CHAMPLAIN HOUSING TRUST
INFORMATION AND POLICIES

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Updated February 2011

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This corporation is organized for the purpose of:

This non-profit corporation is organized for charitable purposes and to establish and maintain housing for low and moderate income families while maintaining the historic and aesthetic qualities of the community and for that purpose may (i) acquire, construct, rehabilitate, and provide housing and related facilities without regard to race, color, creed, sex, or national origin; (ii) acquire, improve and operate any real or personal property or interest or rights therein or appurtenant hereto; (iii) sell, convey, assign, mortgage, or lease any real or personal property; (iv) borrow money and execute such evidence of indebtedness and such contracts, agreements and instruments as may be necessary, and execute and deliver any mortgage, deed of trust, assignment of income, or other security instrument in connection therewith; and (v) do all things necessary and appropriate for carrying out and exercising the foregoing purposes and powers.

Said corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations which qualify as example organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 as amended (or the corresponding provision of any future United States Internal Revenue law).

Notwithstanding any other provision of these (Articles/bylaws), the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 as amended (or Revenue law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law).

The corporation shall also have the following purposes:

- To provide access to land and decent housing for low and moderate income people;
- To provide for conservation and responsible management of land and natural resources, and for development of an economic base in and for the local community;
- To provide education, community service, and support for affordable development throughout the community;
- To acquire property to preserve open space land; and
- To acquire property to assist low and moderate income persons to obtain housing.

The enumeration above of a specific power shall not be construed as limiting or restricting in any manner either the meaning or the general terms used in any of these clauses or the scope of the general powers of the corporation created by them; nor shall the expression of one thing in any of these clauses be deemed to exclude another not expressed, although it be of like nature.
No part of the net earnings of the corporation shall inure to the benefit of or be distributed to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth (herein, above, etc.). No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Upon the dissolution of the corporation, the board of directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law), as the board of directors shall determine. Any such assets not so disposed of shall be disposed of by Superior Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.
STATE OF VERMONT
Office of Secretary of State

CERTIFICATE OF INCORPORATION

I certify that the attached is a true copy of the Articles of Incorporation of
Burlington Community Land Trust, Inc.

filed with the Office of the Secretary of State on May 9, 1984

The corporate existence shall begin upon the issuance of this Certificate of Incorporation, and this
Certificate shall be conclusive evidence that all conditions precedent to incorporation required to be
performed by the incorporators have been complied with and that the corporation has been incorpor-
ated under the Vermont Non-Profit Corporation Act (11 V.S.A. Chapter 19).

May 9, 1984

Date

[Signature]
Deputy Secretary of State

be deemed to exclude another not expressed, although it be of like nature.
created by them, is shall be the expression of any thing in any of these clauses.
aproperly in the scope of the General Powers of the Corporation, or restriction in any manner either the meaning of the General Terms used in
the enumeration above of a specific power shall not be construed as limiting
housing.
E. To acquire property to assist low and moderate income persons to obtain
D. To acquire property to preserve open space land; and
C. To provide education, community service, and support for cooperative

This corporation is organized for the purpose of:

ATTACHMENT A
 Burlington, VT 05401
2108 Pine St.
Barbara Bosquet

Burlington, VT 05401
1623 Pine St.
Margaret A. Pond

Burlington, VT 05401
65 Pearl St.
Peter Lacenotti

Burlington, VT 05401
Room 208 City Hall
Community & Economic Development Office
Michael Haire

Burlington, VT 05401
684 Church St.
Sarah E. Carper

Burlington, VT 05401
39 North St.
L. Baker Hammill

Essex Junction, VT 05452
P.O. Box 325
C/O Champlain Trust Co.
Mark A. Seavey

Burlington, VT 05401
780 Pearl St.
Sally V. Cenedella

Burlington, VT 05401
190 Pearl St.
Tim Martin

Burlington, VT 05401
48 Converse St.
Howard Bemus

Burlington, VT 05401
2 City Hall
Community & Economic Development Office
Deirdre Topping

Burlington, VT 05401
220 Pearl St.
Roxanne B. Butler

OPPOSITIONS OF THE BURLINGTON COMMUNITY LAND TRUST CORPORATION

[Handwritten text continues]
AMENDMENT OF ARTICLES OF ASSOCIATION
OF
BURLINGTON COMMUNITY LAND TRUST

a NON-PROFIT corporation, having no capital stock, organized and existing under the laws of the State of Vermont.

We, the undersigned, certify that: (check and complete the statement that applies)

☒ at a meeting of members, duly called for that purpose and held on July 26, 1984, a quorum was present, and it was voted by two-thirds of the members present, or voting by proxy, to amend the articles of this corporation as follows, viz.:

☐ the following amendment was adopted by a consent in writing signed by all members entitled to vote:

☐ there being no members entitled to vote thereon, the directors of this corporation met on ____________________, 19____, and at that meeting a majority of the directors then in office voted to amend the articles of association of this corporation as follows, viz.:

See attached sheet (amended Statement of Purpose of Corporation).

8 August 84
Date

Donald E. Richer
President/V. President

Margaret Hend
Secretary/Asst. Secretary

1/4/84
I certify that according to the Vermont Non-profit Corporation Act (11 V.S.A. Chapter 19) the attached is a true copy of the Articles of Amendment of

BURLINGTON COMMUNITY LAND TRUST

filed with the Office of the Secretary of State on August 14, 1984. The Articles of Association have been amended accordingly.

See attached

August 14, 1984
Date

[Signature]
Deputy Secretary of State
AMENDMENT OF ARTICLES OF ASSOCIATION
OF

Burlington Community Land Trust

a NON-PROFIT corporation, having no capital stock, organized and existing under the laws of the State of Vermont.

We, the undersigned, certify that: (check and complete the statement that applies)

☐ at a meeting of members, duly called for that purpose and held on September 28, 1988, a quorum was present, and it was voted by two-thirds of the members present, or voting by proxy, to amend the articles of this corporation as follows, viz.:

☐ the following amendment was adopted by a consent in writing signed by all members entitled to vote:

☐ there being no members entitled to vote thereon, the directors of this corporation met on __________________, 19__, and at that meeting a majority of the directors then in office voted to amend the articles of association of this corporation as follows, viz.:

1) Amend Purpose - "The corporation shall promote the general social welfare of the community and for that purpose may (1) acquire, construct, rehabilitate, and provide housing and related facilities without regard to race, color, creed, sex, handicap, sexual orientation, or national origin."

Date: 24th day of September, 1988

Donald E. DeLisser
President/Secy/Member

Daniel E. O'Connor
Secretary/Member
AMENDMENT OF ARTICLES OF ASSOCIATION
OF

Burlington Community Land Trust

a NON-PROFIT corporation, having no capital stock, organized and existing under the laws of the State of Vermont.

We, the undersigned, certify that: (check and complete the statement that applies)

☒ at a meeting of members, duly called for that purpose and held on September 28, 1988, a quorum was present, and it was voted by two-thirds of the members present, or voting by proxy, to amend the articles of this corporation as follows, viz.:

☐ the following amendment was adopted by a consent in writing signed by all members entitled to vote:

☐ there being no members entitled to vote thereon, the directors of this corporation met on _________________, 19__, and at that meeting a majority of the directors then in office voted to amend the articles of association of this corporation as follows, viz.:

1) Amend Purpose - "The corporation shall promote the general social welfare of the community and for that purpose may (i) acquire, construct, rehabilitate, and provide housing and related facilities without regard to race, color, creed, sex, handicap, sexual orientation, or national origin."

Art. 27, 1988

Date

Donald E. DiLibio
President/ V. President

Daniel E. O'Connor
Secretary/ Asst. Secretary
I certify that according to the Vermont Non-profit Corporation Act (11 V.S.A. Chapter 19) the attached is a true copy of the Articles of Amendment of

BURLINGTON COMMUNITY LAND TRUST

filed with the Office of the Secretary of State on October 25, 1988. The Articles of Association have been amended accordingly.

October 25, 1988
Date

Deputy Secretary of State
EXHIBIT A

AMENDMENT TO ARTICLES OF ASSOCIATION
OF THE BURLINGTON COMMUNITY LAND TRUST, INC.

The Amended Articles of Association of the Burlington Community Land Trust, Inc. are further amended as follows:

1. The name of the Corporation is amended to be "Champlain Housing Trust, Inc."

2. The first clause of the first paragraph of the purposes section of the Articles of Association ending with the words "and for that purpose may", is amended to read as follows:

   The Corporation is formed for the charitable purposes of the relief of the poor and the distressed and the underprivileged, the promotion of social welfare, and the lessening of the burdens of government by fostering the availability of decent, safe, sanitary and affordable housing for low- and moderate-income households through the Corporation's participation, directly and indirectly, in the creating, providing, operating and management of such housing while maintaining the historic and aesthetic qualities of the community and for that purpose may.....

3. Clause (i) of the first paragraph of the purposes section is amended by adding the words "age, disability" before the word "handicap" and by substituting the words "sexual preference" for the words "sexual orientation."

4. The provisions of the purposes section following the clause which states that "The corporation shall also have the following purposes:" is amended to read as follows:

   A. To provide access to land and decent housing for low and moderate income people;

   B. To preserve the affordability of housing for low and moderate income people in perpetuity;

   C. To protect the natural environment and to promote the ecologically sound use of land and natural resources and the long-term health and safety of the community;

   D. To combat community deterioration in economically disadvantaged neighborhoods by promoting the development, rehabilitation, and maintenance of decent housing in these neighborhoods; by promoting economic opportunities for low-and moderate-income residents of these neighborhoods; by making land available for projects and activities that improve the quality of life in
these neighborhoods; and by assisting residents of these neighborhoods in improving the safety and well-being of their community;

E. To provide education, community service, and support for cooperative development throughout the community;

F. To acquire property to preserve open space land; and

G. To acquire property to assist low and moderate income persons to obtain housing.

The enumeration above of a specific power shall not be construed as limiting or restricting in any manner either the meaning or the general terms used in any of these clauses or the scope of the general powers of the Corporation created by them; nor shall the expression of one thing in any of these clauses be deemed to exclude another not expressed, although it be of like nature.

5. Except as expressly provided by this Amendment, the amended Articles of Association of the Burlington Community Land Trust, Inc. shall remain in full force and effect.
PLAN OF MERGER

Burlington Community Land Trust, Inc.
and
Lake Champlain Housing Development Corporation
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PLAN OF MERGER
BETWEEN
BURLINGTON COMMUNITY LAND TRUST, INC. AND
LAKE CHAMPLAIN HOUSING DEVELOPMENT CORPORATION

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D. Summary of LCHDC’s personal property.
E. List of Real Properties Owned by BCLT and Lenders for each Property.
This Plan of Merger (hereafter this “Plan of Merger”), effective the 1st day of October 2006 (the “Effective Date”), is by and between the Burlington Community Land Trust, Inc., a Vermont non-profit corporation with its principal place of business at 179 South Winooski Avenue, Burlington, Vermont (hereinafter referred to as “BCLT”), and Lake Champlain Housing Development Corporation, a Vermont non-profit corporation with its principal place of business at 220 Riverside Avenue, Burlington, Vermont (hereinafter referred to as “LCHDC”). This Plan of Merger incorporates all exhibits and attachments to this Plan of Merger.

WHEREAS, LCHDC develops, rehabilitates, operates, preserves and provides affordable housing to low, very low and moderate income persons in Chittenden, Grand Isle and Franklin counties in the State of Vermont; and

WHEREAS, BCLT develops, rehabilitates, operates, preserves and provides affordable rental housing, cooperative housing and home ownership opportunities to low, very low and moderate income persons in Chittenden, Grand Isle and Franklin counties in the State of Vermont; and

WHEREAS, the parties desire to combine their operations into a single corporation (hereinafter referred to as the “merger”), pursuant to Chapter 11 of the Vermont Nonprofit Corporation Act, 11B V.S.A. Chapter 11 (the “Act”); and

WHEREAS, LCHDC and BCLT have each worked for over two decades on the development and preservation of affordable housing for low and moderate income persons in overlapping regions;

WHEREAS, LCHDC and BCLT consider themselves to be equally involved in the effort to secure and preserve affordable housing for low and moderate income persons;

WHEREAS, LCHDC and BCLT have determined that it would strengthen their respective and almost identical charitable missions to merge their operations pursuant to Vermont law;

WHEREAS, LCHDC and BCLT have decided that the merged corporation would be a membership corporation;

WHEREAS, BCLT is a membership organization with a Board of Directors and LCHDC is governed solely by a Board of Directors;

WHEREAS, based on the decision that the new corporation will be a membership organization and the fact that BCLT is already a membership organization, the parties have agreed that BCLT will be the surviving corporation.

WHEREAS, consistent with the merger, the parties believe that it is in their best interests to achieve their mutual objectives by transferring the assets of LCHDC to BCLT in exchange for the assumption by BCLT of all of the liabilities of LCHDC, as more fully set forth in this Plan of Merger.

NOW THEREFORE, in consideration of the mutual promises and covenants herein expressed, it is hereby agreed as follows:

SECTION 1
THE MERGER

1.1 Upon the terms and conditions set forth in this Plan of Merger, and in accordance with the Act, LCHDC shall be merged with and into BCLT on the Effective Date. Following the merger, the separate existence of LCHDC shall cease and BCLT shall continue as the surviving corporation and
shall succeed to and assume all of the rights and obligations of LCHDC in accordance with the Act. BCLT shall amend its Articles of Association in conjunction with the merger. One of the amendments provides that on the date of merger, the name of the merged corporation shall be “Champlain Housing Trust, Inc.” The surviving corporation shall hereafter be referred to in this Plan of Merger as “Champlain Housing Trust, Inc.”. References to pre-merger activities by LCHDC and BCLT shall be referred to by their respective pre-merger names.

1.2 The merger shall become effective on October 1, 2006. All documents required by this Plan of Merger to be executed in connection with the Merger shall be executed not later than the Closing Date. The Closing Date is defined in Section 13.1 of this Plan of Merger.

SECTION 2
MODIFICATIONS TO BCLT’S ARTICLES AND BYLAWS

2.1 The parties have agreed that the Articles of Association of BCLT shall be modified consistent with the language contained in Exhibit A and that the Amended Articles of Association shall be recorded with the Vermont Secretary of State’s Office on the Effective Date.

2.2 The Amended Articles shall be effective as of the Effective Date.

2.3 The parties have agreed that the Bylaws of BCLT shall be amended consistent with the language contained in Exhibit B and that on and after the Effective Date, Champlain Housing Trust, Inc. shall operate consistent with the Amended Bylaws set forth in Exhibit B, except as the same may thereafter be further amended in accordance with its provisions.

2.4 The Amended Bylaws shall be effective as of the Effective Date.

SECTION 3
TRANSFER OF ASSETS AND LIABILITIES

3.1 In reliance upon the mutual representations, warranties and covenants of BCLT and LCHDC and upon the terms and subject to the conditions of this Plan of Merger and in accordance with the Act, BCLT hereby agrees to acquire and accept, and LCHDC hereby agrees to and does grant, convey, transfer, assign and deliver to BCLT as of the Effective Date, any and all of LCHDC’s right, title and interest to all of the assets of LCHDC, real, personal and mixed, tangible and intangible, of whatever nature and wherever located (hereinafter referred to collectively as the “Assets”) including, but not limited to, the following:

(a) All real property owned by LCHDC, as well as all leases in which LCHDC is the Lessor, including, but not limited to, those properties described in Exhibit C;
(b) All leases to real property in which LCHDC is the Lessee, a list of which has been provided to BCLT;
(c) All grants in effect for the performance of services by LCHDC; a list of which has been provided to BCLT;
(d) All stock in any company or corporation, including, without limitation, Lake Champlain Housing Ventures, Inc.; (“LCHV”) and L.C. Marketplace Corporation;
(e) All of the furniture, fixtures, equipment, and machinery whether owned or leased including, but not limited to, those items summarized in Exhibit D and provided in detail to BCLT by September 1, 2006;
(f) All cash on hand and due from banks and others;
(g) All securities of every kind and type;
(h) All contract rights (including, without limitation, rights under any lease), accounts receivable, and promissory notes to LCHDC or similar promises to pay LCHDC;
(i) All business records and books;
(j) All tenant records, including any waiting lists and claims against tenants;
(k) Originals or photocopies of all available office records and payroll records related to the operation of LCHDC, including financial statements, accounting ledgers and tax returns of LCHDC;
(l) All donor lists;
(m) All computer software, hardware and supporting documentation and user’s manuals;
(n) Any and all rights under funding agreements or contracts with federal, state, local governments and others;
(o) LCHDC’s good will;
(p) all claims of LCHDC and all defenses to claims against LCHDC;

3.2 All of the property, as well as all rights and interests of LCHDC, whether or not listed above or in the Exhibits referenced above and attached hereto, shall be deemed to be transferred to and vested in Burlington Community Land Trust, Inc./Champlain Housing Trust, Inc. without further act or deed as of the Effective Date, in accordance with the Act.

3.3 LCHDC, consistent with the Act, does hereby irrevocably authorize and empower Champlain Housing Trust, Inc., its officers, directors, employees and agents, to have and exercise, as of the Effective Date, all of the same rights, privileges and discretionary powers with respect to the Assets, either in its own right or for the benefit of others, as LCHDC, its officers, directors, employees and agents, or any of them, formerly might have exercised, together with the same powers of delegation and substitution.

3.4 All proceeds, rents and income of the Assets, and all gifts, contributions, bequests or other funds received by LCHDC in any form on or after the Effective Date, whether accruing or receivable before or after the Effective Date, shall be immediately delivered to Champlain Housing Trust, Inc.

3.5 On or after the Effective Date, LCHDC and its directors, officers, employees and agents shall use its and their best efforts to assist Champlain Housing Trust, Inc. in locating, identifying, recovering and delivering to Champlain Housing Trust, Inc. any Asset not delivered into the possession of Champlain Housing Trust, Inc. on the Effective Date.

3.6 As of the Effective Date, the separate existence of LCHDC shall cease.

SECTION 4
DELIVERY OF POSSESSION; CONTINUITY OF OPERATIONS

4.1 LCHDC shall deliver possession of the Assets to Champlain Housing Trust, Inc. on the Effective Date (the “Date of Possession”), and shall thereupon deliver to Champlain Housing Trust, Inc. access to its premises, real properties, whether owned or leased, its facilities, and all other indicia of possession.

4.2 Prior to the Effective Date, LCHDC agrees to continue to operate as usual, using reasonable business judgment and not to waste any of the Assets and not to sell, transfer or otherwise dispose of any of the Assets other than in the ordinary course of business.

4.3 Prior to the Effective Date, BCLT agrees to continue to operate as usual, using reasonable business judgment and not to waste any of its real or personal property and not to sell, transfer or otherwise dispose of any of the real or personal property other than in the ordinary course of business.
SECTION 5
ASSUMPTION OF LIABILITIES/INSURANCE

5.1 For and in consideration of the transfer of the Assets as provided in the Act, BCLT hereby agrees that as of the Effective Date, Champlain Housing Trust, Inc. shall indemnify and hold harmless: a) LCHDC, as well as b) its officers, directors, agents and employees, while any of the aforesaid individuals were acting within the scope of their duties for LCHDC, from any and all liabilities or obligations of LCHDC or its officers, directors, agents and employees, of every kind whatsoever, accrued or contingent, including negligence, existing as of the Effective Date, whether or not asserted as of the Effective Date. A schedule of known financial obligations which are not associated with any of LCHDC’s real property has been provided to BCLT. The aforesaid schedule includes specific identification of any and all existing debts, loans, leases, lease purchase agreements, installment sales and any other similar contracts or obligations where the actual or potential cost to Champlain Housing Trust, Inc. may reasonably be expected to be greater than $500 per year. Any liability existing as of the Effective Date, accrued or contingent, whether or not known or disclosed is assumed by Burlington Community Land Trust, Inc./Champlain Housing Trust, Inc.

5.2 A list of all of the real properties owned by LCHDC along with all current lenders currently associated with such properties, and the nature of each lender’s security interest, including, without limitation, mortgages, grants or covenants is listed in Exhibit C. Any liabilities or obligations arising from LCHDC’s real properties existing as of the Effective Date, accrued or contingent, whether or not known or disclosed in Exhibit C, is assumed by Burlington Community Land Trust, Inc./Champlain Housing Trust, Inc. The original and current balance due for each such encumbrance is contained in the financial statements provided by LCHDC to BCLT.

5.3 A list of all of the real properties owned by BCLT along with all current lenders currently associated with such properties, and the nature of each lender’s security interest including, without limitation, mortgages, grants or other covenants is listed in Exhibit E. Any liabilities or obligations arising from BCLT’s real properties existing as of the Effective Date, accrued or contingent, whether or not known or disclosed in Exhibit E, shall be the continuing obligation of Champlain Housing Trust, Inc. The original and current balance due for each such encumbrance is contained in the financial statements provided by LCHDC to BCLT.

5.4 The parties shall take all necessary steps to ensure that the property/hazard (including the property insurance for each of the real properties listed in Exhibits C and E), officers’ and directors’ liability, and comprehensive general liability insurance policies of LCHDC and BCLT are harmonized so that as of the Effective Date: a) the real and personal property of LCHDC, including the Assets, are documented by Champlain Housing Trust, Inc.’s insurer and such property is fully insured against hazards; and b) there will be no gap in either commercial general liability, or officers’ and directors’ liability coverage for acts or omissions of LCHDC or its employees, directors, officers or agents while acting within the scope of their duties for LCHDC prior to the Effective Date, whether such coverage is written on a claims made or an occurrence basis. Prior to the Effective Date, the parties shall document the necessary arrangements with insurers to meet the provisions of this section and section 5.1 and shall provide such documentation to each other and their counsel. Both parties shall fully cooperate with any request by the other party in implementing this provision.

SECTION 6
CONDITIONS REGARDING NOTICE TO AND CONSENT FROM THIRD PARTIES

6.1 BCLT and LCHDC each acknowledge that they are either the owner of or a participant in a number of affordable housing projects. The parties also acknowledge that pursuant to agreements with third parties: a) each may be obligated to notify certain persons/entities of the fact of the merger;
or b) the receipt or opportunity to receive certain rights or benefits may be dependent upon notice to third parties. Accordingly, LCHDC and BCLT each agree that as part of their respective obligations under this Plan of Merger, each of them shall provide notice to third parties: a) to whom LCHDC or BCLT may have legal obligations; or b) who have legal obligations to LCHDC or BCLT; or c) who need to know about the merger in order to preserve legal rights or benefits of LCHDC or BCLT. Such notices shall be provided, without limitation, in each of the following circumstances:

6.2 **LCHDC or BCLT as Mortgagor.** Each party shall identify each mortgage in which the party is a mortgagor and the parties shall provide notice of the merger, and if required by the mortgage, seek consent of the mortgagee with respect to the mortgaged property for Champlain Housing Trust, Inc. to carry out the obligations of the mortgagor. In each such instance, the notice shall provide assurance of Champlain Housing Trust, Inc.’s continuing obligation to make payments and otherwise continue the obligations of the mortgagor. In any instance in which either party has multiple mortgages with a single mortgagee, the parties shall attempt to secure an agreement to provide blanket notice and, if required, secure blanket consent for all outstanding mortgages. Champlain Housing Trust, Inc. shall provide notice in the Land Records of each municipality in which it is a mortgagor of the fact of the merger and of Champlain Housing Trust, Inc.’s continuing obligations as mortgagor for any mortgages in which LCHDC or BCLT is the mortgagor.

6.3 **LCHDC or BCLT as Grantee.** Each party shall identify each grant in which LCHDC or BCLT is a grantee and the parties shall provide notice and, if required by the grant, seek consent of the grantor for Champlain Housing Trust, Inc. to assume the benefits and obligations of the grantee. In any instance in which either party has multiple grants with a single grantor, that parties will attempt to secure an agreement to provide blanket notice and, if required, secure blanket consent for Champlain Housing Trust, Inc. to secure the rights and carry out the obligations of the grantee.

6.4 **LCHDC or BCLT as Holder of an Option/Right of Refusal for Properties Held by a Limited Partnership.** LCHDC has identified and provided to BCLT each Option to Purchase/Right of Refusal or similar instrument in which LCHDC holds an option to purchase certain real property owned by a limited partnership. Not later than September 1, 2006, the parties shall provide notice of the merger to the other option holders and notice of Champlain Housing Trust, Inc.’s continuing right to exercise the option in question. In any instance in which the Option/Right of Refusal has been recorded in the Land Records, Champlain Housing Trust, Inc. shall provide notice in the Land Records of Champlain Housing Trust, Inc.’s rights under any option in which LCHDC has been identified as an option holder, with particular reference to the options in question. BCLT shall provide notice of its name change in the Land Records of those municipalities in which it holds an Option to Purchase/Right of Refusal on a property located in such municipality and shall notify the other option holders of its name change.

6.5 **Other Options to Purchase.** LCHDC and BCLT hold or may hold options to purchase/rights of refusal for individual units owned by private individuals. The parties shall provide notice of the merger to all property owners in which LCHDC holds an option and to all property owners on whose property BCLT holds an option but who are not members of BCLT. The notice shall state that as of the Effective Date, Champlain Housing Trust, Inc. shall have and hold all of the rights held by BCLT or LCHDC as option holder under any applicable agreement. On the Effective Date, Champlain Housing Trust, Inc. shall also provide notice in the Land Records of Champlain Housing Trust, Inc.’s rights under any option in which LCHDC or BCLT has been identified as an option holder.

6.6 **Ground Lease Plan of Mergers.** BCLT has entered into a series of ground leases with homeowners pursuant to which: a) the lessee is obligated to provide notice to BCLT under certain circumstances described in the ground lease; and b) BCLT is required to provide notice to the lessee or to the first mortgagee under the circumstances described in the ground lease. By the Effective Date, BCLT shall provide notice in the applicable Land Records of the fact of the merger and sufficient
information about Champlain Housing Trust, Inc. and its rights so that as of the Effective Date, Champlain Housing Trust, Inc. can exercise BCLT’s rights and obligations under each ground lease.

6.7 Mortgage Riders. BCLT has entered into a series of mortgage riders with homeowners and lenders pursuant to which: a) the lender is obligated to provide notice to BCLT under certain circumstances described in the rider and; b) BCLT has certain rights described in the rider. By the Effective Date, BCLT shall provide notice of the merger to each lender that has entered into a mortgage rider with BCLT and in the applicable Land Records and provide sufficient information about Champlain Housing Trust, Inc. and its rights so that as of the Effective Date, Champlain Housing Trust, Inc. can exercise BCLT’s rights and obligations as described in each identified mortgage rider.

6.8 Housing Subsidy Covenants. LCHDC and BCLT have entered into a number of housing subsidy covenants with homeowners pursuant to which the homeowner and the homeowner’s lender are obligated to provide notice to BCLT or LCHDC, as applicable, under the circumstances described in the covenant. By the Effective Date, Champlain Housing Trust, Inc. shall provide sufficient notice to each lender that has entered into a housing subsidy covenant with BCLT or LCHDC and in the Land Records of each municipality in which LCHDC or BCLT has rights under a housing subsidy covenant to ensure Champlain Housing Trust, Inc.’s continuing rights under such housing subsidy covenant.

6.9 Loans. LCHDC and BCLT have made a number of loans to low income families to improve the condition of their homes and/or assist them in purchasing their home. Each homeowner who has received a loan has an obligation to repay the loan to LCHDC or BCLT and has other obligations to LCHDC or BCLT as described in the promissory notes, mortgages and other loan documents executed by the homeowner in connection with the loan. By September 1, 2006, LCHDC and BCLT shall identify each homeowner or unit owner who has executed outstanding loan documents. By September 15, 2006, LCHDC and BCLT shall notify each such homeowner who has executed loan documents of the merger and shall provide sufficient information about Champlain Housing Trust, Inc. and its rights under the loan documents so that as of the Effective Date, Champlain Housing Trust, Inc. can exercise LCHDC’s rights and obligations as described in the loan documents and can ensure Champlain Housing Trust, Inc.’s continuing rights under the BCLT loan documents. On the Effective Date, Champlain Housing Trust, Inc. shall provide sufficient notice in the Land Records of each municipality in which LCHDC or BCLT has recorded a mortgage as part of the loan documents to ensure Champlain Housing Trust, Inc.’s continuing rights under such loan documents.

6.10 Partnerships; Other Entities. The parties have exchanged a list of each partnership or other arrangement in which they or a wholly owned subsidiary has entered into a Plan of Merger with another entity for the purpose of providing affordable housing or for other purposes consistent with the mission of the party. Not later than September 1, 2006, the parties shall provide notice of the merger to the partners/members of any entity with which the party has a business arrangement and notice of Champlain Housing Trust, Inc.’s rights under the partnership or other business arrangement.

SECTION 7
CONDITIONS OF LCHDC’S OBLIGATIONS

All obligations of LCHDC under this Plan of Merger are subject to the fulfillment of each of the following conditions at or prior to the date of Closing, as defined in Section 13:

7.1 LCHDC shall have received a certificate duly executed by the Executive Director of BCLT that all representations and warranties of BCLT contained in this Plan of Merger are true and correct in all material respects as of the Closing. In addition, BCLT shall have duly performed all covenants required by this Plan of Merger to be performed by it prior to, or at, the Closing, except where such covenants are to be completed as of the Effective Date.
7.2 All corporate and other proceedings to be taken in connection with the transactions contemplated hereby and all documents incident hereto shall be satisfactory in form and substance to LCHDC and its counsel.

SECTION 8
CONDITIONS OF BCLT’S OBLIGATIONS

All obligations of BCLT under this Plan of Merger are subject to the fulfillment of each of the following conditions at or prior to the date of Closing, as defined in Section 13:

8.1 BCLT shall have received a certificate duly executed by the Executive Director of LCHDC that all representations and warranties of LCHDC contained in this Plan of Merger are true and correct in all material respects as of the Closing. In addition, LCHDC shall have duly performed all covenants required by this Plan of Merger to be performed by it prior to, or at, the Closing, except where such covenants are to be completed as of the Effective Date.

8.2 All corporate and other proceedings to be taken in connection with the transactions contemplated hereby and all documents incident hereto shall be satisfactory in form and substance to BCLT and its counsel.

SECTION 9
CONDITIONS OF BCLT’S AND LCHDC’S OBLIGATIONS

All obligations of BCLT and LCHDC under this Plan of Merger are subject to the fulfillment of each of the following conditions described in this Section 9 at or prior to the Closing. Each party shall have:

9.1 Received a Certificate of the Vermont Secretary of State as to the corporate good standing of the other.

9.2 Received a letter from the Internal Revenue Service that the other party is recognized by the IRS as a tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code.

9.3 If applicable and available, received a Tax Clearance Letter from the Vermont Department of Taxation as to the good tax standing of the other party.

9.4 Received a certified copy of the Resolution adopted by the Board of Directors of the other party, and of the Membership of BCLT, authorizing the execution and delivery of this Plan of Merger, and the performance of its obligations hereunder.

9.5 Received a report regarding the Fiscal 2005 financial condition of the other party from an independent certified public accountant and exchanged interim financial statements as of June 30, 2006, certified as true and accurate by the financial director of the organization providing the statement.

9.6 Received a favorable opinion from legal counsel for each party addressed to the other party and satisfactory in form and substance to counsel for the other party, consistent with the provisions of this Plan of Merger.

9.7 Received all corporate and other proceedings to be taken in connection with the transactions contemplated hereby and all documents incident hereto shall be satisfactory in form and substance to counsel for each party.
9.8 Received copies from the other party of all documents required to be provided under this Plan of Merger. All such documents shall be certified as provided in Section 10.15, except where this Plan of Merger requires certification by another officer of the organization.

9.9 Secured an agreement from Lake Champlain Housing Ventures, Inc. (“LCHV”) to transfer its low and moderate income property management contracts to LCHDC, by September 29, 2006, subject to agreement by LCHDC for any particular contract and received a certified copy of a resolution of the Board of Directors of LCHV in which that Board agrees that: a) the tangible assets of LCHV, including, without limitation, furnishings, equipment, any bank or financial accounts associated with property management contracts, and all general funds and operating accounts of LCHV, will be assigned and transferred to LCHDC on September 29, 2006, except that excluded from such transfer shall be any assets that are designated as an asset of any partnership or other entity for which LCHV serves as the managing general partner and any assets that are needed for LCHV to carry out its responsibilities as managing general partner; b) LCHV will enter into an agreement with BCLT and LCHDC authorizing the release of certain staff by LCHV for employment by Champlain Housing Trust, Inc; and c) the Executive Director of LCHV is authorized to execute any assignments, agreements or other legal instruments necessary to effectuate the resolution of the Board described in this section 9.9 of this Plan of Merger.

SECTION 10
WARRANTIES AND REPRESENTATIONS

BCLT and LCHDC have each entered into this Plan of Merger in reliance upon the following warranties and representations made by each to the other:

10.1 Each is a tax-exempt 501(c) (3) non-profit organization duly organized, validly existing and in good standing under the laws of the State of Vermont; each has corporate power to own its property and conduct its business as currently conducted; and each has full corporate power to enter into this Plan of Merger and to carry out all of its terms and provisions to be carried out by each.

10.2 The financial statements delivered by LCHDC to BCLT represent the accurate financial condition of LCHDC and the results of its operations at the date and for the periods covered by such statements in accordance with generally accepted accounting principles consistently applied throughout the periods covered by said statements. Such financial statements shall be supplemented to within ten (10) days of the Closing Date.

10.3 The financial statements delivered by BCLT to LCHDC represent the financial condition of BCLT and the results of its operations at the date and for the periods covered by such statements in accordance with generally accepted accounting principles consistently applied throughout the periods covered by said statements. Such financial statements shall be supplemented to within ten (10) days of the Closing Date.

10.4 Since the date that the financial statements were provided by LCHDC there have been no material changes in the financial condition of LCHDC and it has not incurred or discharged any material indebtedness, liability or obligation, other than as agreed upon and/or as a result of operations in the ordinary course of business.

10.5 Since the date that the financial statements were provided by BCLT there have been no material changes in the financial condition of BCLT and it has not incurred or discharged any material indebtedness, liability or obligation, other than as agreed upon and/or as a result of operations in the ordinary course of business.
10.6 LCHDC has good title to the Assets being transferred to BCLT, and conveys the same free and clear of all encumbrances, except as otherwise stated in this Plan of Merger or provided in writing to BCLT.

10.7 Except as previously disclosed in writing to BCLT, LCHDC knows of no claims or threatened claims which could reasonably be expected to result in the creation or existence of any lien, encumbrance, interest, claim or demand on or against the Assets or against LCHDC.

10.8 Except as previously disclosed in writing to LCHDC, BCLT knows of no claims or threatened claims which could reasonably be expected to result in the creation or existence of any lien, encumbrance, interest, claim or demand on or against the property of BCLT or against BCLT.

10.9 To the best of LCHDC’s knowledge, all exhibits and certified statements showing LCHDC’s Assets and liabilities and all other exhibits and documents listing the rights and obligations of LCHDC are current and accurate.

10.10 To the best of BCLT’s knowledge, all exhibits and certified statements showing BCLT’s property and liabilities and all other exhibits and documents listing the rights and obligations of BCLT are current and accurate.

10.11 To the best of LCHDC’s knowledge, the tangible assets to be transferred under this Plan of Merger are in good repair, working order and condition, reasonable wear and tear excepted, except as previously disclosed in writing to BCLT.

10.12 To the best of BCLT’s knowledge, its tangible assets are in good repair, working order and condition, reasonable wear and tear excepted.

10.13 There is no litigation or claim of any nature whatsoever pending, or to LCHDC’s knowledge, threatened against LCHDC, including, but not limited to, claims or potential claims by LCHDC employees, and LCHDC does not know of any basis for such action, except as previously disclosed in writing to BCLT.

10.14 There is no litigation or claim of any nature whatsoever pending, or to BCLT’s knowledge, threatened against BCLT, including, but not limited to, claims or potential claims by BCLT employees, and BCLT does not know of any basis for such action, except as previously disclosed in writing to LCHDC.

10.15 All documents and statements delivered by either party to the other which are not listed as an Exhibit to this Plan of Merger shall be certified as true and accurate as of the date of the documents to the best of the Executive Director’s knowledge, information and belief. All representations and warranties of BCLT and LCHDC contained in this Plan of Merger and all statements and certificates delivered pursuant hereto shall be true and accurate as of the date when made and shall be deemed to be made again at and as of the Closing Date and shall then be true and accurate in all material respects, unless written notice to the contrary is provided.

10.16 To the best of their respective knowledge, each party has substantially complied with, and is not in default in any material respect under any laws, regulations, ordinance, orders or decrees applicable to the conduct of their respective businesses, and each has filed with proper governmental authorities and with any funding agencies all material reports and other documents required to be filed.

10.17 To the best of their respective knowledge, each party has all approvals, authorizations, consents, licenses, clearances, and orders of, and each has currently effective all registrations with all governmental and regulatory authorities which are necessary to their business or operations or which
are necessary to enable them to enter into this Plan of Merger and to carry out all of its terms and provisions.

10.18 LCHDC and BCLT each agree that it shall not intentionally allow, cause, or permit, through action or omission of employees, officers or agents, (i) any change in its financial condition, assets, liabilities or business from the Closing Date to the Effective Date, other than changes in the ordinary course of business, none of which can be materially adverse; (ii) any damage, destruction, or loss materially affecting its property or business from the Closing Date to the Effective Date; or (iii) any increase in compensation payable or to become payable by either party to its officers, employees or agents from the Closing Date to the Effective Date. Upon occurrence of any of the above conditions in this section, the other party shall have the right to immediately terminate this Plan of Merger and all related documents, which shall thereafter be of no further force and effect.

SECTION 11
TRANSFER OF PROPERTY

11.1 At the Closing, LCHDC shall deliver to BCLT a complete list of the Assets and the transfer of Assets to Champlain Housing Trust, Inc. shall occur on the Effective Date.

SECTION 12
PERSONNEL

12.1 LCHDC and BCLT have provided each other with schedules which identify each and every current paid staff member of BCLT and LCHDC and her/his title/position as of the Effective Date (the “Employee List”). As of the Effective Date, each organization represents that it is unaware of any current or pending obligation it owes or may owe to any former employee, that every employee of the organization either has a written contract or is an employee at-will, and that there are no claims pending in any judicial or administrative forum by or on behalf of any former employee. Neither BCLT nor LCHDC has any other employment commitments as of the date of execution of this Plan of Merger.

12.2 LCHDC and BCLT agree that, prior to the Effective Date, specific arrangements for the continued employment or termination of each current staff member of BCLT and LCHDC shall be made and communicated, in writing, to the staff member. Said arrangements shall, in every case, be acceptable to the Executive Directors of LCHDC and BCLT and said acceptance shall be ascertained pursuant to this Plan of Merger before any communication is made to the employee. The arrangements described in this section shall be governed by the following provisions:

a) Upon the Effective Date, CHT shall hire any person who is an employee of LCHDC and retain any employee of BCLT who wishes to be employed by Champlain Housing Trust, Inc. (“CHT”) so long as said employee is listed in the Employee List (the “Remaining Employees”);

b) each employee of BCLT and LCHDC who is employed by CHT pursuant to this Plan of Merger shall have his/her position of employment and length of employment or seniority at BCLT and LCHDC fully recognized and taken into account as one factor in determining each such employee’s job classification, salary, benefits and other relevant terms of employment at the employee’s employment with CHT; and the terms and the provisions of this Section 12.2(b) shall be reflected in the written communication of salary, benefits and employment which will be provided in writing to the Remaining Employees of BCLT and LCHDC pursuant to Section 12.5;

c) each employee of BCLT and LCHDC who is hired or retained as an employee by CHT pursuant to this Section 12 shall retain any accrued but unused holiday, vacation and sick days which are authorized by the personnel policies in effect by their current employer as of the Closing Date; however, all such accrued time must comply with the limits set by CHT by December 31, 2006;
d) each employee of BCLT and LCHDC, may be required by the IRS to retain her/his current cafeteria plan election or other similar elections through to December 31, 2006, but shall be entitled to make new elections for the year beginning January 1, 2007;

e) except as provided above, each employee who is hired or retained by CHT on the Effective Date shall be subject to CHT’s policies concerning fringe benefits, retirement benefits and other conditions of employment that are in effect on the Effective Date;

f) notwithstanding the above provisions, each employee who is hired or retained by CHT shall be an employee at-will and shall be subject to the same personnel policies, unless the employee has a written employment contract as provided herein;

g) notwithstanding the above provisions, to the extent that certain managerial personnel have written contracts of employment with BCLT or LCHDC, the terms of those contracts shall govern in the event of any conflict between the written contracts and the provisions of this Section 12, and CHT shall issue new contracts to those personnel on similar terms and conditions, upon rehire or retention.

12.3 A copy of every written communication made by management to or received by management from the employees of LCHDC or BCLT shall be sent to the Executive Director of the other organization if said communication is relevant to the continuation or termination of any employee’s employment following the Effective Date.

12.4 The Executive Directors of BCLT and LCHDC each represent to the other that to the best of their knowledge, none of the provisions of this Plan of Merger will violate any expressed or implied obligation that BCLT and LCHDC has to any current or former employee.

12.5 LCHDC and BCLT agree that specific arrangements for continuation and modification of employee benefits, mutually acceptable to the Executive Directors of BCLT and LCHDC, shall be agreed upon and shall be jointly communicated in writing to the Remaining Employees in a manner and at such times as are determined by the Executive Directors in their discretion. Such arrangements shall be communicated to each Remaining Employee no later than two weeks prior to the Effective Date.

12.6 If on the Effective Date any employee of BCLT or LCHDC is on an approved family medical, military, jury service, or other legally recognized leave that would require reinstatement, the employee will be hired or retained by CHT and her/his reinstatement rights honored, unless an exception to that employment or reinstatement is permitted by law and agreed to by the Executive Directors of BCLT and LCHDC.

12.7 BCLT and LCHDC agree that as of the Effective Date, CHT shall adopt the CHT Personnel Policy Manual, which has been mutually agreed upon by BCLT and LCHDC and shall be jointly communicated to the Remaining Employees.

12.8 LCHDC shall transfer all personnel records including medical records, benefits, and payroll information to CHT on the Effective Date, and CHT shall maintain all such records as confidential business records for at least such period as LCHDC would have been required to retain the records had the employees remained employed with LCHDC.
SECTION 13
CLOSING AND CLOSING DATE

13.1 This Plan of Merger shall be executed and consummated at a closing (the “Closing”) to be scheduled and held in Burlington, Vermont at such date (the “Closing Date”) and place as mutually agreed upon by the parties.

SECTION 14
FILINGS WITH GOVERNMENTAL AGENCIES

14.1 On or before the Effective Date, the parties shall take all steps necessary to file all documentation required by the State of Vermont in connection with: (i) the merger; (ii) the amendment of BCLT’s Articles of Association; and (iii) the termination of the corporate existence of LCHDC.

14.2 Following the Effective Date, Champlain Housing Trust, Inc. shall take all steps necessary to file all documentation required by the Internal Revenue Service in connection with: (i) the merger; (ii) the amendment of BCLT’s Articles of Association; and (iii) the termination of the corporate existence of LCHDC.

SECTION 15
MISCELLANEOUS PROVISIONS

15.1 The representations, covenants, Plan of Mergers and warranties contained in this Plan of Merger and all Exhibits hereto shall survive the Closing.

15.2 This Plan of Merger shall be binding upon and for the exclusive benefit of BCLT and LCHDC and their respective successors and assigns.

15.3 This Plan of Merger shall be governed by and construed in accordance with the laws of the State of Vermont.

15.4 This Plan of Merger may be executed in one or more counterparts, each of which will be deemed an original, but all of which shall constitute one and the same instrument.

15.5 This Plan of Merger and the Exhibits attached hereto and documents referred to herein contain the entire Plan of Merger between the parties hereto with respect to the transactions contemplated herein and may not be amended except in writing, signed by both parties.

15.6 Any headings used herein are for convenience only and shall not be deemed to have any substantive effect.

15.7 If any provision of this Plan of Merger shall be held to be unenforceable for any reason, it shall be adjusted rather than voided, and all other provisions shall be deemed valid and enforceable to the fullest extent possible.
IN WITNESS WHEREOF, Burlington Community Land Trust, Inc. and Lake Champlain Housing Development Corporation have each caused this Plan of Merger to be signed and witnesses by their duly authorized representatives, as indicated below, effective as of the day and year first above written.

BURLINGTON COMMUNITY LAND TRUST, INC.

____________________________ By: _____________________________
Witness               Duly Authorized Agent

____________________________
Witness

LAKE CHAMPLAIN HOUSING DEVELOPMENT CORPORATION, INC.

____________________________ By: ________________________________
Witness            Duly Authorized Agent

____________________________
Witness
EXHIBIT A

AMENDMENT TO ARTICLES OF ASSOCIATION OF
THE BURLINGTON COMMUNITY LAND TRUST, INC.

The Amended Articles of Association of the Burlington Community Land Trust, Inc. are further amended as follows:

1. The name of the Corporation is amended to be “Champlain Housing Trust, Inc.”;

2. The first clause of the first paragraph of the purposes section of the Articles of Association ending with the words “and for that purpose may”, is amended to read as follows:

The Corporation is formed for the charitable purposes of the relief of the poor and the distressed and the underprivileged, the promotion of social welfare, and the lessening of the burdens of government by fostering the availability of decent, safe, sanitary and affordable housing for low- and moderate-income households through the Corporation's participation, directly and indirectly, in the creating, providing, operating and management of such housing while maintaining the historic and aesthetic qualities of the community and for that purpose may ..... 

3. Clause (i) of the first paragraph of the purposes section is amended by adding the words “age, disability” before the word “handicap” and by substituting the words “sexual preference” for the words “sexual orientation.”

4. The provisions of the purposes section following the clause which states that “The corporation shall also have the following purposes:” is amended to read as follows:

A. To provide access to land and decent housing for low and moderate income people;

B. To preserve the affordability of housing for low and moderate income people in perpetuity;

C. To protect the natural environment and to promote the ecologically sound use of land and natural resources and the long-term health and safety of the community;

D. To combat community deterioration in economically disadvantaged neighborhoods by promoting the development, rehabilitation, and maintenance of decent housing in these neighborhoods; by promoting economic opportunities for low-and moderate-income residents of these neighborhoods; by making land available for projects and activities that improve the quality of life in these neighborhoods; and by assisting residents of these neighborhoods in improving the safety and well-being of their community;

E. To provide education, community service, and support for cooperative development throughout the community;

F. To acquire property to preserve open space land; and
G. To acquire property to assist low and moderate income persons to obtain housing.

The enumeration above of a specific power shall not be construed as limiting or restricting in any manner either the meaning or the general terms used in any of these clauses or the scope of the general powers of the Corporation created by them; nor shall the expression of one thing in any of these clauses be deemed to exclude another not expressed, although it be of like nature.

5. Except as expressly provided by this Amendment, the amended Articles of Association of the Burlington Community Land Trust, Inc. shall remain in full force and effect.
CHAMPLAIN HOUSING TRUST INC.

BYLAWS

Adopted October 1, 2006
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ARTICLE I – GENERAL PROVISIONS

SECTION 1 – Name

The name of the Corporation is "Champlain Housing Trust" (formerly known as "Burlington Community Land Trust, Inc." (“BCLT”), hereinafter the “Corporation.”

SECTION 2 – Purposes

This non-profit Corporation is formed for the charitable purposes of the relief of the poor and the distressed and the underprivileged, the promotion of social welfare, and the lessening of the burdens of government by fostering the availability of decent, safe, sanitary and affordable housing for low and moderate-income households through the Corporation's participation, directly and indirectly, in the creating, providing, operating and management of such housing while maintaining the historic and aesthetic qualities of the community. For these purposes the Corporation may (i) acquire, construct, rehabilitate, and provide housing and related facilities without regard to race, color, creed, sex, age, disability, handicap, sexual preference, gender identity or expression, or national origin; (ii) acquire, improve and operate any real or personal property or interest or rights therein or appurtenant thereto; (iii) sell, convey, assign, mortgage, or lease any real or personal property; (iv) borrow money and execute such evidence of indebtedness and such contracts, agreements and instruments as may be necessary, and execute and deliver any mortgage, deed of trust, assignment of income, or other security instrument in connection therewith; and (v) do all things necessary and appropriate for carrying out and exercising the foregoing purposes and powers.

Said Corporation is organized exclusively for charitable, religious, educational and scientific purposes, including for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 as amended (or the corresponding provision of any future United States Internal Revenue law).

Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on: (a) by a Corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 as amended, or (b) by a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law.)

The Corporation shall also have the following purposes:

A. To provide access to land and decent housing for low and moderate-income people;

B. To provide access to affordable housing for low and moderate-income people in perpetuity;

C. To protect the natural environment and to promote the ecologically sound use of land and natural resources and the long-term health and safety of the community;

D. To provide education, community service, and support for cooperative development throughout the community;

F. To acquire property to preserve open space land; and
G. To acquire property to assist low- and moderate-income persons to obtain housing.

The enumeration above of a specific power shall not be construed as limiting or restricting in any manner either the meaning or the general terms used in any of these clauses or the scope of the general powers of the Corporation created by them; nor shall the expression of one thing in any of these clauses be deemed to exclude another not expressed, although it be of like nature.

