

LB

DECLARATION OF CONDOMINIUM
OF
THE MILL
A CONDOMINIUM COMPLEX OF INDUSTRIAL UNITS AND PROFESSIONAL OFFICES

WHEREAS, PAMELA W. JAYNES and SUSAN O. BERGE (hereinafter "Declarant"), both having a place of business in Woodstock in the County of Windsor and State of Vermont, are the owners in fee simple absolute of certain real property located in Woodstock in the County of Windsor and State of Vermont which is more particularly described on a copy of a deed to said Declarant hereto annexed as Exhibit "A"; and

WHEREAS, the Declarant intend to make certain improvements on the aforesaid lands and premises which the Declarant wishes to dedicate to condominium ownership pursuant to the Vermont Condominium Ownership Act referred to as Title 27 Chapter 15 of the Vermont Statutes Annotated under the name of "THE MILL", a condominium complex of industrial spaces and professional offices; and

WHEREAS, the Declarant wishes to dedicate certain easements and other interests in real estate to the perpetual use of said condominiums; and

WHEREAS, the Declarant wishes to provide certain amenities for the use and enjoyment of the condominium dedicated herein as may be hereafter provided by the Declarant, its successors and assigns; and

WHEREAS, the Declarant desires to provide for the beneficial use and ownership of the condominium declared herein and provided for the beneficial use, ownership and the financing of amenities as provided herein; and

WHEREAS, the Declarant now declares that the property dedicated to condominium ownership as provided herein shall be known as THE MILL, a condominium complex of industrial units and professional offices;

NOW THEREFORE, the Declarant declares as follows:

1. Definitions: The terms used herein shall, if and to the extent that they are defined in the Act, have the meaning therein stated. The term "association" shall mean the unit owners, Board of Directors, officers and/or managers of the Association of Owners of Condominium apartments to be located on the property and referred to and provided for in the Bylaws annexed hereto as Exhibit "D". As used herein "unit" and "owner" means "apartment" and "apartment owner" as those terms are defined in the Act. Declarant shall, for all purposes be deemed to be an owner as to any unit which it has not yet conveyed and shall be entitled to the benefits and subject to the obligations attributable to the aggregate percentage of undivided interest of all such unconveyed units. The term "property" as used herein shall mean the land described in Exhibit "A" and all improvements now or hereafter built thereon and all appurtenances thereof. The term "project" as used herein shall mean all the land and premises conveyed to the Declarant by the aforesaid description in Exhibit "A" and the improvements constructed thereon whether the same are now or hereafter constructed and whether the same are now or hereafter dedicated to condominium owners pursuant to this Declaration and any amendment thereto.

2. Description of Land: The land and premises hereby dedicated to condominium ownership, including all easements, restrictions, covenants and other interest dedicated, reserved or excepted are more particularly described and shown on Exhibit "A" attached hereto and are depicted on a site plan drawn by Bruno Associates, Inc. of Woodstock, Vermont dated SITE PLAN, 1986 and designated as Exhibit "A-1".

3. Description of Buildings and Units: The building known as "The Mill", so-called, shall initially contain 7 industrial and/or office units on the first floor and 8 industrial and/or office units on the second floor ranging in size from 3,322 square feet to 803 square feet. Overall "The Mill" contains approximately 22,130 square feet with a portion of the overall square footage devoted to lobby, vestibule, hallways, utility closets, stairways, partition and structural support space, elevator space and other common areas. The principal materials of which the building is constructed are steel, concrete, brick and wood sheathing, drywall, insulated ceiling materials and a membrane roofing material.

