. No Unit Owner or any other person shall maintain any action for partition or division thereof, unless the Property has been removed from the provisions of this Declaration pursuant to the Act.
- (c) Each Unit Owner may use the Common Elements in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of other Unit Owners. Use of the Common Elements shall be subject to the limitations set forth herein for use of the Limited Common Elements and to the Rules and Regulations regarding use thereof as shall be established from time to time by the Board of Directors.
- (d) The Common Elements include, without limitation:

- i. All easements, restrictions, and other encumbrances included with the Property as described in Exhibit "A" or depicted on Exhibit "E."
- ii. The foundations, footings, basement slabs, bearing walls, perimeter walls, main walls, roofs, columns, girders, beams and supports.
- iii. Utility lines, equipment and other improvements serving the Property or serving more than one Unit.
- iv. All driveways, all water mains and sewer mains, community sewage disposal systems and all components thereof, all sewer force mains located within the Condominium's private driveway, the stormwater drainage system located on the Property, including drains, catch basins, closed lines and detention ponds, parking areas, sidewalks, fences, trees, shrubs, landscaping, and other site improvements located on the Property.

Section 3.3. Allocated Interests. The value of each Unit and each Unit's Allocated Interest in the Common Elements and Limited Common Elements is set forth on the attached Exhibit "C". The percentages determined in accordance with Exhibit "C" shall be of a permanent character and may not be changed without the consent of all Unit Owners. The Unit's Allocated Interest shall be determinative of all matters under the Act, this Declaration and the Bylaws which are properly determined by reference to the respective percentages, including, but not limited to the weight of each Unit Owner's vote for Association purposes and the allocation of Common Expenses.

ARTICLE 4

Occupancy and Use Restrictions

Section 4.1. Use of Unit. Each Unit shall be used for residential purposes only. No trade or business of any kind may be carried on therein, except customary home occupations (provided a permit for such use is issued by the Town and District Environmental Commission, if required), and leases for residential purposes, limit occupancy as stated herein, and comply with the provisions of the Declaration, By-Laws or Rules and Regulations of the Association.

The occupancy of each Unit is subject to and benefited by all easements, restrictions and permits of record, as depicted on the Plans, and described in Exhibit "A."

Section 4.2. Alteration of Units. A Unit owner may make improvements or alterations to a Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium. No structural improvements may be made to a Unit and no change in the appearance of the Common Elements, the exterior appearance of a Unit, or any other portion of the Condominium may be made by a Unit Owner without the prior written approval of the Board of Directors. No Units may be subdivided, unless the Unit as it then exists is a combination of two adjacent units in which event the combined unit may be re-subdivided into the original configuration of the two Units. However, after acquiring an adjoining Unit, a Unit owner may move or alter any intervening partitions or create apertures in it even if the partition in whole or in part is a Common Element if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under these circumstances shall not alter the boundaries of the Units.

The boundaries between adjoining Units may be relocated only in accordance with the terms and requirements of § 2-112 of the Act and only after the Unit owners procure the permits and approvals required to adjust the boundaries between Units.

Section 4.3. Declarant Reservations. Declarant reserves the right to use or maintain a Unit as a sales office, management offices or model unit and reserves the right for the placement of signs on the Property until such time as the Declarant has conveyed title to all of the Property and Units to Unit Owners. The Unit Owners and the Association shall not interfere with Declarant's efforts to complete the improvements to the Property, to market and sell Units in the initial or subsequent Buildings or with Declarant's exercise of any Development Rights reserved in Article 13.

Section 4.4. State and Municipal Laws. Each Unit Owner shall comply with all applicable permits, codes, laws, ordinances, rules, and regulations, of the State of Vermont and Town of Burke affecting the use of the Units and the Common Elements.

Section 4.5. Interference with Others. No Unit shall be used or maintained in a manner which shall interfere with the comfort or convenience of occupants of other Units or contrary to the Bylaws or the Rules and Regulations.

Section 4.6. Parking Allocations. The 2 exclusive parking spaces for each Unit shall be located in the back of each Unit. Non-exclusive parking spaces for the benefit of each unit will be available for visitors and guests on a "first come first serve" basis, subject to the rules and regulations that may be established by the Association from time to time.

ARTICLE 5

Easements

Section 5.1. Easement for Access. Each Unit Owner is hereby granted an easement, in common with Declarant and each other Unit Owner, in all Common Elements for ingress and egress, utility service for, and support, maintenance and repair of each Unit, subject to such reasonable Rules and Regulations of the Association. Each Unit is hereby benefited by and subjected to an easement for ingress and egress through 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.