SECTION 3 – Offices

The principal office of the Corporation shall be located in Burlington, Vermont unless another location is approved by an affirmative vote of a majority of the Corporation’s voting Membership present at a duly called Membership meeting. The Board of Directors may establish other offices from time to time, within or outside the State of Vermont, as the affairs of the Corporation require.

SECTION 4 – Seal

The Seal of the Corporation shall be an adhesive wafer seal or a circular die bearing the name of the Corporation and the State and date of incorporation.

ARTICLE II – MEMBERSHIP

SECTION 1 – Continuing Membership

All persons who were General Members or Resident Members of the BCLT on October 1, 2006 shall continue to be Members of the Corporation, as long as they continue to meet the requirements for eligibility and continuing Membership set forth in Section 2 and Section 4 of this Article.

SECTION 2 – Types of Membership

1. Requirements. Subject to the Continuing Membership Requirements in Section 4 of this Article, a person who meets the following requirements shall be a member of the Corporation.

   a. Continuing Members as defined above;

   b. Any person 16 years of age or over who is a resident of the Corporation’s housing, as defined under “Resident Member” below; or

   c. Any person 16 years of age or over who has; paid annual membership dues of $1.00; and expressed interest and support for the Corporation and its purposes.

2. Categories. The Membership shall be grouped into two categories:

   a. Resident Members shall include all members of any household living in property owned, in whole or in part or otherwise in stewardship with the Corporation, as described in Article V, who are aged 16 years or older. This shall include single-family home-owners who lease land owned by the Corporation, owners of housing units who have granted BCLT or the Corporation a Housing Subsidy Covenant, tenants in rental units owned by the Corporation or by a limited partnership in which the Corporation, or any subsidiary of the Corporation has an ownership interest, and members of limited-equity housing cooperatives that have signed a Contract for Services with the Corporation or BCLT.

   b. General Members shall include all other Members.
SECTION 3 – Rights of Members

A. Each Member living in the Corporation’s three-county service area of Chittenden, Franklin, and Grand Isle counties shall have the right to one vote on all matters properly put before the Members for consideration, as provided in these Bylaws; to nominate and elect or ratify members of the Board of Directors; to serve on the Board or on committees if chosen, and to receive notices, minutes and reports as provided in these Bylaws.

B. Members living outside of the Corporation’s three-county service area shall be non-voting Members of the Corporation.

C. The assent of the voting Membership shall be required before action may be taken on the following issues:

1. The removal of Members or Directors;
2. Except as provided in Article V, Section 4(A), the authorization of the sale of certain lands by the Board of Directors;
3. The amendment of the Articles of Incorporation or these Bylaws;
4. The alteration, amendment, or deletion of the Corporation’s limited appreciation formula;
5. The dissolution or merger of the Corporation;
6. The disposition of all or substantially all of the assets of the Corporation other than in the regular course of activities of the Corporation;
7. The movement of the Corporation’s principal office to a location outside of Burlington, Vermont;
8. Any other matter which must be approved by the Members under the Vermont Nonprofit Corporation Act (the “Act”); and,
9. Any other major issue concerning the Corporation, as determined by majority vote of the Board of Directors.

SECTION 4 – Continuing Membership Requirements

A. In order to remain a General Member of the Corporation, each General Member, including those who are continuing Members of the Corporation, shall:

1. Pay Annual Membership dues of $1.00, or more at the discretion of the Member, payable on, or within 30 days of, the date of the Annual Meeting; and;
2. Support permanently affordable housing.

B. In order to remain a Member of the Corporation, a Resident Member, including those who are Continuing Members of the Corporation, must remain a resident of any of the homeowner, rental, or co-op units identified under Section 2(2) above. Resident Members shall not be required to pay dues in order to become or remain Members of the Corporation. Former residents of the Corporation’s housing, who are 16 years of age or older and who no longer qualify as Resident Members, may become General Members by paying annual dues.

SECTION 5 - Membership Meetings

A. Annual Meeting
The Annual Meeting of the Membership of the Corporation, for reports to the Membership by the Officers and the Board of Directors, the election of Directors, and the transaction of other business, shall be held within four months after the end of the fiscal year. The location and time of the Annual Meeting shall be determined by a consensus of the Board, and written notice shall be given to all Members at least one month but not more than 60 days before the meeting. The written notice shall include a description of matters which must be approved by the Members under Article II, Section 3(C) of these Bylaws. Only those persons who are Members on the date of the Annual Meeting may vote at the Annual Meeting. Any Member who has let his/her Membership lapse within the last year may renew his/her Membership on or before the day of the Annual Meeting and shall be eligible to vote at the meeting.
B. Regular Meetings
Regular Meetings may be scheduled by the Membership at such times and place as they shall establish at an Annual Meeting. Additional notice thereof shall not be required.

C. Special Meetings
Special Meetings of the Membership may be called by a majority vote of the Board of Directors, a quorum having been established, or by a written petition or petitions addressed and delivered to an officer of the Corporation, signed and dated by at least 5% of the voting Membership or 20 voting Members (whichever is less) and describing the purposes for which the special meeting is to be held. Notice must be given to all Members at least ten but not more than 60 days in advance of each Special Meeting. Notification must be a written announcement of when and where the meeting will be held and must include an agenda and a description of the matters for which the meeting was called. At a Special Meeting, only those matters, for which the meeting was called, as stated in the notice, may be acted upon by the Membership.

SECTION 6– Procedures for Membership Meetings and Actions

A. All Membership Meetings shall be open to the public.

B. Record Date for Notice of Membership Meetings.
Not more than seven days prior to the notice of any Membership meeting, the Corporation shall determine the Members who are entitled to: a) receive notice of the meeting; and b) vote at the meeting. This date shall constitute the record date for the meeting. After fixing the record date for any Membership meeting, the Corporation shall prepare an alphabetical list of the names of all of its Members who are entitled to notice of the meeting. The list must show the address of each Member who is entitled to vote at the meeting and shall indicate whether the Member is a General or Resident Member. The list shall be available for inspection by any Member and shall be made available at the meeting.

C. Minutes
Minutes of all Membership Meetings shall be kept in the Corporation Minute Book. This record shall be reviewed by the Directors at the second Directors meeting following the Membership Meeting, and shall be approved by the Membership at the next Membership Meeting. A copy of the minutes of the Annual Meeting of the Membership shall be made available to all Members within one month following that meeting. The Corporation Minute Book shall be open for inspection by any interested person.

D. Quorum
A quorum shall be established when 30 voting Members, excluding proxies, are physically present at an annual, regular, or special meeting.

E. Decision-Making
Whenever possible, decisions shall be made at Membership Meetings by consensus of the voting Members. If consensus cannot be reached, then a decision shall be made by a majority of those voting Members present and voting, a quorum having been established.

F. Proxy Voting by Special Populations
Members who have a physical or mental disability and are unable to attend Membership Meetings because of their condition may vote through a Member representative. Such representation must be authorized by a written statement by the absent Member, delivered to the Board of Directors in advance of the meeting at which it is to be utilized.

The statement need not endorse or reject a particular motion, but must specify clearly described and specific issues and must also show good cause for the Member’s absence. This authorization shall permit the designated representative to vote for the absent Member on all matters relating to those issues, as prescribed by the written statement.
During any particular vote, no Member may represent more than one absent Member. Such representation shall be valid for one meeting only. No Member may vote by any other form of proxy, although any absent Member may send statements to be read at the meeting by other Members.

G. No person who has been a Member for less than 30 days may vote at a meeting other than the Annual Meeting.

SECTION 7 – Resignation

Any Member of the Corporation may resign at any time by delivering or mailing a written resignation to the Corporation. Unless otherwise specified, such resignation shall be effective upon its receipt by the Corporation.

SECTION 8 – Removal

A. Removal for Failure to Comply with Continuing Membership Requirements
Membership of all types shall be terminated when a Member has failed to comply with the Continuing Membership Requirements (as provided in Section 4 of this Article).

B. Removal for Cause
Membership may also be suspended or terminated for good cause, should a Member act in a manner seriously detrimental to the Corporation.

C. Procedure for Removal.
Before a suspension or removal of a Member or Director can occur under this Section 8:

1. Written charges specifying the conduct must be filed with the Secretary of the Board. Any Member of the Corporation may file the charges and appear before the Board with respect to the charges. The Board shall review the charges and if it votes to proceed with the charges, the Board shall set a date for suspension or removal and follow the procedure described in this Section. If the Board determines that the charges are not sufficient to support a suspension or removal, the Board shall dismiss the charges and that shall constitute the final action of the Corporation with respect to the particular charges.

2. If the Board votes to support the charges, it shall give a copy of the notice of the charges to the Member charged along with a notice that the Board has voted to support the charges and the date set for suspension or removal (the "Notice"). The date for suspension or expulsion shall be after the date by which the Member may request a fair hearing. The Notice may state that a Member may avoid suspension or expulsion by taking specified action prior to the date of suspension or expulsion. The Notice shall be mailed or hand delivered to the Member. Notice by mail shall be by first class or certified mail sent to the last address of the Member shown on the Corporation's records. Notice by mail shall be deemed delivered within 5 days of mailing.

3. The Member charged shall have had at least twenty-five days following the mailing of the Notice in which to request a fair hearing before a special committee of the Corporation consisting of three persons: one selected by the affected Member; one selected by the Board of Directors within ten days following the selection of the first, in consultation with the Member who brought the charges; and one selected by the first two. These persons may be, but need not be, Members of the Corporation. No suspension or expulsion shall take place pending the outcome of the fair hearing procedure described in this paragraph C of this Section. If a Member fails to request a fair hearing, or fails to take corrective action if corrective action is specified in the Notice, the suspension or removal shall take effect on the date set forth in the Notice.

4. If requested by the affected Member, the committee shall hold a hearing, allowing each of the charging Member and the affected Member to present evidence in the presence of the other. The
committee shall base its decision on all of the relevant facts and circumstances. After the hearing, this committee shall prepare a written report of its findings and its recommendation (by majority vote, if consensus cannot be reached) whether the Member should be suspended or removed. This report must include the vote of each member of the committee and a personal statement explaining the basis for his/her decision. The report shall be completed within one month following the appointment of the committee, if that is reasonably possible.

5. If the committee recommends that the Member be suspended or removed, this recommendation must be approved by 2/3 of the voting Members present at the next Membership Meeting held after the completion of the committee's report. The affected Member shall be afforded a fair opportunity to appear before the Membership and present evidence in his/her defense before the decision is made.

ARTICLE III – BOARD OF DIRECTORS

SECTION 1 – Designated Board of Directors

The Designated Board of Directors of the Corporation shall be as named in the Plan of Merger for the BCLT and Lake Champlain Housing Development Corporation (hereinafter referred to as “LCHDC”). This Board includes a number of currently elected members of the Board of Directors of BCLT, as well as other Board members designated in the Plan of Merger. They shall serve until the first Annual Meeting of the Membership, at which time a successor Board shall be elected, as provided in Sections 2, 3, 4, and 5 of this Article.

SECTION 2 – Successor Boards of Directors

Successor Boards of Directors shall consist of not fewer than 12 nor more than 15 Members. The first successor Board following the Merger referred to in Section 1 shall consist of 15 Members. The number of Directors may be increased or decreased at any time by a decision of the Board, but the number of Directors must never be less than 12 nor greater than 15. All successor Boards, must contain the balance of representation hereinafter provided (Section 3 of this Article). Directors’ terms shall be staggered to maintain the continuity of the Board. All members of the Designated or any Successor Board of Directors must be Members of the Corporation.

SECTION 3 - Composition of the Board

The Board of Directors shall contain three categories of representatives:

A. Resident Member Representatives
   1. One-third of the Directors shall be Resident Member Representatives.
   2. Resident Member Representatives may be any Resident Member, except that:
      a. at least one Resident Member Representative shall be a shareholder/member who lives in a limited equity housing cooperative that has signed a Contract for Services with the Corporation;
      b. at least one Resident Member Representative shall be a homeowner who either leases land from the Corporation or who has granted the BCLT or the Corporation a Housing Subsidy Covenant; and;
      c. at least one Resident Member Representative shall be a tenant in a rental unit owned by the Corporation or by a limited partnership of which the Corporation, or a subsidiary of the Corporation, is a member.

B. General Member Representatives
1. One-third of the Directors shall be General Member Representatives.

2. General Member Representatives shall not be Resident Members.

3. Of the General Representatives, there shall be at least one representative from the private sector.

C. Public Representatives
   1. One-third of the Directors shall be Public Representatives.

   2. All but one of the Public Representatives shall be municipal officials from four different cities or towns located within the Corporation’s three-county service area. These municipal officials shall be the city’s or town’s highest-ranking elected or appointed executive officer or the designee of this highest-ranking executive officer.

   3. The remaining Public Representative shall be either a municipal official from a city or town within the Corporation’s three-county service area not already represented on the Corporation’s Board or a person with experience in regional or state-wide public service. Included within the latter category may be state legislators, members of regional planning organizations, or persons with regional or state-wide experience who are members of a charitable organization or another nonprofit organization providing housing or social services for low-income and moderate-income households.

   4. Public Member Representatives shall not be Resident Members.

SECTION 4 – Nomination and Election of Directors

A. Nomination
   1. The names of persons to fill all vacancies on the Board of Directors shall be solicited, reviewed, and selected by the Corporation’s Executive Committee, which shall serve as the Nominating Committee for the purpose of filling Board vacancies.

   2. Nominations must be received by the Nominating Committee at least six weeks, but not earlier than ten weeks, before the Annual Meeting of the Membership.

   3. The Nominating Committee shall mail the list of nominees to all Members at least four weeks, but not more than 60 days before the Annual Meeting.

   4. Nominations shall be made in the following manner:

      a. Resident Member Representatives
         The Nominating Committee shall actively solicit nominations from Resident Members, confirm that nominated individuals are willing to serve on the Board, and submit a list of candidates to the Members for consideration and possible election to the Board.

      b. General Member Representatives
         The Nominating Committee shall actively solicit nominations from General Members, confirm that nominated individuals are willing to serve on the Board, and submit a list of candidates to the Members for consideration and possible election to the Board.

      c. Public Representatives
         The Nominating Committee shall actively solicit nominations from cities and towns in Chittenden, Franklin, and Grand Isle counties, seeking a balance of Public Representatives between municipalities where the Corporation has developed many units of affordable housing in the past and municipalities where the Corporation hopes to develop affordable housing in the future. Nominees shall be submitted to the entire Board for consideration.
B. **Election**

   Board members shall be elected at the Annual Meeting of the Membership as follows:

   a. **Resident Member Representatives**
      Shall be elected from the nominees by a majority of the Resident Membership voting at the Annual Meeting, whether in person or by proxy.

   b. **General Member Representatives**
      Shall be elected from the nominees by a majority of the entire Membership voting at the Annual meeting, whether in person or by proxy.

   c. **Public Representative Nominees**
      Shall be elected from the nominees by a majority of the entire Membership voting at the Annual meeting, whether in person or by proxy.

SECTION 5 – **Term of Office**

A. **Term of First Elected Board**

   To ensure the continuity of the Board of Directors, after the Designated Board is chosen pursuant to Section 1 of this Article III, Directors elected at the first Annual Meeting following the merger between BCLT and LCHDC shall draw lots among themselves so that one Director in each category shall begin a one-year term, two Directors in each category shall begin a two-year term, and two Directors in each category shall begin a three-year term. Directors elected for a one- or two-year term under this Subsection A shall be deemed to have served a full term for all purposes under these Bylaws, including without limitation Subsection D of this Section 5.

B. **Terms of All Successor Directors**

   Except as otherwise provided for in Section 5(A) of this Article III of these Bylaws, each Member of the Board of Directors shall serve for a term of three years. A Director elected to fill a vacancy shall serve for the balance of the time remaining on that term.

C. **Commencement of Term**

   The term of office of a regularly elected member of the Board of Directors shall commence at the adjournment of the Annual Meeting at which they were elected.

   The term of office of a Director elected to fill a vacancy shall commence at the time of his/her acceptance of that position.

D. **Limitation on Consecutive Terms**

   No Resident Member Representative or General Member Representative shall serve as a member of the Board of Directors for more than three consecutive full terms. No Public Representative shall serve as a member of the Board for more than two consecutive full terms. After an absence from the Board of one year, a former Director may return to the Board, if reelected. He or she shall then be allowed to serve as a member of the Board for no more than two consecutive full terms.

SECTION 6 – **Duties of the Board**

The Board of Directors shall:

A. Carry out the purposes of the Corporation, implement decisions of the voting Membership, and be responsible for the general management of the affairs of the Corporation.
B. Prepare a written Annual Report for the Corporation outlining the nature and results of the Corporation's activities during the preceding year, showing the financial condition of the Corporation, listing all land and/or interests in land acquired by the Corporation during the preceding year and the nature and purposes of all leases granted by the Corporation for use of the land, and proposing a plan for Corporation activities during the coming year. Copies of the Annual Report shall be made available to any Member of the Corporation upon request.

C. Elect all Officers of the Corporation.

D. Supervise the activities of all Officers and committees and the Chief Executive Officer of the Corporation in the performance of their delegated responsibilities.

E. Determine by whom and in what manner deeds, contracts, and other instruments shall be executed on behalf of the Corporation.

F. Acquire property through donation or purchase and develop resources for the acquisition, rehabilitation and use of land.

G. Convey the right to use land, which is owned by the Corporation in accordance with the purposes of the Corporation and the provisions of these Bylaws;

H. Provide notice of meetings, minutes and reports, as required by these Bylaws or otherwise required by the Membership.

SECTION 7 – Powers of the Board

The Board of Directors may:

A. Appoint, employ and discharge advisors and consultants who have skills necessary or helpful to the Corporation; provided, however, that such power shall not prevent the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, and the Chief Administration Officer and their designees from appointing, employing and discharging advisors, employees and consultants consistent with the authority granted such executive and other staff by their respective job descriptions.

B. Create such committees as will be necessary or desirable to conduct the affairs and further the purposes of the Corporation. Committees other than the Executive Committee may include individuals who are not Board members, provided that a majority of the full Board consents to the appointment of these individuals and provided that the chair of every committee is a member of the Board. Beyond any additional ad hoc or standing committees which the Board may decide to create, there shall be a minimum of six standing committees, as follows:

1. Executive Committee.
   Chaired by the Corporation’s President and composed of the Corporation’s officers plus the chair of the Asset Management Committee, the Executive Committee shall oversee an annual performance evaluation of the Corporation’s Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer, serve as the Nominating Committee in filling Board vacancies, conduct an annual performance evaluation of the Board of Directors, and perform any other duties assigned by the full Board.
2. Finance Committee.
Chaired by the Corporation’s Treasurer, the Finance Committee shall oversee preparation of the Corporation’s annual budget, commission and review the annual audit, and perform any other duties assigned by the full Board.

3. Chittenden Loan Committee.
Chaired by a member of the Board and including at least one employee of a private financial institution and at least one Resident Member of the Corporation, this committee shall oversee all loan programs and products offered by the Corporation which are targeted to Chittenden County.

4. Franklin/Grand Isle Loan Committee.
Chaired by a member of the Board and including at least one employee of a private financial institution and at least one Resident Member of the Corporation, this committee shall oversee all loan programs and products offered by the Corporation which are targeted to Franklin County or Grand Isle County.

5. Asset Management Committee.
Chaired by a member of the Board and including at least one Resident Member Representative, the Asset Management Committee shall provide for the stewardship of the Corporation’s portfolio of land, housing, and non-residential buildings and shall oversee the policies and performance of the Corporation’s property management department.

Chaired by a member of the Board and including at least one Resident Member Representative who resides in a limited-equity cooperative, the Co-op Committee shall also include two Resident Members who do not serve on the Corporation’s Board who shall be elected for one-year terms by the Coop Resident Members present at the Annual Meeting. The Co-op Committee’s duties shall include:

   a. Overseeing the management of pooled coop reserves;
   b. Supervising the financing of co-op shares; and
   c. Providing guidance to the full Board regarding cooperative housing policy, program implementation, and implementation of the Contracts for Services with individual cooperatives.

C. Call special meetings of the Membership.

D. Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in conformance with the Articles of Association and these Bylaws, including, without limitation, the power to authorize the Corporation to purchase real property, enter into contracts and other legal instruments and authorize the staff of the Corporation to execute such contracts and other legal instruments on behalf of the Corporation.

SECTION 8 – Limitations on the Powers of the Board

The Board of Directors shall not:

A. Give a blanket mortgage on all the land owned by the Corporation.
B. Take action on any motion for the removal of Directors, sale of land, amendment of the Articles of Association or these Bylaws, amendment of the limited appreciation formula, disposition of assets in the event of dissolution or any other matter for which Membership approval is required by the Act or these Bylaws without the approval of the voting Membership, as provided in these Bylaws.

SECTION 9 – Conflict of Interest

Prior to election (or after the acquisition of such interest, if later), each Director shall file with the Secretary of the Corporation a statement indicating the identity of each parcel of property other than their primary residence and each business within the Corporation's service area, in which such Director has a direct and substantial interest. Such statement shall be preserved among the records of the Corporation and shall be open to inspection by any Member of the Corporation.

No matter in which a member of the Board of Directors or any parent, spouse, relationship by civil union, child, other family member, partner, employer or similarly related business entity has a direct or indirect interest may be approved by the Board unless, in advance of the vote by the Board or by any committee of the Board: (A) the material facts of the transaction and the Director's interest are disclosed or known to the Board or committee of the Board; and (B) the Directors approving the transaction in good faith believe that the transaction is fair to the Corporation; and (C) the Director who has an interest does not participate in the discussion and does not vote on the matter.

SECTION 10 – Meetings of the Board of Directors

A. Annual Meeting
The Annual Meeting of the Board of Directors shall be held no later than one day following the Annual Meeting of the Membership, in the same location. Notice of this meeting shall be included in the notice of the Annual Meeting of the Membership and sent to all Members of the Corporation.

B. Regular Meetings
The Board of Directors shall hold regular meetings at such times and places as the Board may establish. Notice must be given to each Director at least one week prior to each regular meeting. Notification may be by mail, telephone or in person.

C. Special Meetings
Special Meetings of the Board may be called by the President, by any three Directors, or by 20% or 20 (whichever is less) Members of the Corporation. Notice must be given to each Director at least five days prior to the meeting, by mail, telephone or in person unless any four members of the Board determine that the matter at hand constitutes an emergency. In the event of such an emergency, a Special Meeting may be called on one day's notice provided that every reasonable effort is made to notify all Directors by telephone or in person.

At a Special Meeting of the Board, only those matters for which the meeting was called, as stated in the notice of the meeting, may be acted upon by the Board unless all of the Directors are present at the meeting and consent to take action on other matters.
D. Quorum
1. A quorum shall consist of a majority of the number of seats on the Board, provided that at least one member from each of the Board’s three categories of representatives is physically present.

2. A quorum may be a majority of the existing Board members for the sole purpose of filling vacancies.

E. Meetings by Telephonic Means
Any or all Directors may participate in a regular or special meeting by conference telephone call by which all Directors participating may simultaneously hear each other during the meeting.

SECTION 11 – Procedures for Meetings
All meetings of the Board of Directors shall be open to any Member, except when the Board votes to meet in executive session.

A. The Board may meet in executive session only upon the affirmative vote of two-thirds of its members present, a quorum having been established. A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter may be considered in the executive session. The vote shall be taken in the course of a public meeting and the result of the vote recorded in the minutes. No formal or binding action may be taken in executive session except actions relating to the securing of real estate options under Subdivision 2 of this Subsection. Minutes of an executive session need not be taken, but if they are, shall not be made public. The Board shall not hold an executive session except to consider one or more of the following:

1. Contracts, labor relations agreements with employees, arbitration, grievances, or litigation involving the Corporation where the Board has determined that premature general public knowledge would place the Corporation or person involved at a substantial disadvantage;

2. Real estate purchase offers and the negotiating or securing of real estate purchase options or contracts;

3. The appointment, employment or evaluation of an employee;

4. A disciplinary or dismissal action against an employee.

5. Relationships between the Corporation and any party who might be harmed by public discussion of matters relating to the relationship;

6. A clear and imminent peril to the public safety;

7. Discussion or consideration of records or documents excepted from the access to public records provisions of Article VI, Section 2 of these Bylaws. Discussion or consideration of the excepted record or document shall not itself permit an extension of the executive session to the general subject to which the record or document pertains.
B. Attendance in executive session shall be limited to members of the Board, its staff, clerical assistants, its legal counsel, and persons who are subjects of the discussion or whose expert information is needed.

SECTION 12 – Compensation

The members of the Board of Directors shall serve without compensation (except for reimbursement of actual authorized expenses) unless approved by the voting Membership.

SECTION 13 – Resignation

Any member of the Board of Directors may resign at any time by giving written notice to the Board. Unless otherwise specified, such resignation shall be effective upon its receipt by the Board.

SECTION 14 – Removal

A. Removal For Failure to Attend a Sufficient Number of Meetings.
A Director may be removed if he/she fails to attend 50% of the meetings of the Board in any one year, unless good cause for absence and a continuing interest in participation on the Board are shown. A Director may be removed under this paragraph A only if a majority of the Directors then in office vote for the removal.

B. Removal Without Cause
The Members may remove one or more Directors elected by them without cause.

C. Removal for Cause
A Director may also be removed, should the Director act in a manner seriously detrimental to the Corporation or to the Board in the fulfillment of its responsibilities. However, before such removal can occur:

1. Charges must be filed with the full Board of Directors and the Director affected offered a fair hearing (as provided in Article II, Section 8 (C) (1- 4) for Members, except that the Director charged shall not participate with the remaining Directors in the selection of the second member of the special committee).

2. If the special committee recommends that the Director be removed from the Board, this recommendation must be approved by 75% of the participating voting Members voting at a meeting properly held within one month of the completion of the committee's report. The affected Director shall be afforded a fair opportunity to appear before the Board and the Membership and present evidence in his/her defense. The Membership meeting to vote on the removal of a Director must be called for the purpose of considering removing the Director and the meeting notice must state that the purpose or one of the purposes of the meeting is a vote on the removal of the Director.

3. Subject to the same procedures and protections described in Subdivision 2 above, a Resident Member Representative to the Board may only be removed by a vote of 75% of the participating Resident Members present at the special Membership meeting.
4. Subject to the same procedures and protections described in Subdivision 2 above, any General or Public Representative of the Board may only be removed by a vote of 75% of the entire Membership.

SECTION 15 – Procedure for Filling Board Vacancies

Should vacancies occur on the Board of Directors as the result of resignation or removal, the remaining members of the Executive Committee may nominate, and the remaining members of the Board may (though they may constitute less than a quorum) elect by two-thirds majority the person(s) who, in their judgment, will best serve the Board category represented by the vacating member(s). Board members so elected shall serve until the next Annual Meeting, at which time the seat will be filled for the remainder of that term, pursuant to Article III, Section 4 of these Bylaws. During the period of time in which the Designated Board constitutes the Board of Directors, the remaining members of the Board of Directors shall fill any vacancy of a Director who holds his or her position as a result of being designated pursuant to Article III, Section 1.

ARTICLE IV – OFFICERS

SECTION 1 – Designation

The Officers of the Corporation shall include a President, Vice-President, a Treasurer and a Secretary.

SECTION 2 – Election

The Officers of the Corporation shall be elected by the Board of Directors, from among themselves, at the first Board meeting following the Annual Meeting. They shall take office immediately. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.

SECTION 3 – Tenure

The Officers shall hold office until their replacements are elected (unless removed as hereinafter provided). No Officer shall hold the same office for more than three successive one-year terms.

SECTION 4 – Duties of the Officers

A. Duties of the President

The President shall:

1. Preside at all meetings of the Board of Directors and of the Corporation or properly delegate such duty.

2. Preside at all meetings of the Executive Committee of the Board.

3. Report on the affairs of the Corporation to the Membership at their Annual Meeting and at any other time they may require.

4. Consult with the Officers of the Corporation regarding the fulfillment of their responsibilities.
5. Perform such other duties as the Board of Directors may direct.

B. Duties of the Vice President
The Vice-President shall fulfill the duties of the President when the President is absent, assist the President as needed, and oversee the Board’s standing committees.

C. Duties of the Treasurer
The Treasurer shall perform or cause to be performed the following duties:

1. Collect all money owing to the Corporation and receive all gifts of money or property to the Corporation.

2. Hold all funds of the Corporation in such manner as the Board directs.

3. Maintain all deeds, title papers, and assets of the Corporation other than money in the name of the Corporation and in such manner as the Board directs.

4. Keep full and accurate account of all financial transactions, receipts, expenditures, debts owed by and to the Corporation, and the balance of corporate funds and other corporate holdings in books of the Corporation maintained for that purpose.

5. Perform such other duties as the Board of Directors may direct.

The Board may require that the Treasurer be bonded, in any amount satisfactory to the Board.

D. Duties of the Secretary
The Secretary shall perform or cause to be performed the following duties:

1. Give notice of all meetings of the Membership and the Board of Directors in accordance with these Bylaws.

2. Maintain a list of all Members of the Corporation and their mailing addresses.

3. Keep the minutes at all meetings of the Membership and the Board in such manner as the Board directs, and provides copies of the minutes as required by these Bylaws.

4. Confirm and record the status of motions and votes in meetings of the Membership or the Board.

5. Perform such other duties as the Board of Directors may direct.

SECTION 5 – Resignation

Any Officer may resign from his/her office at any time by giving notice to the Board. Unless otherwise specified, such resignation shall be effective upon delivery of notice to the Board.

SECTION 6 – Removal

The Board of Directors may remove any Officer from his/her office at any time by unanimous decision of all members of the Board, excluding the affected Officer.
ARTICLE V – STEWARDSHIP OF LAND

SECTION 1 – Lease of Land

The Board of Directors shall convey the right to use land owned by the Corporation:

A. To facilitate access to land by landless people and others in need of its use, with special concern for those whose need is greatest;

B. To provide for the environmental health and preservation of the land and natural community on and around it; and

C. To guarantee the common stewardship of the land for the common good, in the present and the future.

In making such conveyances, the Board shall consider the real personal needs of potential lessees, and shall attempt to effect a just distribution of land use rights.

The decision to grant leases (or other limited conveyances) of these lands entrusted to the Corporation shall require the agreement of at least two-thirds of the members of the Board, present at a meeting at which a quorum is present.

The Directors shall establish policies and procedures for the Corporation’s staff to a) supervise the use of the land and provide for periodic inspection of all leased lands; and b) terminate the leases if necessary for the protection of the land, the surrounding community, or the rights of future generations.

SECTION 2 – Use of Natural Resources

The decision to convey or authorize the use of any minerals, timber or other natural resources, except for reasonable personal use by lessees, shall require the agreement of at least two-thirds of the members of the Board. Notice of the proposed conveyance of natural resources must be given to all Directors at least two weeks in advance of the meeting at which a decision is to be made.

SECTION 3 – Encumbrance of Land

The decision to mortgage or otherwise encumber land owned by the Corporation shall require the approval of two-thirds of the Board of Directors and the consent of any Leaseholder whose house is located on the land being encumbered.

SECTION 4 – Sale of Land

The sale of land does not conform with the philosophy or purposes of this Corporation. For this reason, land shall not be sold except in extraordinary circumstances, and then only in accordance with the following guidelines:

A. A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board of Directors, a quorum having been established, at a regular or special Board meeting, provided that (i) the Corporation has owned the parcel for no more than ninety (90) days at the time the vote is taken, (ii) the parcel is not
leased to any party, and (iii) the resolution states that the location or character of the parcel is determined by the Board to be such that the charitable purposes of the Corporation are best served by selling the land and applying the proceeds to the support of other activities serving those purposes.

B. A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board of Directors, a quorum having been established, at a regular or special Board meeting, provided that (i) the Board resolution states that the Board has determined in connection with a particular transaction that it is essential to the transaction and in the best interest of the Corporation and its mission to include a sale of land as part of the transaction and the parcel has not been leased to any party at the time of the sale; or (ii) the properties being sold are listed in the Plan of Merger as properties which had been owned by LCHDC and were expected to be sold by LCHDC had the merger not occurred.

C. In all other circumstances a parcel of land may be sold only with the 2/3 agreement of the entire Board of Directors, the approval of 75% of the voting Members at a Membership Meeting, and the consent of all Leaseholders of the land to be sold. Notice of the proposed sale must be given to all Members at least two weeks in advance of the meeting at which a decision is to be made.

ARTICLE VI – MISCELLANEOUS PROVISIONS

SECTION 1 – Equality and Personal Freedom

The rights of all Members of the Corporation to absolute freedom of religion, political commitment, personal conviction, association, expression and action shall not be abridged or impaired by the Corporation, or any body or agent of the Corporation, except insofar as freedom of an individual Member seriously conflicts with the rights of other Members or persons, or with the public welfare. In all of its dealing with Members, prospective Members, prospective Leaseholders, and all other persons, the Corporation and/or its duly authorized agents and bodies shall not discriminate against any individual or group for reasons of race, color, creed, sex, age, culture, national origin, sexual preference, handicap, family size, or marital status.

SECTION 2 – Openness and Public Accountability

The records and minutes of all Membership and Board meetings of the Corporation shall be open to, or available for, inspection by any person upon reasonable request, except as follows:

1. Records of executive sessions of the Board of Directors and the minutes thereof, as specified in Article III, Section 11 (A);

2. Records which by law or ethical standards are designated confidential or by a similar term; including, but not limited to any communication in any form to or from the Corporation's attorneys;

3. Records which by law may only be disclosed to specifically designated persons;

4. Records which, if made public pursuant to this Section, would cause the custodian to violate duly adopted standards of ethics or conduct for any profession regulated by the state;
5. Records which, if made public pursuant to this Section, would cause the custodian to violate any statutory or common law privilege;

6. Personal documents relating to an individual, including information in any files maintained to hire, evaluate, promote or discipline any employee of the Corporation, information in any files relating to personal finances, medical or psychological facts concerning any individual to whom the Corporation leases land, is considering for the lease of land, or has entered or is considering entering into a covenant with; provided, however, that all information in personnel files of an individual employee of the Corporation shall be made available to that individual employee or his/her designated representative.

7. Records concerning formulation of policy where such would constitute a clearly unwarranted invasion of personal privacy if disclosed;

8. Information pertaining to the location of real or personal property before public announcement of the project, and information pertaining to appraisals or purchase price of real or personal property before the formal award of contracts for sale or purchase thereof;

9. Records relating specifically to negotiation of contracts including, but not limited to, collective bargaining agreements with employees.

SECTION 3 – Notice

A. Determination of Notice Given
Whenever, pursuant to the provisions of these Bylaws, notice is required to be given to any Member or Director, such notice shall, unless otherwise provided, be given in writing, in person or by mail. If mailed, the notice shall be deposited in a post office or mailbox, postage paid and sealed, addressed to the Member or Director at such address as appears on the records of the Corporation or to an address at which the Member or Director usually receives mail; and such notice shall be deemed to be given at the time when mailed.

B. Waiver of Notice
1. Any Member or Director may waive any notice required to be given pursuant to the provisions of these Bylaws.

2. Any Member or Director who did not receive notice of a meeting, but who attends such meeting in person or by proxy shall be deemed to have waived notice thereof unless he/she causes his/her protest to be entered in the record of the meeting.

SECTION 4 – Indemnification

Any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any demand, claim action, suit or proceeding by reason of the fact that he or she is or was a Director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorneys’ fees and disbursements, actually incurred by him or her (or his or her heirs, executors, or administrators) in connection with the defense or settlement of such demand, claim action, suit, or proceeding, or in connection with any appearance therein, provided such Officer or Director has acted in
good faith for a purpose which such Officer or Director believed to be in the best interest of the Corporation.

ARTICLE VII – AMENDMENTS

The Articles of Association and these Bylaws may be altered or amended, in whole or in part, by 2/3 of the entire Board of Directors and the affirmative vote of 75% of the voting Members present or duly represented at a Membership Meeting, provided that written notice setting forth the nature of the proposed change(s) shall have been given to all Members no later than two weeks prior to the meeting. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment.

ARTICLE VIII – DISSOLUTION

In the event that the Corporation must be dissolved, the assets of the Corporation shall be distributed in accordance with the Corporation's Articles of Association to one of the following organizations organized and operated as an exempt organization under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue law) as follows:

A. To the local non-profit "Community Land Trust" Corporation(s) serving the area(s) closest to the area(s) in which the Corporation owns land and/or interest in land; or

B. To any other local Community Land Trust, or regional or national Community Land Trust federation or organization; or

C. If no other Community Land Trust organization is willing to assume responsibility for the assets of this Corporation, or if no other Community Land Trust organization meets the approval of the Board and the voting Membership of this Corporation to any other 501(c)(3) tax-exempt non-profit organization which agrees to administer the assets of this Corporation in accordance with its goals and purposes.

The types of organizations listed above do not constitute a list of priorities, and the determination of which non-profit, tax-exempt organization or organizations shall receive the Corporation's assets on dissolution shall be in the discretion of the Board of Directors and the Membership of the Corporation. The motion for disposition of the assets of the Corporation must be approved by 2/3 of the Board of Directors and the affirmative vote of 75% of the voting Members present or duly represented at a Membership Meeting. Notice of the motion for disposition of the assets of the Corporation shall be given to all Members no later than one month prior to the meeting at which a decision is to be made. The notice must state that the purpose, or one of the purposes, of the meeting is to consider dissolving the Corporation and contain or be accompanied by a copy of the plan of dissolution.

ARTICLE IX – PROCEDURE TO AMEND THE LIMITED APPRECIATION FORMULA

SECTION 1 – Introduction

The procedure set forth in this Article for amending the limited appreciation formula, as embodied in the legal documents used by the Corporation to convey title to improvements located on land owned by the
Corporation or to convey title to housing units encumbered with a Housing Subsidy Covenant has been set down by the Board of Directors of the Corporation, its Members, lessees, and Covenantors in consideration of the following:

A. The concept of limited appreciation is the cornerstone on which the Corporation, its Members, lessees, and Covenantors rely to meet the stated purposes of this organization as set forth in Article I, Section 2 of these Bylaws.

B. The term "limited appreciation" is used to describe the concept of moderating the rate at which real estate, (i.e., land and improvements) increases in value, to the extent that an unrestricted rate of increase is recognized by the Membership of the Corporation as a major obstacle to occupancy by and resale among low- and moderate-income persons of safe, decent and affordable housing. The "limited appreciation formula" is the method by which the Corporation, its Members, lessees, and Covenantors implement the concept of limited appreciation.

C. Any formula devised to accomplish the goals embodied in the concept of limited appreciation necessarily affects the ability of the Corporation, its Members, lessees and Covenantors to realize the mutually-held goal of promoting the occupancy by and resale among low- and moderate-income persons of safe, decent and affordable housing. Therefore, the procedure set forth in Section 2 of this Article shall govern any action by the Board of Directors to amend the limited appreciation formula.

SECTION 2 – Procedure for Amending the Limited Appreciation Formula

A. Any discussion by the Board of Directors relative to amending the limited appreciation formula shall be noted as an agenda item and each Director shall receive ten (10) days' notice of the Board meeting at which this item is scheduled for discussion.

B. Any motion by a Director to amend the limited appreciation formula shall be made only after two-thirds of the Board of Directors, a quorum having been established, find that the current formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors as established by these Bylaws, including this Article.

C. If two-thirds of the Board of Directors finds that the current limited appreciation formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors, the Board may propose and vote on a specific amendment to the current limited appreciation formula which addresses the Board’s concerns. Any such amendment must be adopted by a vote of two-thirds of the Board of Directors. If the amendment is adopted by the Board, the Board shall then call a Special Meeting of the Membership for the sole purpose of voting on the Board’s action to amend the limited appreciation formula. An affirmative vote of at least two-thirds of the voting Members present at the Special Membership meeting, a quorum having been established, is required to amend the limited appreciation formula. Any such amendment shall not affect or impair any agreement involving a limited appreciation formula which is in effect on the date of the Amendment.

Secretary
EXHIBIT C

LIST OF REAL PROPERTY OWNED BY LCHDC and SECURITY INTERESTS IN REAL PROPERTY

1. 309 (or 1302) Ethan Allen Avenue, Colchester, Vermont
   * Mortgage held by Chittenden Bank
   * Mortgage held by Vermont Housing and Conservation Board
   * Mortgage held by Town of Colchester

2. 322 St. Paul St., Burlington, Vermont
   * Mortgage held by Keybank, N.A.
   * Mortgage held by Vermont Community Loan Fund
   * Mortgage held by City of Burlington
   * Three (3) Mortgages held by Vermont Housing and Conservation Board

3. 133 King Street, Burlington, Vermont
   * Mortgage held by Chittenden Bank
   * Mortgage held by Vermont State Housing Authority
   * Housing Subsidy Covenant held by Vermont Housing and Conservation Board

4. 114 West Allen Street, Winooski, Vermont
   * First Mortgage held by Chittenden Bank

5. 57 West Allen Street (Allen House), Winooski, Vermont
   * Mortgage held by Keybank, N.A.
   * Mortgage held by Vermont Housing and Conservation Board
   * Mortgage held by City of Winooski
   * Mortgage held by Vermont Community Loan Fund

6. 210, 211, 220, 221, 230, 231ABCD, 240 ABCDEFGH, West Street, Winooski, Vermont (Westwood)
   * Mortgage held by Lance Management Company, Inc. as assigned
   * Housing Subsidy Covenant held by Vermont Housing and Conservation Board

7. Sunset Terrace Estates, Mobile Home Park, Swanton, Vermont
   * Two (2) Mortgages held by Chittenden Bank and one assignment of first mortgage
   * Mortgage held by Town of Swanton
   * Mortgage held by Vermont Community Loan Fund
   * Mortgage held by Vermont Housing and Conservation Board
   * Housing Subsidy Covenant to Vermont Housing and Conservation Board

8. 4180 Highbridge Road (Hidden Pines), Georgia, Vermont
   * Mortgage held by Vermont Housing Finance Agency
   * Mortgage held by Vermont State Housing Authority
   * Housing Subsidy Covenant held by Vermont Housing and Conservation Board

9. 34-66 Timothy Way (Pinecrest), Williston, Vermont
   * Mortgage held by Vermont Housing Finance Agency
   * Mortgage held by Vermont Housing and Conservation Board
10. **126-28 Pearl Street and 5 Walnut Street (Pearl/Walnut Mobile Home Park), St. Albans, Vermont**
   * First Mortgage held by Chittenden Bank

11. **427 Porters Point Road (Point School), Colchester, Vermont**
    * Two Mortgages held by Vermont Housing Finance Agency

12. **135-139 West Canal Street, Winooski, Vermont**
    * Mortgage held by Chittenden Bank
    * Mortgage held by City of Winooski

13. **222 North Street, Burlington, Vermont**
    * Mortgage and Housing Subsidy Covenant held by City of Burlington
    * Mortgage and Housing Subsidy Covenant held by Vermont Housing and Conservation Board

14. **174 North Main Street, St. Albans, Vermont**
    * Mortgage and Housing Subsidy Covenant held by Vermont Housing and Conservation Board

15. **French Hill Manor Mobile Home Park, Williston, Vermont**
    * Mortgage held by Vermont Housing and Conservation Board
    * Two (2) Mortgages held by Vermont Housing Finance Agency

16. **112-114 Archibald Street, Burlington, Vermont**
    * Mortgage held by Chittenden Bank
    * Mortgage held by City of Burlington
    * Mortgage held by Vermont Housing and Conservation Board

17. **Elmwood homes, St. Albans, Vermont**
    * Mortgage held by Vermont Housing Finance Agency
## EXHIBIT D

Lake Champlain Housing Development Corporation  
**Summary of Personal Property**

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EXHIBIT E

LIST OF REAL PROPERTY OWNED BY BCLT, INC. and SECURITY INTERESTS IN REAL PROPERTY

1. 600 Dalton Drive, Essex, Vermont
   * Mortgage held by Burlington Housing Authority
   * Mortgage held by the Town of Colchester
   * Mortgage held by the Vermont Housing and Conservation Board

2. 44 Front Street, Burlington, Vermont
   None

3. 163-165 Intervale Avenue, Burlington, Vermont
   None

4. 171-173 Intervale Avenue, Burlington, Vermont
   None

5. 175-177 Intervale Avenue, Burlington, Vermont
   None

6. 27-31 Peru Street/29-31 Johnson Street, Burlington, Vermont
   * Mortgage held by City of Burlington
   * Mortgage held by the Vermont Housing and Conservation Board
   * Mortgage held by the Vermont Housing Finance Agency

7. 22-26 Johnson Street, Burlington, Vermont
   * Mortgage held by City of Burlington
   * Mortgage held by the Vermont Housing Finance Agency

8. 120 North Champlain Street, Burlington, Vermont
   * Mortgage held by the Vermont Housing Finance Agency
   * Mortgage held by LCHDC
   * Right of Reentry held by City of Burlington

9. 279 North Winooski Street, Burlington, Vermont
   * Mortgage held by Vermont Community Loan Fund

10. 241-249 North Winooski Street, Burlington, Vermont
    * Mortgage held by Chittenden Bank as Trustee

11. 264 North Winooski Street, Burlington, Vermont
    * Mortgage held by Chittenden Bank as Trustee

12. 179 South Winooski Street, Burlington, Vermont
    * Mortgage held by Chittenden Bank as Trustee

13. 228 North Winooski Street, Burlington, Vermont
    * Mortgage held by Chittenden Bank as Trustee
14. 52 North Champlain Street, Burlington, Vermont  
   * Mortgage held by Keybank, N.A.  
   * Mortgage held by City of Burlington  
   * Mortgage held by LCHDC  
   * Mortgage held by Vermont Community Loan Fund  
   * Mortgage held by Vermont Housing and Conservation Board

15. 54 North Champlain Street, Burlington, Vermont  
   * Mortgage held by Keybank, N.A.  
   * Mortgage held by City of Burlington  
   * Mortgage held by LCHDC  
   * Mortgage held by Vermont Community Loan Fund  
   * Mortgage held by Vermont Housing and Conservation Board

16. 57-63 North Champlain Street, Burlington, Vermont  
   * Mortgage held by Keybank, N.A.  
   * Mortgage held by City of Burlington  
   * Mortgage held by LCHDC  
   * Mortgage held by Vermont Community Loan Fund  
   * Mortgage held by Vermont Housing and Conservation Board

17. 88 Sherman Street, Burlington, Vermont  
   * Mortgage held by Keybank, N.A.  
   * Mortgage held by City of Burlington  
   * Mortgage held by LCHDC  
   * Mortgage held by Vermont Community Loan Fund  
   * Mortgage held by Vermont Housing and Conservation Board

18. 73-75 Sherman Street, Burlington, Vermont  
   * Mortgage held by Keybank, N.A.  
   * Mortgage held by City of Burlington  
   * Mortgage held by LCHDC  
   * Mortgage held by Vermont Community Loan Fund  
   * Mortgage held by Vermont Housing and Conservation Board

19. 36 Convent Square, Burlington, Vermont  
   * Mortgage held by Keybank, N.A.  
   * Mortgage held by City of Burlington  
   * Mortgage held by LCHDC  
   * Mortgage held by Vermont Community Loan Fund  
   * Mortgage held by Vermont Housing and Conservation Board

20. 104-104.5 Intervale Avenue, Burlington, Vermont  
   * Mortgage held by Keybank, N.A.  
   * Mortgage held by City of Burlington  
   * Mortgage held by LCHDC  
   * Mortgage held by Vermont Community Loan Fund  
   * Mortgage held by Vermont Housing and Conservation Board

21. 5 Decatur Street, Burlington, Vermont  
   * Mortgage held by Keybank, N.A.  
   * Mortgage held by City of Burlington  
   * Mortgage held by LCHDC
BCLT-LCHDC Plan of Merger

22. 221 Pine Street, Burlington, Vermont
* Mortgage held by Keybank, N.A.
* Mortgage held by City of Burlington
* Mortgage held by LCHDC
* Mortgage held by Vermont Community Loan Fund
* Mortgage held by Vermont Housing and Conservation Board

23. 136 Mallets Bay Avenue, Winooski, Vermont
* Mortgage held by Chittenden Bank
* Mortgage held by City of Winooski
* Mortgage held by LCHDC

24. 6-6.5 Leclair Street, Winooski, Vermont
* Mortgage held by Chittenden Bank
* Mortgage held by City of Winooski
* Mortgage held by LCHDC

25. 194-194.5 Hickok Street, Winooski, Vermont
* Mortgage held by Chittenden Bank
* Mortgage held by City of Winooski
* Mortgage held by LCHDC

26. 415 South Union Street, Burlington, Vermont
* Mortgage held by Keybank, N.A.
* Mortgage held by City of Burlington
* Mortgage held by the Vermont Housing and Conservation Board

27. 20 South Willard Street, Burlington, Vermont
* Mortgage held by Keybank, N.A.
* Mortgage held by City of Burlington
* Mortgage held by the Vermont Housing and Conservation Board

28. 141 Maple Street, Burlington, Vermont
* Mortgage held by Keybank, N.A.
* Mortgage held by City of Burlington
* Mortgage held by the Vermont Housing and Conservation Board

29. 21 Crowley Street, Burlington, Vermont
* Mortgage held by City of Burlington
* Mortgage held by Vermont Community Loan Fund

30. 30 Blodgett Street, Burlington, Vermont
None

LAND ONLY OWNED BY BCLT (BUILDINGS ARE OWNED BY TAX CREDIT PARTNERSHIPS)