4. Office Industrial Space Units: The building shall be developed with 15 office and/or industrial space units ranging in size from 3,322 square feet to 803 square feet with each unit and its square footage depicted on Exhibit "C" attached to this Declaration. No units may be subdivided without the express written

approval of the Declarant, which approval shall not be unreasonably withheld and thereafter no unit may be subdivided so that a resulting unit would be less than 400 square feet. Subject to the provisions of the Declaration and other provisions of law, once a subdivision is approved, the Condominium Association or the Declarant, whichever organization is then in control, shall record an amendment to the Declaration including the plats and plans, subdividing or converting the unit. In the case of a unit owned by a Declarant, if a Declarant converts all of a unit into common elements, the amendment to the Declaration must allocate among the other units a common element interest, votes in the Association and common expense liability formerly allocated to the converted unit on the same basis used for the initial allocation thereof as set forth in Exhibit "C".

4.1 Ownership: Each office or industrial space unit shall be conveyed by Declarant as a separate and distinct freehold estate, in which all right, title and interest shall be vested solely in the person, persons or entities named in the deed thereto, subject only to such interests, encumbrances and uses as are required by condominium ownership and as set forth herein or as may be otherwise imposed upon such ownership by virtue of local, state or Federal law, or which may be imposed upon such interest by appropriate documents duly executed and recorded in the Woodstock Land Records.

4.2 Dimensions: Vertical boundaries of each unit shall be the interior face of the wall studding to the effect that each unit shall include the drywall attached to the framing surrounding the unit and such walls shall be considered to include any door or window relating thereto. The horizontal boundaries of a unit shall be the interior surface of the concrete flooring to the interior face of the ceiling joist over each unit onto which sheet rock or other wallboard is affixed, but excluding any pipes relating to the sprinkler system which may be within a unit's dimensions.

4.3 Designation of Unit: Each office unit shall be located and shall bear a designation as shown on the floor plans entitled "THE MILL" First Floor Plan and Second Floor Plan, Woodstock, Vermont drawn by Northern Architects, Inc. of Burlington, Vermont 05401 and are dated February 1, 1987 and which plan depicting the units "as built" shall be recorded in the Woodstock Land Records. Said floor plan is attached hereto as Exhibit "B" and is hereby incorporated by reference.

4.4 Use of Unit: Each office or industrial unit shall be restricted to use as a place of business of a service nature or for light manufacturing or fabrication or for storage or display purposes, however, this restriction is not intended to limit or prohibit the sale of merchandise or services if such sale is incidental to and as a result of the primary business of office or an industrial type of use.

4.5 Maintenance and Repair:

(1) Responsibility of Board of Directors: It shall be the responsibility of the Board to maintain, repair or replace:

(a) All portions of the unit which contribute to the support of the building, including main bearing walls, but excluding painting, wallpapering, decorating or other work on the interior surfaces of walls, ceilings and floors within the unit.

(b) All portions of the unit which constitute a part of the exterior of the building.

(c) All common elements shall be maintained as follows:

(i) By repairing, maintaining or replacing any portion of the common elements which may cause injury or damage to other units or to other common elements;

(ii) By maintaining the surfaces of all walls, ceilings and floors within the common areas and to keep the same in a neat, tasteful appearance and safe manner.

(iii) By performing, to the extent possible, such responsibilities in a manner and at such reasonable hours so as not to unreasonably disturb other unit owners in the building;

(iv) By seeing that the common areas are maintained in a safe, clean and neat manner with due regard given to the ongoing nature of the construction involved in this overall project;

(v) By refraining from any action on or about the common areas which would cause an increase or cancellation of any insurance on the project excepting, however, conditions which would exist due to the ongoing construction of the project; and

(vi) By maintaining the common areas and elements in a manner which complies with all state, Federal and municipal laws or regulations.

(d) All incidental damage caused by the work done by direction of the Board of Directors.

(2) Responsibility of Unit Owner: It shall be the responsibility of the unit owner:

(a) To maintain, repair or replace at his own expense all portions of the unit which may cause injury or damage to the other units or to the common elements.

(b) To paint, wallpaper, decorate and maintain the

interior surfaces of all walls, ceilings and floors within the unit and to at all times maintain said unit in a neat, tasteful appearance and safe manner.