Section 5.2. 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.

Section 5.3. Easement for Completion Utilities: Public Areas. Declarant, for itself, and its successors and assigns, reserves the right to grant and reserve easements and rights of way: (i) through, under, over and across the 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, electricity, television, and other utility services to the Units; (ii) for the purpose of completing the construction of the Buildings, Units and other improvements on the Property or adjoining property; and (iii) for the purpose of erecting, maintaining, and removing signs advertising Units for sale or lease within the Property.

The rights reserved by the Declarant herein will terminate at such time as the Declarant shall transfer control of the Association in accordance with Section 9.5 hereof.

Section 5.4. Additional Easements. The Board of Directors of the Association shall have the power (without submitting the same to the Unit Owners for approval) to authorize the appropriate officers of the Association to execute any and all instruments conveying such easements as the Board of Directors may deem desirable for the benefit of the Condominium over, under, above or through any of the Common Elements for such purposes and upon such terms as the Board, 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.

Section 5.5. Upkeep. Maintenance, repair and replacement of the Common Elements and of the Units shall be as provided for in this Declaration, the Bylaws and the Act. 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, restoring the Unit to substantially the condition that existed immediately prior to the event causing the damage.

ARTICLE 6

Damage or Destruction

Section 6.1. Duty to Restore. Any portion of the Property for which insurance is required under 27A V.S.A. § 3-113, or for which insurance carried by the Association is in effect, whichever is more extensive, shall be repaired or replaced promptly by the Association unless:

- (a) The Condominium is terminated, in which case § 2-118 of the Act shall apply;
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or
- (c) Eighty percent (80%) of the Unit Owners, including every Unit Owner of Units that will not be rebuilt, vote not to rebuild.

Section 6.2. Cost. The cost of repair or replacement in excess of insurance proceeds shall be a Common Expense.

Section 6.3. If Condominium is Not Rebuilt. If the entire Condominium is not repaired or replaced:

- (a) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium
- (b) Except to the extent that other persons will be distributees: (i) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the owners of those Units and the owners of the Units to which those Limited Common Elements were allocated, or to lienholders,

as their interests may appear in proportion to the Common Expense Liability of all of the Units; and (ii) the remainder of the proceeds shall be distributed to all of the Unit Owners or lienholders, as their interests may appear, in proportion to the Common Expense Liability of those Units.

- (c) If the Unit owners vote not to rebuild any Unit, that Unit's Allocated Interest shall be reallocated on a pro-rata basis to the remaining Units upon the vote, and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocation.

ARTICLE 7

Termination: Condemnation

Section 7.1. Requirements for Termination. The Condominium may be terminated only by the recorded agreement of the Unit Owners to which at least eighty percent (80%) of the votes in the Association are allocated and by eligible Institutional Mortgagees holding mortgages on at least fifty-one percent (51%) of the Units that are subject to mortgages, and only in accordance with and subject to the provisions of § 2-118 of the Act.

Section 7.2. Condemnation. If all or a part of the Condominium is taken by any power having the authority of eminent domain, all compensation and damages arising from such taking shall be payable in accordance with § 1 - 107 of the Act.

ARTICLE 8

Insurance

Section 8.1. Casualty Insurance. In order to ensure that sufficient reconstruction or repair funds, or both, will be available to the Association if and when needed, the Board of Directors shall insure Condominium facilities (which means all Buildings, Common Elements and Limited Common Elements on the Property) that are normally included in coverage, in such amounts as it shall determine, to provide not less than one hundred percent (100%) of the current replacement value (exclusive of foundations, land, excavations, and other items that are normally excluded from such insurance coverage) 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 Common Elements unless determined otherwise in accordance with Article 6. The Board of Directors 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.

Policies of casualty insurance hereunder shall name the Association as the insured and the person to which payment is to be made as trustee on behalf of the Unit Owners and lienholders as their interests may appear. 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.

Section 8.2. Insurance. The Board of Directors of the Association shall also purchase broad form comprehensive liability coverage in such amounts and in such forms as prudent condominium management practice suggests. A policy shall provide

that it cannot be canceled or substantially changed, except upon at least ten (10) days written notice to the insured.