1. 62-68 North Champlain Street, Burlington, Vermont
* Security interest held by City of Burlington
2. 42 North Street, Burlington, Vermont
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency

3. 84 North Street, Burlington, Vermont
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency

4. 47-49 Archibald Street, Burlington, Vermont
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency

5. 86 Oak Street, Burlington, Vermont
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency

6. 68 Cottage Grove, Burlington, Vermont
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency

7. 52 Hyde Street, Burlington, Vermont
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency

8. 16-20 North Avenue/23-25 Front Street (one lot), Burlington, Vermont
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency

9. 95 Grant Street, Burlington, Vermont
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency

10. 204 Pearl Street, Burlington, Vermont
    * Security interest held by City of Burlington
    * Security interest held by Vermont Housing and Conservation Board
    * Security interest held by Chittenden Bank

11. 106 South Union Street, Burlington, Vermont
    * Security interest held by City of Burlington
    * Security interest held by Vermont Housing and Conservation Board

12. 78 Rose Street, Burlington, Vermont
    * Security interest held by City of Burlington
    * Security interest held by Vermont Housing and Conservation Board
    * Security interest held by Banknorth
13. **11 Cedar Street, Burlington, Vermont**
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency
   * Security interest held by Lake Champlain Housing Development Corporation

14. **43-45 Manhattan Drive, Burlington, Vermont**
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency
   * Security interest held by Lake Champlain Housing Development Corporation

15. **310-318 Manhattan Drive, Burlington, Vermont**
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency
   * Security interest held by Lake Champlain Housing Development Corporation

16. **326-328 Manhattan Drive, Burlington, Vermont**
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency
   * Security interest held by Lake Champlain Housing Development Corporation

17. **33-39 Manhattan Drive, Burlington, Vermont**
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency
   * Security interest held by Lake Champlain Housing Development Corporation

18. **267 North Winooski Avenue, Burlington, Vermont**
   * Security interest held by City of Burlington
   * Security interest held by Vermont Housing and Conservation Board
   * Security interest held by Vermont Housing Finance Agency
   * Security interest held by Lake Champlain Housing Development Corporation

**LAND ONLY OWNED BY BCLT (IMPROVEMENTS ARE OWNED BY INDIVIDUAL HOMEOWNERS AND/OR CONDOMINIUM ASSOCIATIONS)**

BCLT owns the land only underneath numerous single family homes, as well as certain duplexes and condominium developments throughout its area of operation.
<table>
<thead>
<tr>
<th></th>
<th>BUILDINGS</th>
<th>UNITS</th>
<th>Building Addresses</th>
<th>City/Town/ZIP</th>
</tr>
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<tbody>
<tr>
<td><strong>OWNED</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Point School Apts.</td>
<td>1</td>
<td>5</td>
<td>427 Porters Point Road</td>
<td>Colchester, 05446</td>
</tr>
<tr>
<td>Sunset Terrace</td>
<td>17</td>
<td>17</td>
<td>Sunset Terrace</td>
<td>Swanton, 0548</td>
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<tr>
<td>322 St. Paul St.</td>
<td>1</td>
<td>4</td>
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<td>Burlington, 05401</td>
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<td>Hidden Pines</td>
<td>1</td>
<td>8</td>
<td>4180 Bridgehill Road</td>
<td>Fairfax, 05454</td>
</tr>
<tr>
<td>Allen House</td>
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<td>57 West Allen St.</td>
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<tr>
<td>136 West Canal St.</td>
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</tr>
<tr>
<td>Pincroest</td>
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<td>6</td>
<td>Timothy Way</td>
<td>Williston, 05495</td>
</tr>
<tr>
<td>114 West Allen St.</td>
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<td>4</td>
<td>114 West Allen St.</td>
<td>Winooski, 05404</td>
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<td>Williston, 05495</td>
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<td>114 Archibald St.</td>
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<td>9</td>
<td>114 Archibald St.</td>
<td>Burlington, 05401</td>
</tr>
<tr>
<td>309 Ethan Allen Ave.</td>
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<tr>
<td>Weston Apts.</td>
<td>1</td>
<td>2</td>
<td>West St.</td>
<td>Winooski, 05404</td>
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<tr>
<td>Pearl St. Mobile Home Park</td>
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<td>9</td>
<td>128 &amp; 132 Pearl St., 5 Walnut St.</td>
<td>St. Albans, 05478</td>
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<td><strong>TOTAL OWNED</strong></td>
<td>70</td>
<td>207</td>
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<td><strong>LP WITH OWNERSHIP</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Alburg Family Housing</td>
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<td>Carte St., Main St.</td>
<td>Alburg, VT 05440</td>
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<td>Blake Commons</td>
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<td>16</td>
<td>20 Blake St.</td>
<td>Swanton, 0548</td>
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<tr>
<td><strong>BRHIP</strong></td>
<td>12</td>
<td>33</td>
<td>169 Pine St., 191 Pine St., 193-197 Pine St., 42 North St., 47-49 Archibald St., 52 1/2 Hyde St., 52 Hyde St., 62-66 N. Champlain St., 68 Cottage Grove, 84 North St., 86 Oak St., 95 Grant St., 16-23 North Ave.</td>
<td>Burlington, 05401</td>
</tr>
<tr>
<td>Brookside Village Apartments</td>
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<td>42</td>
<td>Morehouse Drive</td>
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</tr>
<tr>
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<td>343 N. Winooski Ave.</td>
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<tr>
<td>Bus Barns Bond</td>
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<td>321-333 N. Winooski Ave., 337 N. Winooski Ave., 640 Riverside Ave.</td>
<td>Burlington, 05401</td>
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<tr>
<td>Callahan</td>
<td>6</td>
<td>28</td>
<td>134 North St., 165-165 Intervale Ave., 171-173 Intervale Ave., 177 Intervale Ave., 33 North St., 44 Front St.</td>
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<tr>
<td><strong>ECHO</strong></td>
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<td>32</td>
<td>117 Archibald St., 16-18 1/2 Decatur St., 211 Park St., 21 N. Champlain St., 257 N. Winooski Ave., 259 N. Winooski Ave., 58 N. Champlain St., 84 North Ave., 92 North St.</td>
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<td>King Street Apartments</td>
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<td>88 King Street</td>
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<tr>
<td>Millview Apartments</td>
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<td>222 Riverside Ave.</td>
<td>Burlington, 05401</td>
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<tr>
<td>O.N.E</td>
<td>6</td>
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<tr>
<td>Park Place Co-op</td>
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<td>125 St. Paul St.</td>
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<td>Pearl Union SRO</td>
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<td>204 Pearl St., 136 S. Union St.</td>
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<td>Pleasant Street Apts(Einsburg)</td>
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<td>30, 44, 46, 68, 70, 72 Kennison Drive</td>
<td>Enoisburg Falls, 05450</td>
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<tr>
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<td>78 Rose St.</td>
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<td>79</td>
<td>230 Riverside Ave.</td>
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<td>Waterfront Apartments</td>
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<td>300 Lake St.</td>
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<tr>
<td>1306 (397) Ethan Allen Ave.</td>
<td>4</td>
<td>42</td>
<td>397 Ethan Allen Ave, 53-55 East Spring St., 57-61 East Spring St., 65-67 East Spring St.</td>
<td>Burlington, 05401 &amp; Winooski, 05404</td>
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<tr>
<td>Isle Housing</td>
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<td>16</td>
<td>2, 4, 6, &amp; 10 Isle Lane</td>
<td>Grand Isle, 05458</td>
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<td>Richmond Village Apts.</td>
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<td>16</td>
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<td>Sheburne HLP</td>
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<tr>
<td>Anderson Parkayy Allocated</td>
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<td>Anderson Parkway</td>
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<tr>
<td>Anderson Parkayy Bond</td>
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<td>8</td>
<td>Anderson Parkway Bond</td>
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<tr>
<td>Lime Kiln Allocated</td>
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<td>378 Lime Kiln Road</td>
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<td>380 Lime Kiln Road</td>
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<tr>
<td>O'Dell Allocated</td>
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<td>345 Farrell St., 347 Farrell St.</td>
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<tr>
<td>O'Dell Bond</td>
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<td>349 Farrell St., 351 Farrell St.</td>
<td>South Burlington, 05403</td>
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<tr>
<td>Pine Manor</td>
<td>2</td>
<td>16</td>
<td>6 Lake St.</td>
<td>Alburgh, 05440</td>
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<tr>
<td>Queenbury Co-op</td>
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<td>18</td>
<td>Queenbury Road</td>
<td>South Burlington, 05403</td>
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<tr>
<td>61 Lincoln Ave., 72 Fairfield St.</td>
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<td>61 Lincoln Ave., 72 Fairfield St.</td>
<td>St. Albans, 05478</td>
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<tr>
<td>Butler House</td>
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<td>11 Lake St.</td>
<td>St. Albans, 05478</td>
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<tr>
<td>Winooski Opera House</td>
<td>1</td>
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<td>26 N. Main St.</td>
<td>St. Albans, 05478</td>
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<tr>
<td>Swanton School Apts.</td>
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<td>Church St.</td>
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<td>Maple Tree Place</td>
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<tr>
<td>Building Name</td>
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<td>Buildings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
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<td></td>
</tr>
<tr>
<td>Allen Canal HLP</td>
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<tr>
<td>Falls Housing</td>
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<tr>
<td>Willard Mill</td>
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<td></td>
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<tr>
<td>Winchester Place</td>
<td>37</td>
<td>166</td>
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</table>

**Total LP with Ownership:** 196 buildings with 1153 units.

**Managed-Not Owned Buildings:**

<table>
<thead>
<tr>
<th>Building Name</th>
<th>Units</th>
<th>Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monroe St. Apts.</td>
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<tr>
<td>South End Comm. Hsg</td>
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<tr>
<td>Flynn Avenue Co-op</td>
<td>2</td>
<td>28</td>
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<tr>
<td>Round Barn</td>
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<tr>
<td>Richford Comm. Hsg.</td>
<td>4</td>
<td>15</td>
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<tr>
<td>Airport Properties</td>
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<tr>
<td>Lake St. Apts.</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Main St. Milt</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Missisquoi Manor</td>
<td>4</td>
<td>24</td>
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</table>

**Total Managed-Not Owned:** 24 buildings with 131 units.

**Owned-Not Managed Buildings:**

<table>
<thead>
<tr>
<th>Building Name</th>
<th>Units</th>
<th>Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>174 N. Main St. St. Albans</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>222 North St.</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>133 King St.</td>
<td>1</td>
<td>9</td>
</tr>
</tbody>
</table>

**Total Owned-Not Managed:** 3 buildings with 16 units.

**Grand Totals:** 293 buildings with 1507 units.
CHT Committee Descriptions & Responsibilities
(Approved by CHT Board, July 7, 2008)
Draft: February 2010

Executive Committee
Meeting Frequency: Monthly
Staff support: Brenda Torpy, CEO (with back-up, as necessary, from Michael Monte)

Chaired by CHT’s President and composed of CHT’s officers plus the chair of the Property Management Committee (formerly the Asset Management Committee), the Executive Committee has the following responsibilities:
- Oversee an annual performance evaluation of CHT’s chief executive officer.
- Conduct an annual performance evaluation of the CHT’s Board of directors, committee structure, and overall governance.
- Serve as the Nominating Committee in recruiting new Board members.
- Oversee the work of the Board’s other committees.
- Lead succession planning for officers of the Board and committee chairs.
- Serve as the personnel committee, as needed, reviewing the philosophy and structure of CHT’s benefits and compensation.

Finance Committee
Meeting Frequency: Monthly
Staff support: Michael Monte, CFO and Mike Bourgea, Director of Finance

Chaired by CHT’s Treasurer, the Finance Committee has the following responsibilities:
- Oversee preparation and implementation of CHT’s annual budget.
- Oversee use of line of credit and review plan for retirement of corporate debt.
- Monitor areas of financial concern affecting CHT’s short-term solvency and long term sustainability.

Property Management Committee
Meeting Frequency: Every other month (or more frequently, as needed)
Staff support: Josie Curtin, Director of Property and Asset Management
Michael Monte, COO & Brenda Torpy, CEO

Formerly the Asset Management Committee, the Property Management Committee is chaired by a member of the Board and includes at least one of the Board’s Resident Member Representatives. The Committee will strive to have a member who is a resident of CHT rental housing. The committee has the following responsibilities:
- Review and recommend policies for the stewardship of CHT’s portfolio of rental housing and non-residential buildings.
- Review and oversee the policies and operating procedures for CHT’s property management department.
- Review performance of CHT’s rental property against established benchmarks relative to vacancies, turnover, collections, and cash flow.
- Review staff-generated plans for upgrading (or disposing) of rental properties that do not meet these performance benchmarks.
- Review the Capital Needs Assessments for each site from a financial planning perspective, planning for future replacement needs.
- Monitor CHT’s property management policies to assure consistency with CHT’s mission.
Review the long-term viability of managing and maintaining projects that are proposed for addition to CHT’s rental portfolio.

**Homeownership Committee**  
**Meeting Frequency:** Quarterly (or more frequently, as needed)  
**Staff support:** Emily Higgins, Director of Homeownership  
Chair by a member of the Board, the Homeownership Committee has the following responsibilities:
- Oversee policies and procedures pertaining to the stewardship of CHT’s portfolio of resale-restricted, owner-occupied housing.
- Explore new procedures and programs for maintaining the safety, soundness, and condition of CHT’s portfolio of resale-restricted, owner-occupied housing.
- Review and recommend lending policies, procedures, and underwriting criteria.
- Recommend revisions to CHT’s lending policies, procedures, and underwriting criteria as needed.
- Monitor performance and review sustainability of the Northwest homeownership office.

**Project Development Committee**  
**Meeting Frequency:** Every other month  
**Staff support:** Amy Demetrowitz, Director of Real Estate Development  
Chair by a member of the Board, the Project Development Committee reviews the financial feasibility, social need, community compatibility, and environmental impact of land acquisitions and major construction or rehabilitation projects proposed by CHT’s staff, including the redevelopment or recapitalization of projects already in CHT’s portfolio. In providing direction and support for CHT’s department of real estate development, the Committee’s specific responsibilities are as follows:
- Help to identify and review potential sites for the development of multi-family rental housing, homeownership housing, and community development projects.
- Evaluate proposed projects and recommend their approval to the full CHT Board.
- Review CHT’s overall development pipeline to assure geographic, housing tenure and affordability mix.
- Develop and recommend policies regarding real estate development to the full CHT Board.

**Co-op Committee**  
**Meeting Frequency:** Monthly (or less frequently, as needed)  
**Staff support:** Julia Curry, Co-op & Community Organizer  
Chair by a member of the Board and including at least one of the Board’s Resident Member Representatives who lives in a limited-equity cooperative, the Co-op Committee shall also include two Resident Members who do not serve on CHT’s Board. The Committee has the following responsibilities:
- Serve as a forum and sounding board for co-op members: fielding suggestions for new programs, listening to complaints about existing services, and soliciting ideas for improvements in CHT’s support for co-ops.
- Serve as a bridge and conduit between the CHT Board and housing co-ops, carrying information and concerns in both directions.
- Serve as an advocate for housing cooperatives on the CHT Board, especially with regard to CHT policies and programs affecting the co-ops.
- Serve as an advocate for housing cooperatives vis-à-vis state and local officials who are charged with funding or regulating the development of affordable housing.
- Review CHT’s policies affecting CHT’s housing cooperatives on an annual basis and recommend changes, as needed.
- Review and monitor the process used by CHT and by CHT’s housing cooperatives in interviewing, screening, selecting, and preparing prospective members of cooperative housing.
Participate in the annual performance evaluation of any CHT staff who are assigned to support the work of the Co-op Committee.

Monitor disbursements, investment, balances, and policies of the pooled vacancy and replacement reserves for CHT’s housing cooperatives.

Review plans for co-op continuations and co-op conversions in projects with Low Income Housing Tax Credits that are approaching the end of their 15-year contracts.

**Community Relations & Fundraising Committee**

*Meeting Frequency: Monthly*

*Staff support: Chris Donnelly, Director of Community Relations*

Chair by a member of the Board, the committee on Community Relations and Fundraising will combine the functions of the former Fundraising and Membership Development Committee and the Legacy Committee. It will include current members of the CHT Board as well as volunteers who do not serve on the CHT Board. The committee’s initial focus will be to plan and prepare for CHT’s 25th Anniversary Celebration in late FY09 or early FY10. In addition to planning for this major event, the committee will have the following responsibilities:

- Develop and oversee the implementation of annual fundraising and community relations plans that are aimed at raising funds, building membership, informing and engaging existing members, advocating for public policy, and winning media coverage for CHT and its projects.
- Provide Board leadership for the annual fall fundraising campaign, the Legacy Campaign, and other fundraising activities.
- Generate ideas and develop plans for a summer fundraising event.
- Study, devise, and implement a member services program.
- Develop and implement a plan to engage CHT members and residents in Residents’ Days, Legislative Day, and CHT’s Annual Meeting.

**Ad Hoc Sub-committee to Evaluate Member Services**

Convened as an ad hoc sub-committee of the Community Relations and Fundraising Committee, with members drawn from inside and outside of that Committee, this ad hoc group will be staffed by Julia Curry. It will be assigned the following responsibilities:

- Review CHT policies and activities for recruiting, retaining, and involving members
- Review and recommend improvement in the services available to the residents of CHT housing with the goal of making them more successful as homeowners or renters and more engaged in CHT’s programs and governance.

**Ad Hoc Committees**

Established on an ad hoc basis by the CHT Board, three committees will meet at least once a year and more often, if needed. Chaired by a member of the CHT Board, with members drawn from both the Board and the staff, these committees will review and refine CHT’s policies, procedures, and plans in the following areas:

- Legislative initiatives, public policy, and advocacy at the state and local levels;
- Strategic planning; and
- Personnel (benefits and compensation).
CHAMPLAIN HOUSING TRUST, INC.
COMMUNITY LAND TRUST LEASE

THIS LEASE ("this Lease" or "the Lease") is made and entered into this ______ day of ______, 20 ______, by and between CHAMPLAIN HOUSING TRUST, INC. ("CHT") and ___________________ ("Homeowner").

WHEREAS, the State of Vermont pursuant to Title 10 and Title 27 of the Vermont Statutes Annotated, supports and encourages the development and continued availability of affordable housing for low and moderate income people; and

WHEREAS, CHT is organized for the charitable purposes: of establishing and maintaining affordable housing for low and moderate income households; of providing access to land and decent housing; of conserving land and natural resources by acquiring property for resale to low and moderate income households to provide entry into the local homeownership marketplace which remains foreclosed to them as a matter of limited financial resources; and

WHEREAS, a goal of CHT is to stimulate the conveyance of decent, affordable housing among low and moderate income people by providing access to housing for such persons at affordable prices through the long-term leasing of land under said housing; and

WHEREAS, the Leased Premises described in this Lease have been acquired and are being leased by CHT in furtherance of these charitable purposes; and

WHEREAS, the Homeowner shares the purposes and goals of CHT and has agreed to enter into this Lease not only to obtain those benefits to which the Homeowner is entitled under this Lease, but also to further the charitable purposes of CHT; and

WHEREAS, CHT and Homeowner recognize the special nature of the terms and conditions of this Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of any Improvements on the Leased Premises; and

WHEREAS, it is mutually understood and accepted by CHT and Homeowner that the terms and conditions of this Lease further their shared goals over an extended period of time and through a succession of owners;

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of CHT and Homeowner, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CHT and Homeowner agree as follows:

ARTICLE 1: Letters of Stipulation and Client Declaration

Attached as Exhibit STIPULATIONS OF THE PARTIES AND CLIENT DECLARATION and made part of this Lease by reference are (a) a Letter of Stipulation setting forth CHT and Homeowner’s acknowledgement and understanding of this Lease and related documents for this transaction, and (b) a Client Declaration, setting forth Homeowner’s respective review and understanding of this Lease (in particular, Article 10, regarding the transfer, sale or disposition of the Improvements) and related documents for this transaction.

ARTICLE 2: Demise of Leased Premises

2.1 LEASED PREMISES: CHT, in consideration of the rents reserved and the terms and conditions of this Lease, does hereby demise and leave unto Homeowner, and Homeowner does hereby take and hire from CHT, the property (referred to in this Lease as the “Leased Premises”) described in the attached Exhibit PREMISES.

2.2 RESERVATION OF MINERAL RIGHTS: CHT reserves to itself all the minerals and other extractive resources of the Leased Premises. This reservation shall not diminish the right of the Homeowner under this Lease to occupy and freely use the Leased Premises. Any eventual extraction by CHT of minerals or other extractive resources shall be carried out with as little disruption to the Homeowner as is reasonably possible. In instances requiring a
material disruption of the Homeowner's right of use and occupancy of the Leased Premises, CHT shall not make such extraction without the consent of the Homeowner.

ARTICLE 3: Duration of Lease

3.1 PRINCIPAL TERM: The term of this Lease shall be ninety nine (99) years, commencing on the ___ day of ____, 20___, and terminating on the ____ day of ________, 20___, unless terminated sooner or extended as provided below.

3.2 HOMEOWNER’S OPTION TO EXTEND: Homeowner may extend the principal term of this Lease for one (1) additional period of 99 years, subject to all of the provisions of this Lease; provided that CHT may make changes to the terms of the Lease for the renewal period prior to the beginning of such renewal period but only if these changes do not materially and adversely impair Homeowner’s rights under the Lease. Not more than 365 nor less than 180 days before the last day of the current term, CHT shall give Homeowner written notice, stating the date of expiration of the Lease, describing any changes that CHT intends to make to the terms of the Lease as permitted above, and reiterating the conditions for renewal as set forth immediately below (“the Expiration Notice”).

Homeowner’s right to exercise the option to extend is subject to the following conditions: (a) within 60 days of receipt of the Expiration Notice, Homeowner shall give CHT written notice, irrevocably exercising the option to extend (“the Extension Notice”); (b) this Lease shall be in effect at the time the Extension Notice is given and on the last day of the term, and (c) there shall not be an Event of Default by Homeowner under this Lease or under any loan documents between Homeowner and any Permitted Mortgagee at the time the Extension Notice is given and on the last day of the term.

When Homeowner has rightfully exercised the option to extend, each party shall execute a memorandum, in mutually agreeable recordable form, acknowledging the fact that the option has been exercised and otherwise complying with the requirements of law for an effective memorandum or notice of lease, and such memorandum or notice of lease shall be recorded in accordance with the requirements of law on or promptly after the commencement of such renewal period of the Lease.

3.3 CHANGE OF CHT; HOMEOWNER’S RIGHT TO PURCHASE: In the event that ownership of the land comprising the Leased Premises (The Land”) is conveyed or transferred (whether voluntarily or involuntarily) by CHT to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event CHT desires or attempts to convey the Land to any person or entity other than a non-profit corporation, charitable trust, governmental agency or other similar entity sharing the goals described in the Recitals above (or as security for a mortgage loan), the Homeowner shall have a right of first refusal to purchase the Land. This right shall be as specified in the attached Exhibit FIRST REFUSAL. Any sale or other transfer contrary to this Section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Premises

4.1 RESIDENTIAL USE ONLY: Homeowner shall use, and shall cause all occupants to use, the Leased Premises and Improvements only for residential purposes. No commercial structures shall be erected on the Leased Premises. Under no circumstances may the Improvements on the Leased Premises be altered to create more than one primary residence such as construction of a duplex or garage apartment.

4.2 RESPONSIBLE USE AND COMPLIANCE WITH LAW: Homeowner shall maintain the Leased Premises and Improvements in good, safe, and habitable condition in all respects, except for normal wear and tear, in full compliance with all applicable laws and regulations, and in such condition as is required to maintain the insurance coverage required by Section 9.4 of this Lease.

4.3 RESPONSIBLE FOR OTHERS: Homeowner shall be responsible for the use of the Leased Premises by all residents and their families, friends and visitors and anyone else using
the Leased Premises with their consent and shall make all such people aware of the spirit, intent and appropriate terms of this Lease.

4.4 OCCUPANCY: Homeowner shall occupy the Leased Premises for at least six (6) months of each year of this Lease, unless otherwise agreed by CHT. Occupancy by children or other immediate family members or dependents of Homeowner shall be considered occupancy by Homeowner.

4.5 INSPECTION: CHT may inspect any portion of the Leased Premises at any reasonable time, but not more than 2 times in a single calendar year, and in any reasonable manner, upon at least 48 hours oral notice to Homeowner. In the event of emergency, CHT may inspect any portion of the Leased Premises without notice provided CHT shall have made reasonable efforts to give advance notice to Homeowner. If CHT has reasonable cause, CHT may inspect the interior of the Improvements on the Leased Premises. CHT shall give Homeowner notice at the time of or prior to such an interior inspection specifying such reasonable cause.

4.6 HOMEOWNER’S RIGHT TO PEACEFUL ENJOYMENT: Homeowner has the right to undisturbed enjoyment of the Leased Premises, and CHT has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Homeowner, subject to the provisions of this Lease.

ARTICLE 5: Ground Lease Fee

5.1 GROUND LEASE FEE: In consideration of the possession, continued use and occupancy of the Leased Premises, Homeowner shall pay to CHT a monthly ground lease fee (the “Ground Lease Fee”) of thirty five dollars ($35.00).

5.2 ADJUSTMENTS TO GROUND LEASE FEE: The Ground Lease Fee shall be subject to adjustment on January 1, 2012, and every (5) five years thereafter. Any increase shall not exceed ten dollars ($10.00) per month over the Ground Lease Fee charged during the preceding five year term, and must be approved by the Board of Directors of CHT. CHT shall notify Homeowner promptly upon recalculation of the new Ground Lease Fee amount, and if Homeowner does not state objections to the recalculated amount within thirty (30) days after receipt of this notice, the Ground Lease Fee shall then be as stated by CHT in the notice. If Homeowner does not state objections to the recalculated Ground Lease Fee, and CHT and Homeowner are then unable to agree on a recalculated Ground Lease Fee within fifteen (15) days of CHT’s receipt of Homeowner’s objection, the dispute shall be resolved according to the arbitration process set forth in Article 13 below, except that the arbitrators chosen by each party shall be ones with experience in the valuation of real estate.

5.3 PAYMENT OF GROUND LEASE FEE: The Ground Lease Fee shall be payable to CHT, at the address specified in this Lease as CHT’s address or such other address as CHT may designate from time to time in writing, on the fifteenth day of each month for as long as this Lease remains in effect, unless, with CHT’s consent, the Ground Lease Fee is to be escrowed by a Permitted Mortgagee, in which case payment shall be made as specified by that Mortgagee. If the Lease commences on a day other than the first of the month, a pro-rata portion of the Ground Lease Fee shall be paid for the balance of the month at the time the Lease is executed.

In the event that any amount of payable Ground Lease Fee remains unpaid when the Improvements are sold or decreed in accordance with the terms of this Lease, the amount of payable Ground Lease Fee shall be paid to CHT at the time of such sale or transfer of title pursuant to decree.

5.4 REDUCTION, DELAY OR WAIVER OF GROUND LEASE FEE: CHT may reduce, delay or waive entirely the Ground Lease Fee at any time and from time to time for the purpose of assuring affordable monthly housing costs for the Homeowner. Any such reduction, delay or waiver must be in writing and signed by CHT before being effective.

5.5 ADJUSTMENT OF GROUND LEASE FEE: The Ground Lease Fee stated in Section 5.1 above, as adjusted in the way provided for in Section 5.2, shall be applicable during the term of this Lease. However, in the event that, for any reason, the provisions of Article 10 or Article 11 regarding transfers of the Improvements or Section 4.4 regarding occupancy are
suspended or invalidated for any period of time, then during that time, the Ground Lease Fee shall be increased to an amount calculated by CHT to equal the fair rental value of the Leased Premises for use not restricted by the provisions of the suspended portions of the Lease.

5.6 LATE FEE: If CHT does not receive the full amount of the Ground Lease Fee specified in Section 5.1 above by the end of the fifteenth (15) calendar day after the date it is due, Homeowner shall pay a late fee in the amount of five percent (5%) of said Ground Lease Fee.

ARTICLE 6: Taxes and Assessments

6.1 TAXES AND ASSESSMENTS: Homeowner shall be responsible for payment of all taxes and governmental assessments that relate to the Improvements and the Leased Premises. Homeowner shall also pay directly, when due, all other service bills, utilities charges, or other governmental assessments charged against the Improvements or Leased Premises.

6.2 TAXES ON LEASED PREMISES: In the event that the local taxing authority bills CHT for the taxes on the Leased Premises, CHT shall pass the responsibility for this expense to Homeowner and Homeowner shall promptly pay this bill.

6.3 HOMEOWNER’S RIGHT TO CONTEST: Homeowner shall have the right to contest the amount or validity of any taxes relating to the Improvements and Leased Premises. CHT may, join in any such proceedings if they relate to program needs. Any Homeowner request for CHT’s participation must be in writing. All costs and expenses of such proceedings shall be paid by Homeowner.

6.4 PAYMENTS IN EVENT OF DELINQUENCY: In the event that Homeowner fails to pay the taxes or other charges specified in Section 6.1 and 6.2 above, CHT may increase, but shall not be obligated to increase, Homeowner’s Ground Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges relating to the Improvements or Leased Premises.

6.5 PROOF OF COMPLIANCE: Concurrently with the payment of any taxes, assessments, and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a receipt for such charges showing payment prior to the due date shall be the usual method of furnishing such evidence.

6.6 LATE FEE: If CHT does not receive the full amount of all taxes and assessments due in accordance with this Article 6 by the end of the fifteenth (15th) calendar day after the date it is due, Homeowner shall pay a late fee in the amount of five percent (5%) of said outstanding taxes or assessments.

ARTICLE 7: Improvements

7.1 OWNERSHIP: It is agreed that all buildings, structures, fixtures, and other Improvements purchased by the Homeowner or constructed or placed by the Homeowner on any part of the Leased Premises at any time during the term of this Lease (the “Improvements”) shall be property of the Homeowner.

A description of the Improvements owned by Homeowner as of the date of execution of this Lease Agreement is attached as Exhibit IMPROVEMENTS. Title to such Improvements shall be and remain vested in the Homeowner. However, Homeowner’s exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the disposition of Improvements by the Homeowner and CHT’s option to purchase the Improvements.

7.2 PURCHASE OF IMPROVEMENTS BY HOMEOWNER: Homeowner is simultaneously purchasing the Improvements now located on the Leased Premises.

7.3 CONSTRUCTION AND ALTERATION: Any construction of major improvements in connection with an existing or new Improvement is subject to the following conditions: (a) whenever Homeowner shall desire to undertake to construct any major improvements outside the planes of the exterior walls, roof, and basement of the existing structure or structures.
located on the Leased Premises, they must notify CHT in writing of their intentions. Such written notice shall include a plan describing fully the proposed construction and its potential impact on the Leased Premises and the surrounding lands; (b) the exterior (including height) of such improvements shall not be increased, expanded or decreased, and no new improvements shall not be constructed without the prior written consent of CHT, which shall not be unreasonably withheld; (c) no lien for services, labor or materials shall attach to CHT’s title to the Leased Premises or any other lands owned by CHT, by reason of any construction undertaken by Homeowner in, upon, under, or over the Leased Premises; (d) all costs shall be borne and paid for by the Homeowner; (e) all construction shall be performed in a workmanlike manner and shall comply with all applicable laws and regulations; and (f) all construction shall be consistent with the permitted uses set forth in Article 4.

7.4 PROHIBITION OF LIENS: No lien of any type shall attach to CHT's title to the Land or to CHT's interest in the Leased Premises or to any other property owned by CHT. Homeowner shall not permit any statutory or similar lien to be filed against the Leased Premises, the improvements, or any interest of CHT or Homeowner which remains more than sixty (60) days after it has been filed. Homeowner shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Homeowner fails to cause such lien to be discharged within the sixty-day period, then, in addition to any other right or remedy, CHT may, but shall not be obligated to, discharge the lien by paying the amount in question. Homeowner may, at Homeowner's expense, contest the validity of any such asserted lien, provided Homeowner has furnished a bond in an amount sufficient to release the Leased Premises from such lien. Any amounts paid by CHT to discharge such liens shall be deemed to be an additional Ground Lease Fee payable by Homeowner upon demand.

7.5 MAINTENANCE AND SERVICES: Homeowner shall, at Homeowner’s sole expense, maintain the Leased Premises, including but not limited to all trees and landscaping located on the Leased Premises, and all improvements as required by Section 4.2 above. CHT shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning, or water, or to make any repairs to the Leased Premises or improvements, and Homeowner hereby assumes the sole responsibility for furnishing all services or facilities.

7.6 DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM: Upon the expiration of the term of this Lease as such term may be extended or sooner terminated in accordance with this Lease, Homeowner shall either:

a) surrender the improvements together with the Leased Premises to CHT by executing and delivering an acceptable Vermont Warranty Deed conveying marketable title, as defined by Vermont law. Ownership of the improvements shall thereupon revert to CHT, provided, however, that CHT shall promptly pay to Homeowner as consideration for the improvements an amount equal to CHT’s Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Ground Lease Fee including any charges that may have been added to the Ground Lease Fee in accordance with this lease; or

b) remove all improvements from the Leased Premises within three (3) months of the expiration/termination of the Lease. Homeowner shall make every reasonable effort to return the Leased Premises to its original contours and vegetation. During the three-month period prescribed above, all provisions of the Lease shall remain in effect. Unless Homeowner informs CHT in writing of the date upon which Homeowner will vacate the Leased Premises, Homeowner shall be held responsible and accountable for the care of the Leased Premises for the duration of this three-month period.

ARTICLE 8: Financing

8.1 PERMITTED MORTGAGE: Homeowner may mortgage the Leased Premises only with the written consent of CHT. Not less than thirty (30) days prior to the date on which Homeowner (or a prospective homeowner who has contracted to purchase the improvements) requests CHT’s consent to a mortgage to be effective, Homeowner (or prospective homeowner) shall furnish to CHT copies of every document to be executed in connection with the transaction represented by such mortgage. CHT may choose to consent to any mortgage,
and in so doing shall designate such mortgage as a “Permitted Mortgage.” However, CHT shall be required to consent to a mortgage only if (a) at the time such copies of documents are submitted and at the time proposed by Homeowner (or prospective Homeowner) for the execution of such documents, no default is then outstanding; and (b) the mortgage so submitted is a Standard Permitted Mortgage as defined in the attached Exhibit PERMITTED MORTGAGES. Homeowner shall pay to CHT at CHT’s option, as additional Ground Lease Fee, all fees, costs and expenses, including, without limitation, reasonable attorneys’ fees, incurred by CHT in connection with any Permitted Mortgage.

8.2 RIGHTS OF PERMITTED MORTGAGEE: Any holder of a Permitted Mortgage (Permitted Mortgagor) shall without requirement of consent by CHT have the rights identified and defined in the attached Exhibit PERMITTED MORTGAGES.

8.3 REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE: In the event of foreclosure sale by a Permitted Mortgagor or the delivery of a deed to a Permitted Mortgagor in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagor the provisions of Article 10, Sections 10.1 through 10.09 shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred.

8.4 CHT’S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE: The parties recognize that it would be contrary to the fundamental concept of this Lease and an incentive to abuse Homeowner’s authorization to encumber its leasehold interest with a Permitted Mortgage if Homeowner could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly Homeowner hereby irrevocably assigns to CHT any and all net proceeds of sale of the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagor which would otherwise have been payable to Homeowner, to the extent such net proceeds exceed the net proceeds that Homeowner would have received had the property been sold for the Purchase Option Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagor or any party conducting any sale to pay the amount of said excess proceeds directly to CHT. In the event that, for any reason, such excess proceeds are paid to Homeowner, Homeowner hereby agrees to promptly pay the amount of such excess proceeds to CHT.

8.5 AMENDMENTS SUBJECT TO APPROVAL BY PERMITTED MORTGAGEE: Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagor, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagor of a proposed amendment without approval or disapproval by Permitted Mortgagor shall be deemed approval thereof.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 HOMEOWNER’S LIABILITY: Homeowner assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy and use of the Leased Premises.

9.2 INDEMNIFICATION OF CHT: Homeowner shall defend, indemnify and hold CHT harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Premises. Homeowner waives all claims against CHT for such injury or damage. However, CHT shall remain liable (and Homeowner shall not indemnify and defend CHT against such liability or waive such claims of liability) for injury or damage due to the grossly negligent or intentional acts or omissions of CHT or CHT’s agents or employees.

9.3 PAYMENT BY CHT: In the event CHT shall be required to pay any sum that is the Homeowner’s responsibility or liability, the Homeowner shall reimburse CHT for such payment and for reasonable expenses caused thereby.

9.4 INSURANCE: Homeowner shall, at Homeowner’s sole expense, keep all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such Improvements. The dollar amounts of this coverage shall be adjusted at two-year intervals, beginning on the date this Lease is signed, or upon CHT’s
demand given not more often than annually, upon 30 days notice to Homeowner. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Premises are located, or, if none, for urban areas the size of Burlington, Vermont, or such other index as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Office of Prices and Living Conditions of the Bureau of Labor Statistics, of the U.S. Department of Labor.

Homeowner shall, at Homeowner’s sole expense, maintain continuously in effect liability insurance covering the Leased Premises and Improvements in the amounts of not less than Five Hundred Thousand Dollars ($500,000.00) for injury to or death of any one person; and Five Hundred Thousand dollars ($500,000.00) for injury to or death of any number of persons in one occurrence; and Five Hundred Thousand dollars ($500,000.00) for property damage. The dollar amounts of this coverage shall be adjusted at two-year intervals, beginning on the date this Lease is signed, or upon CHT’s demand given not more often than annually, upon 30 days notice to Homeowner. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Premises are located, or, if none, for urban areas the size of Burlington, Vermont, or such other index as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Office of Prices and Living Conditions of the Bureau of Labor Statistics, of the U.S. Department of Labor. Such insurance shall specifically insure Homeowner against all liability assumed under this Lease, as well as all liability imposed by law, and shall also insure CHT as an additional insured so as to create the same liability on the part of insurer as though separate policies had been written for CHT and Homeowner.

Homeowner shall provide CHT with copies of all policies and renewals of policies. All policies shall also contain endorsements providing that they shall not be cancelled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without at least thirty (30) days prior written notice to CHT. CHT shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.5 DAMAGE OR DESTRUCTION: Except as provided below, in the event of fire or other damage to the Improvements, Homeowner shall take all steps necessary to assure the repair of such damage and the restoration of the Improvements to at least their condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Homeowner shall also promptly take all steps necessary to assure that the Leased Premises are safe and that the damaged Improvements do not constitute a danger to persons or property.

If Homeowner, using reasonable judgment and relying on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than eighty percent (80%) of the cost of repair and restoration, (provided Homeowner has fulfilled all of the hazard insurance requirements set forth in Section 9.4 above), then Homeowner may terminate this Lease by written notice to CHT given not later than sixty (60) days after the event that caused the damage. However, such termination shall not be effective until forty-five (45) days after the date upon which the notice is received by CHT. During this forty-five-day period CHT may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least eighty percent of the cost of repair and restoration. If successful in securing such adjustment, CHT may render Homeowner’s termination notice null and void by written notice to Homeowner within such forty-five-day period. If CHT fails to nullify the termination notice in this way, then this Lease shall terminate at the expiration of the forty-five-day period, and any insurance proceeds payable to Homeowner on account of such damage shall be paid as provided below.

The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid to the Homeowner (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable CHT’s Purchase Option Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below. The balance of such proceeds, if any, shall be paid to CHT.
9.6 EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of a taking of the Leased Premises, either in its entirety or to such extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, the Lease shall terminate as of the date Homeowner is required to give up possession of the Leased Premises or Improvements, and the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

In the event of a taking of a portion of the Leased Premises that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for such taking shall be allocated entirely to CHT.

In the event of a taking of a portion of the Leased Premises that results in damage to the Improvements only to such an extent that the Improvements can reasonably be restored to a residential use consistent with this Lease, CHT may in its discretion allocate some or all of the monetary compensation to enable Homeowner to accomplish such a restoration. Any balance remaining after or in the absence of such allocation shall be allocated as provided above for a taking of the entire Leased Premises.

Any and all proceedings brought by a party in connection with any damages as a result of any taking referred to in this Section shall be conducted at the sole expense of such party. If any provision of law requires that such proceedings be brought by or in the name of any owner or Homeowner of the premises, such party shall join in such proceedings or permit the same to be brought in its name. Each party agrees to do all acts and to execute all documents that may be required to enable the other to maintain such proceedings. If the party required to join in the proceedings incurs any cost or expense in doing so, such party shall be entitled to reasonable reimbursement and this entitlement shall constitute a first charge against any award.

9.7 REASSESSMENT OF RENTAL VALUE: In the event of any taking that reduces the size of the Leased Premises but does not result in the termination of the Lease, CHT may reassess the Ground Lease Fee if necessary to assure affordability.

9.8 RELOCATION OF HOMEOWNER: In the event of a termination of this Lease as a result of damage, destruction or taking, CHT shall take reasonable steps to grant Homeowner a leasehold interest, similar to the interest created by this Lease, in another tract that it owns, if such other tract can reasonably be made available. In accepting such a leasehold interest, Homeowner agrees to contribute any proceeds or award received by Homeowner to purchase or develop Improvements on such tract. CHT’s failure to supply such a leasehold interest shall not give rise to any cause of action by Homeowner against CHT.

ARTICLE 10: Transfer, Sale or Disposition of Improvements

10.1 INTENT: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10, are intended to preserve the affordability of the Improvements for lower income households and expand access to homeownership opportunities for such households.

10.2 TRANSFER TO HOMEOWNER’S HEIRS: Upon receipt of notice from the executor of the decedent’s estate given within ninety (90) days of the death of Homeowner (or the last surviving co-owner of the Improvements) CHT shall, unless for good cause shown, consent to a transfer of the Improvements to and by one or more of the possible heirs of Homeowner listed below as “a,” “b,” or “c,” provided that said heir enters into a new Ground Lease Agreement with CHT.

a) the spouse or civil union partner of the Homeowner; or

b) the child or children of the Homeowner; or

c) member(s) of the Homeowner’s household who have resided upon the Leased Premises for at least one year immediately prior to Homeowner’s death.
Any other heirs, legatees or devisees of Homeowner must, in addition to entering into a new Ground Lease Agreement with CHT as provided above, demonstrate to CHT’s reasonable satisfaction that they are Income-Qualified Persons as defined below, or, if unable to do so, shall not be entitled to possession of the Leased Premises but must transfer the Improvements and Leased Premises in accordance with the provisions of this Article 10.

“Income-Qualified Person” shall mean a person or group of persons whose household income does not exceed One Hundred percent (100%) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 HOMEOWNER’S NOTICE OF INTENT TO SELL: In the event that Homeowner wishes to sell the Improvements, Homeowner shall notify CHT, in writing, of such wish (the Intent-to-Sell Notice).

10.4 APPRAISAL: No later than fifteen (15) days after CHT’s receipt of Homeowner’s Intent-to-Sell Notice, a market valuation of the Leased Premises and the Improvements (the Appraisal) shall be commissioned to be performed by a mutually acceptable and duly licensed appraiser. CHT and Homeowner shall each pay half the cost of the Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as thought title to the Land and Improvements were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Land and the transfer of the Improvements. The Appraisal shall state the values contributed by the Land and by the Improvements as separate amounts. Copies of the Appraisal are to be provided to both CHT and Homeowner.

10.5 CHT’S PURCHASE OPTION. CHT shall have an option to purchase the Improvements, at its sole discretion for a price designed to ensure affordability to low and moderate income households as determined by the formula below. By virtue of its ownership of the Improvements and ownership interest in the Leased Premises, the Homeowner has an obligation to actively participate in the identification of an eligible buyer, and the transfer and disposition of the Improvements. Similarly, CHT, by virtue of its ownership of the Leased Premises and its organizational mission, also has an obligation to actively participate in the identification of an eligible buyer. CHT will not exercise its option to purchase until an eligible buyer for the property has been found.

10.6 CHT’s PURCHASE OPTION PRICE.

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.

10.7 PERIOD FOR EXERCISE: CHT must exercise the foregoing option to purchase within one hundred twenty (120) days of its receipt of the Appraisal, or its option will expire. Any extension of time to exercise the option shall be made only by the mutual written consent of CHT and Homeowner.

Upon expiration of CHT’s option to purchase the Improvements the Homeowner shall be free to either sell the Improvements as set forth below, or remove same in accordance with Article 7, Section 7.6(b) of this Lease.

Homeowner may sell the Improvements for CHT’s Purchase Option Price to a person, or group of persons whose combined income does not exceed ninety-five percent (95%) of the median income adjusted for household size for households residing in the Standard Metropolitan Statistical Area (“SMSA”) within which the Leased Premises are located or the maximum household income as set forth in any Covenant(s) attached to the Property, whichever is less. Said median incomes and SMSA shall be set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development. Said sale must be in compliance with any other Covenant(s) attached to the Property. Homeowner shall provide CHT with the name and address of the proposed purchaser together with such other information as CHT may require in order for CHT to approve the purchase, which approval shall not be unreasonably withheld. The new purchaser must be willing to sign a Lease for the Leased Premises that includes a similar option price formula and resale restrictions.

10.8 CHT’S POWER OF ATTORNEY TO CONDUCT SALE: In the event CHT does not exercise its option and complete the purchase of the Improvements as set forth above, and Homeowner (a) is not then residing in the Improvements and (b) continues to hold the Improvements out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent to Sell Notice, Homeowner does hereby appoint CHT its attorney in fact to seek a buyer, negotiate a reasonable price that
furthers the goals set forth in this Lease, sell the property, and distribute proceeds of sale, minus CHT’s costs of sale and reletting and any other sums owed CHT by Homeowner.

10.9 FORECLOSURE OPTION: In the event of the commencement of an action in foreclosure by any mortgagee or lienholder against the Homeowner and related to the Property, CHT shall have an option for a period of ninety (90) days from the date it receives notice of said action to purchase the Improvements for the option price set forth in this Section (the Foreclosure Option Price1).

The “Foreclosure Option Price” shall be CHT’s Purchase Option Price set forth in this Article 10 plus the amount of any liens and debts against the Improvements which were acquired prior to the commencement of the foreclosure action and which exceed CHT’s Purchase Option Price set forth in this Article 10.

ARTICLE 11: ASSIGNMENT AND SUBLEASE

Except as otherwise provided in Article 8 (including Exhibit PERMITTED MORTGAGES), Homeowner shall not assign, sublease, sell or otherwise convey any of Homeowner’s rights under this Lease without the prior written consent of CHT. Homeowner agrees that CHT shall have broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth in this Lease. If permission is granted, any assignment or sublease shall be subject to the following conditions.

a) Any such assignment or sublease shall be subject to all of the terms of this Lease.

b) In the case of a sublease, the rental or occupancy fee charged the sublessee shall not be more than that amount charged the Homeowner by CHT, plus an amount approved by CHT to cover costs to Homeowner for the Improvements.

c) In the case of an assignment, the total consideration for such assignment and the related sale or transfer of the Improvements shall not exceed CHT’s Purchase Option Price as calculated in accordance with Article 10 above.

ARTICLE 12: DEFAULT

12.1 MONETARY DEFAULT BY HOMEOWNER: It shall be an event of default if Homeowner fails to pay the Ground Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Homeowner or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by CHT to Homeowner and Permitted Mortgagee. At CHT’s sole discretion, it may, for good cause, extend this period an additional thirty (30) days.

12.2 NON-MONETARY DEFAULT BY HOMEOWNER: It shall be an event of default if Homeowner fails to abide by any other material term or condition in this Lease, and such failure is not cured by Homeowner or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by CHT to Homeowner and Permitted Mortgagee. However, in the case where the Homeowner or Permitted Mortgagee has commenced to cure such default within such 60-day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for such additional period as may be reasonably required under the circumstances to complete such cure.

12.3 DEFAULT BY HOMEOWNER RESULTING FROM JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Homeowner is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Homeowner for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Homeowner’s property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Homeowner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Homeowner files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.
12.4 TERMINATION: In the case of any of the events of default described above, CHT may terminate this Lease and initiate summary proceedings against Homeowner. If this Lease is terminated by CHT, the Homeowner agrees to pay and be liable for any unpaid Ground Lease Fee, damages which may be due or sustained prior to or in connection with such termination, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys’ fees) incurred by CHT in pursuit of its remedies under this Lease.

If CHT elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Homeowner’s interest in the Leased Premises by foreclosure of its mortgage or otherwise.

12.5 DEFAULT BY CHT: CHT shall in no event be in default in the performance of any of its obligations under the Lease unless and until CHT has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Homeowner to CHT properly specifying CHT’s failure to perform any such obligation.

ARTICLE 13: ARBITRATION

Except for grievances or disputes between CHT and Homeowner concerning monetary default as described in Section 12.1 above, grievances or disputes concerning the terms of this Lease which cannot be resolved by normal interaction shall be subject to the following arbitration procedure. (Notwithstanding the foregoing exception, grievances or disputes over adjustments to the Ground Lease Fees as described in Section 5.2 shall be subject to the following arbitration procedure).

CHT or Homeowner shall give written notice to the other of its selection of a disinterested arbitrator. Within fifteen (15) days of the receipt of this written notice, the other party may give written notice to the first party appointing a disinterested arbitrator of its own choice. These two arbitrators shall select a third arbitrator. If the other party fails to name an arbitrator within fifteen days of receiving the notice from the first party, the arbitrator selected by the first party shall be the sole arbitrator.