(c) To perform such responsibilities in a manner and at such reasonable hours so as not to unreasonably disturb other unit owners in the building.

(d) To refrain from repairing, altering, replacing, painting, decorating or changing the exterior appendages whether exclusively used by the owner or otherwise without obtaining the Board of Directors' consent.

(e) To refrain from obstructing the common areas or using of the common areas and facilities for storage without consent of the Board, except as provided in the administrative rules. Automobile parking spaces shall be used only for automobile parking which does not obstruct such areas or ready access to the building for fire protection apparatus. All vehicles shall be restricted to designated roads and parking areas and no vehicles shall be allowed to park in any common areas which would interfere with the unrestricted use of any portion of the common area or the access or use and enjoyment of any unit.

(f) To refrain from any action in or about the unit or keeping in any unit or in any part of the common areas and facilities any item which would result in the cancellation of any insurance on the project or increase insurance premiums over those which the Association would have to pay, but for such conduct or activity.

(g) No structural alterations within or affecting any unit shall be made without consent of the Association.

(h) No owner shall interfere with the completion of the contemplated improvements and the sale of the units by the Declarant.

(i) Each unit owner shall see that the use of unit complies with all state, Federal and municipal laws, ordinances or regulations.

5. Common Areas and Facilities:

5.1 Definition: The common areas and facilities shall be those areas contained within or located upon the property other than those areas included within the boundaries of any unit as above defined and shall particularly include, but not necessarily be limited to, all installations designed and intended for common use, such as telephone, electricity, water, sewer, heat, ventilation, television cable, sprinkler systems, elevator, antennas and related equipment, whether located in

common areas or in office units, but pertaining to common usage, all signs and the main sign ~~place~~ in front of the building off of the "Maxham Meadow" road, so-called, designed for purpose of identifying the condominiums and other hallway directory signs except for such signs as shall be placed or installed upon or immediately outside of the individual units, all of which shall be of the same size and style as determined by a majority of the ownership interests, which signs shall be for the purpose of identifying a unit and shall likewise include all other parts of the property designed and intended for common use or necessary or convenient to the existence, maintenance or safety of the property. Common areas and facilities shall remain undivided unless or until the property has been removed from the provisions of this Chapter as provided in Sections 1316 and 1326 of Title 27, V.S.A.

5.2 Ownership: The common areas and facilities shall be owned by all unit owners with each unit owner having such percentage interest in the common elements as is set forth in Exhibit "C" and each unit owner shall own, according to the percentage interest assigned, that allotted percentage interest as a tenant in common with other unit owners. The undivided interest in the common areas shall not be separated from the unit to which it pertains and shall be deemed conveyed or encumbered with the office unit even though such interest is not expressly mentioned or described in the document.

5.3 Use: The common areas and facilities shall be used by and for the benefit of the owners of each unit and each owner may use the common areas and facilities in accordance with the purposes for which they are intended without hindering the exercise of the rights of other unit owners.

5.4 Alteration or Improvements: The Board of Directors shall have the right to make such alterations and improvements to the common area and facilities as in its opinion may be beneficial and necessary subject, however, to the limitation that if such alteration or improvement shall cost more than 10% of the then current estimated annual budget such alteration or improvement shall be approved by more than 67% in common interest of the office unit owners, voting at a meeting duly called pursuant to the Bylaws. Alteration or improvements costing not more than 10% of said budget may be made by the Board and the costs thereof shall constitute a part of the common expenses. When, in the opinion of the Board, the alteration is general in character, the cost therefore shall be assessed as a common expense. However, when in the opinion of the Board, the alteration or improvement is exclusively or substantially for the benefit of one or more unit owners who have requested it, the cost shall be assessed against such owner or owners in such proportion as the Board shall determine as fair and equitable.