Section 8.3. Other Provisions. Insurance policies carried pursuant to this Section shall, to the extent such provisions are available, provide that:

- (a) Each Unit Owner is an insured person under the policy to the extent of liability, if any, arising out of his or her interest in the Common Elements or membership in the Association.
- (b) The insurer waives its rights to subrogation under the policy against any Unit Owner or member of his or her household.
- (c) No act or Omission by any Unit Owner, unless acting within the scope of his or her authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.
- (d) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 8.4. Fidelity Coverage. The Association may obtain fidelity coverage against dishonest acts on the part of the Board of Directors, managers, employees and volunteers responsible for handling funds belonging to or administered by the Association 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.

Section 8.5. Premiums. Premiums and expenses for all insurance and fidelity coverage purchased by the Association shall be Common Expenses. Where insurance premiums are increased as a result of increased risk attributable to a particular Unit, the Unit at issue shall be responsible for the increase, based upon the insurance carriers appraisal of risk inherent to said Unit. A levy made against a Unit for an increase in premiums may be enforced in the same manner as Common Expenses.

Section 8.6. Separate Insurance. No insurance purchased by the Association shall in any way prejudice the right of each Unit Owner to obtain insurance for his or her own Unit and the property therein for his or her own benefit, nor shall the insurance purchased by the 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.

Section 8.7. Adjustment: Insurance Trustee. Any loss covered by the property policy 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 9

The Association

Section 9.1. 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. The Association shall have all of the powers permitted under the applicable provisions of the Act.

Section 9.2. 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 which have been subjected to the terms of this Declaration.
- (c) The number of memberships in the Association shall be limited to 6, one allocated to each Unit. No membership, rights or liability for Common Expenses shall be allocated or attributed to a Unit until the Unit is subjected to this Declaration.
- (d) Liability for Common Expenses shall be assessed among the members in accordance with their Allocated Interest, unless altered as hereinafter set forth in Section 9.6.
- (e) The Association may increase its membership in the future by adding owners of Condominium Units from other Condominium projects or developments, upon unanimous consent of all Unit owners.

Section 9.3. Voting Rights. For the period beginning with the recording of this Declaration and ending as provided in Section 3-103(d) of the Act, the Declarant reserves the right to appoint the members of the Board of Directors and the Officers of the Association as provided in Section 3-103(d), as further limited by the provisions of Section 3-103(e).

Section 9.4. Board of Directors. The initial Board of Directors shall be six (6) in number and shall be appointed by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant, until such time as the Declarant shall transfer control of the Association in accordance with Section 9.5 herein below. At such time as the Declarant shall sell a Unit, the new owner shall have the right to appoint a member to the Board of Directors who shall replace one of the initial members appointed by the Declarant. After the period of Declarant control, members of the Board of Directors shall be elected by the Unit Owners, pursuant to the schedule set forth in Section 3-103 of the Act.

Section 9.5. Declarant Control. The Declarant will transfer control of the Association: (i) sixty (60) days after the last and final sale by Declarant of seventy five

percent (75%) of the six (6) Units in the Condominium; (ii) two (2) years after the Declarant has ceased to offer Units for sale in the ordinary course of business; or (iii) voluntary relinquishment in writing by the Declarant, whichever is the first to occur. As long as Declarant retains control of the Association, no person may record any declaration or amendment to this Declaration or similar instrument affecting any portion of the Condominium without Declarant's written consent thereto, and any attempted recording without compliance herewith shall result in such or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

Section 9.6. 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 among the Units in accordance with their Allocated Interest, except that the Board of Directors may allocate expenses among the Units on a different basis if the basis is reasonably related to the benefits of the services provided.
- (b) The Board of Directors may enter into a management agreement to operate the affairs of the Association until such time as all memberships in the Association become voting memberships. At the time all memberships become voting memberships, any management agreement entered into by Declarant 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 and First Mortgagees.

ARTICLE 10

Assessment and Collection of Common Expenses

Section 10.1. Definition of Common Expenses. Common Expenses shall include:

- (a) Expenses of administration, maintenance, and repair or replacement of the Common Elements;
- (b) Expenses declared to be Common Expenses by the Board of Directors or by the Act;
- (c) Expenses agreed upon as Common Expenses by the Association; and
- (d) Such reserves as may be established by the Association, whether held in trust or by the Association for repair, replacement or addition to the common Elements or any other real or personal property acquired or held by the Association.

Section 10.2. Assessment and Apportionment of Common Expenses. Except as provided in Sections 9.6 and 10.3, all Common Expenses shall be assessed against all Units in accordance with their Allocated Interest in the Common Expenses as shown on Exhibit "C" to this Declaration and shall be due and payable on a quarterly basis.