The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the initial written notice by the initiator of the arbitration process. At the hearing CHT and Homeowner shall have an opportunity to present evidence and question witnesses in the presence of each other. As soon as reasonably possible, and in no event later than fifteen days after the hearing, the arbitration panel shall make a written report to CHT and Homeowner of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it. The arbitrators shall decide the dispute or claim in accordance with the substantive law of the jurisdiction and what is just and equitable under the circumstances. The decisions and awards of the majority of the arbitration panel shall be binding and final.

ARTICLE 14: GENERAL PROVISIONS

14.1 HOMEOWNER’S MEMBERSHIP IN CHT: So long as Homeowner is a leaseholder under this Lease and pays a membership fee to CHT of at least One Dollar ($1.00) per year, Homeowner shall be a member in good standing of Champlain Housing Trust, Inc., as is outlined in its by-laws.

14.2 NOTICES: Whenever this Lease requires either party hereto to give notice to the other, the notice shall be given in writing and delivered in person or mailed by certified or registered mail, return receipt requested, to the last known address of the Homeowner and to the address for CHT’s agent, as recorded with the office of Secretary of State, State of Vermont. Notice shall be deemed given on the date upon which it is received. Failure on the part of CHT to provide such notice does not constitute a breach of this Lease.

14.3 NO BROKERAGE: Homeowner warrants that it has not dealt with any broker other than __________________ in connection with the consummation of this Lease, and in the event any claim is made against CHT relative to dealings with brokers other than __________________, Homeowner shall defend the claim against CHT with counsel of CHT’s
selection and save harmless and indemnify CHT on account of loss, cost or damage which may arise by reason of any such claim.

14.4 SEVERABILITY AND DURATION OF: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Homeowner or CHT against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that their respective options to purchase and all other rights under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and such options and other rights shall be considered to be coupled with an interest.

14.5 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, CHT shall nevertheless have a right of first refusal to purchase the Improvements at the highest documented bona fide purchase price offer made to Homeowner. Such right shall be as specified in Exhibit FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

14.6 WAIVER: The waiver by CHT at any given time of any term or condition of this Lease, or the failure of CHT to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Lease. CHT may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by CHT before being effective.

The subsequent acceptance of Ground Lease Fee payments by CHT shall not be deemed to be a waiver of any preceding breach by Homeowner of any term or condition of this Lease, other than the failure of the Homeowner to pay the particular Ground Lease Fee so accepted, regardless of CHT’s knowledge of such preceding breach at the time of acceptance of such Ground Lease Fee payment.

14.7 CHT’S RIGHT TO PROSECUTE OR DEFEND: CHT shall have the right, but shall be under no obligation, to prosecute or defend, in its own or the Homeowner’s name, any actions or proceedings appropriate to the protection of its title to, and Homeowner’s interest in the Leased Premises. Whenever requested by CHT, Homeowner shall give CHT all reasonable aid in any such action or proceeding.

14.8 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.9 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.10 PARTIES BOUND: This Lease sets forth the entire agreement between CHT and Homeowner with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by CHT and Homeowner or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

14.11 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of Vermont. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against CHT or Homeowner.

14.12 RECORDING: The parties agree, as an alternative to the recordation of this Lease, to execute a so-called Notice of Lease or Short Form Lease in form recordable and complying with applicable law and reasonably satisfactory to CHT’s attorneys. In no event shall such document set forth the rent or other charges payable by Homeowner under this Lease; and any
such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

ARTICLE 15: CONFORMANCE WITH 14 V.S.A. CHAPTER 123.

In Section 10.8 of this Lease the Homeowner appoints CHT as its attorney in fact under certain circumstances for the purpose of seeking a buyer for the Improvements, negotiating a reasonable price that furthers the goals set forth in this Lease, selling the Improvements, and distributing proceeds of sale, minus CHT’s costs of sale and reletting and any other sums owed CHT by Homeowner.

In Witness Whereof, the Principal has executed this instrument this ___ day of ___________ 2009.

Principal
Print Name:__________________

Principal
Print Name:__________________

Affirmation by Witness

I, ________________________, witnessed the signature of this Power of Attorney by the Principal, and I affirm that the Principal appeared to me to be of sound mind, was not under duress, and the Principal affirmed to me that he/she was aware of the nature of this Power of Attorney and signed it freely and voluntarily.

Witness
Print Name:__________________

Acknowledgment of Principal

STATE OF VERMONT
COUNTY OF ________________, SS.

At ______________________, in said County and State, personally appeared the Principal, who is known to me or was otherwise suitably identified, did acknowledge to me that the execution of this Power of Attorney was his/her free act and deed.

Notary Public
Print Name:__________________
My Commission Expires: 2/10/11

Acceptance by Agent

The undersigned, Agent, executes this Power of Attorney, and by such execution does hereby affirm that the Agent: (a) accepts the appointment as Agent; (b) understands the duties under the Power of Attorney and under the law; (c) understands that Agent has a duty to act if expressly required to do so in the Power of Attorney consistent with 14 V.S.A. § 3506(c); (d) understands that Agent is expected to use her/his special skills or expertise on behalf of the Principal, if so specified in the Power of Attorney; and (e) acknowledges the additional duties of the Agent set forth in 14 V.S.A. § 3505.

Date: ______________________

AGENT:
Duly Authorized Agent
Champlain Housing Trust, Inc.
ACKNOWLEDGMENT OF ARBITRATION

The parties hereto understand that this Lease contains an agreement to arbitrate. After signing this document, the parties understand that they will not be able to bring a lawsuit concerning any dispute that may arise which is covered by the agreement to arbitrate, unless it involves a question of constitutional or civil rights. Instead, the parties agree to submit any such dispute to an impartial arbitrator(s) more fully set forth in Article 13 above.

CHAMplain HOUSNG TRUST, INC.
By its Duly Authorized Agent

IN WITNESS WHEREOF, the parties have executed this Lease at ___________ on the day and year first above written.

CHAMplain HOUSING TRUST, INC,

By: ___________________________
Its duly authorized agent

Witness

HOMEOWNER

Witness

HOMEOWNER

Witness

HOMEOWNER

STATE OF VERMONT
COUNTY OF CHITTENDEN

At ___________ in said County and State this _____ day of
__________, 20__, duly authorized agent
of Champlain Housing Trust, Inc., personally appeared and acknowledged the foregoing
instrument as and for ______ free act and deed and the free act and deed of Champlain
Housing Trust, Inc.

Before me, ___________________________
Notary Public

STATE OF VERMONT
COUNTY OF CHITTENDEN

At ___________ in said County and State this _____ day of
__________, 20__, personally appeared
and
acknowledged the foregoing instrument as and for ______ free
act and deed.

Before me, ___________________________
Notary Public

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Exhibit PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease to which this Exhibit is attached and in which this Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A) STANDARD PERMITTED MORTGAGE: A “Standard Permitted Mortgage,” as identified in Section 8.1 of the Lease to which this Exhibit is attached shall be a mortgage that meets the following requirements.

1) Such Mortgage shall run in favor of either (a) a so-called “institutional lender” such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or provident-shares fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a “community development financial institution” as certified by the U.S. Department of the Treasury, or similar non-profit lender to housing projects for low and moderate income persons.

2) Such Mortgage shall be a first lien on all or any of the Improvements and the Homeowner’s interest in the Leased Premises (the “Security”).

3) Such Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor’s obligations thereunder, the holder of such Mortgage shall notify CHT of such fact and CHT shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor’s name and on mortgagor’s behalf, provided that current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.

4) Such Mortgage and related documentation shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify CHT of its intention to do so and CHT shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.

5) Such Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements and the Homeowner’s interest in the Leased Premises by the Permitted Mortgagee, the Permitted Mortgagee shall give CHT written notice of such acquisition and CHT shall have an option to purchase the Improvements and acquire the Homeowner’s interest in the Leased Premises from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that CHT gives written notice to the Permitted Mortgagee of CHT’s intent to purchase the Improvements and acquire the Homeowner’s interest in the Leased Premises within forty-five (45) days following CHT’s receipt of the Permitted Mortgagee’s notice of such acquisition of the Improvements and Homeowner’s interest; further provided that CHT shall complete the purchase of the Improvements and acquisition of Homeowner’s interest in the Leased Premises within sixty (60) days of having given written notice of its intent to purchase; and provided that, if CHT does not complete the purchase within such period, the Permitted Mortgagee shall be free to sell the Improvements and transfer the Homeowner’s interest in the Leased Premises to another person.

6) Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the Vermont area by institutional mortgagees.
7) Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering CHT or any subsequent holder of CHT’s interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

8) Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to CHT or CHT’s interest in the Leased Premises, but will look solely to Homeowner, Homeowner’s interest in the Leased Premises, the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (it is the intention of the parties hereto that CHT’s consent to such Mortgage shall be without any liability on the part of CHT for any deficiency judgment).

9) Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of ARTICLE 9 hereof.

10) Such Mortgage and related documentation shall contain nothing that obligates CHT to execute an assignment of the Ground Lease Fee or other rent payable by Homeowner under the terms of this Lease.

B) RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage (Permitted Mortgagee) as referenced under Section 8.2 of the Lease to which this Exhibit is attached shall be as set forth below,

1) A Permitted Mortgagee shall without requirement of consent by CHT have the right, but not the obligation, to:

   a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Homeowner;

   b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Homeowner by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and

   c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.

2) Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of the Homeowner under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3) In the event that title to the estates of both CHT and Homeowner shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of CHT is owned at any time by Homeowner (regardless of a merger), or by any person in which Homeowner has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Homeowner under the Lease as condition to the forbearance by CHT in the exercise of CHT’s remedies as provided in the Lease.

4) If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors’ rights,
CHT shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to CHT's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to CHT for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Homeowner thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by CHT, Homeowner and the Permitted Mortgagee.

5) CHT shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6) In the event that CHT sends a notice of default under the Lease to Homeowner, CHT shall also send a notice of Homeowner's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.2 of the Lease to the Permitted Mortgagee at the address which has been given by the Permitted Mortgagee to CHT by a written notice to CHT sent in the manner set forth in said Section 14.2 of the Lease.
Exhibit FIRST REFUSAL

Whenever any party under the Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") shall within the term of the Lease receive a bona fide third party offer to purchase the property which such Offering Party is willing to accept, the holder of the right of first refusal (the "Holder") shall have the following rights:

a) Offering Party shall give written notice of such offer ("the Notice of Offer") to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer ("the Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the property ("the Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.

b) If Holder exercises the right to purchase the property, such purchase shall be completed within ninety (90) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.

c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to a renewed right of first refusal in said property.
Exhibit STIPULATIONS OF THE PARTIES

THIS LETTER OF STIPULATION is made and entered into this ______ day of ______, 20____, by and between Champlain Housing Trust, Inc. (henceforth CHT), and ___________________________ (henceforth Homeowner).

The parties make and affirm the stipulations contained in this letter freely, without duress of any form and with the express mutually held intent by so doing to obtain certain benefits and goals, each for the other, as described below.

CHT and Homeowner acknowledge their full and complete understanding of all of the stipulations contained herein, of the present effect of such terms and conditions and of all future repercussions of these agreements. Said understanding is derived and based on the informed and independent advice of counsel obtained separately by the parties to this agreement, and as to the Homeowner witnessed by the attached Exhibit Client Declaration dated _________________, 20__.

The parties appreciate the unusual nature of the transaction described in this Stipulation of the Parties. Further information regarding the relationship of CHT and Homeowner consistent with the stipulations made herein is found in a Warranty Deed dated _________________, 20____, and recorded at Volume ___, Page ___, of the City/Town of _______ Land Records and in the Lease to which this Stipulation of the Parties is an Exhibit, a Notice of which is recorded at Volume ___, Page ___, of said Land Records, the Articles of Association and By-laws of CHT, the attached Exhibit Client Declaration and such other publications of CHT as may be listed in said attached Exhibit Client Declaration.

Together, this letter of stipulation and the documents described above are designed to set forth the total circumstances which reflect the mutual intent and objectives of the parties to an underlying real estate transaction atypical of but not contrary to conventional practice. The parties desire and expect that their detailed, express, freely assumed and mutually held goals, motives, and intent as stated herein will demonstrate the unambiguous and purposeful nature of this transaction to all who may subsequently examine these documents.

CHT by a Deed dated _________________, 20____ and recorded at Volume ___, Page ___, of the City/Town of _______ Land Records is owner of certain land described therein.

The Homeowner, _________________, by virtue of a Warranty Deed dated _________________, 20__ is owner of real estate including all improvements on the aforementioned land held by CHT. All subsequently erected improvements shall be the property of the Homeowner. In accomplishing the legal severance of ownership of said land and improvements, the parties have agreed that the following tangible property has been duly conveyed to the Homeowner, to wit: See Exhibit IMPROVEMENTS to Lease.

While expressing no such present of foreseeable future intent, both parties acknowledge that through their mutual consent they may unite their separate interests in the property and unify the ownership of both land and improvements.

Now, therefore, in order to obtain certain benefits of value to each other regarding the above-referenced real estate, the parties freely stipulate to the following:

1. CHT is organized for the charitable purposes of: establishing and maintaining affordable housing for low and moderate income households; of providing access to land and decent housing; of conserving land and natural resources by acquiring property for resale to low and moderate income households to provide entry into the local homeownership marketplace which remains foreclosed to them as a matter of limited financial resources.

2. A goal of CHT is to stimulate the conveyance of affordable and decent residential housing among low and moderate income homeowners through the long term leasing of the ground under such housing.
3. The Homeowner, having such financial circumstances and present income as to preclude conventional purchase, hereby obtains a rare, if not impossible, opportunity to own a residence for themselves and their heirs. In light of these circumstances, the Homeowner eagerly and freely accepts the albeit unusual terms and conditions of the transaction described in the foregoing documents.

4. It is mutually understood and accepted by the parties that said terms and conditions will enhance the marketability of any residential structures and improvements on CHT land either through removal and re-erection, or sale at an affordable price, directly or indirectly, to another low or moderate income household.

5. The Homeowner intends to occupy the land owned by CHT in accordance with the Lease at its sole discretion. CHT, consistent with its intent of stabilization of neighborhoods for continued occupancy by low and moderate income households, will foster said occupancy by the Homeowner in all reasonable ways and grant to the occupant/household the prerogatives normally associated with homeownership as contained in the Lease.

6. In light of the full circumstances of this transaction, CHT and Homeowner agree that any future claim for betterment is inappropriate, and is hereby waived. The parties freely affirm that resale by the Homeowner of such improvements in the manner prescribed in the Lease, or the alternative, removal of same as therein provided, constitutes a means of fair compensation for such improvements. Furthermore, these alternatives regarding disposition of improvements which are the property of the Homeowner have been expressly designed by the parties so as to effectuate their intent of enhancing the marketability of same at affordable prices to other low and moderate income families.

7. The pre-emptive option given to CHT for repurchase of the Homeowners’ property is held by the parties to be a desirable alternative to removal and re-erection because it provides for fair compensation to the Homeowner and affordable transfer to other households foreclosed from homeownership.

8. As provided in the Lease: (1) no assignment of the Homeowner of any of its interests in the improvements it owns shall be binding on CHT except and unless CHT shall grant prior written consent and (2) in the event of the commencement of an action in foreclosure by any mortgagee or lienholder against the Homeowner, CHT shall have a ninety day (90) day option to purchase the improvements as set forth in the Lease.

This Stipulations of the Parties, if taken together with the documents aforementioned, constitutes the fundamental, complete and operative expression of the goals and intent of the parties who have engaged in the transaction described. It is their desire for reasons both of private motivation and sound public policy that the carefully drawn and fair stipulations created in this document be honored.

IN WITNESS THEREFORE, the parties have executed this Stipulations of the Parties at ________________, Vermont on the day and year first above written.

Witness

CHAMPLAIN HOUSING TRUST, INC.
By Its Authorized Agent

Witness

HOMEOWNER

Witness

HOMEOWNER

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Exhibit CLIENT DECLARATION

We, _______________ of the City of Burlington, Vermont independently employed _______________, Esq., an attorney who practices in Burlington, Vermont to represent us in the purchase of the property located at _______________, in the City of Burlington, Vermont, more particularly described as:

Being all and the same improvements conveyed to _______________ by Warranty Deed of _______________ dated June ___, 2002 and recorded in Volume ___, Page ____ of the Land Records of the City of Burlington.

In a timely fashion, prior to the conveyance of said property our attorney reviewed with us the following documents relating to the transaction:

Warranty Deed of land and improvements from CIT;
Lease Agreement;
Exhibit PERMITTED MORTGAGES;
Exhibit FIRST REFUSAL;
Exhibit STIPULATION OF THE PARTIES;
Exhibit CLIENT DECLARATION;
Exhibit PREMISES;
Exhibit IMPROVEMENTS;
Notice of Ground Lease Agreement;
Declaration of Covenant;
Community Land Trust Ground Lease Rider;
VHCB Housing Subsidy Covenant;
VHCB Mortgage; and
CIT Mortgage

Our attorney has provided detailed information and advice regarding this atypical conveyance, and we have been reasonably informed of the present and foreseeable consequences of our actions in purchasing the above-described property. We have entered the aforesaid transaction freely and in reliance on our own judgment after having reviewed in detail the terms and conditions of our purchase of the property in question with our attorney. We are satisfied that we have fully and independently informed ourselves about this transaction.

Date: _______________  

Homeowner

__________________________

Homeowner
Exhibit PREMISES

All and the same lands conveyed to Champlain Housing Trust, Inc. by Warranty Deed of _______ dated ______________ and recorded at Volume ___, Page ___, of the ________________ Land Records.

Reference is hereby made to the instruments aforementioned, and the records thereof, and the instruments therein referred to, and the records thereof, in further aid of this description.
Exhibit IMPROVEMENTS

All and the same Improvements conveyed to Homeowner by Warranty Deed of
Champlain Housing Trust, Inc. of even date herewith, to be recorded in the
__________________________ Land Records. Being the dwelling house known as
__________________________ presently situated on the lands conveyed to CHT by
__________________________ by Warranty Deed dated __________, 20___,
and recorded at Volume _____ and Page _____ in the ________________ Land Records
and including any and all subsequently made or erected improvements.

In general, Improvements shall include:

All buildings, structures and improvements, foundations, footings, driveways, roads, utilities,
pavings, fixtures, apparatus, appliances, furniture, machinery, personal property and building
equipment in, upon, under or over the Land, including, but without limiting the generality of
the foregoing, all furnaces, boilers, engines, motors, compressors, tanks, fittings, piping,
wiring, connections, conduits, ducts, equipment, partitions, screens, awnings, windows, doors,
and blinds, together with any and all renewals and replacements thereof or additions thereto or
substitutes therefore.

Reference is hereby made to the instruments aforementioned, and the records thereof, and the
instruments therein referred to, and the records thereof, in further aid of this description.
Exhibit CAPITAL IMPROVEMENTS

CREDIT FOR CAPITAL IMPROVEMENTS: In the event CHT exercises its option to purchase the Improvements located on the Leased Premises, as set forth in Article 10 of this lease, CHT agrees to pay, and Homeowner agrees to accept a Capital Improvement Credit which shall be equal to the lesser of: 1) the value which each capital improvement adds to Homeowner’s property or, 2) a Maximum Capital Improvement Credit computed pursuant to this Exhibit CAPITAL IMPROVEMENTS.

a. Procedure.
1) Prior to undertaking construction or modification of any structure located on the Leased Premises for which Homeowner desires to receive a Capital Improvement Credit, and at Homeowner’s expense, a market appraisal of all structures located on the Leased Premises shall be performed by a mutually acceptable fully licensed property appraiser. The appraisal shall be conducted by analysis and comparison of comparable properties, disregarding the restrictions of the Lease on the use and transfer of the Leased Premises and the Improvements located thereon, and further disregarding restrictions set forth in Homeowner’s Declaration of Covenant(s) of even date and recorded in the appropriate municipal or town land records. The appraisal shall include an estimate of value before construction or modification is undertaken (the “pre-construction market value”), and another estimate of value assuming the construction or modification is completed in accordance with specific written specifications furnished by Homeowner (the “post-construction market value”). A copy of this appraisal shall be submitted to CHT and attached to the Lease as Exhibit A. This procedure shall be followed each time Homeowner desires to receive a Capital Improvement Credit. Each appraisal shall be submitted to CHT and attached to Exhibit A as Exhibit A-1, A-2, A-3, and so forth. The most recent attachment to Exhibit A shall be controlling for purposes of computing each successive credit.

2) Within fifteen (15) working days of CHT’s receipt of the appraisal, CHT shall provide Homeowner with written notice of the Maximum Capital Improvement Credit to be allowed. A copy of this notice shall be attached to the Lease as Exhibit B. This procedure shall be followed each time Homeowner desires to receive a Capital Improvement Credit. A copy of each notice shall be attached to Exhibit B as Exhibit B-1, B-2, B-3, and so forth. The most recent attachment to Exhibit B shall be controlling for purposes of computing each successive credit.

3) Within sixty (60) days of substantial completion of construction or modifications, and at Homeowner’s expense, a market appraisal of all structures on the Leased Premises shall be performed by a mutually acceptable fully licensed property appraiser. This appraisal may be a brief update of the appraisal performed before construction. A copy of this appraisal shall be submitted to CHT and attached to the Lease as Exhibit C. This procedure shall be followed each time Homeowner desires to receive a Capital Improvement Credit. Each appraisal shall be submitted to CHT and attached to Exhibit C as Exhibit C-1, C-2, C-3, and so forth. The most recent attachment to Exhibit C shall be controlling for purposes of computing each successive credit.

b. Definitions:
1) “Maximum Capital Improvement Credit” shall be the current Vermont Housing Finance Agency maximum home purchase price for an existing single family minus CHT’s Purchase Option Price as though it were paid on or about the date of CHT’s receipt of Exhibit A. If the Vermont Housing Finance Agency no longer exists or does not have a maximum home purchase price, some other comparable index shall be used.

c. Calculation of the Capital Improvement Credit
The Capital Improvement Credit shall be the LESSER of the following:

1) a) The market value of all structures on or about the date of substantial completion of construction or modification as indicated by Exhibit C; less, b) the pre-construction market value of all structures as indicated by Exhibit A; equals, c) the value added by construction or modification; OR 2) The Maximum Capital Improvement Credit as indicated by Exhibit B.
Homeowner agrees that the Capital Improvement Credit as determined by the procedures and formulas described herein constitutes fair compensation for all construction or modifications to Homeowner's property. In the event CHT exercises its option to purchase the improvements pursuant to Article 10 of the Lease, CHT agrees to include such Capital Improvement Credit in its option price provided the procedures set forth in this Exhibit Capital Improvements are followed and Exhibits A, B and C are in evidence.
CHAMPLAIN HOUSING TRUST, INC.
COMMUNITY LAND TRUST LEASE

THIS LEASE (“this Lease” or “the Lease”) is made and entered into this ________ day of __________, 20____, by and between CHAMPLAIN HOUSING TRUST, INC. (“CHT”) and __________________________ (“Homeowner”).

WHEREAS, the State of Vermont pursuant to Title 10 and Title 27 of the Vermont Statutes Annotated, supports and encourages the development and continued availability of affordable housing for low and moderate income people; and

WHEREAS, CHT is organized for the charitable purposes: of establishing and maintaining affordable housing for low and moderate income households; of providing access to land and decent housing; of conserving land and natural resources by acquiring property for resale to low and moderate income households to provide entry into the local homeownership marketplace which remains foreclosed to them as a matter of limited financial resources; and

WHEREAS, a goal of CHT is to stimulate the conveyance of decent, affordable housing among low and moderate income people by providing access to housing for such persons at affordable prices through the long-term leasing of land under said housing; and

WHEREAS, the Leased Premises described in this Lease have been acquired and are being leased by CHT in furtherance of these charitable purposes; and

WHEREAS, the Homeowner shares the purposes and goals of CHT and has agreed to enter into this Lease not only to obtain those benefits to which the Homeowner is entitled under this Lease, but also to further the charitable purposes of CHT; and

WHEREAS, CHT and Homeowner recognize the special nature of the terms and conditions of this Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of any Improvements on the Leased Premises; and

WHEREAS, it is mutually understood and accepted by CHT and Homeowner that the terms and conditions of this Lease further their shared goals over an extended period of time and through a succession of owners;

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of CHT and Homeowner, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CHT and Homeowner agree as follows:

ARTICLE 1: Letters of Stipulation and Client Declaration

Attached as Exhibit STIPULATIONS OF THE PARTIES AND CLIENT DECLARATION and made part of this Lease by reference are (a) a Letter of Stipulation setting forth CHT and Homeowner’s acknowledgement and understanding of this Lease and related documents for this transaction, and (b) a Client Declaration, setting forth Homeowner’s respective review and understanding of this Lease (in particular, Article 10, regarding the transfer, sale or disposition of the Improvements) and related documents for this transaction.

ARTICLE 2: Demise of Leased Premises

2.1 LEASED PREMISES: CHT, in consideration of the rents reserved and the terms and conditions of this Lease, does hereby demise and leave unto Homeowner, and Homeowner does hereby take and hire from CHT, the property (referred to in this Lease as the “Leased Premises”) described in the attached Exhibit PREMISES.

2.2 RESERVATION OF MINERAL RIGHTS: CHT reserves to itself all the minerals and other extractive resources of the Leased Premises. This reservation shall not diminish the right of the Homeowner under this Lease to occupy and freely use the Leased Premises. Any eventual extraction by CHT of minerals or other extractive resources shall be carried out with as little disruption to the Homeowner as is reasonably possible. In instances requiring a
material disruption of the Homeowner’s right of use and occupancy of the Leased Premises, CHT shall not make such extraction without the consent of the Homeowner.

ARTICLE 3: Duration of Lease

3.1 PRINCIPAL TERM: The term of this Lease shall be ninety nine (99) years, commencing on the ___ day of _________________, 20__, and terminating on the ________ day of ________________, ____, unless terminated sooner or extended as provided below.

3.2 HOMEOWNER’S OPTION TO EXTEND: Homeowner may extend the principal term of this Lease for one (1) additional period of 99 years, subject to all of the provisions of this Lease; provided that CHT may make changes to the terms of the Lease for the renewal period prior to the beginning of such renewal period but only if these changes do not materially and adversely impair Homeowner’s rights under the Lease. Not more than 365 nor less than 180 days before the last day of the current term, CHT shall give Homeowner written notice, stating the date of expiration of the Lease, describing any changes that CHT intends to make to the terms of the Lease as permitted above, and reiterating the conditions for renewal as set forth immediately below (“the Expiration Notice”).

Homeowner’s right to exercise the option to extend is subject to the following conditions:
(a) within 60 days of receipt of the Expiration Notice, Homeowner shall give CHT written notice, irrevocably exercising the option to extend (“the Extension Notice”); (b) this Lease shall be in effect at the time the Extension Notice is given and on the last day of the term, and (c) there shall not be an Event of Default by Homeowner under this Lease or under any loan documents between Homeowner and any Permitted Mortgagee at the time the Extension Notice is given and on the last day of the term.

When Homeowner has rightfully exercised the option to extend, each party shall execute a memorandum, in mutually agreeable recordable form, acknowledging the fact that the option has been exercised and otherwise complying with the requirements of law for an effective memorandum or notice of lease, and such memorandum or notice of lease shall be recorded in accordance with the requirements of law on or promptly after the commencement of such renewal period of the Lease.

3.3 CHANGE OF CHT; HOMEOWNER’S RIGHT TO PURCHASE: In the event that ownership of the land comprising the Leased Premises (The Land”) is conveyed or transferred (whether voluntarily or involuntarily) by CHT to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event CHT desires or attempts to convey the Land to any person or entity other than a non-profit corporation, charitable trust, governmental agency or other similar entity sharing the goals described in the Recitals above (or as security for a mortgage loan), the Homeowner shall have a right of first refusal to purchase the Land. This right shall be as specified in the attached Exhibit FIRST REFUSAL. Any sale or other transfer contrary to this Section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Premises

4.1 RESIDENTIAL USE ONLY: Homeowner shall use, and shall cause all occupants to use, the Leased Premises and Improvements only for residential purposes. No commercial structures shall be erected on the Leased Premises. Under no circumstances may the Improvements on the Leased Premises be altered to create more than one primary residence such as construction of a duplex or garage apartment.

4.2 RESPONSIBLE USE AND COMPLIANCE WITH LAW: Homeowner shall maintain the Leased Premises and Improvements in good, safe, and habitable condition in all respects, except for normal wear and tear, in full compliance with all applicable laws and regulations, and in such condition as is required to maintain the insurance coverage required by Section 9.4 of this Lease.

4.3 RESPONSIBLE FOR OTHERS: Homeowner shall be responsible for the use of the Leased Premises by all residents and their families, friends and visitors and anyone else using
the Leased Premises with their consent and shall make all such people aware of the spirit, intent and appropriate terms of this Lease.

4.4 OCCUPANCY: Homeowner shall occupy the Leased Premises for at least six (6) months of each year of this Lease, unless otherwise agreed by CHT. Occupancy by children or other immediate family members or dependents of Homeowner shall be considered occupancy by Homeowner.

4.5 INSPECTION: CHT may inspect any portion of the Leased Premises at any reasonable time, but not more than 2 times in a single calendar year, and in any reasonable manner, upon at least 48 hours oral notice to Homeowner. In the event of emergency, CHT may inspect any portion of the Leased Premises without notice provided CHT shall have made reasonable efforts to give advance notice to Homeowner. If CHT has reasonable cause, CHT may inspect the interior of the Improvements on the Leased Premises. CHT shall give Homeowner notice at the time of or prior to such an interior inspection specifying such reasonable cause.

4.6 HOMEOWNER’S RIGHT TO PEACEFUL ENJOYMENT: Homeowner has the right to undisturbed enjoyment of the Leased Premises, and CHT has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Homeowner, subject to the provisions of this Lease.

ARTICLE 5: Ground Lease Fee

5.1 GROUND LEASE FEE: In consideration of the possession, continued use and occupancy of the Leased Premises, Homeowner shall pay to CHT a monthly ground lease fee (the “Ground Lease Fee”) of thirty five dollars ($35.00).

5.2 ADJUSTMENTS TO GROUND LEASE FEE: The Ground Lease Fee shall be subject to adjustment on January 1, 2012, and every (5) five years thereafter. Any increase shall not exceed ten dollars ($10.00) per month over the Ground Lease Fee charged during the preceding five year term, and must be approved by the Board of Directors of CHT. CHT shall notify Homeowner promptly upon recalculation of the new Ground Lease Fee amount, and if Homeowner does not state objections to the recalculated amount within thirty (30) days after receipt of this notice, the Ground Lease Fee shall then be as stated by CHT in the notice. If Homeowner does state objections to the recalculated Ground Lease Fee, and CHT and Homeowner are then unable to agree on a recalculated Ground Lease Fee within fifteen (15) days of CHT’s receipt of Homeowner’s objection, the dispute shall be resolved according to the arbitration process set forth in Article 13 below, except that the arbitrators chosen by each party shall be ones with experience in the valuation of real estate.

5.3 PAYMENT OF GROUND LEASE FEE: The Ground Lease Fee shall be payable to CHT, at the address specified in this Lease as CHT’s address or such other address as CHT may designate from time to time in writing, on the fifteenth day of each month for as long as this Lease remains in effect, unless, with CHT’s consent, the Ground Lease Fee is to be escrowed by a Permitted Mortgagee, in which case payment shall be made as specified by that Mortgagee. If the Lease commences on a day other than the first of the month, a pro-rata portion of the Ground Lease Fee shall be paid for the balance of the month at the time the Lease is executed.

In the event that any amount of payable Ground Lease Fee remains unpaid when the Improvements are sold or decreed in accordance with the terms of this Lease, the amount of payable Ground Lease Fee shall be paid to CHT at the time of such sale or transfer of title pursuant to decree.

5.4 REDUCTION, DELAY OR WAIVER OF GROUND LEASE FEE: CHT may reduce, delay or waive entirely the Ground Lease Fee at any time and from time to time for the purpose of assuring affordable monthly housing costs for the Homeowner. Any such reduction, delay or waiver must be in writing and signed by CHT before being effective.

5.5 ADJUSTMENT OF GROUND LEASE FEE: The Ground Lease Fee stated in Section 5.1 above, as adjusted in the way provided for in Section 5.2, shall be applicable during the term of this Lease. However, in the event that, for any reason, the provisions of Article 10 or Article 11 regarding transfers of the Improvements or Section 4.4 regarding occupancy are
suspended or invalidated for any period of time, then during that time, the Ground Lease Fee shall be increased to an amount calculated by CHT to equal the fair rental value of the Leased Premises for use not restricted by the provisions of the suspended portions of the Lease.

5.6 LATE FEE: If CHT does not receive the full amount of the Ground Lease Fee specified in Section 5.1 above by the end of the fifteenth (15) calendar day after the date it is due, Homeowner shall pay a late fee in the amount of five percent (5%) of said Ground Lease Fee.

ARTICLE 6: Taxes and Assessments

6.1 TAXES AND ASSESSMENTS: Homeowner shall be responsible for payment of all taxes and governmental assessments that relate to the Improvements and the Leased Premises. Homeowner shall also pay directly, when due, all other service bills, utilities charges, or other governmental assessments charged against the Improvements or Leased Premises.

6.2 TAXES ON LEASED PREMISES: In the event that the local taxing authority bills CHT for the taxes on the Leased Premises, CHT shall pass the responsibility for this expense to Homeowner and Homeowner shall promptly pay this bill.

6.3 HOMEOWNER’S RIGHT TO CONTEST: Homeowner shall have the right to contest the amount or validity of any taxes relating to the Improvements and Leased Premises. CHT may, join in any such proceedings if they relate to program needs. Any Homeowner request for CHT’s participation must be in writing. All costs and expenses of such proceedings shall be paid by Homeowner.

6.4 PAYMENTS IN EVENT OF DELINQUENCY: In the event that Homeowner fails to pay the taxes or other charges specified in Section 6.1 and 6.2 above, CHT may increase, but shall not be obligated to increase, Homeowner’s Ground Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges relating to the Improvements or Leased Premises.

6.5 PROOF OF COMPLIANCE: Concurrently with the payment of any taxes, assessments, and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a receipt for such charges showing payment prior to the due date shall be the usual method of furnishing such evidence.

6.6 LATE FEE: If CHT does not receive the full amount of all taxes and assessments due in accordance with this Article 6 by the end of the fifteenth (15th) calendar day after the date it is due, Homeowner shall pay a late fee in the amount of five percent (5%) of said outstanding taxes or assessments.

ARTICLE 7: Improvements

7.1 OWNERSHIP: It is agreed that all buildings, structures, fixtures, and other Improvements purchased by the Homeowner or constructed or placed by the Homeowner on any part of the Leased Premises at any time during the term of this Lease (the “Improvements”) shall be property of the Homeowner.

A description of the Improvements owned by Homeowner as of the date of execution of this Lease Agreement is attached as Exhibit IMPROVEMENTS. Title to such Improvements shall be and remain vested in the Homeowner. However, Homeowner’s exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the disposition of Improvements by the Homeowner and CHT’s option to purchase the Improvements.

7.2 PURCHASE OF IMPROVEMENTS BY HOMEOWNER: Homeowner is simultaneously purchasing the Improvements now located on the Leased Premises.

7.3 CONSTRUCTION AND ALTERATION: Any construction of major improvements in connection with an existing or new Improvement is subject to the following conditions: (a) whenever Homeowner shall desire to undertake to construct any major improvements outside the planes of the exterior walls, roof, and basement of the existing structure or structures.
located on the Leased Premises, they must notify CHT in writing of their intentions. Such written notice shall include a plan describing fully the proposed construction and its potential impact on the Leased Premises and the surrounding lands; (b) the exterior (including height) of such Improvements shall not be increased, expanded or decreased, and new Improvements shall not be constructed without the prior written consent of CHT, which shall not be unreasonably withheld; (c) no lien for services, labor or materials shall attach to CHT’s title to the Leased Premises or any other lands owned by CHT, by reason of any construction undertaken by Homeowner in, upon, under, or over the Leased Premises; (d) all costs shall be borne and paid for by the Homeowner; (e) all construction shall be performed in a workerlike manner and shall comply with all applicable laws and regulations; and (f) all construction shall be consistent with the permitted uses set forth in Article 4.

7.4 PROHIBITION OF LIENS: No lien of any type shall attach to CHT’s title to the Land or to CHT’s interest in the Leased Premises or to any other property owned by CHT. Homeowner shall not permit any statutory or similar lien to be filed against the Leased Premises, the Improvements, or any interest of CHT or Homeowner which remains more than sixty (60) days after it has been filed. Homeowner shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Homeowner fails to cause such lien to be discharged within the sixty-day period, then, in addition to any other right or remedy, CHT may, but shall not be obligated to, discharge the lien by paying the amount in question. Homeowner may, at Homeowner’s expense, contest the validity of any such asserted lien, provided Homeowner has furnished a bond in an amount sufficient to release the Leased Premises from such lien. Any amounts paid by CHT to discharge such liens shall be deemed to be an additional Ground Lease Fee payable by Homeowner upon demand.

7.5 MAINTENANCE AND SERVICES: Homeowner shall, at Homeowner’s sole expense, maintain the Leased Premises, including but not limited to all trees and landscaping located on the Leased Premises, and all Improvements as required by Section 4.2 above. CHT shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs to the Leased Premises or Improvements, and Homeowner hereby assumes the sole responsibility for furnishing all services or facilities.

7.6 DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM: Upon the expiration of the term of this Lease as such term may be extended or sooner terminated in accordance with this Lease, Homeowner shall either:

a) surrender the Improvements together with the Leased Premises to CHT by executing and delivering an acceptable Vermont Warranty Deed conveying marketable title, as defined by Vermont law. Ownership of the Improvements shall thereupon revert to CHT, provided, however, that CHT shall promptly pay to Homeowner as consideration for the Improvements an amount equal to CHT’s Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Ground Lease Fee including any charges that may have been added to the Ground Lease Fee in accordance with this Lease; or

b) remove all Improvements from the Leased Premises within three (3) months of the expiration/termination of the Lease. Homeowner shall make every reasonable effort to return the Leased Premises to its original contours and vegetation. During the three month period prescribed above, all provisions of the Lease shall remain in effect. Unless Homeowner informs CHT in writing of the date upon which Homeowner will vacate the Leased Premises, Homeowner shall be held responsible and accountable for the care of the Leased Premises for the duration of this three month period.

ARTICLE 8: Financing

8.1 PERMITTED MORTGAGE: Homeowner may mortgage the Leased Premises only with the written consent of CHT. Not less than thirty (30) days prior to the date on which Homeowner (or a prospective homeowner who has contracted to purchase the Improvements) requests CHT’s consent to a mortgage to be effective, Homeowner (or prospective homeowner) shall furnish to CHT copies of every document to be executed in connection with the transaction represented by such mortgage. CHT may choose to consent to any mortgage,
and in so doing shall designate such mortgage as a “Permitted Mortgage.” However, CHT shall be required to consent to a mortgage only if (a) at the time such copies of documents are submitted and at the time proposed by Homeowner (or prospective Homeowner) for the execution of such documents, no default is then outstanding; and (b) The mortgage so submitted is a Standard Permitted Mortgage as defined in the attached Exhibit PERMITTED MORTGAGES. Homeowner shall pay to CHT at CHT’s option, as additional Ground Lease Fee, all fees, costs and expenses, including, without limitation, reasonable attorneys’ fees, incurred by CHT in connection with any Permitted Mortgage.

8.2 RIGHTS OF PERMITTED MORTGAGEE: Any holder of a Permitted Mortgage (Permitted Mortgagee) shall without requirement of consent by CHT have the rights identified and defined in the attached Exhibit PERMITTED MORTGAGES.

8.3 REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE: In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee the provisions of Article 10, Sections 10.1 through 10.09 shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred.

8.4 CHT’S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE: The parties recognize that it would be contrary to the fundamental concept of this Lease and an incentive to abuse Homeowner’s authorization to encumber its leasehold interest with a Permitted Mortgage if Homeowner could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly Homeowner hereby irrevocably assigns to CHT any and all net proceeds of sale of the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Homeowner, to the extent such net proceeds exceed the net proceeds that Homeowner would have received had the property been sold for the Purchase Option Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to CHT. In the event that, for any reason, such excess proceeds are paid to Homeowner, Homeowner hereby agrees to promptly pay the amount of such excess proceeds to CHT.

8.5 AMENDMENTS SUBJECT TO APPROVAL BY PERMITTED MORTGAGEE: Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 HOMEOWNER’S LIABILITY: Homeowner assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy and use of the Leased Premises.

9.2 INDEMNIFICATION OF CHT: Homeowner shall defend, indemnify and hold CHT harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Premises. Homeowner waives all claims against CHT for such injury or damage. However, CHT shall remain liable (and Homeowner shall not indemnify and defend CHT against such liability or waive such claims of liability) for injury or damage due to the grossly negligent or intentional acts or omissions of CHT or CHT’s agents or employees.

9.3 PAYMENT BY CHT: In the event CHT shall be required to pay any sum that is the Homeowner’s responsibility or liability, the Homeowner shall reimburse CHT for such payment and for reasonable expenses caused thereby.

9.4 INSURANCE: Homeowner shall, at Homeowner’s sole expense, keep all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such Improvements. The dollar amounts of this coverage shall be adjusted at two-year intervals, beginning on the date this Lease is signed, or upon CHT’s
demand given not more often than annually, upon 30 days notice to Homeowner. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Premises are located, or, if none, for urban areas the size of Burlington, Vermont, or such other index as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Office of Prices and Living Conditions of the Bureau of Labor Statistics, of the U.S. Department of Labor.

Homeowner shall, at Homeowner’s sole expense, maintain continuously in effect liability insurance covering the Leased Premises and Improvements in the amounts of not less than Five Hundred Thousand Dollars ($500,000.00) for injury to or death of any one person; and Five Hundred Thousand dollars ($500,000.00) for injury to or death of any number of persons in one occurrence; and Five Hundred Thousand dollars ($500,000.00) for property damage. The dollar amounts of this coverage shall be adjusted at two-year intervals, beginning on the date this Lease is signed, or upon CHT’s demand given not more often than annually, upon 30 days notice to Homeowner. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Premises are located, or, if none, for urban areas the size of Burlington, Vermont, or such other index as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Office of Prices and Living Conditions of the Bureau of Labor Statistics, of the U.S. Department of Labor. Such insurance shall specifically insure Homeowner against all liability assumed under this Lease, as well as all liability imposed by law, and shall also insure CHT as an additional insured so as to create the same liability on the part of insurer as though separate policies had been written for CHT and Homeowner.

Homeowner shall provide CHT with copies of all policies and renewals of policies. All policies shall also contain endorsements providing that they shall not be cancelled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without at least thirty (30) days prior written notice to CHT. CHT shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.5 DAMAGE OR DESTRUCTION: Except as provided below, in the event of fire or other damage to the Improvements, Homeowner shall take all steps necessary to assure the repair of such damage and the restoration of the Improvements to at least their condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Homeowner shall also promptly take all steps necessary to assure that the Leased Premises are safe and that the damaged Improvements do not constitute a danger to persons or property.

If Homeowner, using reasonable judgment and relying on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than eighty percent (80%) of the cost of repair and restoration, (provided Homeowner has fulfilled all of the hazard insurance requirements set forth in Section 9.4 above), then Homeowner may terminate this Lease by written notice to CHT given not later than sixty (60) days after the event that caused the damage. However, such termination shall not be effective until forty-five (45) days after the date upon which the notice is received by CHT. During this forty-five-day period CHT may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least eighty percent of the cost of repair and restoration. If successful in securing such adjustment, CHT may render Homeowner’s termination notice null and void by written notice to Homeowner within such forty-five-day day period. If CHT fails to nullify the termination notice in this way, then this Lease shall terminate at the expiration of the forty-five-day period, and any insurance proceeds payable to Homeowner on account of such damage shall be paid as provided below.

The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid to the Homeowner (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable CHT’s Purchase Option Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below. The balance of such proceeds, if any, shall be paid to CHT.
9.6 EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of a taking of the Leased Premises, either in its entirety or to such extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, the Lease shall terminate as of the date Homeowner is required to give up possession of the Leased Premises or Improvements, and the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

In the event of a taking of a portion of the Leased Premises that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for such taking shall be allocated entirely to CHT.

In the event of a taking of a portion of the Leased Premises that results in damage to the Improvements only to such an extent that the Improvements can reasonably be restored to a residential use consistent with this Lease, CHT may in its discretion allocate some or all of the monetary compensation to enable Homeowner to accomplish such a restoration. Any balance remaining after or in the absence of such allocation shall be allocated as provided above for a taking of the entire Leased Premises.

Any and all proceedings brought by a party in connection with any damages as a result of any taking referred to in this Section shall be conducted at the sole expense of such party. If any provision of law requires that such proceedings be brought by or in the name of any owner or Homeowner of the premises, such party shall join in such proceedings or permit the same to be brought in its name. Each party agrees to do all acts and to execute all documents that may be required to enable the other to maintain such proceedings. If the party required to join in the proceedings incurs any cost or expense in doing so, such party shall be entitled to reasonable reimbursement and this entitlement shall constitute a first charge against any award.

9.7 REASSESSMENT OF RENTAL VALUE: In the event of any taking that reduces the size of the Leased Premises but does not result in the termination of the Lease, CHT may reassess the Ground Lease Fee if necessary to assure affordability.

9.8 RELOCATION OF HOMEOWNER: In the event of a termination of this Lease as a result of damage, destruction or taking, CHT shall take reasonable steps to grant Homeowner a leasehold interest, similar to the interest created by this Lease, in another tract that it owns, if such other tract can reasonably be made available. In accepting such a leasehold interest, Homeowner agrees to contribute any proceeds or award received by Homeowner to purchase or develop Improvements on such tract. CHT’s failure to supply such a leasehold interest shall not give rise to any cause of action by Homeowner against CHT.

ARTICLE 10: Transfer, Sale or Disposition of Improvements

10.1 INTENT: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10, are intended to preserve the affordability of the Improvements for lower income households and expand access to homeownership opportunities for such households.

10.2 TRANSFER TO HOMEOWNER’S HEIRS: Upon receipt of notice from the executor of the decedent’s estate given within ninety (90) days of the death of Homeowner (or the last surviving co-owner of the Improvements) CHT shall, unless for good cause shown, consent to a transfer of the Improvements to and by one or more of the possible heirs of Homeowner listed below as “a,” “b,” or “c,” provided that said heir enters into a new Ground Lease Agreement with CHT.

a) the spouse or civil union partner of the Homeowner; or
b) the child or children of the Homeowner; or
c) member(s) of the Homeowner’s household who have resided upon the Leased Premises for at least one year immediately prior to Homeowner’s death.
Any other heirs, legatees or devisees of Homeowner must, in addition to entering into a new Ground Lease Agreement with CHT as provided above, demonstrate to CHT’s reasonable satisfaction that they are Income-Qualified Persons as defined below, or, if unable to do so, shall not be entitled to possession of the Leased Premises but must transfer the Improvements and Leased Premises in accordance with the provisions of this Article 10.

Income-Qualified Person shall mean a person or group of persons whose household income does not exceed One Hundred percent (100%) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 HOMEOWNER’S NOTICE OF INTENT TO SELL: In the event that Homeowner wishes to sell the Improvements, Homeowner shall notify CHT, in writing, of such wish (the Intent-to-Sell Notice).

10.4 APPRAISAL: No later than fifteen (15) days after CHT’s receipt of Homeowner’s Intent-to-Sell Notice, a market valuation of the Leased Premises and the Improvements (the Appraisal) shall be commissioned to be performed by a mutually acceptable and duly licensed appraiser. CHT and Homeowner shall each pay half the cost of the Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to the Land and Improvements were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Land and the transfer of the Improvements. The Appraisal shall state the values contributed by the Land and by the Improvements as separate amounts. Copies of the Appraisal are to be provided to both CHT and Homeowner.

10.5 CHT’S PURCHASE OPTION. CHT shall have an option to purchase the Improvements, at its sole discretion for a price designed to ensure affordability to low and moderate income households as determined by the formula below. By virtue of its ownership of the Improvements and ownership interest in the Leased Premises, the Homeowner has an obligation to actively participate in the identification of an eligible buyer, and the transfer and disposition of The Improvements. Similarly, CHT, by virtue of its ownership of the Leased Premises and its organizational mission, also has an obligation to actively participate in the identification of an eligible buyer. CHT will not exercise its option to purchase until an eligible buyer for the property has been found.

10.6 CHT’s PURCHASE OPTION PRICE.

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.

10.7 PERIOD FOR EXERCISE: CHT must exercise the foregoing option to purchase within one hundred twenty (120) days of its receipt of the Appraisal, or its option will expire. Any extension of time to exercise the option shall be made only by the mutual written consent of CHT and Homeowner.

Upon expiration of CHT's option to purchase the Improvements the Homeowner shall be free to either sell the Improvements as set forth below, or remove same in accordance with Article 7, Section 7.6(b) of this Lease.