6. Value of Premises and Percentage of Undivided Interest: The value of the land and premises subject to this Declaration is established nominally at \$21,545 solely for the purpose of the Declaration and satisfying the requirements of the Condominium

Ownership Act 27 V.S.A. §1311 (6) and the respective percentage of undivided interest in the common areas and facilities pertaining to each office unit and its owner for all purposes, including voting is as set forth in Exhibit "C" attached hereto and incorporated herein by reference.

7. Service of Process: In all cases provided for in the Act, The Mill Association, a nonincorporated association having a place of business at "The Mill", Maxham Meadow Road, Woodstock, Vermont, shall be the party entitled to receive service of process which may be directed to Leslie P. Berge, Woodstock, Vermont, an initial member of said Association.

8. Decision to Reconstruct or Repair After Destruction or Damage:

8.1 In the event of a partial destruction of the property which is a destruction which does not render 75% or more of the units untenable, the damaged or destroyed portions shall be reconstructed or repaired unless at a meeting of the members of the Association which shall be held prior to the commencement of such reconstruction or repair and within 90 days of the destruction or damage, all of the owners vote to terminate this Declaration. In the event of such termination, the property will be subject to the proceedings provided for in 27 V.S.A. §1326.

8.2 In the event of a total destruction of the property, which is a destruction rendering 75% or more of the units untenable, there shall be no reconstruction or repair of the damaged portions unless at a meeting of the members of the Association called and held as above stated, owners owning in the aggregate 75% or more of the aggregate ownership interest vote in favor of such reconstruction or repair. Absent such a determination by the Association, the property will be subject to the proceedings provided for in 27 V.S.A. §1326.

8.3 As soon after any partial or total destruction as possible and in advance of the meetings required, the Board shall prepare or cause to be prepared an estimate of damage, an estimate of the cost of repairing the damage or reconstructing the damaged portions in substantial compliance with the original plans and specifications; an inventory of Association funds from all sources including insurance, available for such reconstruction and repair work; and if such available funds are less than the estimated reconstruction and repair costs, the amount of the special assessments against each unit which would be necessary to enable the Association to meet such costs in full. This information shall accompany the meeting notice required to be given to each owner under the Bylaws.

8.4 In the event of a casualty destroying or damaging only common areas and facilities, the Association shall repair or reconstruct the damaged or destroyed facilities as soon as practicable.

8.5 Upon termination of this Declaration in such a manner as above set forth, all of the owners shall first offer the property at its fair market value, as determined by an independent appraiser in the Woodstock area, to any person or group of persons offering to purchase the same, and in the event there are competing offers then the majority of the ownership interests shall determine which offer to accept and upon the sale the net proceeds of the same together with the net proceeds of insurance on the property, if any, shall be distributed among the owners pro-ratably according to their percentage interests and after first paying out of the respective shares of each owner all liens on the unit and its undivided interest in the property owned by each owner.

9. Insurance:

9.1 Pursuant to 27 V.S.A. §1325 and in order to insure that sufficient reconstruction and/or repair funds will be available to the Association if and when needed after a partial or total destruction, the Board of Directors of the Association shall insure the entire property in such amounts as it shall, in its judgment determine, provide adequately for replacement thereof in the event of damage or destruction from the casualty against which such insurance is obtained. Such insurance shall include fire insurance and extended coverage, vandalism and malicious mischief insurance and such other types of insurance as may, in the Board's opinion, serve the purpose above stated. The Board of Directors may comply with the above requirements by the purchase of blanket coverage and may elect such deductible provisions as are, in its opinion, consistent with good business practice and the purpose for which such 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 for each of the owners in the amount of his ownership interest. They shall also provide that they cannot be cancelled, except upon at least thirty days written notice to the insured Association. Furthermore, any mortgagee of a unit must waive any provision granting the mortgagee the right to have the proceeds of insurance applied to the mortgage as opposed to being utilized for reconstruction or repair of the property.

9.2 The Board of Directors of the Association may also purchase broad form comprehensive liability coverage in such amounts and in such forms as prudent condominium management practice may suggest. Coverage shall include liabilities for personal injuries or property damage suffered on or in common areas and facilities and liabilities arising from the operation of motor vehicles on behalf of the Association.