Section 10.3. Common Expenses Attributable to Fewer than all Units. The following expenses may be assessed against less than all of the Units:

- (a) Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against the Unit which benefits from such service.
- (b) Any insurance premium increase attributable to a particular Unit by virtue of activities or construction of the Unit shall be assessed against that Unit.
- (c) Assessments to pay a judgment against the Association may be made only against the Units in the Common Interest Community at the time the judgment was rendered, in proportion to their Common Expense Liabilities.
- (d) Any Common Expense arising from the misconduct of a Unit Owner.
- (e) Fees, charges, late charges, fines and interest charged against a Unit Owner pursuant to the Declaration, the Bylaws, the Rules and Regulation of the Association, and the Act are enforceable as Common Expense assessments.
- (f) Any expense incurred by the Board of Directors and/or the Association on behalf of a Unit Owner or as a result of a Unit Owner's failure to perform any of the obligations under Section 11.2(b) hereof is a Common Expense.
- (g) Expenses for the repair, replacement and maintenance of Limited Common Elements shall be assessed against the Unit to which the Limited Common Element is assigned.

Section 10.4. Lien. The Association has a statutory lien on a Unit in accordance with §3-116 of the Act for any Assessment imposed against a Unit Owner. The lien shall be subordinate to a first mortgage on a Unit recorded before the date on which the assessment to be enforced became delinquent; provided, however, that in accordance with § 3-116(b)(3) of the Act, the lien shall have priority over a first mortgage deed recorded before the date on which the assessment to be enforced became delinquent, but only to the extent of Common Expense Assessments based on the periodic budget adopted by the Association which would have become due in the absence of acceleration during the six months immediately preceding institution of an action to enforce the lien.

Section 10.5. Budget Adoption and Ratification. Within thirty (30) days after adoption of any proposed budget for the Condominium, the Board of Directors shall provide a summary of the budget to all the Unit Owners. The Board of Directors shall set a date not less than fourteen (14) nor more than thirty (30) days after the date the budget summary is sent to the Unit Owners, for a meeting of the Unit Owners to ratify the budget. The budget shall be ratified, unless a majority of the Unit Owners rejects the budget, whether or not a quorum is present. If the budget is rejected, the budget last ratified by the Unit Owners shall be in effect until the Unit Owners ratify a budget proposed by the Board of Directors. If the Board of Directors votes to levy a Common Expense assessment not included in the current budget, in an amount greater than fifteen percent (15%) of the current annual operating budget, the Board of Directors shall submit such Common Expense to the Unit Owners for notice and ratification in the same manner as a budget under this Section.

Section 10.6. Certificate of Payment of Common Expense Assessments. The Association on written request shall furnish to a Unit Owner a statement in recordable form setting forth the amount of unpaid Assessments against the Unit and any other matters required by § 4-109 of the Act. The statement shall be furnished within ten (10) days after receipt of the request and is binding on the Association, the Board or Directors and every Unit Owner.

Section 10.7. Quarterly Payment of Common Expenses. All Common Expenses assessed under Sections 10.2 -10.4 shall be due and payable quarterly. Any past due Common Expenses or quarterly installment of Common Expenses shall accrue interest at the rate of twelve percent (12%) per annum.

ARTICLE 11

Maintenance

Section 11.1. Maintenance of Common Elements. The Association shall maintain and keep in good repair at all times the Common Elements, including, without limitation, the private driveway, the mailbox area, waste water systems, water systems, storm-water drainage system, lighting, landscaping, open space, utility lines and facilities, and including the Limited Common Elements, except for such maintenance of the Limited Common Elements as the Board of Directors shall, from time to time, delegate to the Unit Owners appurtenant thereto. The Association shall also be responsible for all snow removal from the Condominium's private driveway, walkways, the mailbox area, and parking areas.

The maintenance shall be performed in a workmanlike manner. In addition, the Association shall have the right, but not the obligation, to maintain property not owned by the Association where the Board has determined that such maintenance would benefit the Owners. The Association shall also have the obligation to maintain such property not owned by the Association as required by any permit or approval for the Property by any governmental agency.

Section 11.2. Maintenance of Units.