Homeowner may sell the Improvements for CHT's Purchase Option Price to a person, or group of persons whose combined income does not exceed ninety-five percent (95%) of the median income adjusted for household size for households residing in the Standard Metropolitan Statistical Area ("SMSA") within which the Leased Premises are located or the maximum household income as set forth in any Covenant(s) attached to the Property, whichever is less. Said median incomes and SMSA shall be set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development. Said sale must be in compliance with any other Covenant(s) attached to the Property. Homeowner shall provide CHT with the name and address of the proposed purchaser together with such other information as CHT may require in order for CHT to approve the purchase, which approval shall not be unreasonably withheld. The new purchaser must be willing to sign a Lease for the Leased Premises that includes a similar option price formula and resale restrictions.

10.8 CHT'S POWER OF ATTORNEY TO CONDUCT SALE: In the event CHT does not exercise its option and complete the purchase of the Improvements as set forth above, and Homeowner (a) is not then residing in the Improvements and (b) continues to hold the Improvements out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent to Sell Notice, Homeowner does hereby appoint CHT its attorney in fact to seek a buyer, negotiate a reasonable price that
furthers the goals set forth in this Lease, sell the property, and distribute proceeds of sale, minus CHT’s costs of sale and reletting and any other sums owed CHT by Homeowner.

10.9 FORECLOSURE OPTION: In the event of the commencement of an action in foreclosure by any mortgagee or lienholder against the Homeowner and related to the Property, CHT shall have an option for a period of ninety (90) days from the date it receives notice of said action to purchase the Improvements for the option price set forth in this Section (the Foreclosure Option Price”).

The “Foreclosure Option Price” shall be CHT’s Purchase Option Price set forth in this Article 10 plus the amount of any liens and debts against the Improvements which were acquired prior to the commencement of the foreclosure action and which exceed CHT’s Purchase Option Price set forth in this Article 10.

ARTICLE 11: ASSIGNMENT AND SUBLEASE

Except as otherwise provided in Article 8 (including Exhibit PERMITTED MORTGAGES), Homeowner shall not assign, sublease, sell or otherwise convey any of Homeowner’s rights under this Lease without the prior written consent of CHT. Homeowner agrees that CHT shall have broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth in this Lease. If permission is granted, any assignment or sublease shall be subject to the following conditions.

a) Any such assignment or sublease shall be subject to all of the terms of this Lease.

b) In the case of a sublease, the rental or occupancy fee charged the sublessee shall not be more than that amount charged the Homeowner by CHT, plus an amount approved by CHT to cover costs to Homeowner for the Improvements.

c) In the case of an assignment, the total consideration for such assignment and the related sale or transfer of the Improvements shall not exceed CHT’s Purchase Option Price as calculated in accordance with Article 10 above.

ARTICLE 12: DEFAULT

12.1 MONETARY DEFAULT BY HOMEOWNER: It shall be an event of default if Homeowner fails to pay the Ground Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Homeowner or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by CHT to Homeowner and Permitted Mortgagee. At CHT’s sole discretion, it may, for good cause, extend this period an additional thirty (30) days.

12.2 NON-MONETARY DEFAULT BY HOMEOWNER: It shall be an event of default if Homeowner fails to abide by any other material term or condition in this Lease, and such failure is not cured by Homeowner or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by CHT to Homeowner and Permitted Mortgagee. However, in the case where the Homeowner or Permitted Mortgagee has commenced to cure such default within such 60-day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for such additional period as may be reasonably required under the circumstances to complete such cure.

12.3 DEFAULT BY HOMEOWNER RESULTING FROM JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Homeowner is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Homeowner for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Homeowner’s property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Homeowner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Homeowner files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.
12.4 TERMINATION: In the case of any of the events of default described above, CHT may terminate this Lease and initiate summary proceedings against Homeowner. If this Lease is terminated by CHT, the Homeowner agrees to pay and be liable for any unpaid Ground Lease Fee, damages which may be due or sustained prior to or in connection with such termination, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys’ fees) incurred by CHT in pursuit of its remedies under this Lease.

If CHT elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Homeowner’s interest in the Leased Premises by foreclosure of its mortgage or otherwise.

12.5 DEFAULT BY CHT: CHT shall in no event be in default in the performance of any of its obligations under the Lease unless and until CHT has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Homeowner to CHT properly specifying CHT’s failure to perform any such obligation.

ARTICLE 13: ARBITRATION

Except for grievances or disputes between CHT and Homeowner concerning monetary default as described in Section 12.1 above, grievances or disputes concerning the terms of this Lease which cannot be resolved by normal interaction shall be subject to the following arbitration procedure. (Notwithstanding the foregoing exception, grievances or disputes over adjustments to the Ground Lease Fees as described in Section 5.2 shall be subject to the following arbitration procedure).

CHT or Homeowner shall give written notice to the other of its selection of a disinterested arbitrator. Within fifteen (15) days of the receipt of this written notice, the other party may give written notice to the first party appointing a disinterested arbitrator of its own choice. These two arbitrators shall select a third arbitrator. If the other party fails to name an arbitrator within fifteen days of receiving the notice from the first party, the arbitrator selected by the first party shall be the sole arbitrator.

The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the initial written notice by the initiator of the arbitration process. At the hearing CHT and Homeowner shall have an opportunity to present evidence and question witnesses in the presence of each other. As soon as reasonably possible, and in no event later than fifteen days after the hearing, the arbitration panel shall make a written report to CHT and Homeowner of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it. The arbitrators shall decide the dispute or claim in accordance with the substantive law of the jurisdiction and what is just and equitable under the circumstances. The decisions and awards of the majority of the arbitration panel shall be binding and final.

ARTICLE 14: GENERAL PROVISIONS

14.1 HOMEOWNER’S MEMBERSHIP IN CHT: So long as Homeowner is a leaseholder under this Lease and pays a membership fee to CHT of at least One Dollar ($1.00) per year, Homeowner shall be a member in good standing of Champlain Housing Trust, Inc., as is outlined in its by-laws.

14.2 NOTICES: Whenever this Lease requires either party hereto to give notice to the other, the notice shall be given in writing and delivered in person or mailed by certified or registered mail, return receipt requested, to the last known address of the Homeowner and to the address for CHT’s agent, as recorded with the office of Secretary of State, State of Vermont. Notice shall be deemed given on the date upon which it is received. Failure on the part of CHT to provide such notice does not constitute a breach of this Lease.

14.3 NO BROKERAGE: Homeowner warrants that it has not dealt with any broker other than __________________ in connection with the consummation of this Lease, and in the event any claim is made against CHT relative to dealings with brokers other than __________________, Homeowner shall defend the claim against CHT with counsel of CHT’s
selection and save harmless and indemnify CHT on account of loss, cost or damage which may arise by reason of any such claim.

14.4 SEVERABILITY AND DURATION OF: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Homeowner or CHT against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that their respective options to purchase and all other rights under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and such options and other rights shall be considered to be coupled with an interest.

14.5 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, CHT shall nevertheless have a right of first refusal to purchase the Improvements at the highest documented bona fide purchase price offer made to Homeowner. Such right shall be as specified in Exhibit FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

14.6 WAIVER: The waiver by CHT at any given time of any term or condition of this Lease, or the failure of CHT to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Lease. CHT may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by CHT before being effective.

The subsequent acceptance of Ground Lease Fee payments by CHT shall not be deemed to be a waiver of any preceding breach by Homeowner of any term or condition of this Lease, other than the failure of the Homeowner to pay the particular Ground Lease Fee so accepted, regardless of CHT’s knowledge of such preceding breach at the time of acceptance of such Ground Lease Fee payment.

14.7 CHT’S RIGHT TO PROSECUTE OR DEFEND: CHT shall have the right, but shall be under no obligation, to prosecute or defend, in its own or the Homeowner’s name, any actions or proceedings appropriate to the protection of its title to, and Homeowner’s interest in the Leased Premises. Whenever requested by CHT, Homeowner shall give CHT all reasonable aid in any such action or proceeding.

14.8 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.9 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.10 PARTIES BOUND: This Lease sets forth the entire agreement between CHT and Homeowner with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by CHT and Homeowner or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

14.11 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of Vermont. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against CHT or Homeowner.

14.12 RECORDING: The parties agree, as an alternative to the recordation of this Lease, to execute a so-called Notice of Lease or Short Form Lease in form recordable and complying with applicable law and reasonably satisfactory to CHT’s attorneys. In no event shall such document set forth the rent or other charges payable by Homeowner under this Lease; and any
such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

ARTICLE 15: CONFORMANCE WITH 14 V.S.A. CHAPTER 123.

In Section 10.8 of this Lease the Homeowner appoints CHT as its attorney in fact under certain circumstances for the purpose of seeking a buyer for the Improvements, negotiating a reasonable price that furthers the goals set forth in this Lease, selling the Improvements, and distributing proceeds of sale, minus CHT’s costs of sale and reletting and any other sums owed CHT by Homeowner.

In Witness Whereof, the Principal has executed this instrument this _____ day of __________ 2009.

Principal     Principal
_______________________   ___________________________
Print Name:___________________   Print Name:  ____________________

Affirmation by Witness
I, _____________________, witnessed the signature of this Power of Attorney by the Principal, and I affirm that the Principal appeared to me to be of sound mind, was not under duress, and the Principal affirmed to me that he/she was aware of the nature of this Power of Attorney and signed it freely and voluntarily.

Witness
Print Name:_______________________

Acknowledgment of Principal

STATE OF VERMONT
COUNTY OF _________________, SS.

At __________________, in said County and State, personally appeared ____________________, the Principal, who is known to me or was otherwise suitably identified, did acknowledge to me that the execution of this Power of Attorney was his/her free act and deed.

Notary Public
Print Name: _____________________
My Commission Expires: 2/10/11

Acceptance by Agent

The undersigned, Agent, executes this Power of Attorney, and by such execution does hereby affirm that the Agent: (a) accepts the appointment as Agent; (b) understands the duties under the Power of Attorney and under the law; (c) understands that Agent has a duty to act if expressly required to do so in the Power of Attorney consistent with 14 V.S.A. § 3506(c); (d) understands that Agent is expected to use her/his special skills or expertise on behalf of the Principal, if so specified in the Power of Attorney; and (e) acknowledges the additional duties of the Agent set forth in 14 V.S.A. § 3505.

AGENT:

Date: ___________________    _______________________________
Duly Authorized Agent
Champlain Housing Trust, Inc.
ACKNOWLEDGMENT OF ARBITRATION

The parties hereto understand that this Lease contains an agreement to arbitrate. After signing this document, the parties understand that they will not be able to bring a lawsuit concerning any dispute that may arise which is covered by the agreement to arbitrate, unless it involves a question of constitutional or civil rights. Instead, the parties agree to submit any such dispute to an impartial arbitrator(s) more fully set forth in Article 13 above.

CHAMPLAIN HOUSING TRUST, INC.
By its Duly Authorized Agent

IN WITNESS WHEREOF, the parties have executed this Lease at __________ on the day and year first above written.

CHAMPLAIN HOUSING TRUST, INC.
By: _________________________________
Witness

HOMEOWNER

Witness

Witness

STATE OF VERMONT
COUNTY OF CHITTENDEN

At __________ in said County and State this ______ day of __________, 20____, _______________________________ duly authorized agent of Champlain Housing Trust, Inc., personally appeared and acknowledged the foregoing instrument as and for _______ free act and deed and the free act and deed of Champlain Housing Trust, Inc.

Before me, _________________________________
Notary Public

STATE OF VERMONT
COUNTY OF CHITTENDEN

At __________ in said County and State this ______ day of __________, 20____, personally appeared _________________________, and _________________________ acknowledged the foregoing instrument as and for _______ free act and deed.

Before me, _________________________________
Notary Public
Exhibit PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease to which this Exhibit is attached and in which this Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A) STANDARD PERMITTED MORTGAGE: A “Standard Permitted Mortgage,” as identified in Section 8.1 of the Lease to which this Exhibit is attached shall be a mortgage that meets the following requirements.

1) Such Mortgage shall run in favor of either (a) a so-called “institutional lender” such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a “community development financial institution” as certified by the U.S. Department of the Treasury, or similar non-profit lender to housing projects for low and moderate income persons.

2) Such Mortgage shall be a first lien on all or any of the Improvements and the Homeowner’s interest in the Leased Premises (the “Security”).

3) Such Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor’s obligations thereunder, the holder of such Mortgage shall notify CHT of such fact and CHT shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor’s name and on mortgagor’s behalf, provided that current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.

4) Such Mortgage and related documentation shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify CHT of its intention to do so and CHT shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.

5) Such Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements and the Homeowner’s interest in the Leased Premises by the Permitted Mortgagee, the Permitted Mortgagee shall give CHT written notice of such acquisition and CHT shall have an option to purchase the Improvements and acquire the Homeowner’s interest in the Leased Premises from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee; provided, however, that CHT gives written notice to the Permitted Mortgagee of CHT’s intent to purchase the Improvements and acquire the Homeowner’s interest in the Leased Premises within forty five (45) days following CHT’s receipt of the Permitted Mortgagee’s notice of such acquisition of the Improvements and Homeowner’s interest; further provided that CHT shall complete the purchase of the Improvements and acquisition of Homeowner’s interest in the Leased Premises within sixty (60) days of having given written notice of its intent to purchase; and provided that, if CHT does not complete the purchase within such period, the Permitted Mortgagee shall be free to sell the Improvements and transfer the Homeowner’s interest in the Leased Premises to another person;

6) Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the Vermont area by institutional mortgagees.
7) Such Mortgage and related documentation shall not contain any provisions which
could be construed as rendering CHT or any subsequent holder of CHT’s interest in and to
this Lease, or their respective heirs, executors, successors or assigns, personally liable for the
payment of the debt evidenced by such note and such Mortgage or any part thereof.

8) Such Mortgage and related documentation shall contain provisions to the effect that
the holder of such Mortgage shall not look to CHT or CHT’s interest in the Leased Premises,
but will look solely to Homeowner, Homeowner’s interest in the Leased Premises, the
Improvements, or such other buildings and improvements which may from time to time exist
on the Leased Premises, for the payment of the debt secured thereby or any part thereof (It is
the intention of the parties hereto that CHT’s consent to such Mortgage shall be without any
liability on the part of CHT for any deficiency judgment).

9) Such Mortgage and related documentation shall provide that in the event any part of
the Security is taken in condemnation or by right of eminent domain, the proceeds of the
award shall be paid over to the holder of the Mortgage in accordance with the provisions of
ARTICLE 9 hereof.

10) Such Mortgage and related documentation shall contain nothing that obligates CHT
to execute an assignment of the Ground Lease Fee or other rent payable by Homeowner under
the terms of this Lease.

B) RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted
Mortgage (Permitted Mortgagee) as referenced under Section 8.2 of the Lease to which this
Exhibit is attached shall be as set forth below.

1) A Permitted Mortgagee shall without requirement of consent by CHT have the right,
but not the obligation, to:

   a) cure any default under this Lease, and perform any obligation required under this
      Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been
      undertaken and performed by Homeowner;

   b) acquire and convey, assign, transfer and exercise any right, remedy or privilege
      granted to Homeowner by this Lease or otherwise by law, subject to the provisions, if any, in
      said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege;
      and

   c) rely upon and enforce any provisions of the Lease to the extent that such provisions
      are for the benefit of a Permitted Mortgagee.

2) Permitted Mortgagee shall not, as a condition to the exercise of its rights under the
Lease, be required to assume personal liability for the payment and performance of the
obligations of the Homeowner under the Lease. Any such payment or performance or other
act by Permitted Mortgagee under the Lease shall not be construed as an agreement by
Permitted Mortgagee to assume such personal liability except to the extent Permitted
Mortgagee actually takes possession of the Security. In the event Permitted Mortgagee does
assume possession of the Security and thereupon transfers the Security, any such transferee shall
be required to enter into a written agreement assuming such personal liability and upon any
such assumption the Permitted Mortgagee shall automatically be released from personal
liability under the Lease.

3) In the event that title to the estates of both CHT and Homeowner shall be acquired at
any time by the same person or persons, no merger of these estates shall occur without the
prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee
owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of
CHT is owned at any time by Homeowner (regardless of a merger), or by any person in which
Homeowner has a direct or indirect interest, Permitted Mortgagee shall not be obligated to
cure any default of Homeowner under the Lease as condition to the forbearance by CHT in the
exercise of CHT’s remedies as provided in the Lease.

4) If the Lease is terminated for any reason, or in the event of the rejection or
disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors’ rights,
CHT shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to CHT’s approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to CHT for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Homeowner thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by CHT, Homeowner and the Permitted Mortgagee.

5) CHT shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6) In the event that CHT sends a notice of default under the Lease to Homeowner, CHT shall also send a notice of Homeowner’s default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.2 of the Lease to the Permitted Mortgagee at the address which has been given by the Permitted Mortgagee to CHT by a written notice to CHT sent in the manner set forth in said Section 14.2 of the Lease.
Exhibit FIRST REFUSAL

Whenever any party under the Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") shall within the term of the Lease receive a bona fide third party offer to purchase the property which such Offering Party is willing to accept, the holder of the right of first refusal (the "Holder") shall have the following rights:

a) Offering Party shall give written notice of such offer ("the Notice of Offer") to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer ("the Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the property ("the Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.

b) If Holder exercises the right to purchase the property, such purchase shall be completed within ninety (90) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.

c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to a renewed right of first refusal in said property.
Exhibit STIPULATIONS OF THE PARTIES

THIS LETTER OF STIPULATION is made and entered into this ______ day of __________________, 20__, by and between Champlain Housing Trust, Inc. (henceforth CHT), and ___________________________________ (henceforth Homeowner).

The parties make and affirm the stipulations contained in this letter freely, without duress of any form and with the express mutually held intent by so doing to obtain certain benefits and goals, each for the other, as described below.

CHT and Homeowner acknowledge their full and complete understanding of all of the stipulations contained herein, of the present effect of such terms and conditions and of all future repercussions of these agreements. Said understanding is derived and based on the informed and independent advice of counsel obtained separately by the parties to this agreement, and as to the Homeowner witnessed by the attached Exhibit Client Declaration dated _________________, 20__.

The parties appreciate the unusual nature of the transaction described in this Stipulation of the Parties. Further information regarding the relationship of CHT and Homeowner consistent with the stipulations made herein is found in a Warranty Deed dated _________________, 20__, and recorded at Volume ____, Page ____, of the City/Town of ________________ Land Records and in the Lease to which this Stipulation of the Parties is an Exhibit, a Notice of which is recorded at Volume ____, Page ____, of said Land Records, the Articles of Association and By-laws of CHT, the attached Exhibit Client Declaration and such other publications of CHT as may be listed in said attached Exhibit Client Declaration.

Together, this letter of stipulation and the documents described above are designed to set forth the total circumstances which reflect the mutual intent and objectives of the parties to an underlying real estate transaction atypical of but not contrary to conventional practice. The parties desire and expect that their detailed, express, freely assumed and mutually held goals, motives, and intent as stated herein will demonstrate the unambiguous and purposeful nature of this transaction to all who may subsequently examine these documents.

CHT by a Deed dated _________________, 20__ and recorded at Volume ____, Page ____, of the City/Town of ________________ Land Records is owner of certain land described therein.

The Homeowner, ______________________, by virtue of a Warranty Deed dated _________________, 20__ is owner of real estate including all improvements on the aforementioned land held by CHT. All subsequently erected improvements shall be the property of the Homeowner. In accomplishing the legal severance of ownership of said land and improvements, the parties have agreed that the following tangible property has been duly conveyed to the Homeowner, to wit: See Exhibit IMPROVEMENTS to Lease.

While expressing no such present of foreseeable future intent, both parties acknowledge that through their mutual consent they may unite their separate interests in the property and unify the ownership of both land and improvements.

Now, therefore, in order to obtain certain benefits of value to each other regarding the above-referenced real estate, the parties freely stipulate to the following:

1. CHT is organized for the charitable purposes of: establishing and maintaining affordable housing for low and moderate income households; of providing access to land and decent housing; of conserving land and natural resources by acquiring property for resale to low and moderate income households to provide entry into the local homeownership marketplace which remains foreclosed to them as a matter of limited financial resources.

2. A goal of CHT is to stimulate the conveyance of affordable and decent residential housing among low and moderate income homeowners through the long term leasing of the ground under such housing.
3. The Homeowner, having such financial circumstances and present income as to preclude conventional purchase, hereby obtains a rare, if not impossible, opportunity to own a residence for themselves and their heirs. In light of these circumstances, the Homeowner eagerly and freely accepts the albeit unusual terms and conditions of the transaction described in the foregoing documents.

4. It is mutually understood and accepted by the parties that said terms and conditions will enhance the marketability of any residential structures and improvements on CHT land either through removal and re-erection, or sale at an affordable price, directly or indirectly, to another low or moderate income household.

5. The Homeowner intends to occupy the land owned by CHT in accordance with the Lease at its sole discretion. CHT, consistent with its intent of stabilization of neighborhoods for continued occupancy by low and moderate income households, will foster said occupancy by the Homeowner in all reasonable ways and grant to the occupant/household the prerogatives normally associated with homeownership as contained in the Lease.

6. In light of the full circumstances of this transaction, CHT and Homeowner agree that any future claim for betterment is inappropriate, and is hereby waived. The parties freely affirm that resale by the Homeowner of such improvements in the manner prescribed in the Lease, or in the alternative, removal of same as therein provided, constitutes a means of fair compensation for such improvements. Furthermore, these alternatives regarding disposition of improvements which are the property of the Homeowner have been expressly designed by the parties so as to effectuate their intent of enhancing the marketability of same at affordable prices to other low and moderate income families.

7. The pre-emptive option given to CHT for repurchase of the Homeowners' property is held by the parties to be a desirable alternative to removal and re-erection because it provides for fair compensation to the Homeowner and affordable transfer to other households foreclosed from homeownership.

8. As provided in the Lease: (1) no assignment of the Homeowner of any of its interests in the improvements it owns shall be binding on CHT except and unless CHT shall grant prior written consent and (2) in the event of the commencement of an action in foreclosure by any mortgagee or lienholder against the Homeowner, CHT shall have a ninety day (90) option to purchase the improvements as set forth in the Lease.

    This Stipulations of the Parties, if taken together with the documents aforementioned, constitutes the fundamental, complete and operative expression of the goals and intent of the parties who have engaged in the transaction described. It is their desire for reasons both of private motivation and sound public policy that the carefully drawn and fair stipulations created in this document be honored.

    IN WITNESS THEREFORE, the parties have executed this Stipulations of the Parties at ________________, Vermont on the day and year first above written.

______________________   ______________________________________
Witness       CHAMPLAIN HOUSING TRUST, INC.
By Its Authorized Agent

_______________________   ______________________________________
Witness     HOMEOWNER

_______________________   ______________________________________
Witness      HOMEOWNER
Exhibit CLIENT DECLARATION

We, ______________________ of the City of Burlington, Vermont independently employed ________________, Esq., an attorney who practices in Burlington, Vermont to represent us in the purchase of the property located at _____________, in the City of Burlington, Vermont, more particularly described as:

Being all and the same improvements conveyed to __________ by Warranty Deed of ________________ dated June __, 2002 and recorded in Volume ____, Page _____ of the Land Records of the City of Burlington.

In a timely fashion, prior to the conveyance of said property our attorney reviewed with us the following documents relating to the transaction:

- Warranty Deed of land and improvements from CHT;
- Lease Agreement;
- Exhibit PERMITTED MORTGAGES;
- Exhibit FIRST REFUSAL;
- Exhibit STIPULATION OF THE PARTIES;
- Exhibit CLIENT DECLARATION;
- Exhibit PREMISES;
- Exhibit IMPROVEMENTS;
- Notice of Ground Lease Agreement;
- Declaration of Covenant;
- Community Land Trust Ground Lease Rider;
- VHCB Housing Subsidy Covenant;
- VHCB Mortgage; and
- CHT Mortgage

Our attorney has provided detailed information and advice regarding this atypical conveyance, and we have been reasonably informed of the present and foreseeable consequences of our actions in purchasing the above-described property. We have entered the aforesaid transaction freely and in reliance on our own judgment after having reviewed in detail the terms and conditions of our purchase of the property in question with our attorney. We are satisfied that we have fully and independently informed ourselves about this transaction.

Date:  _________________   ________________________

Homeowner

____________________________

Homeowner
Exhibit PREMISES

All and the same lands conveyed to Champlain Housing Trust, Inc. by Warranty Deed of _____________________ dated _____________________ and recorded at Volume ____, Page ____, of the _____________________ Land Records.

Reference is hereby made to the instruments aforementioned, and the records thereof, and the instruments therein referred to, and the records thereof, in further aid of this description.
Exhibit IMPROVEMENTS

All and the same Improvements conveyed to Homeowner by Warranty Deed of Champlain Housing Trust, Inc. of even date herewith, to be recorded in the _____________________ Land Records. Being the dwelling house known as __________________________ presently situated on the lands conveyed to CHT by __________________________ by Warranty Deed dated ______________________, 20____, and recorded at Volume _____ and Page _____ in the _____________________ Land Records and including any and all subsequently made or erected improvements.

In general, Improvements shall include:

All buildings, structures and improvements, foundations, footings, driveways, roads, utilities, pavings, fixtures, apparatus, appliances, furniture, machinery, personal property and building equipment in, upon, under or over the Land, including, but without limiting the generality of the foregoing, all furnaces, boilers, engines, motors, compressors, tanks, fittings, piping, wiring, connections, conduits, ducts, equipment, partitions, screens, awnings, windows, doors, and blinds, together with any and all renewals and replacements thereof or additions thereto or substitutes therefor.

Reference is hereby made to the instruments aforementioned, and the records thereof, and the instruments therein referred to, and the records thereof, in further aid of this description.
Exhibit CAPITAL IMPROVEMENTS

CREDIT FOR CAPITAL IMPROVEMENTS: In the event CHT exercises its option to purchase the Improvements located on the Leased Premises, as set forth in Article 10 of this lease, CHT agrees to pay, and Homeowner agrees to accept a Capital Improvement Credit which shall be equal to the lesser of: 1) the value which each capital improvement adds to Homeowner’s property or, 2) a Maximum Capital Improvement Credit computed pursuant to this Exhibit CAPITAL IMPROVEMENTS.

a. Procedure.
1) Prior to undertaking construction or modification of any structure located on the Leased Premises for which Homeowner desires to receive a Capital Improvement Credit, and at Homeowner’s expense, a market appraisal of all structures located on the Leased Premises shall be performed by a mutually acceptable fully licensed property appraiser. The appraisal shall be conducted by analysis and comparison of comparable properties, disregarding the restrictions of the Lease on the use and transfer of the Leased Premises and the Improvements located thereon, and further disregarding restrictions set forth in Homeowner’s Declaration of Covenant(s) of even date and recorded in the appropriate municipal or town land records. The appraisal shall include an estimate of value before construction or modification is undertaken (the "pre-construction market value"), and another estimate of value assuming the construction or modification is completed in accordance with brief written specifications furnished by Homeowner (the "post-construction market value"). A copy of this appraisal shall be submitted to CHT and attached to the Lease as Exhibit A. This procedure shall be followed each time Homeowner desires to receive a Capital Improvement Credit. Each appraisal shall be submitted to CHT and attached to Exhibit A as Exhibit A-2, A-3, and so forth. The most recent attachment to Exhibit A shall be controlling for purposes of computing each successive credit.

2) Within fifteen (15) working days of CHT's receipt of the appraisal, CHT shall provide Homeowner with written notice of the Maximum Capital Improvement Credit to be allowed. A copy of this notice shall be attached to the Lease as Exhibit B. This procedure shall be followed each time Homeowner desires to receive a Capital Improvement Credit. A copy of each notice shall be attached to Exhibit B as Exhibit B-2, B-3, and so forth. The most recent attachment to Exhibit B shall be controlling for purposes of computing each successive credit.

3) Within sixty (60) days of substantial completion of construction or modifications, and at Homeowner's expense, a market appraisal of all structures on the Leased Premises shall be performed by a mutually acceptable fully licensed property appraiser. This appraisal may be a brief update of the appraisal performed before construction. A copy of this appraisal shall be submitted to CHT and attached to the Lease as Exhibit C. This procedure shall be followed each time Homeowner desires to receive a Capital Improvement Credit. Each appraisal shall be submitted to CHT and attached to Exhibit C as Exhibit C-2, C-3, and so forth. The most recent attachment to Exhibit C shall be controlling for purposes of computing each successive credit.

b. Definitions:
1) "Maximum Capital Improvement Credit" shall be the current Vermont Housing Finance Agency maximum home purchase price for an existing single family minus CHT's Purchase Option Price as though it were paid on or about the date of CHT's receipt of Exhibit A. If the Vermont Housing Finance Agency no longer exists or does not have a maximum home purchase price, some other comparable index shall be used.

c. Calculation of the Capital Improvement Credit
The Capital Improvement Credit shall be the LESSER of the following:

1) a) The market value of all structures on or about the date of substantial completion of construction or modification as indicated by Exhibit C; less, b) the pre-construction market value of all structures as indicated by Exhibit A; equals, c) the value added by construction or modification; OR 2) The Maximum Capital Improvement Credit as indicated by Exhibit B.
Homeowner agrees that the Capital Improvement Credit as determined by the procedures and formulas described herein constitutes fair compensation for all construction or modifications to Homeowner's property. In the event CHT exercises its option to purchase the improvements pursuant to Article 10 of the Lease, CHT agrees to include such Capital Improvement Credit in its option price provided the procedures set forth in this Exhibit Capital Improvements are followed and Exhibits A, B and C are in evidence.
HOMELAND CONDOMINIUM HOUSING SUBSIDY COVENANT

KNOW ALL PERSONS BY THESE PRESENTS that ____________
__________ of the Town of ___, County of Chittenden, State of Vermont (hereinafter the "covenantor") for valuable consideration, including, but not limited to, a housing subsidy grant in the amount of $__ (hereinafter the “VHCB Grant”) from the Champlain Housing Trust, Inc. (hereinafter "CHT"), a Vermont nonprofit corporation, awarded to CHT by the Vermont Housing and Conservation Board (hereinafter "VHCB"), a public instrumentality of the 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 property conveyed to the covenantor by Champlain Housing Trust, Inc. by Warranty Deed of even date herewith and recorded herewith in the ___ Land Records and being the condominium apartment unit No. ___ (hereinafter the "Unit" or the “premises”), located at ___ (street address, including town) , Vermont.

The covenantor's lender, ____________ (hereinafter the "Bank"), joins in this Condominium Housing Subsidy Covenant solely for the purpose of acknowledging its rights and obligations provided for herein. The mortgage deed and note from covenantor to the Bank (the “Note and Mortgage”) is expected to be assigned to the Vermont Housing Finance Agency, in which case it shall assume the rights and obligations provided to and undertaken by the Bank in this Condominium Housing Subsidy Covenant.

Said covenants are as follows:

I. COVENANTOR'S DUTIES AND OBLIGATIONS

(1) The covenantor shall use the premises as a primary residence, and shall occupy the premises for at least six (6) months of each year. If the covenantor desires to lease or vacate
covenantor’s Unit for a period exceeding six (6) months in one year, covenantor must seek prior written approval from CHT. Occupancy by the covenantor's children or other family members or dependents shall be deemed occupancy by the covenantor.

(2) The covenantor shall not cause or suffer waste upon the premises.

(3) In consideration for the grant awarded herein, the covenantor shall become a member of CHT and pay an annual membership fee of $300.00, payable in monthly installments of $25.00 due on the first of each month. Membership entitles the covenantor to certain services and benefits that include, but are not limited to: (i) receipt of CHT's newsletters and annual reports; (ii) serving as and voting for members of the Board of Directors of CHT; and (iii) technical assistance in meeting the obligations of this Condominium Housing Subsidy Covenant. If CHT does not receive the full amount of the monthly installment by the end of fifteen (15) calendar days after the date it is due, covenantor shall pay a late charge in the amount of five percent (5%) of the outstanding membership fees.
(4) Whenever the covenantor (or covenantor’s heirs, successors or assigns) shall desire to sell the Unit described herein, covenantor shall provide CHT written notice of said intent to sell. Upon receipt of said written notice, a market valuation of the Unit and the covenantor's pro rata interest in the common elements shall be performed by a mutually acceptable, licensed property appraiser. The appraisal shall consist of an analysis and comparisons of comparable properties, disregarding the resale restrictions contained in this Condominium Housing Subsidy Covenant. The cost of the appraisal shall be shared equally between covenantor and CHT.

Upon completion of said appraisal, CHT shall have a period of one hundred and eighty (180) days to purchase the Unit from covenantor for the option price set forth in Section II below for the purpose of resale to an eligible household willing to purchase the Unit from CHT for the option price set forth in Section II below, plus administrative fees, as allowed by VHCB.

An eligible household shall mean a household having an income at or below 100% of the median income for households residing in the Burlington Metropolitan Statistical Area ("Burlington MSA") or the State of Vermont, whichever is higher, adjusted for household size. Said median incomes and Burlington MSA shall be as set forth in regulations promulgated by the United States Department of Housing and Urban Development pursuant to 42 U.S.C. Sec. 1437 et seq., or a substantially similar publication should these regulations no longer exist.

Said conveyance to an eligible household must be expressly made subject to this or a similar Condominium Housing Subsidy Covenant

CHT and covenantor may extend the time in which CHT must exercise its option to purchase the premises, provided said extension is made by mutual consent as evidenced by a signed agreement. This provision shall not be construed to mean that CHT or covenantor must agree to an extension of time in which CHT must exercise its option.

The value added by any capital improvements qualifying for a Capital Improvement Credit, as defined in Section III(C) below, will not be included in calculating the appreciation in value of the premises for the purposes of the option price. The covenantor may receive a credit for capital improvements as described in Section III. The covenantor may not receive credit for capital improvements if covenantor has not adhered to the procedures provided for in this Condominium Housing Subsidy Covenant for added improvements.

Finally, in the event of the commencement of an action in foreclosure by any mortgagee or lien holder against the covenantor and related to the Unit, CHT shall have an option for a period of ninety (90) days from the date it receives notice of said action to purchase the Unit for the option price set forth below (the Foreclosure Option Price”).

The Foreclosure Option Price shall be the option price set forth in Section II below plus the amount of any outstanding liens and debts against the Unit which were acquired prior to the commencement of the foreclosure action and which exceed the option price set forth in Section II below.
II. CALCULATION OF OPTION PRICE

The Covenantor's Option Price to Purchase the Unit shall be at a price equal to the LESSER of the following:

A. Calculation of the Covenantor's Option Price to Purchase the Unit:

1. Calculation of Market Value Appreciation/Depreciation:
   a) The appraised value of the covenantor's Unit on or about the date of the covenantor's notification of desire to sell, minus any value added by capital improvements as defined in Section III below;
   b) Less the appraised value of said Unit as determined by an appraisal conducted on ______________, _____ of $_____________; ____________
   c) If this number is positive, it equals the total amount of appreciation in the value of the Unit for the purpose of calculating CHT’s Option Price to Purchase the Unit. If this number is negative, it equals the total amount of depreciation in the value of the Unit for the purpose of calculating CHT’s Option Price to Purchase the Unit.

2. Calculation of the Covenantor's Share of Appreciation/Depreciation:
   a) Total amount of appreciation in the value of said Unit as calculated above and indicated by Section II(A)(1) (c) above being a positive number;
   b) Multiplied by twenty-five per cent (25%);
   c) Equals the covenantor's share of appreciation, where the value of the Unit appreciated;
   d) In the event that the value of the Unit depreciated, as indicated by Section II (A)(1) (c) above being a negative number, the covenantor’s share of the depreciation is 100% of the depreciation.

3. Calculation of CHT’s Option Price to Purchase Unit:
   a) Original purchase price of $_____________; ____________
   b) Plus any applicable capital improvement credit, as defined in Section III below;
   c) Plus the covenantor's share of appreciation or minus the covenantor’s share of depreciation as calculated in Section II(A)(2) above;
   d) Minus the total housing subsidy grant(s) to the covenantor from CHT of $__________ (includes a $__________ VHCB Grant & a $__________ CHT grant); ____________
   e) Minus outstanding membership fees, if any, with twelve percent (12%) interest, per annum, from the date of delinquency;
f) Equals the option price to be paid by CHT in order to foster resale to persons of low/moderate income; OR

B. The new appraised value (as defined by Section II(A)(1)(a) above) minus the total housing subsidy grant(s) (as defined by Section II(A)(3)(d) above).

(In addition, if the covenantor 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 the covenantor's interest in the premises.)

III. CREDIT FOR CAPITAL IMPROVEMENTS

The Capital Improvement Credit described in Section II(A)(3)(b) above shall equal the LESSER of: 1) the value which each capital improvement adds to covenantor's Unit as defined in Section III(C) below; or 2) the Maximum Capital Improvement Credit as computed below.

A. Procedure

1) Prior to undertaking any major improvements of the Unit for which the covenantor desires to receive a Capital Improvement Credit, and at the covenantor's expense, a market appraisal of the covenantor's property (i.e., the Unit and covenantor’s undivided interest in the Common Elements) shall be performed by a mutually acceptable, certified property appraiser. The appraisal shall be conducted by analysis and comparison of comparable properties, disregarding the restrictions of this Condominium Housing Subsidy Covenant on the use and transfer of the Unit. The appraisal shall include an estimate of value before major improvement is undertaken (the "pre-construction market value"), and another estimate of value assuming the major improvement is completed in accordance with brief written specifications furnished by the covenantor (the "post-construction market value"). A copy of this appraisal shall be submitted to CHT and attached to this Condominium Housing Subsidy Covenant as Exhibit A. This procedure shall be followed each time the covenantor desires to receive a Capital Improvement Credit. Each appraisal shall be submitted to CHT and attached to Exhibit A as Exhibit A-2, A-3, and so forth. The most recent attachment to Exhibit A shall be controlling for purposes of computing each successive credit.

2) Within fifteen (15) working days of CHT's receipt of the appraisal, CHT shall provide the covenantor with written notice of the Maximum Capital Improvement Credit to be allowed. A copy of this notice shall be attached to this Condominium Housing Subsidy Covenant as Exhibit B. This procedure shall be followed each time the covenantor desires to receive a Capital Improvement Credit. A copy of each notice shall be attached to Exhibit B as Exhibit B-2, B-3, and so forth. The most recent attachment to Exhibit B shall be controlling for purposes of computing each successive credit.

3) Within 60 days of substantial completion of major improvements, and at the covenantor's expense, a market appraisal of the covenantor's property shall be performed by a mutually acceptable, certified property appraiser. A copy of said appraisal shall be
submitted to CHT and attached to this Condominium Housing Subsidy Covenant as Exhibit C. This appraisal may be a brief update of the appraisal performed before construction. This procedure shall be followed each time the covenantor desires to receive a Capital Improvement Credit. Each appraisal shall be submitted to CHT and attached to Exhibit C as Exhibit C-2, C-3, and so forth. The most recent attachment to Exhibit C shall be controlling for purposes of computing each successive credit.

4) If the covenantor should elect to receive a Capital Improvement Credit for the added capital improvements covenantor makes to the premises, Exhibits A, B, and C, described above, regarding those improvements, shall be recorded in the ___ Land Records at covenantor's expense.

B. **Definitions**

1) Capital Improvements are defined as major improvements above and beyond regular routine maintenance and repair.

2) "Maximum Capital Improvement Credit" shall be the current Vermont Housing Finance Agency maximum home purchase price for an existing single family minus the covenantor's option price as though it were paid on or about the date of the covenantor's receipt of Exhibit A. If the Vermont Housing Finance Agency no longer exists or does not have a maximum home purchase price, some other comparable index shall be used.

C. **Calculation of the Capital Improvement Credit**

The Capital Improvement Credit shall be the LESSER of the following:

1) a) The market value of all structures on or about the date of substantial completion of construction or modification as indicated by Exhibit C; less, b) the pre-construction market value of all structures as indicated by Exhibit A; equals, c) the value added by construction or modification; OR 2) The Maximum Capital Improvement Credit as indicated by Exhibit B.

The covenantor agrees that the Capital Improvement Credit, as determined by the method described herein, constitutes fair compensation for major improvements to covenantor’s Unit. In the event CHT, its successors or assigns, exercises its option to purchase the Unit pursuant to this Condominium Housing Subsidy Covenant, CHT, its successors or assigns, agrees to include in its option price a Capital Improvement Credit, as calculated herein, provided the procedures set forth in this section are followed and Exhibits A, B and C are in evidence.

**IV. PURPOSE**
The purpose of the above covenants, including the option price, which limits the covenantor's share of appreciation in the Unit, is to encourage the development and continued availability of affordable rental and owner-occupied housing for low and moderate income persons.

V. DURATION

Unless otherwise discharged by its terms, this Condominium Housing Subsidy 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. As provided in Section VI below; or

3. Upon written agreement between the covenantor and CHT and VHCB.

Otherwise, this Condominium Housing Subsidy Covenant shall run with the land and shall be enforceable according to its terms.

VI. LENDERS' OBLIGATIONS

1. In the event of a default in any of the covenantor’s obligations under the Note and/or Mortgage, the Bank shall notify CHT in writing of such fact at the same time notice is given to covenantor, and CHT shall have the right (but shall not have the obligation) within thirty (30) business days after the time period provided to the covenantor to cure such default in the covenantor’s name and on the covenantor’s behalf.

2. In the event of the commencement of an action in foreclosure by the Bank against the covenantor, the Bank acknowledges and accepts all of CHT’s option rights, including its foreclosure option rights, set forth in Section I above.

3. In the event of the commencement of an action in foreclosure by the Bank, the Bank shall not ask the court to reduce the redemption period to less than one hundred eighty (180) days from the date of entry of judgment of foreclosure, unless, in the Bank’s reasonable opinion, the Unit is in jeopardy for any reason, including, but not limited to, waste.

4. The Bank acknowledges that this Covenant runs with the land as a matter of law and that CHT shall have a right of redemption in the event of foreclosure of the Mortgage.

5. At any time subsequent to the filing of a foreclosure action by the Bank and prior to the expiration of the redemption period granted to covenantor, CHT shall be entitled to
purchase the Note and Mortgage for a price equal to the then-outstanding principal balance of the indebtedness, with all costs, expenses, and interest to date, in which event the Bank shall assign the Note and Mortgage to CHT or its designee.

6. This Condominium Housing Subsidy Covenant shall terminate if the covenantor’s period of redemption expires and neither CHT nor any other person exercises a right of redemption granted in the Decree of Foreclosure.

In all other respects, this Condominium Housing Subsidy Covenant is subordinate to the Mortgage Deed. This Condominium Housing Subsidy Covenant is also subordinate to the covenantor's mortgage deed securing the VHCB Grant from CHT and VHCB, provided VHCB affords CHT the same rights as provided for in this Section. This Condominium Housing Subsidy Covenant is also subordinate to the covenantor's mortgage deed securing a single family assistance loan from CHT and VHCB, if any, provided VHCB affords CHT the same rights as provided for in this Section.

VII. ENFORCEMENT OF COVENANTS

It is expressly understood and agreed that, with regard to the restrictive covenants contained herein, it shall be lawful for CHT and/or VHCB, their 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.

VIII. NOTICE

All notices, demands, or other writings required to be given by the parties hereto pursuant to this Condominium Housing Subsidy Covenant shall be sufficient if mailed certified mail, return receipt requested, and addressed as follows:

CHT: P.O. Box 523
     Burlington, VT 05402

COVENANTOR: (buyer)
        (address of property)
BANK: (lender name)
(address)
(town), VT.

Each party hereby agrees to notify the other of any changes in their address. CHT and the Bank hereby agree that notice to their respective agents, as recorded with the Office of the Secretary of State, will satisfy the notice requirements herein, as long as copies of said notices are also sent to their respective addresses as provided for herein.

IX. MISCELLANEOUS PROVISIONS

This instrument shall be recorded with the Land Records of the Town of ___. Any amendment to or termination of this instrument shall be executed and acknowledged by all parties hereto, or their heirs, successors and assigns, and recorded with the Town of ___ Land Records.

This instrument shall inure to the benefit of, and shall be binding upon, each of the parties hereto and their respective heirs, successors, and assigns.

Dated at _____________________, Vermont, this ____ day of _______________, 2008.

In The Presence of

CHAMPLAIN HOUSING TRUST, INC.

__________________________      By:  ____________________________
Witness     Its Duly Authorized Agent

___________________________     By:  ____________________________
Witness             Its Duly Authorized Agent

COVENANTOR
Witness (as to both) ________________________ (buyer 1)

_____________________________
(second buyer if applicable)

STATE OF VERMONT
______________________________ COUNTY, SS.

At _______________, in said County and State this ____ day of __________, 2008, personally appeared ________________________, known to me to be the duly authorized agent of Champlain Housing Trust, Inc. and he acknowledged the foregoing Condominium Housing Subsidy Covenant, by him sealed and subscribed, to be his free act and deed and the free act and deed of the Champlain Housing Trust, Inc.

Before me,

________________________________
Notary Public, My Commission
Expires 2/10/11

STATE OF VERMONT
______________________________ COUNTY, SS.

At _______________, in said County and State this ____ day of __________, 2008, personally appeared _________________________, known to me to be the duly authorized agent of (lender name) and he/she acknowledged the foregoing Condominium Housing Subsidy Covenant, by him/her sealed and subscribed, to be his/her free act and deed and the free act and deed of (lender name).

Before me,

________________________________
Notary Public, My Commission
Expires 2/10/11

STATE OF VERMONT
______________________________ COUNTY, SS.

At _______________, in said County and State, this ____ day of __________, 2008, personally appeared (buyer) and he acknowledged the foregoing Condominium Housing Subsidy Covenant by him sealed and subscribed, to be his free act and deed.

Before me,

________________________________
Notary Public, My Commission
Expires 2/10/11
CHAMPLAIN HOUSING TRUST
CONTRACT FOR SERVICES

This Contract effective as of the ___ day of ____________, 20__, is between Champlain Housing Trust, Inc., a Vermont non-profit corporation with offices at P.O. Box 523, 179 South Winooski Avenue, Burlington, Vermont ("CHT") and the Flynn Avenue Cooperative Homes, Inc., a Vermont limited-equity housing cooperative organized pursuant to 11 V.S.A. Chapter 14 and located at ____________________________ (the "Cooperative").

WHEREAS, CHT has as one of its purposes to “provide education, community service, and support for cooperative development throughout the community”; and

WHEREAS, CHT and the Cooperative together jointly declare their desire to foster the development and growth of housing cooperatives through cooperative efforts among cooperatives; and

WHEREAS, CHT and the Cooperative are both committed to providing affordable housing for low- to moderate-income people; and

WHEREAS, the Cooperative desires to use the services, assistance and training offered by CHT; and

WHEREAS, the Cooperative desires that CHT have the power to assist the Cooperative through any period of operational difficulty;

NOW THEREFORE, in consideration of the payments, promises and covenants herein described, the parties agree as follows:

I. RESPONSIBILITIES OF CHT

1.1 Manage Replacement & Vacancy Reserves. CHT will manage the Cooperative’s Replacement and Vacancy Reserves consistent with this Agreement and with the Reserves Management Policies and Procedures, a copy of which is attached hereto as Attachment A and incorporated herein. In its role as reserve manager, CHT will:

(a) collect on a monthly basis the Cooperative’s contribution to its Vacancy (and Replacement, if not a leasing co-op) Reserves;
(b) invest the reserves in interest-bearing accounts for the benefit of the Cooperative;
(c) provide accounting for the collection and disbursement of funds from the Cooperative’s reserve accounts on a semi-annual basis;
(d) disburse funds from the reserve accounts to the Cooperative according to the Reserves Management Policies and Procedures.

The Cooperative agrees that its vacancy reserves may be loaned to other Cooperatives in accordance with the attached Reserves Management Policies and Procedures and agrees to accept the risk inherent in such loans and agrees that it will not attempt to hold CHT liable for any losses.

1.2 Review Financial Operations. CHT will review the bookkeeping and financial performance of the Cooperative as further outlined in Attachment C on a quarterly basis. CHT will review the bookkeeping and financial performance of the Cooperative more often if necessary in the sole judgment of CHT. The Cooperative shall remain responsible for the preparation and...
maintenance of its own financial records (including, but not limited to, regular bookkeeping) and for preparation of its own tax returns. CHT shall provide technical assistance and support to the Cooperative in the preparation of its annual operating budget. The Cooperative shall, however, remain responsible for the preparation of its annual operating budget.

1.3 **Review Capital Needs Assessment.** CHT will assist the Cooperative in obtaining a Capital Needs Assessment every three (3) years, unless a different schedule is required by any funding or leasing agreement, and will review the results of the inspection of the real property with the Cooperative. This service notwithstanding, the Cooperative shall at all times be and remain exclusively responsible for maintenance of its property in a safe and sound condition and for implementing the recommendations of the inspection. CHT shall not be liable to the Cooperative or to any third party for the condition of the Cooperative’s property or for any injuries, damages, claims, or expenses arising from, caused by, or associated with the Cooperative’s property.

1.4 **Share Transfers.** CHT will calculate the Maximum Transfer Value of a departing member’s share on behalf of the Cooperative. In addition:

(a) CHT will pursue good-faith efforts to work with the Cooperative in securing any necessary interim financing for the repurchase of a share according to the Cooperative’s bylaws and articles of association.
(b) CHT will pursue good-faith efforts to work with prospective members in securing any necessary share financing for the acquisition of a share in the cooperative.
(c) CHT shall act as the closing agent for the share acquisition, including preparing all necessary closing documents.