9.3 The Board of Directors of the Association shall obtain such insurance against additional risks of a similar or dissimilar nature as it shall deem necessary, appropriate, or in harmony with the prudent condominium management practice.

9.4 Premiums and expenses for all insurance purchased by the Board of Directors of the Association hereunder shall be common expenses.

9.5 No insurance purchased by the Board of Directors of the Association hereunder shall in any way prejudice the right of each owner to insure his own unit and the property therein for his own benefit, but each policy which he so purchases for his own benefit shall provide that it does not diminish or in any way prejudice the Association's right and protection under policies purchased and held by it pursuant to this section. It shall also provide that the insurance carrier waives whatever rights of subrogation it may have or acquire against the Association, the other owners, and the servants, agents or guests of any of them, by reason of any claims made under the individual owner's policy.

10. Condemnation:

10.1 If service of process for condemnation is made upon the Association, the Board of Directors of the Association shall immediately notify all owners.

10.2 Upon the entry of a decree of condemnation or order of taking resulting in the taking of a unit, but not before, the owner thereof shall automatically cease to be a member of the Association and cease to have any interest in common areas and facilities. Such termination of membership shall be prospective only and shall not affect liabilities or claims which arose prior thereto.

10.3 Any condemnation award resulting from a condemnation of any part of the property shall, in the first instance, be paid to the Association, to be held and distributed to the persons entitled thereto as hereinafter provided.

10.4 A total taking, which shall mean a taking involving the condemnation of not less than 80% of the buildings exclusive of outbuildings, shall terminate this Declaration. Unless otherwise ordered by the court, the total condemnation award shall be distributed to the owners in proportion to their respective ownership interests. The portions of the property not taken shall be considered owned in common by the owners and shall be subject to partition pursuant to the Act.

10.5 A partial taking, which is a taking involving a condemnation of less than 80% of the aggregate then fair market value of said property, shall also terminate this Declaration unless at a meeting of all remaining owners, to be called and held not later than 90 days after entry of the order of taking or decree of condemnation, remaining owners adopt an amendment to this Declaration, providing:

(1) To take into account the elimination of the condemned units and their owners from the condominium; the necessary re-allocations of the burdens and benefits of unit ownership to be

made, so far as practicable, in accordance with the general principles embodied in this Declaration; and

(2) Making such other changes as may be necessary for the continued satisfactory operation of the property subject hereto in light of the nature and extent of the particular taking involved.

If this Declaration is not so amended within 90 days of the entry of the decree or order of taking, it shall terminate as in the event of a total taking. If it is so amended, the condemnation award or awards shall be paid over to the owners whose units were taken in proportion to the loss suffered by each, provided however, that any compensation for the taking of common areas and facilities shall be paid over to the owners in proportion to their respective ownership interests therein.

10.6 A condemnation of common areas and facilities only shall not terminate this Declaration unless, at an Association meeting to be called and held within 90 days of the entry of the order or decree of taking owners owning, in the aggregate, 100% or more of the aggregate ownership interests, vote to do so. In that event, the procedure taken as in the event of a total taking shall be applicable. In the absence of such a termination, the condemnation award or awards shall be paid over to the owners in proportion to their respective ownership interests.

10.7 A taking of an individual unit in any building shall, so far as possible, be treated as a simple sale or conveyance thereof.

11. Recorded Floor Plan and Lot Plan: Simultaneous with the filing of this Declaration, there shall be filed in the Woodstock Land Records the lot plan describing the subject lands and premises as set forth on Exhibit "A" and which lot plan shall be designated as Exhibit "A-1" prepared by Bruno Associates of Woodstock, Vermont and also a set of floor plans for each unit as set forth on Exhibit "B", which plans show the layout, location, and the numbers and dimensions of each plan bears the verified statement of the registered architect or professional engineer drawing said plan certifying that said plan fully and accurately depicts the layout, location and the number of each said and the dimension of the unit space as built and which plans, together with any amendments thereto, shall be filed in the office of the Woodstock Town Clerk pursuant to 27 V.S.A. §1313 of the "Act".