- (a) Each Unit Owner shall maintain, repair and replace at his or her own expense, all portions of his or her Unit. However, the Board of Directors may by resolution, decide to maintain any portion of the Units and assess the cost of such maintenance to the Unit.
- (b) In the event that a Unit Owner should fail to perform any obligation required in Subsection (a) hereof as may be determined by the Board of Directors, then the Board of Directors may provide for the performance of any such neglected obligation by whatever reasonable means it may determine in its sole discretion. In case of emergency as determined by the Board of Directors, it may act immediately; and in all other cases the Board of Directors may act hereunder following thirty (30) days written notice to the Unit Owner. All expenses incurred by the Association as a result of taking action under this section shall be chargeable to the Unit Owner as provided for under Sections 9.6 and 10.3 hereof.

ARTICLE 12

Compliance and Default

Section 12.1. Compliance.

Each Unit Owner shall be governed by and with, all of the provisions of this Declaration, the Bylaws, 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 the Board of Directors or through its agent or an aggrieved Unit Owner, to the following relief after appropriate 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. 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 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 values that it cannot be adequately remedied by action at law or exclusively by recovery of damages.
- (d) Costs and Attorneys' 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 attorneys' fees.

Section 12.2. 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.

Section 12.3. 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 13 **Declarant's Reserved Development Rights**

Section 13.1. Easement for Completion. 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, including Buildings, driveways, sewer lines, water lines, stormwater drainage systems, parking areas, walkways, fences, trees, shrubs, landscaping, and utility lines, equipment and improvements, and for the purpose of sales activities, such as erecting signs advertising the Condominium; (ii) providing utility service to the Property; and (iii) compliance with permits, laws, rules, regulations, ordinances and other governmental requirements. The rights reserved by the Declarant herein shall terminate at such time as the Declarant shall transfer control to the Association in accordance with Section 9.5 hereof.

Section 13.2. Alteration of Units or Buildings. Declarant reserves the right to alter the design and arrangement of the Units owned by Declarant and Building, (but such right shall not be exercised with respect to any Unit not owned by Declarant), said right to last as long as there are Development Rights and/or Declarant owns any of the Units or Building so altered. If Declarant shall make any such alterations, they shall be reflected in an amendment to this Declaration. The Declarant may make any structural alterations within or affecting any Unit, so long as Declarant owns said Unit, without the prior written consent of the Board of Directors.

Section 13.3. Amendments Under this Article. Any amendment to this Declaration permitted by this Article need be signed and acknowledged only by the Declarant, and it shall be deemed that the Association, Unit Owners, lienholders or mortgage holders have voted for such amendment or amendments. 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. Notwithstanding any other provision of this Section, the Declarant may make amendments which are for housekeeping purposes only and which do not substantially change the other provisions of this Declaration.

Section 13.4. Transfer of Declarant's Development Rights. Declarant's reserved Development Rights may be transferred in accordance with § 3-104 of the Act.

ARTICLE 14 **Covenants and Environmental Restrictions**

Section 14.1. Use of Property Subject to Permits. The Property may be used and conveyed only in accordance with the conditions of the Vermont Land Use Permit for the development of the Property and the permits and approvals referenced therein; the

Town of Burke Approval; conditions and restrictions set forth herein; all protective covenants and easements and rights of way for utilities of record; and as all of the foregoing may be amended from time to time and as set forth in the Exhibits appurtenant hereto.

Section 14.2. Promulgation of Rules and Regulations. The Board of Directors may, from time to time, without consent of the members promulgate, modify, or delete use restrictions and Rules and Regulations applicable to the Units and the Common Elements. Such Rules and Regulations and use restrictions shall be binding upon all Unit Owners and occupants until and unless overruled, canceled, or modified in a regular or special meeting by the vote of the members holding a majority of the total votes in the Association. Such Rules and Regulations and use restrictions may impose stricter standards than those contained in this Section. The Association, acting through its Board of Directors shall have standing and the power to enforce such standards.

Section 14.3. Residential Purposes. Each Unit shall be used for residential purposes only. No trade or business of any kind may be carried on therein, except customary home occupations and leases for residential purposes, provided such leases and comply with the provisions of the Declaration, By-Laws or Rules and Regulations of the Association.

Section 14.4. Parking. Parking spaces are restricted to use by the Units for which they belong as a parking space for vehicles. No unregistered motor vehicle, may be parked, stored, or maintained on any portion of the Property, and no boat, boat trailer, snowmobile, snowmobile trailer, camper or other recreational vehicle may be stored for extended periods on any portion of the property, including garages. The parking of motor vehicles along the roadway or in other spaces that have not been designated for parking shall be strictly prohibited. The Rules and Regulations approved by the Board of Directors may establish appropriate penalties for parking violations.