1.5 **Marketing.** CHT will create and maintain the central comprehensive general waitlist of all interested co-op housing applicants for the benefit of all member cooperatives. CHT will also provide pre-interview screening of potential members of the Cooperative (including income verification and credit checks), unless the Cooperative has hired a professional property manager.

1.6 **Dispute Resolution.** CHT will support the Cooperative in developing structures to resolve disputes. CHT will assist the Cooperative in the development of a conflict resolution policy and will support the Cooperative in joining in with other cooperatives to establish a conflict resolution network consisting of resident volunteers. CHT will make recommendations to the Cooperative for conflict resolution trainers and professional mediators as necessary.

1.7 **Provide General Training.** CHT will provide ongoing training of twelve (12) to sixteen (16) hours per year, including training for the Cooperative’s Board of Directors and training in non-discrimination practices in marketing and member selection. CHT trainings shall cover a curriculum of topics designed to provide the Cooperative’s members with the skills to manage and operate the Cooperative. For specific training topics that require specialized professional skills (maintenance skills, income tax preparation, advanced bookkeeping, etc.), CHT will maintain a list of professionals for referral to the Cooperative.

1.8 **Provide Assistance with Co-op Reporting Requirements.** Without in any way assuming liability or responsibility for the Cooperative’s various reporting requirements, CHT will provide technical assistance and administrative support for the Cooperative’s reporting requirements to lenders, leaseholders, and federal, state, and local authorities.
1.9 Additional Services. CHT may, at additional cost, either at the request of the Cooperative or in cases of default outlined in Section 3.3 below, provide assistance to and on behalf of the Cooperative in the following matters:

1. Member Default of Lease. Following receipt of documentation from the Cooperative of a member’s material violation of their proprietary lease, CHT will assist the Cooperative in the issuance via certified mail and regular mail of a Notice of Default/Notice to Cure letter clearly stating the following:

(a) expressly which section(s) of the proprietary lease the member is in material violation of;
(b) what step(s) the member must take to adequately address the violation(s) and therefore cure the default; and
(c) that failure to cure the default within thirty (30) days will automatically result in the termination of the member’s membership interest and that the Cooperative will then have the right to re-enter the apartment and bring an action under Title 12, Vermont Statutes Chapter 169, Subchapter 3 to remove all persons and personal property therefrom.

2. Payment Agreements. CHT will assist the Cooperative in negotiating, executing and monitoring the status of payment agreements between the Cooperative and one or more of its members for carrying charges or any other amounts owed by the member to the Cooperative.

3. Eviction. CHT will assist the Cooperative in evicting members of the Cooperative who fail to meet the terms of their Notice of Default/Notice to Cure within the time allotted.

4. Small Claims Court. CHT will assist the Cooperative in filing claims in Small Claims Court against members to recoup carrying charge and share loan arrearages, damages to the Cooperative’s property and other monetary claims resulting from a member’s violation of the Proprietary Lease.

5. Property Management in Default. If CHT exercises its power of attorney under Section 3.4 of this Agreement, CHT or its designated agent may, at CHT’s sole discretion, provide the Cooperative with property management services.

6. Inspection of Rehab/Repair Work. CHT or its designated agent will provide inspections of repair and/or rehabilitation work performed on the Cooperative’s property.

In providing the services described in this paragraph 1.9, CHT will act as the agent for the Cooperative.

II. RESPONSIBILITIES OF THE COOPERATIVE

2.1 Operate and Maintain Affordable Housing on a Cooperative Basis. The Cooperative agrees that it is responsible for the operations of the cooperative corporation and any and all real property it owns, leases, or otherwise controls. The Cooperative agrees it will operate as a limited equity cooperative according to the Vermont Cooperative Housing Ownership Act, Federal and Vermont Fair Housing laws, and the Americans with Disabilities Act, and will seek to further its purpose of providing housing affordable to people of low and moderate income in compliance with 9 V.S.A. Chapter 139 (relating to fair housing practices) and without distinction as to affectional or sexual preference. The Cooperative agrees to maintain its real Property in compliance with all applicable local, state, and federal codes. The
Cooperative agrees to comply with the provisions of all promissory notes, ground leases, master leases, deed restrictions, loan agreements, and other agreements which have been entered into by the Cooperative.

2.2 Financial Recordkeeping. The Cooperative will keep appropriate financial records and will submit quarterly financial statements to CHT within 30 days of the end of each quarter. If CHT requires more frequent reporting, the Cooperative will submit financial statements as required, within 30 days of the end of each reporting period.

2.3 Application Review. The Cooperative agrees to select members solely from the pool of applicants provided by CHT using CHT’s general waitlist described above in Section 1.5. Except as determined by the Cooperative’s member selection policies, the Cooperative agrees to review applications in the order they are received by CHT.

2.4 Pay Dues, Reserves Payments, and Other Assessments. The Cooperative agrees to pay CHT a monthly amount (the “Monthly Payment Amount”), the calculations for which appear in Attachment B. Attachment B will be revised on one or more occasions if the Monthly Payment Amount is amended in accordance with this Agreement. The Monthly Payment Amount must be received by CHT by the fifth day of each month. In the event that the fifth day of the month is not a business day, the payment shall be due the first business day following the fifth day of the month. Payments received after the dates set forth in this paragraph shall be subject to a Late Payment Fee as described in sub-paragraph 2.4(c). The Monthly Payment Amount shall comprise the following:

(a) Monthly Contribution to Replacement and Vacancy Reserves. The Cooperative agrees to pay a percentage of its gross monthly budgeted income as its monthly contribution to its Replacement and Vacancy Reserves detailed in Attachment A, Section 2.1 and Section 3.1.

(b) Monthly Fee. The Cooperative agrees to pay CHT a monthly fee specified in Attachment B. The Monthly Fee may be changed from time to time by the CHT Board of Directors to reflect reasonable increases in the cost of providing services. Notice of fee increases shall be provided to cooperatives no later than ninety (90) days before taking effect.

(c) Late Payment Fee. Late payments may be assessed an administrative fee, specified in Attachment B, which will be payable with the following month's Monthly Payment Amount. This will be in addition to any late fee assessed under the terms of any Promissory Note.

(d) Reimbursement to CHT. The Cooperative agrees to reimburse CHT for any sums spent by CHT in excess of the Cooperative’s reserves to cure a default by the Cooperative according to a schedule to be determined by CHT.

(e) Mortgage Loan Repayment. The Cooperative agrees, if applicable, to pay CHT according to the Co-op First Promissory Note and Co-op First Loan Agreement, both executed on ______________________, 19_____.

2.5 Annual Budget. The Cooperative will transmit its annual budget for the coming year to CHT by November 30 of the current year. As described in Section 1.2, the Cooperative may submit draft budgets earlier for CHT’s review and assistance.

2.6 Cooperation. The Cooperative will cooperate with CHT so that CHT may effectively carry out its responsibilities under Section I of this Agreement.

2.7 Insurance. Subject to the provisions of any and all promissory notes, ground leases, master leases, deed restrictions, loan agreements, and other agreements which have been entered
into by the Cooperative, the Cooperative shall keep its property insured with an insurer authorized to do business in the State of Vermont against fire and other hazards within the meaning of the term 'extended coverage' and including vandalism and malicious mischief coverage, on a replacement cost basis in an amount sufficient to pay for the complete restoration of any partial or total loss. In addition, the Cooperative shall maintain a policy of public liability coverage providing coverage at least equal to $1,000,000. CHT shall be named as an additional insured of both hazard and liability policies. The Cooperative shall provide CHT with a copy of each of the policies described in this section, including certificates of insurance entitled to notice prior to cancellation.

2.8 Property Inspection/Capital Needs Assessment. Every three (3) years, unless a different schedule is required by any financing or leasing agreement, the Cooperative shall procure the services of a competent property inspection service, for the purpose of reviewing the physical condition of the Cooperative's real property and providing or updating a Capital Needs Assessment. This inspection will review major building systems (electrical, plumbing, roof, structural, heating) and general building upkeep and will note any violations of local, state, or federal housing codes. CHT shall be provided with a written copy of the Capital Needs Assessment within fifteen (15) days of the date the report is received. If such an inspection reveals any violations of local, state, or federal housing codes, the Cooperative shall promptly make necessary repairs or corrections and provide proof of such repairs to the satisfaction of CHT. CHT reserves the right to inspect any such repairs made as a result of the property inspection. CHT and the Cooperative agree to work together in creating and/or updating a long range capital improvement plan for the Cooperative based on the results of the Capital Needs Assessment.

2.9 Indemnification of CHT. Nothing in this Agreement, including but not limited to CHT's technical assistance to the Cooperative and its right to cure defaults and intervene in the Cooperative's operations by virtue of a power of attorney granted to it by the Cooperative, is intended to impose any duty of care to any third party, including but not limited to Cooperative members. Accordingly, the Cooperative hereby agrees to indemnify, defend and hold CHT harmless against all liability, demands, claims, suits, losses, damages, causes of action, fines or judgment, including costs, attorneys' and witnesses' fees and expenses incident thereto for injuries (including death) to persons or property arising out of or in connection with the terms of this agreement, the parties' respective performance therewith, and any of the Cooperative's legal or statutory duties, unless such demand, claim or suit arises from CHT's own gross negligence or willful misconduct. The Cooperative will give CHT prompt notice and copy of any demand, claim or suit that is made against it during the term of this Contract.

2.10 Other Responsibilities of Cooperative. The responsibilities of the Cooperative set forth in this Section II are in addition to any obligations and responsibilities which the Cooperative may have under any other agreement between the Cooperative and CHT or contained in any Note or Mortgage from the Cooperative and held by CHT or CHT's assignees or contained in any master lease between the Cooperative and a tax credit real estate partnership.

2.11 Cooperative Training. The Cooperative agrees to make all reasonable effort to ensure that its members receive training from CHT in areas including, but not necessarily limited to, roles and responsibilities of the Board of Directors and non-discrimination practices in marketing and member selection.

III. RIGHT OF CHT TO CURE DEFAULTS AND INTERVENE IN CO-OP OPERATIONS
3.1 **General Statement on CHT Actions and the Independence of Cooperatives.** While the parties agree that CHT may exercise the rights set forth in paragraph 3.6 to cure defaults by the Cooperative, it is understood by the Cooperative that CHT is neither bound to do so, nor will necessarily exercise the rights set forth in paragraph 3.6. Further, when exercising the powers to cure a default, CHT shall be acting in accordance with its power of attorney as per Section 3.2. The Cooperative shall at all times be and remain responsible for its debts, obligations, and liabilities, including those incurred on behalf of the Cooperative pursuant to paragraph 3.6. Under no circumstances is CHT obligated to expend its own funds in order to cure a default by the Cooperative.

3.2 **Power of Attorney.** The Cooperative hereby irrevocably constitutes and appoints CHT its true and lawful attorney-in-fact for the purpose of exercising the powers granted below under Section 3.5. CHT shall only exercise this power by decision of its Board of Directors after providing written notice of default as defined in Section 3.3, if the Cooperative fails to provide an acceptable plan to cure the default or a notice of intent to submit to arbitration, all as described below in Section 3.4.

3.3 **Events Precipitating Default.** The Cooperative shall be in default of this agreement under the following conditions ...

(a) The Cooperative fails to meet the obligations of any of its Loan Agreements, Promissory Notes, Ground Lease, Master Lease, or Mortgage Deeds including, but not limited to, the Cooperative’s first mortgage, home improvement loan(s), Down Payment loan(s), or other loans;

(b) An inspection of the real property of the Cooperative reveals violations of local, state, or federal housing codes or reveals damage to the property resulting from negligent maintenance or upkeep which are not corrected in a timely manner as set forth in Section 2.8 above;

(c) The Cooperative fails to meet Monthly Payment Amount obligations under this Agreement for two consecutive months;

(d) The Cooperative violates the Cooperative Housing Ownership Act or any other housing law;

(e) The Cooperative fails to cooperate with CHT in the performance of CHT’s responsibilities under Section 1 above;

(f) The Cooperative fails to provide a budget or financial reports when due;

(g) The Cooperative is in violation of any other term of this Agreement;

(h) The Cooperative, in the opinion of CHT, has shown reckless disregard for its fiduciary and record-keeping responsibilities; or

(i) The Cooperative, in the opinion of the CHT Board of Directors, is so affected by conflict among the Co-op’s members or by lack of participation that the operation of the property as decent, safe, and affordable housing is threatened.

3.4 **Notice of Default/Notice to Cure.** If the CHT Board of Directors determines that a default has occurred, the Cooperative will be issued via certified mail and regular mail a Notice of Default/Notice to Cure and will be given five (5) days to provide a written plan which addresses the deficiencies noted in the Notice of Default/Notice to Cure and which is acceptable to CHT. Within ten (10) days of its acceptance by CHT, the Cooperative will initiate implementation of the agreed-upon plan and will diligently pursue implementation to completion. If the Cooperative desires to invoke the binding arbitration procedure described in this Agreement, it shall give notice of its intent to enter into arbitration within five (5) days of the date of the Notice of Default/Notice to Cure.
3.5 **Notice of Assuming Power of Attorney/Power of Attorney.** If a default has occurred as detailed under Section 3.3 of the Agreement, and the Cooperative fails to provide CHT in a timely manner with a plan, acceptable to CHT, to cure any default, or the Cooperative fails to implement diligently an acceptable plan and bring said plan to completion, as described in Section 3.4, the Cooperative will be issued via certified mail and regular mail a Notice of Assuming Power of Attorney which will constitute legal notice of CHT having exercised its Power of Attorney. CHT shall cease to exercise said power of attorney when all defaults are cured to the satisfaction of CHT and CHT and the Cooperative have agreed in writing that the power of attorney is no longer in effect, until such time as CHT finds the Cooperative in any future default. This power of attorney shall terminate upon the termination of this Agreement as per Section 4.1 or 4.5 of this Agreement.

3.6 **Powers of CHT in Curing Defaults.** CHT’s powers in curing the default of the Cooperative are, pursuant to the power of attorney granted in Section 3.2 above, as follows:

(a) CHT may use any of the Cooperative’s financial resources, including without limitation, funds deposited in the Cooperative’s checking, savings and/or money market account(s), the balance of the reserves of the Cooperative and may, in its sole and absolute discretion, use other financial resources at CHT’s disposal to effect a cure of the default and to cover administrative, legal and other costs involved in curing the default. In the event CHT uses other financial resources, the Cooperative shall reimburse these expenses, with interest at the rate the funds would otherwise have earned, as an additional assessment to be paid as part of the Cooperative’s Monthly Payment Amount. CHT shall provide the Cooperative with an accounting of any such expenses. The Cooperative understands and agrees that its access to its bank accounts may be restricted by CHT as a result of the Cooperative’s default.

(b) In the case of defaults relating to maintenance and upkeep, CHT, or its agents, may enter the premises of the Cooperative during normal business hours for the purpose of performing maintenance and repairs with 48 hours simultaneous notice to the Cooperative and affected members. In the case of emergencies, no notice is required.

(c) CHT may assume financial management of the Cooperative including, but not limited to, collecting carrying charges from members, paying bills, servicing the debt of the Cooperative, opening and closing bank accounts, and entering into contracts for goods and services on the Cooperative’s behalf.

(d) CHT may pursue membership termination and eviction of members of the Cooperative who are in default of their Proprietary Leases or who are in violation of, or have caused the Cooperative to be in violation of, other governing documents and rules of the Cooperative.

(e) CHT may lease any vacant unit of the Cooperative. In exercising these powers, CHT will honor those provisions of the Bylaws, Proprietary Lease, and other constituent documents of the Cooperative which are not connected with the default.

(f) CHT may amend the Bylaws of the Cooperative in order to improve its operations and facilitate curing the default. The Cooperative must ratify any amendments as part of curing its default.

(g) Through the power of attorney granted under Section 3.2, CHT shall have the power to dissolve the cooperative housing corporation and dispose of its assets in compliance with 11 V.S.A. Chapter 14, Section 1598, Subsection 6 without any further action on the part of the Cooperative being required.

IV. MISCELLANEOUS PROVISIONS
4.1 **Term.** Unless a longer term is required under the provisions of the Cooperative’s Loan Agreements, Promissory Notes, Ground Lease, Master Lease, or Mortgage Deeds, this Agreement shall be for three years following the date of execution, and shall be automatically renewable for subsequent terms thereafter unless otherwise terminated in writing by CHT and the Cooperative as described in Section 4.5 below.

4.2 **Severability.** If any provision of this Contract is held to be invalid or unenforceable by a court of competent jurisdiction, the other portions of this Contract shall remain in full force and effect and shall be liberally construed in favor of the Contract to effect the provisions of this Contract.

4.3 **Use of Subcontractors.** CHT reserves the right to subcontract to any other person or groups for services provided under this Contract.

4.4 **Mandatory Arbitration.** CHT and the Cooperative acknowledge the necessity of resolving disputes in an expeditious, organized, and fair manner.

Should any grievance or dispute arise between the Cooperative and CHT concerning their respective rights and duties under the terms of this Agreement, which cannot be resolved in normal interaction, the following arbitration procedure shall be used: provided, however, that any dispute which involves the legal validity of this Agreement or any portion thereof is specifically excluded from this arbitration agreement. Any such dispute shall be subject to judicial resolution rather than arbitration.

**ARBITRATION PROCEDURES:** Except as otherwise provided in this agreement, should any dispute or grievance arise which cannot be resolved, CHT and the Cooperative shall enter into binding arbitration. Either the Cooperative or CHT may initiate the arbitration process by notifying the other by written notice of its selection of a disinterested arbitrator. Within fifteen (15) days of receipt of this written notice, the other party may by written notice to the initiator of the arbitration process appoint a disinterested arbitrator of its choice. These two arbitrators shall select a third arbitrator. If the other party fails to name in a timely manner an arbitrator in response to receiving the written notice from the initiator of the arbitration process, the arbitrator selected by the initiator shall be the sole arbitrator.

The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the initial written notice by the initiator of the arbitration process. At the hearing, CHT and the Cooperative shall have an opportunity to present evidence and question witnesses in the presence of each other.

Within fifteen (15) days after the hearing, the arbitration panel shall make its judgment. The decision shall include a personal statement by each arbitrator of his/her decision and the reason for it.

The judgments of the majority of the arbitration panel shall be binding and final between the Cooperative and CHT; provided, however, that no arbitration decision shall be made which will have the effect of placing either CHT or the Cooperative in default of its fiduciary or legal obligations. The prevailing party shall be entitled to its attorneys’ fees and costs in any arbitration proceedings and in any judicial proceeding connected with the arbitration.

Both CHT and the Cooperative shall make every reasonable effort to resolve disputes involving arbitration within ninety (90) days of receipt by either party of the first written notice expressing the desire to enter into arbitration.
The arbitration provisions of this Agreement shall be governed by the Vermont Arbitration Act.

4.5 **Termination of Agreement.** This Agreement may not be dissolved except by mutual written consent of CHT and the Cooperative. In the event that this Agreement is so terminated, the Cooperative shall have the net of its reserve funds, if positive, returned according to the provisions of the Reserves Policies and Procedures attached, less any amounts due and owing from the Cooperative to CHT. If the Cooperative’s net reserve fund balance is negative or if the reserve fund balance is insufficient to cover any outstanding amounts owed by CHT by the Cooperative, the net negative balance and all other amounts due to CHT from the Cooperative shall be due and payable immediately upon the termination of this Agreement.

4.6 **Assignment.** This Agreement may not be assigned by the Cooperative to any other party without the advance written permission of CHT. CHT reserves the right to assign this Agreement to another party in the event of CHT’s dissolution or other inability to fulfill the terms of this Agreement.

4.7 **Notice.** Unless notified otherwise in writing, for the purpose of providing notice to either party to this Agreement, the following addresses shall be used:

Champlain Housing Trust
P.O. Box 523
179 South Winooski Avenue
Burlington, VT 05402

4.8 **Amendments.** This Agreement may be amended at any time by mutual written agreement of both parties.

V. ACKNOWLEDGMENT OF ARBITRATION

CHT and the Cooperative understand that this Agreement contains an agreement to arbitrate. After signing this document, the parties understand that they will not be able to bring a lawsuit concerning any dispute that may arise which is covered by the Agreement to arbitrate, unless it involves a question of constitutional or civil rights or the legal validity of this Agreement. Instead, the parties agree to submit any such dispute to an impartial arbitrator(s) more fully set forth in Article 4.4 above.

Signed for “Acknowledgment of Arbitration”:

CHT: ___________________________ Cooperative: ___________________________

IN WITNESS WHEREOF, at Burlington, Vermont, the parties execute this Agreement as dated below.

Witness

Witness

CHAMPLAIN HOUSING TRUST, INC.:

By: ___________________________ Its Duly Authorized Agent (Date)
Cooperative, Inc.

By: ____________________________

Its Duly Authorized Agent (Date)
ACCAG  Addison County Community Action Group
ACCT   Addison County Community Trust
BACLT  Brattleboro Area Community Land Trust
BCLT   Burlington Community Land Trust
BHA    Burlington Housing Authority
CDBG   Community Development Block Grant
CDC    Community Development Corporation
CHDO   Community and Housing Development Organization
CLT    Community Land Trust
CNS    Corporation for National Service
CVCAC  Central Vermont Community Action Council
COTS   Committee on Temporary Shelter
CVCLT  Central Vermont Community Land Trust
DHCA   Department of Housing and Community Affairs
HA     Housing Authority
FHLB   Federal Home Loan Bank
HOC    HomeOwnership Center
HOPWA  Housing Opportunities for People with AIDS
HUD    US Department of Housing and Urban Development
ICE    Institute for Community Economics
LCHDC  Lake Champlain Housing Development Corporation
LHP    Lamoille Housing Project
LIHTC  Low Income Housing Tax Credit
NLHCC  National Low Income Housing Coalition
NR     Neighborhood Reinvestment
NW     NeighborWorks
PHA    Public Housing Authority
RCCLT  Rutland County Community Land Trust
RD     Rural Development
RWNHS  Rutland West Neighborhood Housing Services
SFH    Single Family Home
USDA   United States Department of Agriculture
VAHC   Vermont Affordable Housing Coalition
VCDP   Vermont Community Development Program
VCIL   Vermont Center for Independent Living
VCLF   Vermont Community Loan Fund
VCSP   Vermont Community Stewardship Program
VDCU   Vermont Development Credit Union
VHCB   Vermont Housing and Conservation Board
VHCC   Vermont Housing and Conservation Coalition
VHFA   Vermont Housing Finance Agency
VSHA   Vermont State Housing Authority
Glossary of Housing Acronyms

From 2004 "Advocates' Guide To Housing and Community Development Policy," National Low Income Housing Coalition, and various other sources.

ACA  Addison Community Action / CVOEO
ACCAG  Addison County Community Action Group
ACCT  Addison County Community Trust
ACCD  Vermont Agency of Commerce and Community Development
ADA  Americans with Disabilities Act
AFDC  Aid to Families with Dependent Children (Cf. TANF)
AHP  Affordable Housing Program (of the Federal Home Loan Bank)
AMI  Area Median Income
BAAHC  Brattleboro Area Affordable Housing Corporation
BACLT  Brattleboro Area Community Land Trust
BADIC  Brattleboro Area Drop-In Center
BCLT  Burlington Community Land Trust
BHA  Barre Housing Authority
BROC  Bennington-Rutland Opportunity Council
CBPP  Center on Budget and Policy Priorities
CCA  Chittenden Community Action
CCH  Community Care Home
CD  Community Development
CDBG  Community Development Block Grant
CDC  Community Development Corporation
CDFI  Community Development Financial Institution

CEDO  Burlington Community & Economic Development Office
CFR  Code of Federal Regulations - publication of federal rules and regulations
CHAPA  Citizens Housing & Planning Association
CHDO  Community Housing Development Organization (pronounced "cho-doe")
ConPlan  Consolidated Plan
COTS  Committee On Temporary Shelter
CPI  Consumer Price Index
CRA  Community Reinvestment Act
CSC  Cathedral Square Corporation
CVCLT  Central Vermont Community Land Trust
CVOEO  Champlain Valley Office of Economic Opportunity
DHCA  Vermont Department of Housing and Community Affairs
EC  Enterprise Communities
ELI  Extremely Low Income
EITC  Earned Income Tax Credit
EPA  Environmental Protection Agency
ESG  Emergency Shelter Grant
EZ  Empowerment Zones
FDIC  Federal Deposit Insurance Corporation
FGIC  Franklin-Grand Isle Community Action / CVOEO
FHA  Federal Housing Administration
FHAP  Fair Housing Assistance Program
FHIP  Fair Housing Initiatives Program
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Name</th>
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<tbody>
<tr>
<td>QHWRA</td>
<td>Quality Housing and Work Responsibility Act of 1998 (public housing &amp; Section 8 reform)</td>
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<tr>
<td>RACDC</td>
<td>Randolph Area Community Development Corp.</td>
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<tr>
<td>RACLT</td>
<td>Rockingham Area Community Land Trust</td>
</tr>
<tr>
<td>RAHC</td>
<td>Regional Affordable Housing Corporation</td>
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<tr>
<td>RCCLT</td>
<td>Rutland County Community Land Trust</td>
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<tr>
<td>RD</td>
<td>Rural Development (formerly the U.S. Department of Agriculture’s Farmers Home Administration or FmHA)</td>
</tr>
<tr>
<td>RDC</td>
<td>Regional Development Commission</td>
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<tr>
<td>RESPA</td>
<td>Real Estate Settlement Procedures Act</td>
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<tr>
<td>RLF</td>
<td>Revolving Loan Fund</td>
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<tr>
<td>RTC</td>
<td>Resolution Trust Corporation</td>
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<tr>
<td>SAHA</td>
<td>St. Albans Housing Authority</td>
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<tr>
<td>SBA</td>
<td>Small Business Administration</td>
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<tr>
<td>S+C</td>
<td>Shelter Plus Care</td>
</tr>
<tr>
<td>SEVCA</td>
<td>Southeastern Vermont Community Action</td>
</tr>
<tr>
<td>SMSA</td>
<td>Standard Metropolitan Statistical Area</td>
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<tr>
<td>SRO</td>
<td>Single Room Occupancy facility</td>
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<td>SSI</td>
<td>Supplemental Security Income</td>
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<tr>
<td>TANF</td>
<td>Temporary Assistance for Needy Families (replaced AFDC)</td>
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<tr>
<td>TPHT</td>
<td>Twin Pines Housing Trust</td>
</tr>
<tr>
<td>UCS</td>
<td>United Counseling Services</td>
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<tr>
<td>URA</td>
<td>Uniform Relocation Assistance</td>
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<tr>
<td>USC</td>
<td>United States Code - code of federal statutes.</td>
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<tr>
<td>USDA</td>
<td>U.S. Department of Agriculture</td>
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<tr>
<td>VA</td>
<td>Department of Veterans Affairs</td>
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<tr>
<td>VCDP</td>
<td>Vermont Community Development Program</td>
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<tr>
<td>VCDR</td>
<td>Vermont Coalition for Disability Rights</td>
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<tr>
<td>VCIL</td>
<td>Vermont Center for Independent Living</td>
</tr>
<tr>
<td>VCLF</td>
<td>Vermont Community Loan Fund</td>
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<tr>
<td>VCRD</td>
<td>Vermont Council on Rural Development</td>
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<tr>
<td>VDCU</td>
<td>Vermont Development Credit Union</td>
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<tr>
<td>VEDA</td>
<td>Vermont Economic Development Authority</td>
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<tr>
<td>VEIC</td>
<td>Vermont Energy Investment Corporation</td>
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<tr>
<td>VHCBB</td>
<td>Vermont Housing &amp; Conservation Board</td>
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<tr>
<td>VHFA</td>
<td>Vermont Housing Finance Agency</td>
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<tr>
<td>VHMA</td>
<td>Vermont Housing Managers Association</td>
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<tr>
<td>VHRC</td>
<td>Vermont Human Rights Commission</td>
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<tr>
<td>VLI</td>
<td>Very low income</td>
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<tr>
<td>VLIAC</td>
<td>Vermont Low Income Advocacy Council</td>
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<tr>
<td>VSA</td>
<td>Vermont Statutes Annotated</td>
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<tr>
<td>VSHA</td>
<td>Vermont State Housing Authority</td>
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<tr>
<td>VTI</td>
<td>Vermont Tenants, Inc.</td>
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<tr>
<td>WCMHS</td>
<td>Washington County Mental Health Services</td>
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<tr>
<td>WHBW</td>
<td>Women Helping Battered Women</td>
</tr>
<tr>
<td>WRC</td>
<td>Windham Regional Commission</td>
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</tbody>
</table>
Glossary of Housing Terms

From 2004 “Advocates’ Guide To Housing and Community Development Policy,” National Law Income Housing Coalition, and various other sources.

AFFORDABLE HOUSING. Housing that costs an owner or renter no more than 30 percent of household income.

APPROPRIATION. A provision of (federal) law providing budget authority that enables an agency to incur obligations and to make payments out of the Treasury for specified purposes. Appropriations are the most common means of providing budget authority. Annual appropriations are provided in appropriations acts; most permanent appropriations are enacted in substantive law.

ASSISTED HOUSING. Housing where the monthly costs to the tenant are subsidized by federal or other programs.

AUTHORIZATION. Legislation granting authority for the Congressional consideration of appropriations for general or particular purposes. Although unauthorized appropriations may be subject to points of order, they are legally valid if enacted.

BLOCK GRANTS. Grants made by the federal government on a formula basis, usually to a state or local government.

BUDGET AUTHORITY. Legal authority to enter into obligations that will result in immediate or future outlays of Federal funds.

BUDGET RESOLUTION. A concurrent resolution passed by both houses of Congress that does not require the signature of the president. The budget resolution sets forth various budget totals and functional allocations and may include reconciliation instructions to designated House or Senate committees.

CENTER FOR COMMUNITY CHANGE (CCC). The Center is a national advocacy and technical assistance group. It provides on-site assistance to grassroots groups in a very broad variety of areas, including community development, community organizing, leadership training, coalition-building, housing, welfare reform, jobs, economic development, banking and reinvestment, and Native American issues. CCC works with a variety of types of groups and organizations: neighborhood organizing groups, community development corporations, community-based service providers, local and regional coalitions, and in some cases local and state governments. Through local and regional briefings, studies and reports, monthly newsletters and weekly policy "alerts," the Center works to insure that low income people are informed and engaged in the policy debates that affect them.

CENTER ON BUDGET AND POLICY PRIORITIES (CBPP). The Center is a reliable research institute that conducts analyses on government policies and programs. The Center is particularly strong on federal tax and budget policy analysis, Section 8 and TANF.

CITIZENS HOUSING & PLANNING ASSOCIATION (CHAPA). CHAPA is the non-profit umbrella organization for affordable housing and community development activities throughout Massachusetts. Established in 1967, CHAPA represents all interests in the housing field, including non-profit and for-profit developers, homeowners, tenants, bankers, real estate brokers, property managers, government officials, and others. CHAPA's core activities span four main areas: housing advocacy, research, community education and training, and coalition building. In 1994 CHAPA founded the New England Housing Network, a consortium of outreach and
advocacy groups whose primary mission was to formulate a regional response to federal housing budget cuts and other harmful policy changes. The Vermont Affordable Housing Coalition is the Network’s lead agency for Vermont.

COMMUNITY CARE HOME (CCH). A licensed residential facility for the elderly and/or people with disabilities in which residents receive some assistance in daily living skills and which basic services are provided.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG). Federal funds granted by HUD to states and municipalities under a formula allocation. The State of Vermont distributes its share of CDBG funds through the Vermont Community Development Program (VCDB), administered by the Department of Housing and Community Affairs (DHCA). The City of Burlington is the only municipality in Vermont that receives a direct allocation. Other municipalities apply to the State for funding, often on behalf of local nonprofits or for-profit businesses. CDBG is very flexible and may be used for economic development, housing, public facilities, and public services.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI). A specialized financial institution that works in market niches that have not been adequately served by traditional financial institutions. CDFIs provide a wide range of financial products and services, including mortgage financing, commercial loans, financing for community facilities, and financial services needed by low-income households. Some CDFIs also provide technical assistance. To be certified as a CDFI by the CDFI Fund of the Department of the Treasury, an institution must engage in community development, serve a targeted population, provide financing, have community representatives on its board, and be a nongovernmental organization. Vermont examples include the Vermont Community Loan Fund and the Vermont Development Credit Union.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO). "A federally defined type of nonprofit housing provider that must receive a minimum of 15 percent of all federal HOME Investment Partnership Funds." (HUD’s Glossary of Terms.) CHDO eligibility provides access to both capacity and project grants. The acronym is pronounced "cho-do.".

CONGRESSIONAL BUDGET OFFICE (CBO). An organization created by Congress that provides staff assistance to Congress on the federal budget. (HUD’s Glossary of Terms.)

CONSOLIDATED PLAN. The Consolidated Plan, or ConPlan, combines all of the planning, application, and performance requirements previously required separately for Community Development Block Grants (CDBG), HOME, Emergency Shelter Grants (ESG), Housing Opportunities for People With AIDS (HOPWA), and programs such as HOME that require a Comprehensive Housing Affordability Strategy (CHAS).

COOPERATIVE (OR CO-OP) HOUSING. Resident owned (or leased) and operated cooperative housing development. A cooperative housing corporation, governed by a democratically elected board of directors, owns (or leases) the development. Resident co-op members purchase shares in the corporation, entitling them to occupy their unit subject to the terms of a so-called "proprietary lease." The lease is automatically renewing and allows residents to occupy their unit so long as they abide by its conditions. Residents pay a monthly carrying charge (comparable to rent), which covers the cost of the project’s debt service and operating costs.

CREDIT UNION. Not-for-profit financial institution typically formed by employees of a company, a labor union, or a religious group and operated as a cooperative. Credit unions may offer a full range of financial services and pay higher rates on deposits and charge lower rates on loans than commercial banks. Federally chartered credit unions are regulated and insured by the National Credit Union Administration.
DISCRETIONARY SPENDING. Budget authority, other than appropriated entitlements, and ensuing outlays provided in annual appropriations acts. The Budget Resolution sets limits or caps on discretionary budget authority and outlays.

EARMARKS. Appropriations that are dedicated for a specific, particular purpose. The funding of the Community Development Fund typically has earmarks as part of the Economic Development Initiative.

ENTERPRISE FOUNDATION. A national, nonprofit housing and community development organization with field offices in a number of cities. Enterprise works through its network of community-based nonprofit organizations. It provides technical assistance, publishes a series of useful journals, provides access to an on-line Best-Practices Database, and holds an annual conference. Enterprise also provides equity investments for tax credit projects, as well as short and long-term loans. Enterprise works primarily with organizations in areas where its field offices are located.

EXTREMELY LOW INCOME. Household income below 30 percent of area median, as defined by HUD.

FAIR MARKET RENTS (FMRs). HUD's estimate of the actual market rent for a modest apartment in the conventional marketplace. Fair market rents include utility costs (except for telephone and cable). Every year, HUD develops and publishes FMRs for every MSA and apartment type. FMRs are currently established at the 40th percentile rent, the top of the range that renters pay for 40 percent of the apartments being surveyed, with the exception of some high-cost jurisdictions, where it is set at the 50th percentile.

FAMILY UNIFICATION PROGRAM. The Family Unification Program provides Section 8 rental assistance to families for whom the lack of adequate housing is a primary factor in: (a) the imminent placement of the family's child, or children, in out-of-home care; or (b) the delay in the discharge of the child or children, to the family from out-of-home care.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). Federal agency established in 1933 that guarantees (within limits) funds on deposit in member banks and thrift institutions and performs other functions such as making loans to or buying assets from member institutions to facilitate mergers or prevent failures.

FEDERAL HOME LOAN MORTGAGE CORPORATION (Freddie Mac). Publicly chartered enterprise that buys qualifying residential mortgages from lenders, packages them into new securities backed by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market. Like Fannie Mae, the corporation's activity has helped to create an enormous secondary market, which provides more funds for mortgage lending and allows investors to buy high-yielding securities backed up by implied federal guarantees. The corporation was established in 1970.

FEDERAL HOUSING ADMINISTRATION (FHA) INSURANCE. Predominant vehicle by which the federal government stimulates new housing production. When a mortgage is FHA insured, the Federal government promises to buy it from the lender at full value if there is any default.

FEDERAL HOUSING ADMINISTRATION (FHA). Federally sponsored agency that insures lenders against loss on residential mortgages. It was founded in 1934 in response to the Great Depression to execute the provisions of the National Housing Act. FHA is a division of HUD. The FHA was the forerunner of a group of government agencies responsible for the growing secondary markets for mortgages, such as the Government National Mortgage Association (Ginnie Mae) and the Federal National Mortgage Association (Fannie Mae).
FEDERAL HOUSING FINANCE BOARD (FHFB). Federal agency created by Congress in 1989 to assume oversight of the Federal Home Loan Bank System from the dismantled Federal Home Loan Bank Board.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (Fannie Mae). Publicly owned, government-sponsored corporation established in 1938 to purchase both government-backed and conventional mortgages from lenders and securitize them. Its objective is to increase the affordability of home mortgage funds for low, moderate and middle-income home buyers. Fannie Mae is a Congressionally chartered, shareholder-owned company, and the largest source of home mortgage funds in the United States. Because of its closeness to the federal government, which is perceived to back the obligations of Fannie Mae with an implicit guarantee, its securities are considered second in safety only to those of the United States Treasury.

FEDERAL RESERVE BOARD (FRB). Governing board of the Federal Reserve System. Its seven members are appointed by the President of the United States, subject to Senate confirmation, and serve 14-year terms. The Board establishes Federal Reserve System policies on such key matters as reserve requirements and other bank regulations, sets the discount rates, and tightens or loosens the availability of credit in the economy.

FEDERAL RESERVE SYSTEM. System established by the Federal Reserve Act of 1913 to regulate the U.S. monetary and banking system. The Federal Reserve System ("the Fed") consists of 12 regional Federal Reserve Banks, their 24 branches, and all national and state banks that are part of the system. National banks are stockholders of the Federal Reserve Bank in their region. The Federal Reserve System's main functions are to regulate the national money supply, set reserve requirements for member banks, supervise the printing of currency at the mint, act as clearinghouse for the transfer of funds throughout the banking system, and examine member banks' compliance with Federal Reserve regulations.

FEDERAL SAVINGS AND LOAN ASSOCIATION. Federally chartered institution with a primary responsibility to collect people's savings deposits and to provide mortgage loans for residential housing. Federal Savings and Loans may be owned either by stockholders, who can trade their shares on stock exchanges, or by depositors, in which case the associations are considered mutual organizations. Federal Savings and Loans are members of the Federal Home Loan Bank System. After deregulation, S&Ls expanded into non-housing related financial services such as discount stock brokerage, financial planning, credit cards, and consumer loans.

FINANCIAL INSTITUTION. Institution that collects funds from the public to place in financial assets such as stocks, bonds, money market instruments, bank deposits, or loans. Depository institutions (banks, saving and loans, saving banks, credit unions) pay interest on deposits and invest the deposit money mostly in loans. Non-depository institutions (insurance companies, pension plans) collect money by selling insurance policies or receiving employer contributions and pay it out for legitimate claims or for retirement benefits. Increasingly, many institutions are performing both depository and non-depository functions.

FISCAL YEAR. The accounting period for the budget. The fiscal year for the federal government begins on October 1 and ends the next September 30. The fiscal year is designated by the calendar year in which it ends; for example, Fiscal Year 2004 begins on October 1, 2003, and ends on September 30, 2004. The State of Vermont's Fiscal Year begins on July 1 and ends on June 30.

FORECLOSURE. Process by which a homeowner who has not made timely payments of principal and interest on a mortgage loses title to the home. The holder of the mortgage, whether it be a bank, a savings and loan, or an individual, must go to court to seize the property, which may then be sold to satisfy the claims of the mortgage.
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (Ginnie Mae). Agency of HUD. Ginnie Mae guarantees payment on mortgage-backed pass-through securities, which represent pools of residential mortgages insured or guaranteed by the FHA, the Veterans Administration, or the Rural Housing Service, which has taken over some of the functions of the Farmer’s Home Administration.

GOVERNMENT SPONSORED ENTERPRISE (GSE). An enterprise established by the federal government but privately owned and operated. These enterprises are excluded from the budget totals because they are classified as private entities. However, financial information concerning them is included in the budget. Fannie Mae and Freddie Mac are GSEs, as are the Federal Home Loan Banks.

GROUP HOME. Congregate rental housing targeted for persons with special needs and usually with a support service component.

GUARANTEED LOAN. Loan in which a private lender is assured repayment by the Federal Government of part or all of the principal or interest, or both, in the event of a default by the borrower. Unlike an insured loan, no insurance fund exists and no insurance premiums are paid.

HOME MORTGAGE DISCLOSURE ACT (HMDA). Legislation requiring "most financial institutions and mortgage lenders that make mortgage loans, home improvement loans, or home refinance loans to collect and disclose information about their lending practices." (HUD’s Glossary of Terms.)

HOME PROGRAM. Through the HOME Program ("HOME" is not an acronym), HUD grants funds to states and municipalities on a formula basis. The State of Vermont contracts with the Vermont Housing and Conservation Board (VHCB) to administer its share of the funds. As with CDBG, the City of Burlington receives its own formula allocation. HOME funds may be used for acquisition, renovation, and new construction of affordable housing. They may also fund single-family homeownership and rental assistance. The State uses its share for multi-family housing only. Burlington also uses its funds for homeownership. Neither uses it for rental assistance. Both VHCB and the City award funds competitively to non-profit and for-profit owners.

HOMELAND GRANT. A grant non-profits give to income eligible homeowners for up to $20,000 to help them purchase a home. These are State of Vermont funds, administered by VHCB.

HOUSING ASSISTANCE COUNCIL (HAC). A national non-profit intermediary headquartered in Washington, D.C., the Housing Assistance Council (HAC) provides project seed loans, program and policy analysis, technical assistance and training to public, non-profit and private organizations involved in affordable housing development in rural America. A HAC subsidiary, Rural Housing Services, Inc., develops and co-owns LIHTC rental projects. HAC assists in the development of both single- and multi-family homes and promotes home ownership for working low-income rural families through a self-help, "sweat equity" construction method. HAC administers a revolving loan fund for project start-up costs for community-based housing sponsors. HAC also provides capacity building grants to rural CDCs on a competitive basis.

HOUSING COSTS. Essentially, the costs of occupying housing. Calculated on a monthly basis, housing costs for renters include rent, utilities, property insurance, mobile home park fee. For owners, monthly housing costs include mortgage payments or installment loans or contracts, except reverse annuity mortgages and home equity lines of credit. Costs also include real estate taxes (including taxes on manufactured/mobile homes, and manufactured/mobile home sites if the site is owned), property insurance, homeowner association fees, cooperative or condominium fees, mobile home park fees, land rent, utilities. Utilities include electricity, gas, fuels (oil, coal, kerosene, or wood), water, sewage disposal, garbage and trash collection.
HOUSING FINANCE AGENCY. State agency responsible for financing housing and administering assisted housing programs.

HOUSING OPPORTUNITY FOR PEOPLE WITH AIDS (HOPWA). HUD program that assists low income people who are living with HIV/AIDS and their families, including persons who are homeless. There are two types of assistance provided: (1) capital grants that subsidize the acquisition, construction and/or renovation of housing units, and (2) rental assistance to individual households.

HOUSING QUALITY STANDARDS (HQS). Minimum standards set by HUD that all units assisted with HUD programs must meet, including Section 8, CDBG, HOME, etc., though units funded through the latter two typically substantially exceed the minimums.

INSPECTOR GENERAL. HUD official appointed by the President who is "responsible for conducting audits and investigations of HUD's programs and operations." (HUD's Glossary of Terms.)

INSTITUTE OF COMMUNITY ECONOMICS (ICE). ICE is a Massachusetts-based, national nonprofit organization whose purpose is to provide technical assistance and financing to community-based groups, primarily land trusts. ICE administers a revolving loan fund that provides below-market interest loans for affordable housing and community development nationwide. It conducts national conferences and regional seminars on community land trust development and community investment. ICE was the pioneer in the community land trust movement.

INSURED LOAN. Loan in which a private lender is assured repayment by the Federal Government of part or all of the principal or interest, or both, and for which the borrower pays insurance premiums.

LEVERAGING. The maximization of the effect of federal assistance for a project by obtaining additional project funding from non-federal sources.

LOCAL INITIATIVES SUPPORT CORPORATION (LISC). LISC is a national intermediary that channels resources to urban neighborhoods and rural towns and the community-based organizations that serve them. It has three affiliated organizations that work to attract private capital for Community Development Corporations (CDCs): The National Equity Fund, the Local Initiatives Managed Assets Corporation, and the Retail Initiative. Rural LISC provides funding, information, technical assistance, and capacity building to designated rural CDCs. Rural LISC provides one-on-one technical assistance for Rural LISC affiliates. LISC has offices in many major U.S. cities.

LOW-INCOME HOUSING TAX CREDIT (LIHTC). Tax Credits are a "tax vehicle" designed by Congress to assist in the creation and preservation of affordable rental housing for low-income households. They provide owners of qualifying rental housing with a reduction in federal tax liability, i.e. a tax break, over a 10-year period. Owners must agree to conform to certain operating restrictions for at least a 15-year period. Low Income Housing Tax Credits help raise the capital needed for property acquisition and construction so that the developer can borrow less money. Developers can be either for or non-profit. A lead group (in Vermont usually Housing Vermont) finds a number of Limited Partners who provide investment capital for the project. The Joint Committee on Tax Credits Tax Credits allocates Vermont's share of Tax Credits to individual projects according to the State's Qualified Allocation Plan (QAP). The Vermont Housing Finance Agency administers the Tax Credits under contract with the Agency of Commerce and Community Development.
LOW-INCOME. As applied to most housing programs, household income below 80% of metropolitan area median, as defined by HUD, is classified as low income. See also EXTREMELY LOW INCOME, VERY LOW INCOME.

MARK-TO-MARKET. The process of reducing above-market rents to market levels. The term applies to a process whereby HUD recognizes defaults on FHA-insured mortgages, pays the mortgage claims, and restructures the remaining available debt service into a new mortgage.

MARK-UP-TO-MARKET. Federal program to adjust rents on assisted housing up to the market rate.

METROPOLITAN STATISTICAL AREA (MSA). The basic census unit for defining urban areas and rental markets. Vermont only has one MSA centered around Burlington. It includes the following Chittenden County cities and towns: Burlington, Charlotte, Colchester, Essex, Hinesburg, Jericho, Milton, Richmond, St. George, Shelburne, South Burlington, Williston, and Winooski. In Franklin County it includes Fairfax, Georgia, St. Albans City and Town, and Swanton. In Grand Isle County, Grand Isle and South Hero.

MOBILE HOME PARK (MHP). Vermont Statutes define a mobile home park as “any parcel of land under single or common ownership or control which contains, or is designed, laid out or adapted to accommodate, more that two mobile homes.” Vermont provides owners whose mobile homes are located in a mobile home park with certain protections, including (1) a minimum notice when the park is put up for sale or closed, (2) right of first refusal to buy the park (as a member of a bona fide residents’ association or their designee), (3) a lot lease that automatically renews so long as the resident abides by its provisions, and (4) the right to request mediation when an annual increase in the lot rent exceeds the percentage set forth in the statute.

MORTGAGE BANKER. Company, or individual, that originates mortgage loans, sells them to other investors, services the monthly payments, keeps related records, and acts as escrow agent to disperse funds for taxes and insurance. A mortgage banker's income derives from origination and servicing fees, profits on the resale of loans, and the spread between mortgage yields and the interest paid on borrowings while a particular mortgage is held before resale.

MORTGAGE INTEREST DEDUCTION. Federal tax deduction for mortgage interest paid in a taxable year. Interest on a mortgage to acquire, construct, or substantially improve a residence is deductible for indebtedness of up to $1 million.

MORTGAGE. Debt instrument by which the borrower (mortgagor) gives the lender (mortgagee) a lien on property as security for the repayment of a loan. The borrower has use of the property, and the lien is removed when the obligation is fully paid. A mortgage normally involves real estate and is commonly used to purchase a house. Mobile homes are considered personal property as opposed to real estate under Vermont law and therefore financed through installment loans as opposed to mortgages.

NATIONAL LOW INCOME HOUSING COALITION (NLIHC). The NLIHC is a national membership organization that organizes and advocates to ensure that low-income people have decent, affordable housing within healthy neighborhoods. The Coalition provides up-to-date information on federal legislation and the budget, formulates policy, and educates the public on housing needs and the strategies for solutions. NLIHC publishes a weekly “Memo to Members” on housing issues and assists statewide housing coalitions to increase their capacity for community building and resource development. The NLIHC's lead agency in Vermont is the Vermont Affordable Housing Coalition.
NATIONAL HOUSING TRUST. The NHT is a national nonprofit dedicated to the preservation of existing affordable housing and focuses on multifamily housing that is assisted, owned or controlled by a federal agency. The Trust offers consulting services to local housing agencies, non-profits, community development corporations and low-income residents. The Trust is the convenor of the National Preservation Working Group, a network of residents, technical assistance providers, state and local housing agencies and non-profits who are interested in acquiring and preserving federally assisted housing throughout the U.S.