12. Reservations, Easements and Uses: All unit areas and undivided interests in common areas and facilities shall be conveyed subject to the following reservations, easements and uses, whether or not the same are specifically excepted or reserved in any deed of the same:

12.1 General Easements: Easements, rights and rights of way, through, under or over each office unit as may be necessary for the construction, maintenance, repair, restoration or modification of any office unit or for the construction or alteration of any common

area or facility as required by this Declaration, the Bylaws or duly constituted rule, regulation or resolution of the Board of Directors. In exercising rights under this section all reasonable efforts shall be made to provide advance notice to a unit owner and then to make reasonable efforts to avoid disruption of any owner's business and at the conclusion of the work any unit so affected shall be restored to the same condition it was in prior to construction.

12.2 Other Undivided Interests: The undivided interest of each other unit owner in and to the common areas and facilities.

12.3 Public Utility Easements and Rights of Way: All public utility easements and rights of way over the land and premises as appear of record or as may be granted subsequent to the recording of this Declaration by the Board of Directors, including the right of said Board of Directors to grant such easements or rights of way, as may be necessary or incidental to the use and operation of the building. Also, the rights, if any, of the public in general to utilize the roadway running along the westerly edge of the property. DATE

12.4 Encroachments: An easement for encroachment which shall exist for any portion of any office unit or the common areas and facilities which encroaches upon any other office unit or the common elements as a result of

- (1) the original construction or settling or shifting of the building;
- (2) any repair or restoration undertaken by the Board of Directors; and
- (3) any construction after a partial or total destruction as a result of a fire or other casualty or as a result of condemnation or eminent domain proceedings.

12.5 Miscellaneous: All other reservations, easements and uses as may be identified in this Declaration or apparent from its provisions.

13. Amendment of Declaration:

13.1 Declarant reserves the right to amend the Declaration from time to time as is necessary to comply with other provisions of the Declaration, the clarification or correction of any provision hereof, the remedy of any inconsistency between the provisions hereof and any other provision hereof, or any law or the Bylaws or the Act or in connection with the sale of a unit, subject to the limitations as hereinafter set forth. This express reservation is a condition of ownership of units in the condominium and is senior to the conveyance and/or mortgage of such units; and may result in said amendment without further action or consent by unit owners. Furthermore, the acceptance of a deed, lease or mortgage to a condominium unit shall expressly constitute consent of the

grantee's, lessee's or mortgagee's alteration of their undivided interest in the common areas and facilities and said grantee, lessee or mortgagee shall, upon request, execute and deliver to the Declarant, its successors or assigns, such documents or releases as may be reasonably required to amend said Declaration to reflect the alteration of each unit owner's percentage interest in the common areas and facilities. Also, the manner and formula for expressing the percentage interest of unit owners shall be consistently followed and applied.

Any other amendment to the Declaration exercised pursuant to this or any other section, shall not be valid without the prior written consent of all owners if it alters the percentage interest established herein, unless all unit owners so affected shall have joined in the execution of a "consent to amendment".

13.2 Any other amendments to the Declaration other than those provided and reserved above in 13.1 will require a 67% or more vote by proxy, consent or in person of the aggregate ownership interest voting at a duly warned meeting of the Association.

13.3 If upon completion of the property or any component thereof it is discovered that there are discrepancies between the property or component as planned and the property or property component as executed, amendments to said exhibits conforming them to the property as constructed shall be adopted by the Declarant without the consent of the owners. This paragraph shall not be construed as relieving the Declarant of the obligation to construct the property in substantial compliance with the plans.

13.4 Amendments required by 27 V.S.A. §1313 shall be adopted by Declarant without the consent of the owners prior to the first conveyance of any unit.