Section 14.5. State and Municipal Laws. Each Unit Owner shall comply with all applicable permits, codes, ordinances, rules and regulations of the State of Vermont and the Town of Burke affecting the use of the Units and the Common Elements.

Section 14.6. Interference with Others. No Unit shall be used or maintained in a manner which shall interfere with the comfort or convenience of occupants other Units or contrary to the By-Laws of the Rules and Regulations.

Section 14.7. Satellite Dishes. No satellite dishes of television antennae shall be installed on the exterior portion of any Building without the prior approval of the Board of Directors, which approval shall not be unreasonably denied.

Section 14.8. Lighting. Except for seasonal decorative lights, all exterior lights must be installed and used in a manner that will not unduly disturb surrounding Unit Owners and must be approved by the Executive Board.

Section 14.9. On-Site Fuel Storage. No on-site storage of gasoline, kerosene, or flammable heating fuels shall be permitted on any part of the property, except for propane for outdoor propane cook-out grills, which grills shall be kept at least thirty six (36") inches from the exterior of the building, and not more than ten (10) gallons of other fuel stored in each Unit for emergency purposes and operation of household and yard tools or equipment.

Section 14.10. Outbuildings. No structures of a temporary character, tents, shacks, barns, trailers, garages, unfinished basements, or other outbuildings shall be occupied as living quarters on the Property.

Section 14.11. Rubbish and Trash Removal. All rubbish, trash and garbage shall be stored in containers in enclosed areas and regularly removed from the Property. There shall be no burning of trash.

Section 14.12. Nuisance. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt conditions within his or her Unit and Limited Common Elements. No noxious or offensive activity shall be carried on upon any Unit or the Common Elements. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way are noxious, dangerous, unsightly or unpleasant or of a nature as may diminish or destroy the enjoyment of the Property, the Units of the Common Elements.

Section 14.13. Use of Motor Vehicles Restricted. No motor vehicles may be used on any portion of the Common Elements except driveways, or for authorized maintenance and emergency purposes. No car repair or oil changes are allowed on any portion of the Common Elements.

Section 14.14. 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 sanctions against Unit Owners shall also apply to the all occupants of the Property.

Section 14.15. No Hazardous Use or Waste. Nothing shall be done or kept in 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 in his or her Unit or on the Common Elements which will result in the cancellation of insurance on the Property or any part thereof of which would be in violation of any law, regulations or administrative ruling. No waste shall be committed in or on the Common Elements. No hazardous waste as defined by federal, state or municipal laws or regulations shall be kept or discharged in a Unit or the Common Elements.

Section 14.16. Animal Control. No animals shall be permitted on the Property other than dogs and other domestic pets. Each Unit may have not more than **two** domestic pets. No Unit Owners shall have any dogs, whose breed has been designated as dangerous or high-risk by the Insurance Company insuring the property. All dogs and domestic pets shall be in the control of the Unit Owner at all times while on the Property. Unit Owners are responsible for immediate cleanup of any waste and/or damage to the Common Elements. Owners are also responsible for all impoundment costs incurred in the control of dogs or other domestic animals while on the Common Elements. In addition, Unit Owners are subject to the animal control ordinances of the Town of Burke and permit restrictions affecting the Property to the extent that all dogs and domestic pets must be leashed at all times on the Property.

Section 14.17. Signage. Except for such signs as may be posted by the Declarant for identification of the Units and for promotional and marketing purposes, no signs of any character shall be erected, posted or displayed upon, in, from or about any Unit or

Common Elements by any Unit Owner without prior written approval of the Board of Directors.

Section 14.18. Leasing. Units may be leased for residential purposes. All leases shall require, without limitation that the tenant acknowledge receipt of a copy of the Declaration, Bylaws, use restrictions, and Rules and Regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Board, in addition to any other remedies available to it, may, in the event the Owner shall fail to initiate and reasonably maintain an action to evict the tenant after written request to do so by the Association, evict the tenant on behalf of the Owner and specifically assess all costs associated therewith against the Owner and the Owner's property.

Section 14.19. Removal of Earth Products. No Unit Owner shall dig or remove any earth products or cause any other disturbance of the ground within the Limited Common and Common areas designated on the Site Plan.

Section 14.20. Energy Conservation Measures. No alteration may be made to any Unit which would reduce the effect of the water-conserving plumbing fixtures or insulation, including low-flush toilets, low-flow showerheads, and aerator or flow-restricted faucets. All leases shall require maintenance of same.