NEIGHBORHOOD REINVESTMENT CORPORATION (NRC). NRC is a national non-profit corporation whose mission is to stimulate community revitalization in both urban and rural areas by creating local partnerships between community-based organizations, residents, business leaders and government. NRC provides these partnerships, called “NeighborWorks” networks (formerly “Neighborhood Housing Services”), with direct, one-on-one technical assistance and training, a secondary market for community development loans, as well as project and capacity funding. There are currently five NeighborWorks affiliates in Vermont and one additional organization that may be certified in the near future (see “Key Housing Entities.” NRC provides one-on-one technical assistance for NeighborWorks affiliates only. In addition, NRC holds a series of regional training institutes with courses on community and economic development, affordable housing development and management, and community development lending. The training institutes are for affiliates and non-affiliates alike.

NOTICE OF FUNDING AVAILABILITY (NOFA). A notice by HUD to inform potential applicants that program funding is available.

OFFICE OF THRIFT SUPERVISION (OTS). Agency of the U.S. Treasury Department created by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA, also known as the “Savings and Loan bailout”). The OTS replaced the disbanded Federal Home Loan Bank Board and assumed regulatory responsibility for the nation’s savings and loan industry. The legislation empowered OTS to institute new regulations, charter new federal savings and loan associations and federal saving banks, and supervise all savings institutions and their holding companies.

OUTLAYS. Payments made (usually through the issuance of checks or disbursement of cash) to liquidate obligations. Outlays during a fiscal year may be for payment of obligations incurred in the previous year or in the same year.

PAYMENT STANDARD. The amount used to determine how much rent a housing authority will pay monthly to subsidize a Section 8 voucher holder, expressed as a percentage of the Fair Market Rent. The payment standard is set by the local Public Housing Authority and must be between 90% and 110% of the FMR, unless waived by HUD.

PORTFOLIO RE-ENGINEERING. Another term for mark-to-market, intended to recognize that the issues involved are not purely financial but also involve repositioning the properties, rethinking their regulatory structure, and reducing HUD’s workload.

PREPAYMENT PENALTY. A fee that may be levied for repayment of a loan before it falls due.

PRESERVATION. A program (enacted in 1987 with the Emergency Low Income Housing Preservation Act (ELIPHA) and later amended into the Low Income Housing Preservation and Resident Homeownership Act (LIHPRHA)) that (a) prevented owners of what are called older assisted properties from prepaying their mortgages and converting the buildings to market rate use, and (b) compensated them with financial incentives available through extension or continuation of ownership, or sale to a non-profit buyer. While neither ELIPHA nor LIHPRHA are currently in effect, their preemption provisions may threaten state and local laws regulating the preservation of federally assisted housing.
PUBLIC HOUSING AUTHORITY (PHA). The U.S. Housing Act of 1937 created the Public Housing Program. It is operated by local Public Housing Authorities who develop, own and manage projects for lower income individuals and families. These housing projects are publicly owned. Tenants pay approximately 30 percent of their adjusted income for rent. Many PHAs also administer Section 8 programs.

REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA). As defined by HUD, "a consumer protection statute first passed in 1974. The purposes of RESPA are (1) to help consumers become better shoppers for settlement services and (2) to eliminate kickbacks and referral fees that unnecessarily increase the costs of certain settlement services." HUD enforces RESPA. HUD's efforts to update RESPA have met with concern and controversy in Congress and are currently stalled.

REVOLVING LOAN FUND (RLF). A loan fund, usually managed by a public or non-profit entity, that provides below-market interest loans for a number of community development purposes, such as home improvement loans, affordable housing construction, economic development, and community facilities. CDBG, RD and NRC funds are often used to capitalize these funds.

RURAL DEVELOPMENT (RD). An agency within the federal Department of Agriculture, RD provides an array of funding for affordable housing and community development, including low-interest loans for income-eligible homebuyers, mortgage financing and rental assistance for multi-family rental properties, and grants and loans for community facilities, water and waste water systems. Rural Development funds can be used in all Vermont towns except for the urban and suburban core communities of Chittenden County (Burlington, Colchester, Essex, South Burlington and Winooski). RD was formerly known as the Farmers Home Administration.

SAVINGS AND LOAN ASSOCIATION. Depository financial institution, federally or state chartered, that obtains the bulk of its deposits from consumers and holds the majority of its assets as home mortgage loans. In 1989, responding to a massive wave of insolencies caused by mismanagement, corruption, and economic factors, Congress passed a savings and loan "bailout bill" that revamped the regulatory structure of the industry under a newly created agency, the Office of Thrift Supervision (see above).

SAVINGS BANK. Depository financial institution that primarily accepts consumer deposits and makes home mortgage loans. Historically, savings banks were of the mutual (depositor-owned) form and chartered in only 16 states; the majority of savings banks were located in the New England states, New York, and New Jersey.

SECTION 202 HOUSING PROGRAM. HUD's 202 Program is intended to provide housing for elderly and disabled persons. HUD provides long-term direct loans and rental assistance to private non-profit sponsors, who build and own the housing projects. Tenants pay approximately 30 percent of their adjusted income for rent. 202 projects primarily serve the elderly, 811 projects primarily disabled individuals (see below).

SECTION 221(d)3. Active between 1961 and 1968, the program provided HUD interest subsidies on mortgages obtained from private lenders to bring the interest rate to 3%. The FHA also insured the mortgage. In later years HUD also provided Section 8 style project-based rental assistance. Initial income limits for admissions were 95% of median; now the limit is 80%, with some priority given to very low-income households (<50% of median). Thousands of these older subsidized units nationwide are at risk of loss as affordable rental housing due to owners exercising their mortgage pre-payment options or not renewing rent subsidy contracts when they expire.

SECTION 236. A former HUD housing program similar to 221(d)3 and active from 1968 to 1973 (though some mortgages started as late as 1980). This program provided HUD interest subsidies
on FHA insured private mortgages to bring interest rates down to 1%. In later years HUD also provided project based rental assistance. 236 projects have the same preservation issues as 221(d)3 due to mortgage pre-payment and owner opt-out.

SECTION 521 RENTAL ASSISTANCE. A USDA Rural Development program, Section 521 Rental Assistance is available in some Rural Development Section 515 rental housing projects for all or some of the units. A tenant with rental assistance pays approximately 30% of adjusted income for rent.

SECTION 8 MODERATE REHABILITATION PROGRAM (MOD REHAB). Another defunct HUD program under which subsidies are provided for privately owned units that have been rehabilitated by the owner so that the unit meets Housing Quality Standards. As with project based Section 8, the subsidy stays with the unit and does not move with the tenant. The owner receives a subsidy that is somewhat above the normal Fair Market Rent in order to help pay for the cost of the upgrade, while the tenant pays no more than 30 percent of his or her income. The defunct Mod Rehab program is not to be confused with a newer, still operative Section 8 Mod Rehab program funded under the McKinney Homeless Assistance Act for Single Room Occupancy (SRO) facilities (see below).

SECTION 8 NEW CONSTRUCTION / SUBSTANTIAL REHABILITATION (SEC 8 NC/SR). Under the now defunct Section 8 NC/SR Program, the subsidies are attached to the apartments. Some of the units are newly constructed, while other have been substantially renovated. The income eligibility limits vary from project to project. As with 236 and 221(d)3, thousands of these units nation wide are also at risk of being lost due to mortgage prepayment and owner opt-out.

SECTION 8 PROJECT BASED VOUCHERS (SEC 8 PB). Project based Section 8 vouchers are attached to specific apartments after the owner has undertaken rehabilitation to bring the unit up to HUD Housing Quality Standards. They may also be used in new construction. Project based vouchers provide an operating subsidy that, when combined with grants and other capital subsidies, makes units affordable to extremely low-income households. Capital subsidies alone cannot make units affordable to the lowest income people. A Public Housing Authority may set aside up to 20% of its tenant based vouchers for project based. The term is also often used to refer to older HUD-assisted properties with a project based operating subsidy.

SECTION 8 SINGLE ROOM OCCUPANCY MODERATE REHABILITATION PROGRAM (SEC 8 SRO). Under the SRO Section 8 Moderate Rehabilitation Program, subsidies are provided for privately owned units that have been rehabilitated by the owner so that the unit meets Housing Quality Standards. The units in an SRO project have combined living and sleeping quarters. Residents share kitchens, bathrooms and other common areas. As with project based Section 8, the subsidy stays with the unit and does not move with the tenant.

SECTION 8 TENANT BASED VOUCHERS (SEC 8 TB). Tenant based Section 8 provides a subsidy to, or on behalf of, an eligible household, to be used solely to pay a portion of the household’s housing costs in the private market. The voucher enables the family or individual to find an apartment of their choice within a designated county or town. Eligibility for Section 8 is generally limited to very-low income applicants. Households must locate units which meet HUD Housing Quality Standards (HQS) and whose owner must be willing to participate in the program. Households may subsequently, under certain circumstances, move to another unit, taking their voucher with them. Tenant based vouchers are so called because they are not typically connected to a particular property or unit but are issued to a tenant (vouchers may also be "project-based" in some cases; see above).

SECTION 811 HOUSING PROGRAM. HUD’s 811 program is intended to provide housing for disabled persons. HUD provides long-term direct loans and rent subsidies to private non-profit
sponsors, who build and own the housing projects. Tenants pay approximately 30 percent of their adjusted income for rent.

SEVERE HOUSING PROBLEMS. As used by HUD in defining priorities, severe housing problems are homelessness, displacement, housing cost burden above 50 percent of income, occupancy of housing with serious physical problems.

SHELTER PLUS CARE (S+C). Funded under the McKinney Homeless Assistance Act, S+C is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities and their families. The program provides grants to be used for rental assistance for permanent housing for homeless persons with disabilities. Rental assistance grants must be matched in the aggregate by supportive services that are equal in value to the amount of rental assistance and appropriate to the needs of the population to be served.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF). Block grant to states administered under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which established a new welfare system. The TANF block grant replaced Aid to Families with Dependent Children (AFDC). The chief feature of TANF was the abolition of a federal entitlement to cash assistance. TANF was due for reauthorization in 2003, but as of November 2004, such reauthorization had yet to be enacted.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD). The federal agency responsible for national policy and programs that address America's housing needs and enforce fair housing laws. HUD runs most of the federal government's affordable housing programs, which are aimed at helping to create a decent home for all Americans. HUD also sets the income limits that are used for most of these programs.

VERMONT COMMUNITY DEVELOPMENT PROGRAM (VCDP). The Department of Housing and Community Affairs administers the State of Vermont's share of federal CDBG funds through its Vermont Community Development Program. DHCA is a department within the Agency of Commerce and Community Development.

VERMONT COMMUNITY LOAN FUND (VCLF). Based in Montpelier, VCLF runs several revolving loan funds that provide below-market interest loans for affordable housing, community facilities and business development. VCLF is a Community Development Financial Institution (CDFI), which is a federal designation for loan fund programs (see above).

VERMONT HOUSING AND CONSERVATION BOARD (VHCB). VHCB provides annual operating support for non-profit housing organizations, funds for HOMELAND transactions, and mortgage/grant money for rental properties. VHCB is the largest source of affordable housing funding derived from state tax revenue. By statute, just under 50 percent of Vermont's real estate transfer tax revenue is supposed to be dedicated to VHCB. However, in recent years, the State has used a portion of these funds to help make up deficits in other areas of its budget.

VERMONT HOUSING AND FINANCE AGENCY (VHFA). A quasi-state agency that provides low-interest rate loans for income-eligible homebuyers, as well as mortgage financing for rental properties. VHFA provides financial and technical assistance support for the Homeownership Centers (HOCs). VHFA administers the State's share of federal Low Income Housing Tax Credits.

VERY LOW INCOME. Household income below 50 percent of area median, as defined by HUD.

WORST CASE HOUSING PROBLEMS. Unsubsidized very low-income renter households with severe housing problems. HUD is required to submit a periodic report to Congress on worst-case housing problems.
Directory of Agencies, Organizations & Useful Links

From 2004 "Advocates' Guide To Housing and Community Development Policy," National Low Income Housing Coalition, and various other sources.

FEDERAL AGENCIES & LINKS

Congress (202) 224-3121 (Capitol Switchboard)
Department of Agriculture, Rural Housing Service (202) 720-4323; www.rurdev.usda.gov
Department of Commerce, Economic Development Administration (202) 482-5081; www.dcc.gov/eda
Department of Health and Human Services, Office of Community Services (202) 401-9333; www.os.dhhs.gov
Department of Housing and Urban Development (HUD) (202) 708-1112; www.hud.gov
Department of Housing and Urban Development-HUD USER (800) 245-2691; www.huduser.org
Department of Treasury, Community Development Financial Institutions Fund (202) 622-8662; www.treas.gov/cdfi/
Federal Housing Finance Board (202) 408-2500; www fhfb.gov
Millennial Housing Commission www.mhc.gov
Office of Management and Budget (202) 395-3120; www.whitehouse.gov/OMB
U.S. Senate www.senate.gov
White House (202) 456-1414; www.whitehouse.gov

NATIONAL ORGANIZATIONS & LINKS
(located in Washington, DC, unless otherwise noted)

ACORN (Association of Community Organizations for Reform Now) (202) 547-2500; www.acorn.org
Alliance for Healthy Homes (202) 543-1147; www.afhh.org
American Association of Homes and Services for the Aging (202) 783-2242; www.aahsa.org
American Planning Association Chicago, IL (312) 431-9100; www.planning.org
Bazelon Center for Mental Health Law (202) 467-5730; D (202) 467-4232; www.bazelon.org
Brookings Institution (202) 797-6000; www.brook.edu
Campaign for Home Energy Assistance (202) 429-8855; www.liheap.org
Center for Community Change (202) 342-0567; www.communitychange.org
Center on Budget and Policy Priorities (202) 408-1080; www.cbpp.org
Children's Defense Fund (202) 628-8787; www.childrensdefense.org
Coalition on Human Needs (202) 223-2532; www.chn.org
Consumer Federation of American Center for Housing and Credit Policy (202) 387-6121; www.consumerfed.org
Corporation for Supportive Housing, New York, NY, (212) 986-2966; www.csh.org
Council for Large Public Housing Agencies (202) 638-1300; www.clpha.org
Council of State Community Development Agencies (202) 293-5820
Economic Policy Institute (202) 775-8810; www.epinet.org
Enterprise Foundation Columbia, MD; 410-9641230; www.enterprisefoundation.org
ENPHRONT (Everywhere and Now Public Housing Residents Organizing Nationally Together) Brooklyn, NY, (917) 577-1368; www.enphront.com
Fannie Mae (202) 752-6900; www.fanniemae.com
Freddie Mac McLean, VA (703) 918-5150; www.freddiemac.com
Habitat for Humanity International (202) 628-9179; www.habitat.org
Homeless People's Network Discussion List -- http://aspin.asu.edu/hpn/
Housing Assistance Council (202) 842-8600; www.ruralhome.org
Institute for Community Economics Springfield, MA (413) 746-8660; www.iceclt.org
Knowledgeplex.org (Fannie Mae Foundation) (202) 274-8000; www.knowledgeplex.org
Mortgage Bankers Association of America (202) 557-2700; www.mbaa.org
National Affordable Housing Management Association Alexandria, VA (703) 683-8630 www.nahma.org
National AIDS Housing Coalition (202) 347-0333; www.nationalaidshousing.org
National Alliance to End Homelessness (202) 638-1526; www.naeh.org
National Alliance of HUD Tenants Boston, MA (617) 267-9564; www.saveourhomes.org
National Alliance for the Mentally Ill Arlington, VA (703) 524-7600; D: (703) 516-7227; www.nami.org
National Association of Homebuilders (202) 266-8200, (800) 368-5242; www.nahb.org
National Association of Housing and Redevelopment Officials (202) 289-3500; www.nahro.org
National Association of Housing Cooperatives (202) 737-0797; www.coophousing.org
National Association of Realtors (202) 383-1000; www.realtor.com
National Coalition Against Domestic Violence (202) 745-1211; www.ncadv.org
National Coalition for the Homeless (202) 737-6444; www.nationalhomeless.org
National Community Reinvestment Coalition (202) 628-8866; www.ncrc.org
National Conference of State Legislatures (202) 624-5400; www.ncsl.org
National Council of State Housing Agencies (202) 624-7710; www.ncsha.org
National Fair Housing Alliance (202) 898-1661, TTY (202) 898-2735; www.nationalfairhousing.org
National Housing Conference (202) 466-2121; www.nhc.org
National Housing Law Project, Oakland, CA and Washington, DC (510) 251-9400, (202) 347-8775; www.nhlp.org
National Housing Trust (202) 333-8931; www.nhtinc.org
National Law Center on Homelessness and Poverty (202) 638-2535; www.nlchp.org
National League of Cities (202) 626-3000; www.nlc.org
National Leased Housing Association (202) 785-8888; www.hudlnha.org
National Low Income Housing Coalition (202) 662-1530; www.nlihc.org
  ○ “2004 Advocates’ Guide” (contains short chapters describing more than 60 housing-related programs, proposals and issues) www.nlihc.org/advocates/index.htm
  ○ “Out of Reach” (NLIHC’s annual report on housing affordability in every jurisdiction in the country) www.nlihc.org/oor2003/
National Rural Housing Coalition (202) 393-5229; www.nrhcweb.org
National Student Campaign Against Hunger & Homelessness (202) 546-8195; www.studentsagainsthunger.org
Smart Growth America (202) 207-3350; www.smartgrowthamerica.org
Neighborhood Reinvestment Corporation (202) 220-2300; www.nw.org
Poverty & Race Research Action Council (202) 387-9887; www.prrac.org
Public Housing Authorities Directors Association (202) 546-5445; www.phada.org
Rural LISC (202) 739-0882; www.ruralisc.org
Technical Assistance Collaborative Boston MA; 617-742-5657; www.tacinc.org
Urban Institute (202) 833-7200; www.urban.org
U.S. Conference of Mayors (202) 293-7330; www.usmayors.org
YouthBuild USA Somerville, MA (617) 623-9900; www.youthbuild.org

STATE & REGIONAL ORGANIZATIONS & LINKS

Citizens’ Housing & Planning Association www.chapa.org
Federal Home Loan Bank of Boston, www.fhliboston.com
Legislative Council www.leg.state vt.us
Norsehorse’s Home Turf (Morgan Brown’s blog, “living homeless, yet never hopeless”) http://horsehorses-turf.blogspot.com/
USDA-Rural Development www.vt.usda.gov
Vermont Dept of Housing & Community Affairs www.state vt.us/dca
Vermont Housing & Conservation Board www.vhcb.org
Vermont Housing Awareness Campaign www.housingawareness.org
Vermont Housing Data www.housingdata.org
Vermont Housing Finance Agency www.vhfa.org
Vermont Office of Economic Opportunity www.ahs.state vt.us/oeo/
Vermont State Housing Authority www.vsha.org
CONFIDENTIAL MEMO

To: Brenda Torpy, Chief Executive Officer,
Champlain Housing Trust, Inc.
From: David Mickenberg, Esq.
Re: Procedures for Executive Session at CHT Board Meetings
Date: July 28, 2008

I. Introduction

This Memo discusses the procedures for the CHT Board to conduct business in Executive Session.

II. Discussion

Issues related to access to CHT’s board meetings are dictated by CHT’s Bylaws. As a private entity, CHT is not subject to Vermont’s “Open Meetings” law, which applies only to “public bodies”.¹ As a private non-profit, CHT is not a “public body” within the meaning of the Open Meetings Law, and therefore is not required to have its meetings open to the general public.

CHT’s Bylaws contain a general provision that addresses the open nature of board meetings. See Section 11, Procedures for Meetings: “All meetings of the Board of Directors shall be open to any Member, except when the Board votes to meet in executive session.” I do not see anything in the Bylaw that provides that meetings are open to the general public. The Bylaws also include a specific provision that sets forth procedures to allow Board Members to close meetings and conduct business in Executive Session:

“The Board may meet in executive session only upon the affirmative vote of two-thirds of its members present, a quorum having been established.

¹ A public body is defined as: any board, council or commission of the state or one or more of its political subdivisions, any board, council or commission of any agency, authority or instrumentality of the state or one or more of its political subdivisions, or any committee of any of the foregoing boards, councils or commissions, except that “public body” does not include councils or similar groups established by the governor for the sole purpose of advising the governor with respect to policy. 1 V.S.A. § 310(3).
A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter may be considered in the executive session. The vote shall be taken in the course of a public meeting and the result of the vote recorded in the minutes. No formal or binding action may be taken in executive session except actions relating to the securing of real estate options under Subdivision 2 of this Subsection. Minutes of the executive session need not be taken, but if they are, shall not be made public."

See CHT Bylaws, Section 11(A) Procedures for Meetings.

The Executive Session provision contains language which authorizes CHT Board Members to go into Executive Session for only seven (7) specific reasons:

1) Contracts, labor relations agreements with employees, arbitration, grievances, or litigation involving the Corporation where the Board has determined that premature general public knowledge would place the Corporation or person involved at a substantial disadvantage;

2) Real estate purchase offers and the negotiating or securing of real estate purchase options or contracts;

3) The appointment, employment or evaluation of an employee;

4) A disciplinary or dismissal action against an employee;

5) Relationships between the Corporation and any party who might be harmed by public discussion of matters relating to that relationship;

6) A clear and imminent peril to public safety; and

7) Discussion or consideration of records or documents excepted from the access to public records provisions of Article VI, Section 2 of the Bylaws. Discussion or consideration of the excepted record or document shall not itself permit an extension of the executive session to the general subject to which the record or document pertains.

It should be noted that CHT’s Bylaws do not contain a general statement providing for discussion of any issue that is deemed “confidential”. However, the seven situations referenced above generally capture many, if not all, of the factual scenarios in which an Executive Session would be needed. CHT’s Bylaws closely track the Vermont
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statute on Executive Session. See 1 V.S.A. § 313(a). In addition to limiting discussion to the above referenced topics, CHT’s Board must follow proper procedures including:

1) A Board Member must make a motion to go into Executive Session;

2) The motion for Executive Session must state the subject matter to be discussed in Executive Session, and no other matter can be considered during the Executive Session;

3) Two-thirds of the present Members of the Board must vote to go into Executive Session;

4) The vote to go into Executive Session must be done in the public meeting and the result of the vote must be recorded in the minutes;

5) No formal or binding action, other than actions relating to the securing of real estate options, shall occur in Executive Session.

6) Attendance at the Executive Session is limited to Members of the Board, Board clerical assistants, Board staff, Board legal counsel, and persons who are subjects of the discussion or whose expert information is needed. See CHT Bylaws, Section 11(B) Procedures for Meetings.

7) Once a specific issue is addressed in Executive Session, the board must return to an open meeting. We recommend that the motion and vote to go out of Executive Session be recorded in the minutes.

III. Recommendation

In general, the instances in which the CHT Bylaws permit the CHT Board to hold meetings in Executive Session are limited to the matters delineated above. Therefore, Board Members should clearly state their reasons for going into Executive Session and Board Members should follow the procedural requirements described above. This will allow proper utilization of the Executive Session procedures and prevent any potential challenges to Executive Session meetings by CHT members, board members, staff or others.
EMERGENCY SUCCESSION PLAN

Effective May 2011
In order to ensure the continued coverage of executive duties critical to the ongoing operations of Champlain Housing Trust, Inc. ("CHT") and its service to the community, the Board of Directors is adopting policies and procedures for the temporary appointment of an Acting Chief Executive Officer in the event of a temporary or unplanned and extended absence of the Chief Executive Officer ("CEO").

While the Board acknowledges that such an absence is highly improbable and certainly undesirable, it also believes that due diligence in exercising its governance functions requires that it have an emergency executive succession plan in place. It is expected that this plan will ensure continuity in external relations and in staff functioning.
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[CEO will not return to the position]

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Short-term Temporary, Planned Absence

When the CEO’s absence is two (2) weeks or more but less than one (1) month the Chief Operating and Financial Officer (COFO) will notify the Board President. The job description of the COFO specifies that s/he shall serve as Acting CEO in the absence of the CEO under any circumstances including those not covered by the Emergency Plan (i.e. planned vacation, other short-term personal absences and other business-related absences required by the regular responsibilities of the CEO).

Short-term Temporary, Unplanned Absence

However, when the CEO’s absence is one (1) month but not more than three (3) months, the Executive Committee will implement the “short-term temporary, unplanned absence” plan detailed below.

Emergency Succession plan in the event of a short-term temporary, unplanned absence of one (1) month but not more than three (3) months. A short-term, unplanned temporary absence is one in which it is expected that the Chief Executive Officer will return to his/her position once the unexpected event(s) causing absence are resolved.

1) The Chief Operating and Financial Officer (COFO) or the Chief Administrative Officer (CAO) shall immediately (no later than 24 hours) inform the Board President of the CEO’s absence. The Board President will then inform the Board of Directors. The Executive Leadership Team (COFO & CAO) will collaborate with the Board President until an Acting CEO has been appointed.

2) Within 48 hours the Board President and the Executive Leadership Team will notify the staff of the CEO’s absence.

3) Within 48 hours or as soon as feasible thereafter, the Board President shall convene a meeting of the Executive Committee to execute the procedures prescribed in the plan or make modification the Committee deems appropriate.
   a. The Board President will announce –
      i. The COFO will be the Acting CEO
      ii. The Acting CEO will delegate responsibility for the coverage of COFO duties to the Department Heads
      iii. Internal Communication Contact will be the COFO who may delegate aspects of communications to the CAO or the appropriate Department Head
      iv. External Communication Contact will be delegated to the Director of Community Relations

4) Within one (1) week
   a. Update staff on the actions that have been taken and the plan going forward (Various methods will be used as appropriate - Site Meetings, Full Staff Meetings and/or email updates.)
   b. Complete an inventory and assessment of the needs of the organization and the CEO position
   c. Create an on-going communication plan to keep all interested parties up-to-date.
EMERGENCY SUCCESSION PLAN
Champlain Housing Trust, Inc.

Authority and restrictions of the appointee
The individual appointed as Acting CEO shall have the full authority for decision making and
independent action as determined by the Executive Committee for the CEO position.

Compensation:
The Acting CEO shall receive a temporary salary increase in an amount up to the current CEO salary
adjusted for experience as determined by the Executive Committee for the CEO position.

Board Committee responsible for oversight support to the Acting CEO
As with the CEO, the Executive Committee of the Board will have responsibility for monitoring the work
of the Acting CEO. The Executive Committee will also pay attention to the special support needs of the
Acting CEO in this temporary leadership role.

Communication Plan:
Within 48 hours after the Acting CEO has begun covering an unplanned absence, the Acting CEO in
consultation with the Board President shall communicate the temporary leadership structure to the highest
executive officers of the following partners/funders of CHT as they deem appropriate:

- Housing Vermont, Vermont State Housing Authority, Vermont Housing and Conservation
  Board, Vermont Housing Finance Agency, Burlington Housing Authority, Vermont
  Community Development Program, Community Economic Development Office, Winooski
  Housing Authority
- Central Vermont Community Land Trust, NeighborWorks of Western Vermont, Gillman
  Housing Trust, Windham Housing Trust, The Committee on Temporary Shelter, Cathedral
  Square Corporation, Howard Center, Spectrum, Center for AIDS Research Education and
  Services (CARES), King Street Corporation, Northgate Residents Ownership Corporation,
  Champlain Valley Office of Economic Opportunity, Franklin Grand Isle Office of Economic
  Opportunity, Champlain Islanders Developing Essential Resources, Inc. (CIDER), Vermont
  Energy Investment Corporation, United Way, Mercy Connections, The Board Presidents of
  Flynn/Queensbury/Rose Street/Thelma Maple Co-ops
- National: NeighborWorks – Boston, NeighborWorks – Northeast Region Director in NY,
  NeighborWorks – DC, Housing Partnership Network, Local Initiatives Support Corporation,
  National Community Land Trust Network
- Major Donors: List is available in Raiser’s Edge
- Banks: TD Bank, Merchants Bank, Citizens Bank, NBT Bank, People’s Bank
- Civic Leaders
- Congressional Delegation: Vermont and DC staff

A modification of the Communication Plan may be implemented at the discretion of the Board Executive
Committee in the event of this short-term, temporary unplanned absence of the CEO.

If at any time it is determined that the short-term, temporary unplanned absence of the CEO has become a
long-term, temporary absence, the Board will move forward to implement the long-term temporary
absence protocol.
EMERGENCY SUCCESSION PLAN
Champlain Housing Trust, Inc.

Long-Term Temporary, Unplanned Absence

In the event of a long-term temporary, unplanned absence of the CEO that is expected to last more than three (3) months but not more than six (6) months, the Executive Committee shall implement the terms of the short-term temporary, unplanned absence plan above as well as the protocols detailed below:

- The Executive Committee will give immediate consideration in consultation with the Acting CEO, to temporarily back-filling the position left vacant by the Acting CEO. This is in recognition of the fact that for a term of more than three (3) months, it may not be reasonable to expect the Acting CEO to carry the duties of both positions with regard to internal operations. The position description of a temporary COFO would focus on covering the priority areas in which the Acting CEO needs assistance.

- The Executive Committee can extend the long-term temporary unplanned absence of the CEO at their discretion.

- If at any time it is determined that the long-term, temporary unplanned absence of the CEO has become a long-term, permanent absence, the Board should move forward to implement the long-term permanent absence protocol.

Permanent Unplanned Absence

In the event of a permanent unplanned absence where it has been firmly determined that the CEO will not be returning to the position, the Executive Committee shall in addition to the steps enumerated above for the short and long term absence, implement the following steps:

- The Board of Directors shall appoint a Transition and Search Committee to plan and carry out a transition to a new CEO made up of the Board Executive Committee and up to two other volunteer Board Members. This committee will provide ongoing updates/communications to Board and staff.

- The Board of Directors will immediately implement the attached “Emergency Hiring Protocols”.
EMERGENCY SUCCESSION PLAN
Champlain Housing Trust, Inc.

Attachment #1

Emergency Hiring Protocol

In the event of a permanent unplanned vacancy in the CEO position:

The Search Committee must be formed within two (2) business days after the announcement of the leadership vacancy.

The Search Committee will include the Board Executive Committee and two other Board members.

The Search Committee will:

- Review and approve the time frame and plan for the recruitment and selection process – within five (5) days
- Review and approve CEO job description – within five (5) days
- Review and approve the Employment Ad – within five (5) days
- Approve a projected salary and benefits range for the CEO position, including but not limited to (salary, benefits, recruiting costs, relocation, etc.) – within five (5) business days
- Consider the need for any consulting or recruiting assistance
- Review and approve a succession budget outlining the cost associated with the transition and recruitment and present a detailed cost analysis to the Board of Directors for approval – within five (5) days. The budget provided with this plan may be used as a guide.

The Champlain Housing Trust has built a national reputation in the affordable housing industry and therefore should be able to fill the CEO position by communicating the position to local/regional and national stakeholders and advertising with these, as well as in relevant media. It is not contemplated that CHT would need to contract out the search to a consulting firm but some services may be needed to supplement board and staff.

Selection of CEO

- The CAO will forward all applicant resumes to the Search Committee who will review and recommend candidates to be interviewed. The CAO will assist with scheduling interviews as requested. The Search Committee will interview the candidates and recommend candidates for second interviews. The Search Committee will then by majority vote select the two candidates to be presented to the Board of Directors for the last interview.
- A majority Board vote is required for approval prior to acceptance and hiring.

Terms and Conditions of Employment

- The board chair and another board member, selected by the Board, will negotiate the terms and conditions of employment, to be approved by the board.
Emergency Hiring Protocol - continued

**Costs associated with Acting CEO and interim leadership:**

Executive transition has the potential to have significant cost implications in areas such as final payments to the departing CEO, the acting CEO, pay increases for staff temporarily promoted to more senior roles, the cost of a search for a new CEO and the potential loss of private fundraising support based on the relationship of the donors to the departing CEO.

**A. CEO Departure:** The departure of the CEO may occur under different circumstances, each of which could have cost considerations. Those include:

- Agreed upon period of salary after the actual departure of the CEO.
- A severance payout in lieu of notice.
- Extended payment of healthcare benefits for an agreed upon period of time.
- In the event of death, CHT is the beneficiary of a $100,000 insurance policy.

**B. Staff Salary Increases:**

- The Acting CEO shall receive a temporary salary increase in an amount up to the current CEO salary adjusted for experience as determined by the Executive Committee for the CEO position.
- The Board may wish to provide some form of additional compensation (base or bonus) to those employees who take on additional responsibilities to reward their service and acknowledge their value to CHT post-transition, upon return to their original roles.
- There may be additional costs associated with the addition of temporary staff in support of the COFO who has been elevated to the Acting CEO to fulfill the current COFO duties.

**C. Search Process:**

- Expenses include advertising for the position and travel costs for job candidates.
- Any contracted search services.

**D. New CEO Compensation and Benefits:**

- Whether a CEO will require a significantly higher level of compensation than the current CEO will depend on market conditions and experience. This could have an impact on the cost of the transition process and the organization’s budget.

The Leadership Team (COFO & CAO) will provide a succession budget plan outline to the Search Committee who will make an approval recommendation to the Board.
## Champlain Housing Trust’s Emergency Succession Plan Budget Estimate

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Current Budget</th>
<th>Potential Emergency Expenditures</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incumbent CEO*</td>
<td>107,100</td>
<td>107,100</td>
<td>Potential Severance Dollars</td>
</tr>
<tr>
<td>Interim CEO</td>
<td>95716</td>
<td>$11,384 adjusted to 107,100</td>
<td>Additional Temporary Salary Adjustment</td>
</tr>
<tr>
<td>Sr Staff Differentials</td>
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<td>16500</td>
<td>Potential Temporary Salary Adjustments</td>
</tr>
<tr>
<td>Adjustments Other Staff</td>
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<td>7000</td>
<td>7 Department Heads - $1,000 Bonus Each</td>
</tr>
<tr>
<td>Temporary Assistance</td>
<td>0</td>
<td>20000</td>
<td>Additional Temporary Staff for Capacity</td>
</tr>
<tr>
<td>Benefits</td>
<td>0</td>
<td>3000</td>
<td>Temporary 403(b), Disability &amp; Life Insurance Costs</td>
</tr>
<tr>
<td><strong>Total Personnel + Bens</strong></td>
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<td>30000</td>
<td></td>
</tr>
<tr>
<td>Candidate Travel</td>
<td>5000</td>
<td>If applicable</td>
<td></td>
</tr>
<tr>
<td>Employment Ad Costs *</td>
<td>6000</td>
<td>If applicable</td>
<td></td>
</tr>
<tr>
<td>Misc Search Costs</td>
<td>5000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>16000</td>
<td></td>
</tr>
</tbody>
</table>

| Potential Lost Revenue                                                    | 10000          | If applicable                    |                                               |
| Potential Relocation Package                                              | 10000          | If applicable                    |                                               |
| **Total Expenses**                                                        | 66000          |                                  |                                               |

* Any severance payment outside of Emergency Succession Plan budget per current CEO’s contract.

Note: The dollar amount for employment ads may be significantly higher depending on the outreach to other out-of-state publications.

### Employment Ads:
- Burlington Free Press
- CareerBuilders.com
- NeighborWorks
- National CLT Network
- Idealist.com
- Housing Partnership Network
- Seven Days Website
- JobsinVT.com
Other resources:

- Housing Vermont
- Vermont State Housing Authority
- Vermont Housing and Conservation Board
- Vermont Housing Finance Agency
- Burlington Housing Authority
- Vermont Community Development Program
- Community Economic Development Office
- Winooski Housing Authority
- Central Vermont Community Land Trust
- NeighborWorks of Western Vermont
- Gillman Housing Trust
- Windham Housing Trust
- The Committee on Temporary Shelter
- Cathedral Square Corporation
- Howard Center
- Spectrum
- CARES
- King Street Corporation
- Champlain Valley Office of Economic Opportunity
- Franklin Grand Isle Office of Economic Opportunity
- Champlain Islanders Developing Essential Resources, Inc. (CIDER)
- Vermont Energy Investment Corporation
- United Way
- Mercy Connections

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**Priority Functions of Chief Executive Officer**

Priority functions of the CEO are shown below. The full CEO job description is attached to provide more detailed information.

Among the duties listed in the attached job description, the following are the key generic functions of the CEO.

1. Serve as the organization’s leader, representative and spokesperson both within the organization and with the external community. Experience with and commitment to the community land trust model or permanently affordable housing.

2. Support the Board of Directors -
   - Ensure integrity and strength of Board leadership and address issues around clarity of role, governance, bylaws, policies, corporate structure, and membership
   - Assist with recruitment and orientation of new Board members
• Prepare Executive reports to Board of Directors and attend meetings
• Maintain programs of excellence consistent with the mission and provide comprehensive evaluation, compliance and reporting
• Develop and maintain programs of excellence consistent with the mission and provide comprehensive evaluation, compliance and reporting

3. Participate in recruitment, interviews, selection and evaluation process for direct reports and other key positions.

4. Strategize organization’s programs and project goals assuring effective implementation of CHT’s organizational and strategic plans; ensure that there are adequate, useful, and understandable administrative systems, operational policies, and procedures in place to effectively manage CHT; oversee adoption of CHT programs, systems, and procedures to keep them current with changes in housing policy and legislation, and trends among lenders and grantors and assesses the feasibility of maintaining or expanding current programs, and of developing new programs; and maintain accountability for current year operating budget and for financial performance of portfolio.

5. Fundraise and develop strong community support and positive relationships for CHT. Be CHT’s spokesperson and an advocate for affordable housing.
KEY CONTACTS LIST

The following individuals should be the first calls made. These contacts know the organization and the affordable housing environment and have strong resources to contribute in support of this absence.

HVT – Nancy Owens, President or Successor  
NeighborWorks® America – LaRayne Hebert; Mia Joiner-Moore, Robert Burns or Successors  
CEDO – Brian Pine, Director of Housing or Successor  
VHCB – Gus Seelig, Executive Director or Successor  
VHFA – Sarah Carpenter, Executive Director or Successor  
LISC - Elise Hoben, Vice President or Successor  
VCDP – Jennifer Holler, Deputy Commissioner or Successor  
VCF – Stuart Comstock-Gay, President & CEO or Successor  
VCLF – William Belongia, Executive Director or Successor

Civic Leaders:

The Board should be provided with formal statement and directed to convey it to their municipalities. (Formal Statement to be developed by the Board Executive Committee, Acting CEO and Director of Community Relations)

Key Stakeholders:

The Director of Community Relations should share the formal statement with the congressional delegation, South Burlington City Manager, and the Housing Authorities (VSHA, BHA, and WHA)

Press: The Community Relations Director will implement a press strategy for the acting CEO and Board Executive Committee.

Others: As needed.
CHIEF EXECUTIVE OFFICER - JOB DESCRIPTION

Position Title: Chief Executive Officer (CEO)
Date Analyzed: February 2011
Department: Administration
Position Status: Full-time
Exempt/Non-exempt: Exempt
Reports to: Executive Committee of the Board of Directors
Supervises: Chief Financial and Operations Officer, Chief Administration Officer

Position Summary:

The Chief Executive Officer (CEO) is the top executive at Champlain Housing Trust (CHT) providing direction and leadership toward organizational sustainability. As an officer of a membership-based nonprofit organization, the CEO leads CHT in developing the knowledge infrastructure, culture, and competencies necessary to establish CHT as a local and nationally respected provider of permanently affordable housing. The CEO ensures that the needs and interests of CHT customers, members, staff, partners and other stakeholders are served pursuant to the organization’s mission, strategic goals, policies of the Board, and by-laws, as directed and authorized by the Board of Directors. The CEO is responsible for the delivery of CHT programs, products, and services and ensures its smooth and efficient operation within the approved budget. The CEO oversees the financial management of the organization by implementing the financial policies as defined by the Board, ensuring that grants, fund-raising, the endowment fund and other financial sources are sought out and managed to provide the financial resources required to sustain CHT. The CEO ensures CHT implements personnel policies in a fair and consistent manner, is compliant with state and federal employment regulations, and promotes staff development and longevity. The CEO is the spokesperson for the organization, ensures that strong public relations are developed and strengthened within the communities served, and acts as an advocate at the state and federal level for permanently affordable housing. The CEO also leads all organizational fundraising and in particular major donor relations in support of board and volunteer activities.

Areas of Responsibilities:

Board Administration & Support

- The CEO is the principal liaison between the board and all other organizational stakeholders.
- CEO ordinates all board activities, including development of meeting agenda (in collaboration with the board president), fundraising activities, policy development and approval and special events.
- Staffs the Executive Committee and, in collaboration with the board president, prepares the agenda for all meetings.
- Collaborates with the board and board committees to develop the vision and ongoing strategic planning for CHT and is responsible for the effective implementation of the ultimate plan itself.
- Assures the implementation of the Board policies governing the operations of CHT.
- Assists the Board of Directors in board recruitment, orientation, education, development, and evaluation of new members.
- Assures that all meetings of board committees are appropriately staffed.
Program and Service Delivery
- Ensures that the beliefs and principles as stated in the mission of the organization are embodied in the way in which activities are organized and delivered.
- Assures effective implementation of CHT’s organizational and strategic plans.
- Assesses the community’s housing needs, member satisfaction with CHT’s services, and the ability of CHT’s programs and activities to meet the community’s needs.
- Meets regularly with the staff to share information and develop strategies and action plans to address program and service issues at CHT.
- Oversees and supervises the Chief Financial and Operations Officer to ensure that there are adequate, useful, and understandable administrative systems, operational policies, and procedures in place to effectively manage CHT.
- Through supervision of the CFOO oversees adoption of CHT programs, systems, and procedures to keep them current with changes in housing policy and legislation, and trends among lenders and grantors and assesses the feasibility of maintaining or expanding current programs, and of developing new programs.
- On behalf of the board negotiates, reviews, and signs all contracts and grants as authorized by board policy.

Financial Management
- Recommends yearly budget for Board approval and prudently manages organization’s resources within those budget guidelines according to current laws and regulations.
- Oversees and supervises the Chief Financial and Operations Officer in the effective development, administration, and control of the budget, finances, financial reserves and the cost effectiveness of CHT’s Programs.
- Oversees and directs the Chief Financial and Operations Officer to develop a financial plan necessary to achieve CHT’s goals and objectives and to ensure the long-term financial health and sustainability of CHT and with the Chief Financial and Operations Officer supports the Board Finance Committee in its fiduciary responsibility.
- Oversees and supervises the Chief Financial and Operations Officer in the maintenance of reporting systems required by the board, by lenders and by local, state, and federal funding sources.
- Oversees and supervises the Chief Financial and Operations Officer in the development and implementation of operating procedures that ensure the procurement, protection, and upkeep of the assets of CHT (e.g. multiple office locations, owned properties, operating systems, equipment, etc.).

Human Resources Management
- Supervises the CAO in the Human Resource management of CHT according to authorized personnel policies and procedures that fully conform to current laws and regulation.
- Oversees and supervises the CAO in the management of all personnel matters including recruiting, interviewing, salary and benefits negotiations, scheduling, and annual reviews to ensure that there is adequate program and administrative staffing to meet the needs of CHT.
- Oversees the CAO to ensure the staff’s compliance with: a) CHT’s Personnel Policies and Procedures; and b) all Federal, State, and local laws and regulations governing the operations of a non-profit, tax-exempt corporation.
- Meets regularly with Program Directors and Managers both individually and as a team to discuss CHT program, financial, and administrative issues.
Community and Public Relations

- Ensures the organization and its mission, programs and services are consistently presented in strong, positive image to relevant stakeholders ensuring positive visibility in the community through media exposure and active personal presence in order to develop and maintain a broad understanding and support of CHT’s mission, philosophy, and services. Ensures that CHT is responsive to its voting membership in keeping with CHT’s corporate responsibilities as a Community Land Trust.
- Advocates for permanently affordable housing and builds community awareness and support for affordable housing delivery.
- Works with Community Relations Director to develop a Community Relations Plan.
- Works with Program Directors to maintain strong positive relationships with other housing organizations, lenders and providers of grants.
- Assures CHT’s representation with local, regional, and statewide private and public agencies.
- Works at the local, state, regional and national levels on legislative issues affecting housing and advocates for the needs of CHT’s members and those who are in need of affordable housing.
- Assures CHT’s representation on task forces, committees, and coalitions regarding the provision of housing.

Fundraising

- Oversees fundraising planning and implementation including identifying resource requirements and establishing strategies to approach funders.
- Assists and supports the CHT development staff and the Board in developing and implementing a long range plan for funding.
- In conjunction with the Board, ensures the generation of sufficient income for the provision of services and efficient operation through active fundraising with individuals donors, foundations, and corporations; procurement of government grants and contracts and other sources of funds.
- Oversees the identification of public and private funding sources in order to meet program needs.

Membership Support and Development

- Leads the development and support of a broad-based membership including CHT residents and supporting donor members.

Qualifications:

A master’s degree with emphasis in public or business administration, economics, planning or similar course work and/or equivalent experience in organizational leadership. Experience in housing development, community development or planning as a program director or agency administrator.

Ability to lead and direct a nonprofit agency with strong social and programmatic commitments.
Commitment to social and economic justice and the limited equity model of property ownership.
Sound knowledge of business administration practices and procedures. Ability to effectively delegate authority. Good knowledge of the principles and practices relating to the development of affordable housing and property management. Strong oral and written communication skills and computer skills. Demonstrated abilities in fund raising and grant writing for nonprofit agencies.
Knowledge of federal and state grant programs and practices. Ability to exercise sound judgment and initiative in solving problems. Ability to establish and maintain CEO operative working relationships with members, employees, Board members, government officials and the public.
Skills: Strong communication skills, interpersonal skills, presentation skills, problem solving and critical thinking skills, computer skill, ability to interpret and apply employment law, writing skills, active listening skills, analytical skills, computer and technology skills, organizational and planning skills.

Must have excellent interpersonal skills and be able to relate to internal and external parties professionally, representing CHT in a positive manner. Must be able to handle highly sensitive, confidential information. The Chief Executive Officer must have the ability to exercise confidentiality, attention to detail and must have the ability to communicate effectively with colleagues, clients and the community.

Physical and Mental abilities: The Chief Executive Officer must have the physical and mental abilities to perform the essential job duties listed above. However, reasonable accommodation may be extended to help perform those duties. The job entails evening and weekend work, significant travel and long periods of sitting at a desk. There may be prolonged periods of computer work. While performing the essential duties of this job the Chief Executive Officer may have to use hands and fingers, walk, stand, reach, or lift up to 25 pounds.

Employer Rights and Disclaimers:

This job description is a list of duties and expectations. However, it should not be considered a complete list of expected duties. Duties may be added, dropped, or changed at any time.

The job qualifications may change at any time. Champlain Housing Trust may add, drop, or change any qualifications for the position in order to fit changes in the organization. This job description should not be interpreted as a complete list of job qualifications.

Signature:
Employee: _______________________________ Date: ________________
EMERGENCY SUCCESSION PLAN
Champlain Housing Trust, Inc.

Attachment #4

Approvals and Maintenance of Record

Succession plan approval

The succession plan will be approved by the Executive Committee and forwarded to the full Board of Directors for its vote and approval.

Signatories

This plan shall be signed by the Board President, the CEO, and the appointees designated in this plan.

Maintenance of Record

Copies of this plan shall be maintained by the Board President, the CEO, the COFO, the back-up appointees, the CHT policy book, and the CHT attorney.

Approved by the CHT Board of Directors May 4, 2011.

Dated & Signed

______________________, Board Chair ____________________________
Paul Bohne

______________________, CEO ____________________________
Brenda Torpy

______________________, COFO ____________________________
Michael Monte

______________________, CAO ____________________________
Kandi Thermansen
Board Protocol for Handling Customer Complaints

For applicant, resident, community stakeholder/partner complaints that come directly to the Board:

The Board overall relies on the CHT staffing structure to self-monitor and to correct issues that arise in the day-to-day delivery of services and in the direct management of property, sales and resales of property, and all related activities and interactions with the public. This protocol provides Board members with a standard means to address any complaints that come directly to them.

1. If a resident or any community member contacts one Board member about an issue, the Board member should immediately notify the CEO (in her absence the COO) and the Board president. Then the Board member should contact the complainant and let the person know that the CEO has been directed to look into the matter and report back. The CEO will draft a letter with CHT’s response and offer to meet with the complainant in person. The Board president or member may participate in these at their option.

2. If a complainant writes to the full Board the Board president should respond as in #1 on behalf of the Board.

The role of any Board member in these situations is simply to be an ambassador for the organization. Being able to respectfully hear a criticism or concern is a great way to build strong community relations or to strengthen existing ones. At the Board’s direction the CEO will ascertain if things were done properly and in consultation with staff may propose any remedy for the individual as appropriate, as well as any other steps that CHT may take in order to avoid similar problems in the future. Should the Board decide on its own or at the recommendation of the CEO that the problem raises a broader policy issue that needs review at the Board level then it can be assigned to the relevant Board committee.

Formal grievance procedures:
CHT has formal appeal processes for applicants to rental and homeownership housing. Staff remains current with Fair Housing law through continued training for pertinent staff.
B. Any motion by a Director to amend the limited appreciation formula shall be made only after two-thirds of the Board of Directors, a quorum having been established, find that the current formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors as established by these Bylaws, including this Article.