14. Reservations in Favor of Developer:

14.1 Easement Along Maxham Meadow Road, so-called: The Declarant hereby reserves for and on behalf of the Declarant and the rights of abutting property owners and the public, in general, to exercise any and all rights they may have, if any, to use the aforementioned road which connects Route 4 and which leads from Sunset Farm Offices, so-called, northeasterly in front of the subject premises past the Central Vermont Public Service Corporation building back onto Route 4 northerly of the within premises.

14.2 Declarant also reserves unto the Developer the right to determine the minimum degree of maintenance devoted to the property subject to this Declaration and to provide such maintenance service themselves or through their subcontractors, however, the common areas and elements shall at all times be maintained in a neat, clean, safe and presentable fashion taking into consideration, however, the ongoing construction contemplated as additional units in The Mill are completed.

14.3 The foregoing reservation in 14.2 shall expire at such time as Declarant or any assignee of Declarant ceases to own any portion of the lands and premises subject to this Declaration, or on January 1, 2007, or upon relinquishment of the right reserved by Declarant, whichever shall first occur. However, the reservations contained in 14.1 shall continue to exist as perpetual easements benefiting those lands.

14.4 Declarant furthermore expressly reserves the right to make any reasonably necessary alterations in the remaining undeveloped areas of "The Mill" for purpose of future completion of units and shall have the sole discretion and determination in location of spaces either in the walls or in windows to house air conditioning units, with the express thought that if said units are installed, they shall not cause an adverse visual impact from the exterior of the building.

15. Association of Owners:

15.1 Organization: "The Mill Association", an unincorporated association, having its principal place of business in Woodstock in the County of Windsor and State of Vermont, and consisting of all office unit owners, shall administer the property in accordance with this Declaration, the Bylaws of said association and the Condominium Ownership Act.

15.2 Board of Directors: The Mill Association shall function through a Board of Directors consisting of three persons, each of whom shall be a member of the Association, who shall serve without compensation and who shall be elected, shall serve and exercise the powers as provided in the Bylaws of the Association.

15.3 Bylaws: The Mill Association and the Board of Directors of that association shall be governed by and subject to the provisions of this Declaration and the provisions of the Bylaws of The Mill Association, a true copy of which is annexed to this Declaration and made a part hereof.

16. Common Charges:

16.1 Assessment: The charges and expenses of the property and of the Association shall be charged by the Board of Directors to the unit owners, according to their respective common interest. Any common profits of the property and the Association, after offsetting the common expenses relating to the common areas and facilities and making due allowance for the retention of a reserve to cover future common expenses, shall be distributed among the office unit owners in the same manner. Assessments made against the office unit owners shall be made and approved by the Board of Directors and shall be paid by the office unit owners pursuant to the Bylaws of the Association. However, the Board of Directors may elect to specially allocate and apportion expenses based on the special or exclusive availability of use thereof by particular unit owners with respect to charges and expenses which may conveniently be specially allocated to said unit owner(s).

16.2 Lien: All sums assessed as common charges by the Board of Directors, but unpaid, together with late charges as may be established and interest thereon at such rate as may be fixed by the Board of Directors from time to time, (but until or unless fixed, said rate of interest is hereby established at 18 percent per annum), shall be the personal obligation of the unit owner and shall constitute a lien upon the units prior to all other liens except taxes and assessments by any governmental authority and the lien of any first mortgage of record encumbering any unit. A notice of such lien may be filed in the land records of Woodstock according to the provisions in the Vermont Statutes for filing a mechanic's lien.

16.3 Foreclosure: The lien for past due common charges or assessments may be foreclosed by the Association in accordance with the laws of the State of Vermont, in like manner as a mortgage on real property, including a power of sale, and the Association shall also have the right to recover all costs incurred including reasonable attorney's fees. In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance may at the election of the Directors be charged to the remaining unit owners as a common expense.

