

DECLARATION OF COVENANT

KNOW ALL PERSONS BY THESE PRESENTS that _____
_____ (hereinafter the "Covenantor"), of the City/Town of ____, County of Chittenden, State of Vermont, for valuable consideration and subsidies, including the interests conveyed to the Covenantor by a Lease Agreement from Champlain Housing Trust, Inc. (hereinafter "CHT"), a non-profit Vermont Corporation organized pursuant to 11 V.S.A. §2301 et seq. with registered offices in the City of Burlington, County of Chittenden, State of Vermont, pursuant to 27 V.S.A. §610, does hereby subject the following described premises owned by the Covenantor to certain covenants and restrictions which shall run with the premises and shall be perpetual, unless sooner terminated by reason of the terms and conditions hereof.

Said premises are all and the same improvements conveyed to Covenantor by Warranty Deed of CHT of even date herewith and recorded herewith in the City/Town of ____ Land Records, and located at _____, __ State of Vermont, and more particularly described in said Warranty Deed.

I. COVENANTS

Covenantor hereby covenants that any proposed sale of the aforesaid improvements by Covenantor, or Covenantor's permitted heirs and assigns, shall be subject to a one hundred twenty (120) day option of CHT, its successor or assigns, to purchase said improvements for an option price designed to ensure affordability to low and moderate income families as determined by the formula contained in Article 10 in a Lease Agreement between CHT and Covenantor of even date herewith, a Notice of which is recorded herewith in the City of ____ Land Records. Said formula is described in Article 10 as follows:

CHT's Purchase Option Price shall be calculated as follows:

- a. Calculation of Market Appreciation/Depreciation of the Property (the Improvements and the Leased Premises):
 - 1) The appraised value of the Property on or about the date of the Homeowner's notification of desire to sell, minus any value added by capital improvements as defined in Exhibit CAPITAL IMPROVEMENTS of this Lease provided Exhibits A, B and C are in evidence;
 - 2) Less the original appraised value of the Property as determined by an appraisal conducted on _____, ____ of \$_____;
 - 3) If this number is positive it equals the total amount of appreciation in the value of the Property for the purposes of calculating CHT's Purchase Option Price. If this number is negative it equals the total amount of depreciation in the value of the Property for the purposes of calculating the CHT's Purchase Option Price.
- b. Calculation of Homeowner's Share of Appreciation/Depreciation:
 - 1) Market Value Appreciation as defined in Section 10.6(a)(3) above multiplied by twenty-five percent (25%) equals Homeowner's share of appreciation, where the Property appreciated in value;

2) In the event that the Property depreciated in value as indicated by Section 10.6(a)(3) above being a negative number, Homeowner's share of depreciation is 100% of the depreciation.

c. Calculation of CHT's Purchase Option Price to Purchase Improvements:

CHT's Purchase Option Price to purchase the Improvements shall be at a price equal to the LESSER of the following:

- 1) a) The net purchase price of the Property, \$_____, which is the original purchase price of the Property of \$_____ minus CHT's grant(s) to the Homeowner of \$_____;
 - b) Plus the Homeowner's share of Appreciation or minus the Homeowner's share of Depreciation as defined in Section 10.6(b) above;
 - c) Plus any applicable capital improvement credit as defined in Exhibit CAPITAL IMPROVEMENTS provided Exhibits A, B, and C are in evidence;
 - d) Minus outstanding Ground Lease Fees, if any, with twelve percent (12%) interest, per annum, from the date of delinquency; OR
- 2) The total appraised value of the Property on or about the date of Homeowner's notification to sell minus CHT's grant(s) to Homeowner of \$_____.

(In addition, if Homeowner received a single family assistance loan from CHT and VHCB, as evidenced by a Mortgage Deed recorded herewith, said loan is due and payable to CHT upon resale, refinance, or any other conveyance or transfer of Homeowner's interest in the Property.)

Homeowner freely agrees that CHT's Purchase Option Price constitutes a fair return to them and/or their successors for the opportunity to enter the local homeownership marketplace which, prior to execution of this Lease, remained closed to them as a matter of limited financial resources.

II. PURPOSE

The purpose of the above option price, which limits Covenantor's share of appreciation in the premises, is to encourage the development and continued availability of affordable rental and owner-occupied housing for low and moderate income persons.

III. DURATION

The terms and conditions of this Declaration of Covenant shall terminate if one of the following conditions shall occur:

1. Upon CHT's execution of its option to purchase the premises; or
2. In the event of foreclosure by any of Covenantor's mortgagees, only upon expiration of the Covenantor's period of redemption if neither CHT nor any other person exercises a right of redemption granted in the Decree of Foreclosure; or
3. Upon written agreement between the Covenantor and CHT.

Otherwise, this Declaration of Covenant shall run with the land and shall be enforceable according to its terms. However, nothing contained in this Declaration, including its duration described herein, shall be construed to limit, expand, or alter the terms of the aforementioned Lease between CHT and Covenantor, including any Exhibits and Riders thereto, and the

aforementioned Warranty Deed conveying the improvements that is the subject of this Declaration to Covenant.

IV. ENFORCEMENT OF COVENANTS

It is expressly understood and agreed that, with regard to the restrictive covenants contained herein, it shall be lawful for CHT, its successors and assigns, to institute and prosecute any proceeding at law or in equity against the person or persons, or agencies violating or threatening to violate same and that any decree judgment or damages awarded thereon, in addition, shall include a reasonable attorney's fee.

V. MISCELLANEOUS PROVISIONS

This instrument shall be recorded in the Land Records of the City/Town of _____. Any amendment to or termination of this instrument shall be executed and acknowledged by Covenantor, or their permitted heirs, successors or assigns, and CHT, or its successors or assigns, and recorded with the Land Records of the City/Town of _____.

This instrument shall inure to the benefit of, and shall be binding upon Covenantor and their permitted heirs, successors, and assigns.

IN WITNESS WHEREOF, Covenantor has executed this Declaration of Covenant on this _____ day of _____, 20__.

In The Presence of:

COVENANTOR

Witness

COVENANTOR

Witness

COVENANTOR

STATE OF VERMONT
CHITTENDEN COUNTY, SS.

At _____, in said County and State, this ____ day of _____, 20__, personally appeared _____ and acknowledged the foregoing Declaration of Covenant, by he/she/they subscribed, to be his/her/their free act and deed.

Before me,

Notary Public
My Commission Expires 2/10/11