Section 14.21. Landscaping. The Association shall continually maintain all Common Elements, facilities, recreational amenities, and landscaping substantially as approved by the Town of Burke Developmental Review Board (DRB). All dead or diseased landscape plantings shall be replaced as soon as seasonably possible. The initial landscaping for the Condominium shall be completed by and at the expense of the Declarant on or before September 30, 2007.

Section 14.22. Garbage Disposals. Garbage disposal are prohibited in the Units.

Section 14.23 Amendments. No amendment to Sections 14.1, 14.16; 14.20, 14.21, 14.22 or 14.23 of this Article shall be effective without the prior written consent of the Town of Burke Developmental Review Board (DRB) and Vermont District #4 Environmental Commission.

ARTICLE 15

Amendments

Section 15.1. General. Except for amendments which may be made by the Declarant hereunder and in § 2-109(f) or §2-110 of the Act and the provisions of this Declaration related to the exercise of Development Rights, and amendments by the Association under §§ 2-106(d), 2-108(c), or 2-112(a) of the Act, or by Unit Owners under §§ 2-108(b), 2-112(a) or 2-118(b) of the Act, and except for the limitations set forth in § 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. All amendments to this Declaration shall be made in accordance with § 2-117 of the Act.

Section 15.2. Rights Reserved in Declarant. Notwithstanding the amendment provisions set forth above in Section 15.1, the Declarant may unilaterally amend this Declaration in accordance with the provisions of Article 13, and may also unilaterally amend this Declaration at any time to satisfy and meet any requirement of the Town of

Burke Developmental Review Board (DRB), the Town of Burke, the State of Vermont, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Vermont Housing Finance Agency, or a title insurance company insuring or offering to insure all or a portion of the Property. Notwithstanding any other provision of this Section, the Declarant may make amendments which are for housekeeping purposes only and which do not substantially change the other provisions of this Declaration.

Section 15.3. Special Declarant Rights. The Provisions in this Declaration creating Development Rights and Special Declarant Rights may not be amended without the consent of the Declarant, except that at such time as the Declarant shall transfer control to the Association under Section 9.5 of this Declaration, this Section shall terminate.

Section 15.4. Consent of Mortgage Holders. Amendments are subject to the consent requirements of Article 16.

ARTICLE 16

Rights Related to Mortgages

Section 16.1. Notice of Action. Upon written request to the Association from any Institutional Mortgagee, identifying its name and address and the Unit number or address, such Institutional Mortgagee shall be entitled to timely written notice 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 first mortgage held, insured or guaranteed by such qualified requesting party;
- (b) any delinquency in the payment of Assessments or other charges by a Unit Owner subject to a first mortgage held or insured by such party which delinquency remains uncured for a period of sixty (60) days;
- (c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; or
- (d) any proposed action which would require the consent of a specified percentage of Institutional Mortgagees.

Section 16.2. Special Voting Rights of Institutional Mortgagees. An action with respect to the Condominium including a material amendment to this Declaration, restoration or repair after partial or total condemnation or casualty loss or termination of the legal status of the Condominium under the Declaration requiring the votes of the Unit Owners shall also require the consent of Institutional Mortgagees holding mortgages on Units which represent at least fifty-one percent (51%) of the mortgages of the Institutional Mortgagees in the Condominium; provided however, that in the case of a termination of the Condominium not made as a result of destruction, damage or condemnation, the applicable percentage shall be sixty-seven percent (67%) instead of fifty-one percent (51%). For purposes of this Section, a "material amendment" includes any provision affecting:

- (a) Increases in Assessments that raise the previously assessed amount by more than 25%, assessment liens, or the priority of assessment liens or;
- (b) voting rights;
- (c) Reductions in reserves for maintenance, repair and replacement of Common Elements;
- (d) Responsibility for maintenance and repairs;
- (e) Rights to use Common Elements and Limited Common Elements;
- (f) Redefinition of any Unit Boundaries, except that when boundaries of only adjoining Units are involved, then only those Unit Owners and the Institutional Mortgagees holding mortgages on such Unit or Units must approve such action;
- (g) Convertibility of Units into Common Elements or Common Elements into Units;
- (i) Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium, except for the exercise of Development Rights reserved by Declarant in this Declaration;
- (j) Hazard or fidelity insurance requirements;
- (k) Imposition of any restriction on the Leasing of Units;
- (l) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (m) Restoration or repair of the Condominium after a hazard damage or partial condemnation in a manner other than that specified in the Declaration;
- (n) A decision by the Association to establish self-management if professional management had been required previously by the project documents or by an Institutional Mortgagee; and
- (o) Any provision that expressly benefits mortgage holders, insurers or grantors.