16.4 Exemption or Waiver Prohibited: Each unit owner shall pay the common charges assessed against such unit when due and no owner may exempt himself from liability for the payment of the common charges assessed against such unit by waiver of the use or enjoyment of any of the common areas or facilities, by the abandonment of his unit or by claiming the quantity or quality of services are not worthy of such payment or are not as contemplated by such office unit owner at the time of purchase.

16.5 Such common charges may include but are not limited to expenses for snowplowing, road and parking area maintenance, insurance, taxes on common areas, repair and maintenance of common areas.

17. Obligations, Responsibilities and Liabilities of Ownership:

17.1 Binding Effect of Documents of Condominium: All present or future office unit owners, tenants, occupants or any other person using the facilities in any manner, are subject to the terms and provisions of this Declaration, the Bylaws, the Rules and Regulations of the Association and the decisions of the Board of Directors as they may be amended or promulgated from time to time. The acceptance of a deed or conveyance or the execution of a lease, or the entering into of occupancy of any office unit shall signify that the provisions of this Declaration and the Bylaws, the Rules and Regulations of the Condominium Association and the decisions of the Board of Directors are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having any interest or estate in such unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, lease or other document evidencing title to or possession thereof.

17.2 Noncompliance: In the event any office unit owner, tenant or occupant fails to comply with the terms and provisions of

this Declaration, Bylaws, Rules and Regulations of the Condominium Association or decisions of the Board of Directors, the Board of Directors or other office unit owner shall be entitled to bring an action to recover sums due, for damages or injunctive relief or both which action shall be maintainable by the Board of Directors on behalf of the unit owner. In the case of flagrant or repeated violation by a unit owner, such unit owner may be required by the Board of Directors to give sufficient surety or sureties for future compliance with this Declaration, the Bylaws, Rules and Regulations and decisions.

17.3 Legal Fees and Costs: At any proceeding arising because of an alleged default by a unit owner the association party shall be entitled to recover the cost of the proceeding and such reasonable attorney's fees as may be determined by the court.

17.4 Negligence: Each unit owner shall be liable for the expense of any damages, injuries, maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, to the extent that such expense is not met by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of an office unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

17.5 Remedies Cumulative: All rights, remedies and privileges granted to the Board of Directors, its designated agent, or a unit owner, pursuant to any terms, provisions, covenants or conditions of the condominium documents shall be deemed cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party hereunder or under the Condominium Bylaws or Rules and Regulations or at law.

17.6 Proper Maintenance: Unit owners shall maintain their units and other portion of the common area and facilities which may be restricted in use to a unit or units in good repair and overall appearance.

17.7 Nuisances, Immoral or Unlawful Use Prohibited: No nuisances shall be allowed with respect to any unit or the common areas and facilities nor shall any use or practice be allowed which is a source of annoyance to other unit owners or occupants, nor shall any immoral, improper, offensive or unlawful use be made of any unit or common areas and facilities by any unit owner or occupant and all laws, zoning ordinances and regulations shall be observed.

18. General Provisions:

18.1 Invalidity: The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this

There is nothing in current zoning laws that would preclude someone opening a body shop in one of the units. All they need is to have a spray booth if

JWM
enforce
**

Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

18.2 Waiver: No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

18.3 Captions: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

18.4 Effect: This Declaration shall be binding upon and inure to the benefit of Developer and each and every party acquiring ownership of a unit subject to this Declaration, their heirs, successors and assigns. This Declaration shall also be binding upon The Mill Association.

18.5 The use of the masculine in this Declaration shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, Pamela W. Jaynes and Susan O. Berge have executed this Declaration on the ____ day of _____, 1987.

In Presence Of

Witness

Pamela W. Jaynes

Witness

Susan O. Berge

STATE OF VERMONT
WINDSOR COUNTY SS

At Woodstock this ____ day of _____, 1987, personally appeared Pamela W. Jaynes and Susan O. Berge and they acknowledged this instrument by them sealed and subscribed to be their free act and deed.

Before me _____
Notary Public