Section 16.3. Failure to Provide Negative Responses. For the purposes of Section 16.2 above, an Institutional Mortgagee who receives a written request to approve action in accordance with Section 16.2, delivered by certified or registered mail, return receipt requested, and who fails to provide a negative response to the Association within thirty (30) days of the date of receipt of the written request, shall be deemed to have consented to such action.

ARTICLE 17

Miscellaneous

Section 17.1. Invalidity. If any provision of this Declaration is held invalid, the invalidity thereof shall not affect other provisions of this Declaration which can be given effect without the invalid provisions and to this end the provisions of this Declaration are severable.

Section 17.2. Headings. The headings in this Declaration are for purposes of reference only and shall not limit or otherwise affect the meaning thereof.

Section 17.3. Agent. The person who shall receive service of process for the Association is William Goddard, 38 Ipswich Drive, Littleton, Massachusetts, 01460.


Section 17.4. Declarant's Disclaimer for Economic Benefit. Declarant has made no representations, and Declarant hereby disclaims any representations made by anyone claiming to act as Declarant's authorized agent, as to the feasibility of renting a Unit in the Condominium or otherwise generating income or deriving any other economic benefit from a Unit.

Section 17.5. Declarant's Disclaimer for Security. Neither the Association nor the Declarant shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Unit Owners, tenants, guests, and invitees of any Unit Owner, as applicable, acknowledge that the Declarant and the Association are not insurers and that each Unit Owner, tenant, guest, and invitee assumes all risk of loss or damage to persons, to the Building, and to contents of Building, and further acknowledge that neither the Declarant nor the Association has made any representation or warranty, nor has any Unit Owner, tenant, guest, or invitee relied upon any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose relative to any security measures recommended or undertaken.

Section 17.6. Governing Law. This Declaration shall be governed by and construed in accordance with the laws of the State of Vermont, without giving effect to such jurisdiction's principles of conflicts of laws.


IN WITNESS WHEREOF, the Declarant has executed or caused this Declaration to be executed as of the 16 day of February, 2007

IN PRESENCE OF:



Witness

KINGDOM RIDGE REALTY TRUST

By: 

Patricia Pacelli
Duly Authorized Agent

STATE OF VERMONT
CALEDONIA COUNTY, SS.

At Lyndon, Vermont this 16 day of February, 2007, personally appeared Patricia Pacelli, Duly Authorized Agent of KINGDOM RIDGE REALTY TRUST and she acknowledged this instrument by her signed and sealed, to be her free act and deed and the free act and deed of KINGDOM RIDGE REALTY TRUST.

Received for recording
Burke Town Clerk's Office

Date: February 26, 2007

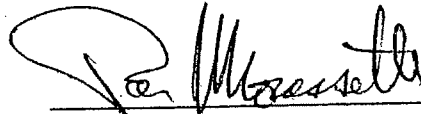
Recorded in Burke Land
Records Book 109

Page 88 Time: 8:30 A.M.

Attest: 

Town Clerk

Before me,



Notary Public
My commission expires: 2/10/07

shall file a notice to such effect in the form adopted by the Board within fifteen (15) days of acquiring such interest. No person failing to file such notice of acquisition of an interest shall be entitled to any notice required to be given to a Member or other person pursuant to the Declaration or these Bylaws until such person shall have filed the notice of acquisition of interest.

ARTICLE X

ALTERNATIVE DISPUTE RESOLUTION

Section 10.1 Alternative Dispute Resolution. In the event of a deadlock on the Board, or a dispute between the Board and Unit Owners or between two or more Unit Owners regarding the common interest community, the parties shall submit the dispute to non binding mediation. In the event the parties cannot agree on a mediation service within 14 days from the date it has been established that the deadlock/dispute exists, then the parties shall use the American Arbitration Association. In the event the deadlock /dispute has not been resolved by said mediation, then either party may commence a judicial proceeding to resolve the conflict. The costs of said mediation shall be shared equally between the parties. The costs of any judicial proceeding, including reasonable attorney's fees shall be borne by the non-prevailing party.

Dated at Lyndonville, Vermont, this 16 day of February, 2007.

KINGDOM RIDGE REALTY TRUST

By: 

Patricia Pacelli

Duly Authorized Agent of Declarant