C. If two-thirds of the Board of Directors finds that the current limited appreciation formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors, the Board may propose and vote on a specific amendment to the current limited appreciation formula which addresses the Board’s concerns. Any such amendment must be adopted by a vote of two-thirds of the Board of Directors. If the amendment is adopted by the Board, the Board shall then call a Special Meeting of the Membership for the sole purpose of voting on the Board’s action to amend the limited appreciation formula. An affirmative vote of at least two-thirds of the voting Members present at the Special Membership meeting, a quorum having been established, is required to amend the limited appreciation formula. Any such amendment shall not affect or impair any agreement involving a limited appreciation formula which is in effect on the date of the Amendment.

Secretary

[Signature]
CHAMPLAIN HOUSING TRUST INC.

BYLAWS

Adopted October 1, 2006
Amended: January 26, 2008
Amended: January 31, 2009
Amended: July 10, 2010
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ARTICLE I – GENERAL PROVISIONS

SECTION 1 – Name

The name of the Corporation is "Champlain Housing Trust" (formerly known as "Burlington Community Land Trust, Inc." (“BCLT”), hereinafter the “Corporation.”

SECTION 2 – Purposes

This non-profit Corporation is formed for the charitable purposes of the relief of the poor and the distressed and the underprivileged, the promotion of social welfare, and the lessening of the burdens of government by fostering the availability of decent, safe, sanitary and affordable housing for low and moderate-income households through the Corporation's participation, directly and indirectly, in the creating, providing, operating and management of such housing while maintaining the historic and aesthetic qualities of the community. For these purposes the Corporation may (i) acquire, construct, rehabilitate, and provide housing and related facilities without regard to race, color, creed, sex, age, disability, handicap, sexual preference, gender identity or expression, or national origin; (ii) acquire, improve and operate any real or personal property or interest or rights therein or appurtenant thereto; (iii) sell, convey, assign, mortgage, or lease any real or personal property; (iv) borrow money and execute such evidence of indebtedness and such contracts, agreements and instruments as may be necessary, and execute and deliver any mortgage, deed of trust, assignment of income, or other security instrument in connection therewith; and (v) do all things necessary and appropriate for carrying out and exercising the foregoing purposes and powers.

Said Corporation is organized exclusively for charitable, religious, educational and scientific purposes, including for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 as amended (or the corresponding provision of any future United States Internal Revenue law).

Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on: (a) by a Corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 as amended, or (b) by a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law.)

The Corporation shall also have the following purposes:

A. To provide access to land and decent housing for low and moderate-income people;

B. To preserve the affordability of housing for low and moderate-income people in perpetuity;

C. To protect the natural environment and to promote the ecologically sound use of land and natural resources and the long-term health and safety of the community;

D. To combat community deterioration in economically disadvantaged neighborhoods by promoting the development, rehabilitation, and maintenance of decent housing in these neighborhoods; by promoting economic opportunities for low- and moderate-income residents of these neighborhoods; by making land available for projects and activities that improve the quality of life in these neighborhoods; and by assisting residents of these neighborhoods in improving the safety and well-being of their community;

E. To provide education, community service, and support for cooperative development throughout the community;

F. To acquire property to preserve open space land; and

G. To acquire property to assist low- and moderate-income persons to obtain housing.
The enumeration above of a specific power shall not be construed as limiting or restricting in any manner either the meaning or the general terms used in any of these clauses or the scope of the general powers of the Corporation created by them; nor shall the expression of one thing in any of these clauses be deemed to exclude another not expressed, although it be of like nature.

SECTION 3 – Offices

The principal office of the Corporation shall be located in Burlington, Vermont unless another location is approved by an affirmative vote of a majority of the Corporation’s voting Membership present at a duly called Membership meeting. The Board of Directors may establish other offices from time to time, within or outside the State of Vermont, as the affairs of the Corporation require.

SECTION 4 – Seal

The Seal of the Corporation shall be an adhesive wafer seal or a circular die bearing the name of the Corporation and the State and date of incorporation.

ARTICLE II – MEMBERSHIP

SECTION 1 – Continuing Membership

All persons who were General Members or Resident Members of the BCLT on October 1, 2006 shall continue to be Members of the Corporation, as long as they continue to meet the requirements for eligibility and continuing Membership set forth in Section 2 and Section 4 of this Article.

SECTION 2 – Types of Membership

1. Requirements. Subject to the Continuing Membership Requirements in Section 4 of this Article, a person who meets the following requirements shall be a member of the Corporation.

   a. Continuing Members as defined above;

   b. Any person 16 years of age or over who is a resident of the Corporation’s housing, as defined under “Resident Member” below; or

   c. Any person 16 years of age or over who has;
      paid annual membership dues of $1.00; and
      expressed interest and support for the Corporation and its purposes.

2. Categories. The Membership shall be grouped into two categories:

   a. Resident Members shall include all members of any household living in property owned, in whole or in part or otherwise in stewardship with the Corporation, as described in Article V, who are aged 16 years or older. This shall include single-family home-owners who lease land owned by the Corporation, owners of housing units who have granted BCLT or the Corporation a Housing Subsidy Covenant, tenants in rental units owned by the Corporation or by a limited partnership in which the Corporation, or any subsidiary of the Corporation has an ownership interest, and members of limited-equity housing cooperatives that have signed a Contract for Services with the Corporation or BCLT.

   b. General Members shall include all other Members.

SECTION 3 – Rights of Members
A. Each Member living in the Corporation’s three-county service area of Chittenden, Franklin, and Grand Isle counties shall have the right to one vote on all matters properly put before the Members for consideration, as provided in these Bylaws; to nominate and elect or ratify members of the Board of Directors; to serve on the Board or on committees if chosen, and to receive notices, minutes and reports as provided in these Bylaws.

B. Members living outside of the Corporation’s three-county service area shall be non-voting Members of the Corporation.

C. The assent of the voting Membership shall be required before action may be taken on the following issues:

1. The removal of Members or Directors;
2. Except as provided in Article V, Section 4(A), the authorization of the sale of certain lands by the Board of Directors;
3. The amendment of the Articles of Incorporation or these Bylaws;
4. The alteration, amendment, or deletion of the Corporation’s limited appreciation formula;
5. The dissolution or merger of the Corporation;
6. The disposition of all or substantially all of the assets of the Corporation other than in the regular course of activities of the Corporation;
7. The movement of the Corporation’s principal office to a location outside of Burlington, Vermont;
8. Any other matter which must be approved by the Members under the Vermont Nonprofit Corporation Act (the "Act"); and,
9. Any other major issue concerning the Corporation, as determined by majority vote of the Board of Directors.

SECTION 4 – Continuing Membership Requirements

A. In order to remain a General Member of the Corporation, each General Member, including those who are continuing Members of the Corporation, shall:

1. Pay Annual Membership dues of $1.00, or more at the discretion of the Member, payable on, or within 30 days of, the date of the Annual Meeting; and;

2. Support permanently affordable housing.

B. In order to remain a Member of the Corporation, a Resident Member, including those who are Continuing Members of the Corporation, must remain a resident of any of the homeowner, rental, or co-op units identified under Section 2(2) above. Resident Members shall not be required to pay dues in order to become or remain Members of the Corporation. Former residents of the Corporation’s housing, who are 16 years of age or older and who no longer qualify as Resident Members, may become General Members by paying annual dues.

SECTION 5 - Membership Meetings

A. Annual Meeting
The Annual Meeting of the Membership of the Corporation, for reports to the Membership by the Officers and the Board of Directors, the election of Directors, and the transaction of other business, shall be held within four months after the end of the fiscal year. The location and time of the Annual Meeting shall be determined by a consensus of the Board, and written notice shall be given to all Members at least one month but not more than 60 days before the meeting. The written notice shall include a description of matters which must be approved by the Members under Article II, Section 3(C) of these Bylaws. Only those persons who are Members on the date of the Annual Meeting may vote at the Annual Meeting. Any Member who has let his/her Membership lapse within the last year may renew his/her Membership on or before the day of the Annual Meeting and shall be eligible to vote at the meeting.

B. Regular Meetings
Regular Meetings may be scheduled by the Membership at such times and place as they shall establish at an Annual Meeting. Additional notice thereof shall not be required.
C. **Special Meetings**
Special Meetings of the Membership may be called by a majority vote of the Board of Directors, a quorum having been established, or by a written petition or petitions addressed and delivered to an officer of the Corporation, signed and dated by at least 5% of the voting Membership or 20 voting Members (whichever is less) and describing the purposes for which the special meeting is to be held. Notice must be given to all Members at least ten but not more than 60 days in advance of each Special Meeting. Notification must be a written announcement of when and where the meeting will be held and must include an agenda and a description of the matters for which the meeting was called. At a Special Meeting, only those matters, for which the meeting was called, as stated in the notice, may be acted upon by the Membership.

**SECTION 6– Procedures for Membership Meetings and Actions**

A. All Membership Meetings shall be open to the public.

B. **Record Date for Notice of Membership Meetings.**
Not more than seven days prior to the notice of any Membership meeting, the Corporation shall determine the Members who are entitled to: a) receive notice of the meeting; and b) vote at the meeting. This date shall constitute the record date for the meeting. After fixing the record date for any Membership meeting, the Corporation shall prepare an alphabetical list of the names of all of its Members who are entitled to notice of the meeting. The list must show the address of each Member who is entitled to vote at the meeting and shall indicate whether the Member is a General or Resident Member. The list shall be available for inspection by any Member and shall be made available at the meeting.

C. **Minutes**
Minutes of all Membership Meetings shall be kept in the Corporation Minute Book. This record shall be reviewed by the Directors at the second Directors meeting following the Membership Meeting, and shall be approved by the Membership at the next Membership Meeting. A copy of the minutes of the Annual Meeting of the Membership shall be made available to all Members within one month following that meeting. The Corporation Minute Book shall be open for inspection by any interested person.

D. **Quorum**
A quorum shall be established when 30 voting Members, excluding proxies, are physically present at an annual, regular, or special meeting.

E. **Decision-Making**
Whenever possible, decisions shall be made at Membership Meetings by consensus of the voting Members. If consensus cannot be reached, then a decision shall be made by a majority of those voting Members present and voting, a quorum having been established.

F. **Proxy Voting by Special Populations**
Members who have a physical or mental disability and are unable to attend Membership Meetings because of their condition may vote through a Member representative. Such representation must be authorized by a written statement by the absent Member, delivered to the Board of Directors in advance of the meeting at which it is to be utilized.

The statement need not endorse or reject a particular motion, but must specify clearly described and specific issues and must also show good cause for the Member's absence. This authorization shall permit the designated representative to vote for the absent Member on all matters relating to those issues, as prescribed by the written statement.

During any particular vote, no Member may represent more than one absent Member. Such representation shall be valid for one meeting only. No Member may vote by any other form of proxy, although any absent Member may send statements to be read at the meeting by other Members.

G. No person who has been a Member for less than 30 days may vote at a meeting other than the Annual Meeting.

**SECTION 7 – Resignation**
Any Member of the Corporation may resign at any time by delivering or mailing a written resignation to the Corporation. Unless otherwise specified, such resignation shall be effective upon its receipt by the Corporation.

SECTION 8 – Removal

A. Removal for Failure to Comply with Continuing Membership Requirements
Membership of all types shall be terminated when a Member has failed to comply with the Continuing Membership Requirements (as provided in Section 4 of this Article).

B. Removal for Cause
Membership may also be suspended or terminated for good cause, should a Member act in a manner seriously detrimental to the Corporation.

C. Procedure for Removal.
Before a suspension or removal of a Member or Director can occur under this Section 8:

1. Written charges specifying the conduct must be filed with the Secretary of the Board. Any Member of the Corporation may file the charges and appear before the Board with respect to the charges. The Board shall review the charges and if it votes to proceed with the charges, the Board shall set a date for suspension or removal and follow the procedure described in this Section. If the Board determines that the charges are not sufficient to support a suspension or removal, the Board shall dismiss the charges and that shall constitute the final action of the Corporation with respect to the particular charges.

2. If the Board votes to support the charges, it shall give a copy of the notice of the charges to the Member charged along with a notice that the Board has voted to support the charges and the date set for suspension or removal (the "Notice"). The date for suspension or expulsion shall be after the date by which the Member may request a fair hearing. The Notice may state that a Member may avoid suspension or expulsion by taking specified action prior to the date of suspension or expulsion. The Notice shall be mailed or hand delivered to the Member. Notice by mail shall be by first class or certified mail sent to the last address of the Member shown on the Corporation's records. Notice by mail shall be deemed delivered within 5 days of mailing.

3. The Member charged shall have had at least twenty-five days following the mailing of the Notice in which to request a fair hearing before a special committee of the Corporation consisting of three persons: one selected by the affected Member; one selected by the Board of Directors within ten days following the selection of the first, in consultation with the Member who brought the charges; and one selected by the first two. These persons may be, but need not be, Members of the Corporation. No suspension or expulsion shall take place pending the outcome of the fair hearing procedure described in this paragraph C of this Section. If a Member fails to request a fair hearing, or fails to take corrective action if corrective action is specified in the Notice, the suspension or removal shall take effect on the date set forth in the Notice.

4. If requested by the affected Member, the committee shall hold a hearing, allowing each of the charging Member and the affected Member to present evidence in the presence of the other. The committee shall base its decision on all of the relevant facts and circumstances. After the hearing, this committee shall prepare a written report of its findings and its recommendation (by majority vote, if consensus cannot be reached) whether the Member should be suspended or removed. This report must include the vote of each member of the committee and a personal statement explaining the basis for his/her decision. The report shall be completed within one month following the appointment of the committee, if that is reasonably possible.

5. If the committee recommends that the Member be suspended or removed, this recommendation must be approved by 2/3 of the voting Members present at the next Membership Meeting held after the completion of the committee's report. The affected Member shall be afforded a fair opportunity to appear before the Membership and present evidence in his/her defense before the decision is made.
ARTICLE III – BOARD OF DIRECTORS

SECTION 1 – Designated Board of Directors

The Designated Board of Directors of the Corporation shall be as named in the Plan of Merger for the BCLT and Lake Champlain Housing Development Corporation (hereinafter referred to as “LCHDC”). This Board includes a number of currently elected members of the Board of Directors of BCLT, as well as other Board members designated in the Plan of Merger. They shall serve until the first Annual Meeting of the Membership, at which time a successor Board shall be elected, as provided in Sections 2, 3, 4, and 5 of this Article.

SECTION 2 – Successor Boards of Directors

Successor Boards of Directors shall consist of not fewer than 12 nor more than 15 Members. The first successor Board following the Merger referred to in Section 1 shall consist of 15 Members. The number of Directors may be increased or decreased at any time by a decision of the Board, but the number of Directors must never be less than 12 nor greater than 15. All successor Boards, must contain the balance of representation hereinafter provided (Section 3 of this Article). Directors’ terms shall be staggered to maintain the continuity of the Board. All members of the Designated or any Successor Board of Directors must be Members of the Corporation.

SECTION 3 - Composition of the Board

The Board of Directors shall contain three categories of representatives:

A. Resident Member Representatives
   1. One-third of the Directors shall be Resident Member Representatives.
   2. Resident Member Representatives may be any Resident Member, except that:
      a. at least one Resident Member Representative shall be a shareholder/member who lives in a limited equity housing cooperative that has signed a Contract for Services with the Corporation;
      b. at least one Resident Member Representative shall be a homeowner who either leases land from the Corporation or who has granted the BCLT or the Corporation a Housing Subsidy Covenant; and;
      c. at least one Resident Member Representative shall be a tenant in a rental unit owned by the Corporation or by a limited partnership of which the Corporation, or a subsidiary of the Corporation, is a member.

B. General Member Representatives
   1. One-third of the Directors shall be General Member Representatives.
   2. General Member Representatives shall not be Resident Members.
   3. Of the General Representatives, there shall be at least one representative from the private sector.

C. Public Representatives
   1. One-third of the Directors shall be Public Representatives.
   2. All but one of the Public Representatives shall be municipal officials from four different cities or towns located within the Corporation’s three-county service area. These municipal officials shall be the city’s or town’s highest-ranking elected or appointed executive officer or the designee of this highest-ranking executive officer.
3. The remaining Public Representative shall be either a municipal official from a city or town within the Corporation’s three-county service area not already represented on the Corporation’s Board or a person with experience in regional or state-wide public service. Included within the latter category may be state legislators, members of regional planning organizations, or persons with regional or state-wide experience who are members of a charitable organization or another nonprofit organization providing housing or social services for low-income and moderate-income households.

4. Public Member Representatives shall not be Resident Members.

SECTION 4 – Nomination and Election of Directors

A. Nomination

1. The names of persons to fill all vacancies on the Board of Directors shall be solicited, reviewed, and selected by the Corporation’s Executive Committee, which shall serve as the Nominating Committee for the purpose of filling Board vacancies.

2. Nominations must be received by the Nominating Committee at least six weeks, but not earlier than ten weeks, before the Annual Meeting of the Membership.

3. The Nominating Committee shall mail the list of nominees to all Members at least four weeks, but not more than 60 days before the Annual Meeting.

4. Nominations shall be made in the following manner:

   a. Resident Member Representatives
   The Nominating Committee shall actively solicit nominations from Resident Members, confirm that nominated individuals are willing to serve on the Board, and submit a list of candidates to the Members for consideration and possible election to the Board.

   b. General Member Representatives
   The Nominating Committee shall actively solicit nominations from General Members, confirm that nominated individuals are willing to serve on the Board, and submit a list of candidates to the Members for consideration and possible election to the Board.

   c. Public Representatives
   The Nominating Committee shall actively solicit nominations from cities and towns in Chittenden, Franklin, and Grand Isle counties, seeking a balance of Public Representatives between municipalities where the Corporation has developed many units of affordable housing in the past and municipalities where the Corporation hopes to develop affordable housing in the future. Nominees shall be submitted to the entire Board for consideration.

B. Election

Board members shall be elected at the Annual Meeting of the Membership as follows:

   a. Resident Member Representatives
   Shall be elected from the nominees by a majority of the Resident Membership voting at the Annual Meeting, whether in person or by proxy.

   b. General Member Representatives
   Shall be elected from the nominees by a majority of the entire Membership voting at the Annual meeting, whether in person or by proxy.

   c. Public Representative Nominees
   Shall be elected from the nominees by a majority of the entire Membership voting at the Annual meeting, whether in person or by proxy.
SECTION 5 – Term of Office

A. Term of First Elected Board
To ensure the continuity of the Board of Directors, after the Designated Board is chosen pursuant to Section 1 of this Article III, Directors elected at the first Annual Meeting following the merger between BCLT and LCHDC shall draw lots among themselves so that one Director in each category shall begin a one-year term, two Directors in each category shall begin a two-year term, and two Directors in each category shall begin a three-year term. Directors elected for a one- or two-year term under this Subsection A shall be deemed to have served a full term for all purposes under these Bylaws, including without limitation Subsection D of this Section 5.

B. Terms of All Successor Directors
Except as otherwise provided for in Section 5(A) of this Article III of these Bylaws, each Member of the Board of Directors shall serve for a term of three years. A Director elected to fill a vacancy shall serve for the balance of the time remaining on that term.

C. Commencement of Term
The term of office of a regularly elected member of the Board of Directors shall commence at the adjournment of the Annual Meeting at which they were elected.

The term of office of a Director elected to fill a vacancy shall commence at the time of his/her acceptance of that position.

D. Limitation on Consecutive Terms
No Resident Member Representative or General Member Representative or Public Representative shall serve as a member of the Board of Directors for more than three consecutive full terms. After an absence from the Board of one year, a former Director may return to the Board, if reelected. He or she shall then be allowed to serve as a member of the Board for no more than two consecutive full terms.

SECTION 6 – Duties of the Board

The Board of Directors shall:

A. Carry out the purposes of the Corporation, implement decisions of the voting Membership, and be responsible for the general management of the affairs of the Corporation.

B. Prepare a written Annual Report for the Corporation outlining the nature and results of the Corporation’s activities during the preceding year, showing the financial condition of the Corporation, listing all land and/or interests in land acquired by the Corporation during the preceding year and the nature and purposes of all leases granted by the Corporation for use of the land, and proposing a plan for Corporation activities during the coming year. Copies of the Annual Report shall be made available to any Member of the Corporation upon request.

C. Elect all Officers of the Corporation.

D. Supervise the activities of all Officers and committees and the Chief Executive Officer of the Corporation in the performance of their delegated responsibilities.

E. Determine by whom and in what manner deeds, contracts, and other instruments shall be executed on behalf of the Corporation.

F. Acquire property through donation or purchase and develop resources for the acquisition, rehabilitation and use of land.
G. Convey the right to use land, which is owned by the Corporation in accordance with the purposes of the Corporation and the provisions of these Bylaws;

H. Provide notice of meetings, minutes and reports, as required by these Bylaws or otherwise required by the Membership.

SECTION 7 – Powers of the Board

The Board of Directors may:

A. Appoint, employ and discharge advisors and consultants who have skills necessary or helpful to the Corporation; provided, however, that such power shall not prevent the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, and the Chief Administration Officer and their designees from appointing, employing and discharging advisors, employees and consultants consistent with the authority granted such executive and other staff by their respective job descriptions.

B. Create such committees as will be necessary or desirable to conduct the affairs and further the purposes of the Corporation. Committees other than the Executive Committee may include individuals who are not Board members, provided that a majority of the full Board consents to the appointment of these individuals and provided that the chair of every committee is a member of the Board. Beyond any additional ad hoc or standing committees which the Board may decide to create, there shall be the following standing committees:

1. Executive Committee.
   Chaired by the Corporation’s President and composed of the officers of the Corporation plus one at large member to be appointed by the Committee. The at-large member will be recruited from the chairs of the homeownership, property management or project development committees. The Committee’s responsibilities include the following:
   
   ÿ Oversee an annual performance evaluation of the Corporation’s chief executive officer.
   ÿ Conduct an annual performance evaluation of the Corporation’s Board of directors, committee structure, and overall governance.
   ÿ Serve as the Nominating Committee in recruiting new Board members.
   ÿ Lead succession planning for officers of the Board and committee chairs.
   ÿ Serve as the personnel committee, as needed, reviewing the philosophy and structure of the Corporation’s benefits and compensation.
   ÿ Take up for consideration other issues as determined by the committee or directed by the Board.
   ÿ Take action on behalf of the Board when specifically authorized to do so by the Board.

2. Finance Committee.
   Chaired by the Corporation’s Treasurer, the Finance Committee’s responsibilities include the following:

   ÿ Oversee preparation and implementation of the Corporation’s annual budget.
   ÿ Oversee the administration, collection and disbursement of the financial resources of the organization to lines of credit and the retirement of corporate debt.
   ÿ Monitor areas of financial concern affecting the Corporation’s short-term solvency and long term sustainability.
   ÿ Function as the Audit Committee, which reviews the annual independent audit and other official financial statements and information as well as systems of internal control.

3. Property Management Committee.
   The Property Management Committee is chaired by a member of the Board and includes at least one of the Board’s Resident Member Representatives. The Committee will strive to have a member who is a resident of the Corporation rental housing. The committee’s responsibilities include the following:

   ÿ Review and recommend policies for the stewardship of the Corporation’s portfolio of rental housing and non-residential buildings.
Review and oversee the policies and operating procedures for the Corporation’s property management department.

Review performance of the Corporation’s rental property against established benchmarks relative to vacancies, turnover, collections, and cash flow.

Review staff-generated plans for upgrading (or disposing) of rental properties that do not meet these performance benchmarks.

Review the Capital Needs Assessments for each site from a financial planning perspective, planning for future replacement needs.

Monitor the Corporation’s property management policies to assure consistency with the Corporation’s mission.

Review the long-term viability of managing and maintaining projects that are proposed for addition to the Corporation’s rental portfolio.

4. HomeOwnership Board Committee.
Approved by board 7/7/08, composed of members of previous loan committees, first meeting convened 10/23/08

Meeting Frequency: Quarterly (or more frequently, as needed)
Chaired by a member of the Board, the Homeownership Committee’s responsibilities include the following responsibilities:

- Oversee policies pertaining to the stewardship of the Corporation’s portfolio of resale-restricted, owner-occupied housing.
- Explore new opportunities for maintaining the safety, soundness, and condition of the Corporation’s portfolio of resale-restricted, owner-occupied housing.
- Review and vote on non-conforming loans.
- Oversee staff revisions to the Corporation’s lending policies and underwriting criteria.
- Review and provide input on proposed changes to procedures or programs which affect service to customers.
- Review and provide advice on proposed delinquency policy for the Corporation’s homeowners and loan customers, including forbearance requests and foreclosure initiation.
- Review capacity and ways to maintain level of service in St. Albans HomeOwnership office.

5. Project Development Committee.
Chaired by a member of the Board, the Project Development Committee reviews the financial feasibility, social need, community compatibility, and environmental impact of land acquisitions and major construction or rehabilitation projects proposed by the Corporation’s staff, including the redevelopment or recapitalization of projects already in the Corporation’s portfolio. In providing direction and support for the Corporation’s department of real estate development, the Committee’s responsibilities include the following:

- Help to identify and review potential sites for the development of multi-family rental housing, homeownership housing, and community development projects.
- Evaluate proposed projects and recommend their approval to the full the Corporation Board.
- Review the Corporation’s overall development pipeline to assure geographic, housing tenure and affordability mix.
- Develop and recommend policies regarding real estate development to the full the Corporation Board.

Chaired by a member of the Board and including at least one of the Board’s Resident Member Representatives who lives in a limited-equity cooperative, the Co-op Committee shall also include two Resident Members who do not serve on the Corporation’s Board. The Committee’s responsibilities include the following:

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Serve as a forum for co-op members: fielding suggestions for new programs, listening to complaints about existing services, and soliciting ideas for improvements in the Corporation’s support for co-ops.
Serve as a bridge and conduit between the Corporation Board and housing co-ops, carrying information and concerns in both directions.
Serve as an advocate for housing cooperatives on the Corporation Board, especially with regard to the Corporation policies and programs affecting the co-ops.
Serve as an advocate for housing cooperatives vis-à-vis state and local officials who are charged with funding or regulating the development of affordable housing.
Review the Corporation’s policies affecting the Corporation’s housing cooperatives on an annual basis and recommend changes, as needed.
Review and monitor the process used by the Corporation and by the Corporation’s housing cooperatives in interviewing, screening, selecting, and preparing prospective members of cooperative housing.
Participate in the annual performance evaluation of any of the Corporation staff who is assigned to support the work of the Co-op Committee.
Monitor disbursements, investment, balances, and policies of the pooled vacancy and replacement reserves for the Corporation’s housing cooperatives.
Review plans for co-op continuations and co-op conversions in projects with Low Income Housing Tax Credits that are approaching the end of their 15-year contracts.

7. Community Relations & Fundraising Committee.
Chaired by a member of the Board, the committee on Community Relations and Fundraising will combine the functions of the former Fundraising and Membership Development Committee and the Legacy Committee. It will include current members of the Corporation Board as well as volunteers who do not serve on the Corporation Board. The Committee’s responsibilities include the following:

- Develop and oversee the implementation of annual fundraising and community relations plans that are aimed at raising funds, building membership, informing and engaging existing members, advocating for public policy, and winning media coverage for the Corporation and its projects.
- Provide Board leadership for the annual fall fundraising campaign, the Legacy Campaign, and other fundraising activities.
- Generate ideas and develop plans for a summer fundraising event.
- Study, devise, and implement a member services program.
- Develop and implement a plan to engage the Corporation members and residents in Residents’ Days, Legislative Day, and the Corporation’s Annual Meeting.

8. Ad Hoc Sub-committee to Evaluate Member Services.
Convened as an ad hoc sub-committee of the Community Relations and Fundraising Committee, with members drawn from inside and outside of that Committee, this ad hoc group will:

- Review the Corporation policies and activities for recruiting, retaining, and involving members
- Review and recommend improvement in the services available to the residents of the Corporation housing with the goal of making them more successful as homeowners or renters and more engaged in the Corporation’s programs and governance.

Established on an ad hoc basis by the Corporation Board, three committees will meet at least once a year and more often, if needed. Chaired by a member of the Corporation Board, with members drawn from both the Board and the staff, these committees will review and refine the Corporation’s policies, procedures, and plans in the following areas:

- Legislative initiatives, public policy, and advocacy at the state and local levels;
- Strategic planning; and
- Personnel (benefits and compensation).

C. Call special meetings of the Membership.
D. Exercise all other powers necessary to conduct the affairs and further the purposes of the Corporation in conformance with the Articles of Association and these Bylaws, including, without limitation, the power to authorize the Corporation to purchase real property, enter into contracts and other legal instruments and authorize the staff of the Corporation to execute such contracts and other legal instruments on behalf of the Corporation.

SECTION 8 – Limitations on the Powers of the Board

The Board of Directors shall not:

A. Give a blanket mortgage on all the land owned by the Corporation.

B. Take action on any motion for the removal of Directors, sale of land, amendment of the Articles of Association or these Bylaws, amendment of the limited appreciation formula, disposition of assets in the event of dissolution or any other matter for which Membership approval is required by the Act or these Bylaws without the approval of the voting Membership, as provided in these Bylaws.

SECTION 9 – Conflict of Interest

Prior to election (or after the acquisition of such interest, if later), each Director shall file with the Secretary of the Corporation a statement indicating the identity of each parcel of property other than their primary residence and each business within the Corporation's service area, in which such Director has a direct and substantial interest. Such statement shall be preserved among the records of the Corporation and shall be open to inspection by any Member of the Corporation.

No matter in which a member of the Board of Directors or any parent, spouse, relationship by civil union, child, other family member, partner, employer or similarly related business entity has a direct or indirect interest may be approved by the Board unless, in advance of the vote by the Board or by any committee of the Board: (A) the material facts of the transaction and the Director's interest are disclosed or known to the Board or committee of the Board; and (B) the Directors approving the transaction in good faith believe that the transaction is fair to the Corporation; and (C) the Director who has an interest does not participate in the discussion and does not vote on the matter.

SECTION 10 – Meetings of the Board of Directors

A. Annual Meeting
The Annual Meeting of the Board of Directors shall be held no later than one day following the Annual Meeting of the Membership, in the same location. Notice of this meeting shall be included in the notice of the Annual Meeting of the Membership and sent to all Members of the Corporation.

B. Regular Meetings
The Board of Directors shall hold regular meetings at such times and places as the Board may establish. Notice must be given to each Director at least one week prior to each regular meeting. Notification may be by mail, telephone or in person.

C. Special Meetings
Special Meetings of the Board may be called by the President, by any three Directors, or by 20% or 20 (whichever is less) Members of the Corporation. Notice must be given to each Director at least five days prior to the meeting, by mail, telephone or in person unless any four members of the Board determine that the matter at hand constitutes an emergency. In the event of such an emergency, a Special Meeting may be called on one day’s notice provided that every reasonable effort is made to notify all Directors by telephone or in person.

At a Special Meeting of the Board, only those matters for which the meeting was called, as stated in the notice of the meeting, may be acted upon by the Board unless all of the Directors are present at the meeting and consent to take action on other matters.

D. Quorum
1. A quorum shall consist of a majority of the number of seats on the Board, provided that at least one member from each of the Board’s three categories of representatives is physically present.

2. A quorum may be a majority of the existing Board members for the sole purpose of filling vacancies.

E. Meetings by Telephonic Means
Any or all Directors may participate in a regular or special meeting by conference telephone call by which all Directors participating may simultaneously hear each other during the meeting.

SECTION 11 – Procedures for Meetings
All meetings of the Board of Directors shall be open to any Member, except when the Board votes to meet in executive session.

A. The Board may meet in executive session only upon the affirmative vote of two-thirds of its members present, a quorum having been established. A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter may be considered in the executive session. The vote shall be taken in the course of a public meeting and the result of the vote recorded in the minutes. No formal or binding action may be taken in executive session except actions relating to the securing of real estate options under Subdivision 2 of this Subsection. Minutes of an executive session need not be taken, but if they are, shall not be made public. The Board shall not hold an executive session except to consider one or more of the following:

1. Contracts, labor relations agreements with employees, arbitration, grievances, or litigation involving the Corporation where the Board has determined that premature general public knowledge would place the Corporation or person involved at a substantial disadvantage;

2. Real estate purchase offers and the negotiating or securing of real estate purchase options or contracts;

3. The appointment, employment or evaluation of an employee;

4. A disciplinary or dismissal action against an employee;

5. Relationships between the Corporation and any party who might be harmed by public discussion of matters relating to the relationship;

6. A clear and imminent peril to the public safety;

7. Discussion or consideration of records or documents excepted from the access to public records provisions of Article VI, Section 2 of these Bylaws. Discussion or consideration of the excepted record or document shall not itself permit an extension of the executive session to the general subject to which the record or document pertains.

B. Attendance in executive session shall be limited to members of the Board, its staff, clerical assistants, its legal counsel, and persons who are subjects of the discussion or whose expert information is needed.

SECTION 12 – Compensation
The members of the Board of Directors shall serve without compensation (except for reimbursement of actual authorized expenses) unless approved by the voting Membership.

SECTION 13 – Resignation
Any member of the Board of Directors may resign at any time by giving written notice to the Board. Unless otherwise specified, such resignation shall be effective upon its receipt by the Board.

SECTION 14 – Removal
A. Removal For Failure to Attend a Sufficient Number of Meetings.  
A Director may be removed if he/she fails to attend 50% of the meetings of the Board in any one year, unless good cause for absence and a continuing interest in participation on the Board are shown. A Director may be removed under this paragraph A only if a majority of the Directors then in office vote for the removal.

B. Removal Without Cause  
The Members may remove one or more Directors elected by them without cause.

C. Removal for Cause  
A Director may also be removed, should the Director act in a manner seriously detrimental to the Corporation or to the Board in the fulfillment of its responsibilities. However, before such removal can occur:

1. Charges must be filed with the full Board of Directors and the Director affected offered a fair hearing (as provided in Article II, Section 8 (C) (1-4) for Members, except that the Director charged shall not participate with the remaining Directors in the selection of the second member of the special committee).

2. If the special committee recommends that the Director be removed from the Board, this recommendation must be approved by 75% of the participating voting Members voting at a meeting properly held within one month of the completion of the committee's report. The affected Director shall be afforded a fair opportunity to appear before the Board and the Membership and present evidence in his/her defense. The Membership meeting to vote on the removal of a Director must be called for the purpose of considering removing the Director and the meeting notice must state that the purpose or one of the purposes of the meeting is a vote on the removal of the Director.

3. Subject to the same procedures and protections described in Subdivision 2 above, a Resident Member Representative to the Board may only be removed by a vote of 75% of the participating Resident Members present at the special Membership meeting.

4. Subject to the same procedures and protections described in Subdivision 2 above, any General or Public Representative of the Board may only be removed by a vote of 75% of the entire Membership.

SECTION 15 – Procedure for Filling Board Vacancies  
Should vacancies occur on the Board of Directors as the result of resignation or removal, the remaining members of the Executive Committee may nominate, and the remaining members of the Board may (though they may constitute less than a quorum) elect by two-thirds majority the person(s) who, in their judgment, will best serve the Board category represented by the vacating member(s). Board members so elected shall serve until the next Annual Meeting, at which time the seat will be filled for the remainder of that term, pursuant to Article III, Section 4 of these Bylaws. During the period of time in which the Designated Board constitutes the Board of Directors, the remaining members of the Board of Directors shall fill any vacancy of a Director who holds his or her position as a result of being designated pursuant to Article III, Section 1.

ARTICLE IV – OFFICERS

SECTION 1 – Designation

The Officers of the Corporation shall include a President, Vice-President, a Treasurer and a Secretary.

SECTION 2 – Election

The Officers of the Corporation shall be elected by the Board of Directors, from among themselves, at the first Board meeting following the Annual Meeting. They shall take office immediately. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.
SECTION 3 – Tenure

The Officers shall hold office until their replacements are elected (unless removed as hereinafter provided). No Officer shall hold the same office for more than three successive one-year terms.

SECTION 4 – Duties of the Officers

A. Duties of the President
The President shall:

1. Preside at all meetings of the Board of Directors and of the Corporation or properly delegate such duty.

2. Preside at all meetings of the Executive Committee of the Board.

3. Report on the affairs of the Corporation to the Membership at their Annual Meeting and at any other time they may require.

4. Consult with the Officers of the Corporation regarding the fulfillment of their responsibilities.

5. Perform such other duties as the Board of Directors may direct.

B. Duties of the Vice President
The Vice-President shall fulfill the duties of the President when the President is absent, assist the President as needed, and oversee the Board’s standing committees.

C. Duties of the Treasurer
The Treasurer shall perform or cause to be performed the following duties:

1. Collect all money owing to the Corporation and receive all gifts of money or property to the Corporation.

2. Hold all funds of the Corporation in such manner as the Board directs.

3. Maintain all deeds, title papers, and assets of the Corporation other than money in the name of the Corporation and in such manner as the Board directs.

4. Keep full and accurate account of all financial transactions, receipts, expenditures, debts owed by and to the Corporation, and the balance of corporate funds and other corporate holdings in books of the Corporation maintained for that purpose.

5. Perform such other duties as the Board of Directors may direct.

The Board may require that the Treasurer be bonded, in any amount satisfactory to the Board.

D. Duties of the Secretary
The Secretary shall perform or cause to be performed the following duties:

1. Give notice of all meetings of the Membership and the Board of Directors in accordance with these Bylaws.

2. Maintain a list of all Members of the Corporation and their mailing addresses.

3. Keep the minutes at all meetings of the Membership and the Board in such manner as the Board directs, and provides copies of the minutes as required by these Bylaws.

4. Confirm and record the status of motions and votes in meetings of the Membership or the Board.

5. Perform such other duties as the Board of Directors may direct.
SECTION 5 – Resignation

Any Officer may resign from his/her office at any time by giving notice to the Board. Unless otherwise specified, such resignation shall be effective upon delivery of notice to the Board.

SECTION 6 – Removal

The Board of Directors may remove any Officer from his/her office at any time by unanimous decision of all members of the Board, excluding the affected Officer.

ARTICLE V – STEWARDSHIP OF LAND

SECTION 1 – Lease of Land

The Board of Directors shall convey the right to use land owned by the Corporation:

A. To facilitate access to land by landless people and others in need of its use, with special concern for those whose need is greatest;

B. To provide for the environmental health and preservation of the land and natural community on and around it; and

C. To guarantee the common stewardship of the land for the common good, in the present and the future.

In making such conveyances, the Board shall consider the real personal needs of potential lessees, and shall attempt to effect a just distribution of land use rights.

The decision to grant leases (or other limited conveyances) of these lands entrusted to the Corporation shall require the agreement of at least two-thirds of the members of the Board, present at a meeting at which a quorum is present.

The Directors shall establish policies and procedures for the Corporation’s staff to a) supervise the use of the land and provide for periodic inspection of all leased lands; and b) terminate the leases if necessary for the protection of the land, the surrounding community, or the rights of future generations.

SECTION 2 – Use of Natural Resources

The decision to convey or authorize the use of any minerals, timber or other natural resources, except for reasonable personal use by lessees, shall require the agreement of at least two-thirds of the members of the Board. Notice of the proposed conveyance of natural resources must be given to all Directors at least two weeks in advance of the meeting at which a decision is to be made.

SECTION 3 – Encumbrance of Land

The decision to mortgage or otherwise encumber land owned by the Corporation shall require the approval of two-thirds of the Board of Directors and the consent of any Leaseholder whose house is located on the land being encumbered.

SECTION 4 – Sale of Land

The sale of land does not conform with the philosophy or purposes of this Corporation. For this reason, land shall not be sold except in extraordinary circumstances, and then only in accordance with the following guidelines:
A. A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board of Directors, a quorum having been established, at a regular or special Board meeting, provided that (i) the Corporation has owned the parcel for no more than ninety (90) days at the time the vote is taken, (ii) the parcel is not leased to any party, and (iii) the resolution states that the location or character of the parcel is determined by the Board to be such that the charitable purposes of the Corporation are best served by selling the land and applying the proceeds to the support of other activities serving those purposes.

B. A parcel of land may be sold pursuant to a resolution adopted by an affirmative vote by at least two thirds of the entire Board of Directors, a quorum having been established, at a regular or special Board meeting, provided that (i) the Board resolution states that the Board has determined in connection with a particular transaction that it is essential to the transaction and in the best interest of the Corporation and its mission to include a sale of land as part of the transaction and the parcel has not been leased to any party at the time of the sale.

C. In all other circumstances a parcel of land may be sold only with the 2/3 agreement of the entire Board of Directors, the approval of 75% of the voting Members at a Membership Meeting, and the consent of all Leaseholders of the land to be sold. Notice of the proposed sale must be given to all Members at least two weeks in advance of the meeting at which a decision is to be made.

ARTICLE VI – MISCELLANEOUS PROVISIONS

SECTION 1 – Equality and Personal Freedom

The rights of all Members of the Corporation to absolute freedom of religion, political commitment, personal conviction, association, expression and action shall not be abridged or impaired by the Corporation, or any body or agent of the Corporation, except insofar as freedom of an individual Member seriously conflicts with the rights of other Members or persons, or with the public welfare. In all of its dealing with Members, prospective Members, prospective Leaseholders, and all other persons, the Corporation and/or its duly authorized agents and bodies shall not discriminate against any individual or group for reasons of race, color, creed, sex, age, culture, national origin, sexual preference, handicap, family size, or marital status.

SECTION 2 – Openness and Public Accountability

The records and minutes of all Membership and Board meetings of the Corporation shall be open to, or available for, inspection by any person upon reasonable request, except as follows:

1. Records of executive sessions of the Board of Directors and the minutes thereof, as specified in Article III, Section 11 (A);

2. Records which by law or ethical standards are designated confidential or by a similar term; including, but not limited to any communication in any form to or from the Corporation's attorneys;

3. Records which by law may only be disclosed to specifically designated persons;

4. Records which, if made public pursuant to this Section, would cause the custodian to violate duly adopted standards of ethics or conduct for any profession regulated by the state;

5. Records which, if made public pursuant to this Section, would cause the custodian to violate any statutory or common law privilege;

6. Personal documents relating to an individual, including information in any files maintained to hire, evaluate, promote or discipline any employee of the Corporation, information in any files relating to personal finances, medical or psychological facts concerning any individual to whom the Corporation leases land, is considering for the lease of land, or has entered or is considering entering into a covenant with; provided, however, that all information in personnel files of an individual employee of the Corporation shall be made available to that individual employee or his/her designated representative.
7. Records concerning formulation of policy where such would constitute a clearly unwarranted invasion of personal privacy if disclosed;

8. Information pertaining to the location of real or personal property before public announcement of the project, and information pertaining to appraisals or purchase price of real or personal property before the formal award of contracts for sale or purchase thereof;

9. Records relating specifically to negotiation of contracts including, but not limited to, collective bargaining agreements with employees.

SECTION 3 – Notice

A. Determination of Notice Given
Whenever, pursuant to the provisions of these Bylaws, notice is required to be given to any Member or Director, such notice shall, unless otherwise provided, be given in writing, in person or by mail. If mailed, the notice shall be deposited in a post office or mailbox, postage paid and sealed, addressed to the Member or Director at such address as appears on the records of the Corporation or to an address at which the Member or Director usually receives mail; and such notice shall be deemed to be given at the time when mailed.

B. Waiver of Notice
1. Any Member or Director may waive any notice required to be given pursuant to the provisions of these Bylaws.

2. Any Member or Director who did not receive notice of a meeting, but who attends such meeting in person or by proxy shall be deemed to have waived notice thereof unless he/she causes his/her protest to be entered in the record of the meeting.

SECTION 4 – Indemnification

Any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any demand, claim action, suit or proceeding by reason of the fact that he or she is or was a Director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorneys’ fees and disbursements, actually incurred by him or her (or his or her heirs, executors, or administrators) in connection with the defense or settlement of such demand, claim action, suit, or proceeding, or in connection with any appearance therein, provided such Officer or Director has acted in good faith for a purpose which such Officer or Director believed to be in the best interest of the Corporation.

ARTICLE VII – AMENDMENTS

The Articles of Association and these Bylaws may be altered or amended, in whole or in part, by 2/3 of the entire Board of Directors and the affirmative vote of 75% of the voting Members present or duly represented at a Membership Meeting, provided that written notice setting forth the nature of the proposed change(s) shall have been given to all Members no later than two weeks prior to the meeting. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment.

ARTICLE VIII – DISSOLUTION

In the event that the Corporation must be dissolved, the assets of the Corporation shall be distributed in accordance with the Corporation’s Articles of Association to one of the following organizations organized and operated as an exempt organization under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue law) as follows:
A. To the local non-profit "Community Land Trust" Corporation(s) serving the area(s) closest to the area(s) in which the Corporation owns land and/or interest in land; or

B. To any other local Community Land Trust, or regional or national Community Land Trust federation or organization; or

C. If no other Community Land Trust organization is willing to assume responsibility for the assets of this Corporation, or if no other Community Land Trust organization meets the approval of the Board and the voting Membership of this Corporation to any other 501(c)(3) tax-exempt non-profit organization which agrees to administer the assets of this Corporation in accordance with its goals and purposes.

The types of organizations listed above do not constitute a list of priorities, and the determination of which non-profit, tax-exempt organization or organizations shall receive the Corporation’s assets on dissolution shall be in the discretion of the Board of Directors and the Membership of the Corporation. The motion for disposition of the assets of the Corporation must be approved by 2/3 of the Board of Directors and the affirmative vote of 75% of the voting Members present or duly represented at a Membership Meeting. Notice of the motion for disposition of the assets of the Corporation shall be given to all Members no later than one month prior to the meeting at which a decision is to be made. The notice must state that the purpose, or one of the purposes, of the meeting is to consider dissolving the Corporation and contain or be accompanied by a copy of the plan of dissolution.

ARTICLE IX – PROCEDURE TO AMEND THE LIMITED APPRECIATION FORMULA

SECTION 1 – Introduction

The procedure set forth in this Article for amending the limited appreciation formula, as embodied in the legal documents used by the Corporation to convey title to improvements located on land owned by the Corporation or to convey title to housing units encumbered with a Housing Subsidy Covenant has been set down by the Board of Directors of the Corporation, its Members, lessees, and Covenantors in consideration of the following:

A. The concept of limited appreciation is the cornerstone on which the Corporation, its Members, lessees, and Covenantors rely to meet the stated purposes of this organization as set forth in Article I, Section 2 of these Bylaws.

B. The term "limited appreciation" is used to describe the concept of moderating the rate at which real estate, (i.e., land and improvements) increases in value, to the extent that an unrestricted rate of increase is recognized by the Membership of the Corporation as a major obstacle to occupancy by and resale among low- and moderate-income persons of safe, decent and affordable housing. The "limited appreciation formula" is the method by which the Corporation, its Members, lessees, and Covenantors implement the concept of limited appreciation.

C. Any formula devised to accomplish the goals embodied in the concept of limited appreciation necessarily affects the ability of the Corporation, its Members, lessees and Covenantors to realize the mutually-held goal of promoting the occupancy by and resale among low- and moderate-income persons of safe, decent and affordable housing.

Therefore, the procedure set forth in Section 2 of this Article shall govern any action by the Board of Directors to amend the limited appreciation formula.

SECTION 2 – Procedure for Amending the Limited Appreciation Formula

A. Any discussion by the Board of Directors relative to amending the limited appreciation formula shall be noted as an agenda item and each Director shall receive ten (10) days' notice of the Board meeting at which this item is scheduled for discussion.
B. Any motion by a Director to amend the limited appreciation formula shall be made only after two-thirds of the Board of Directors, a quorum having been established, find that the current formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors as established by these Bylaws, including this Article.

C. If two-thirds of the Board of Directors finds that the current limited appreciation formula may be detrimental to the mutually-held purposes of the Corporation, its Members, lessees, and Covenantors, the Board may propose and vote on a specific amendment to the current limited appreciation formula which addresses the Board's concerns. Any such amendment must be adopted by a vote of two-thirds of the Board of Directors. If the amendment is adopted by the Board, the Board shall then call a Special Meeting of the Membership for the sole purpose of voting on the Board's action to amend the limited appreciation formula. An affirmative vote of at least two-thirds of the voting Members present at the Special Membership meeting, a quorum having been established, is required to amend the limited appreciation formula. Any such amendment shall not affect or impair any agreement involving a limited appreciation formula which is in effect on the date of the Amendment.

Secretary


Secretary
CONFIDENTIALITY PLEDGE

I, _________________________________, a Champlain Housing Trust Board member, hereby pledge to maintain the confidentiality of all sensitive and privileged information pertaining to CHT including, but not limited to, information about donors, employees, residents and program beneficiaries, and real estate or other business transactions, as specified in Article VI Section 2 of the By-laws.

My signature signifies I agree to these terms and will abide by, adhere to and honor all of the above.

To be acknowledged annually.

Date__________________________
Signed______________________

Date__________________________
Signed______________________

Date__________________________
Signed______________________
## Champlain Housing Trust, Inc. Benefit Package Overview

**October 1, 2010 - September 30, 2011**

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<th>Introductory Period</th>
<th>3-Month Introductory Period - Formal evaluation after 3 months</th>
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<td>Definition of Full Time</td>
<td>40 hours</td>
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<td>Day preceding/following New Year's Day</td>
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<td>Sick Time</td>
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<td>Maximum carryover - 24 days</td>
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<td>Vacation</td>
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<td>5 thru 9 yrs. - 20 days per year</td>
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<td>10+ yrs. - 24 days per year</td>
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<tr>
<td>Maximum carryover - 24 days</td>
<td>Not available to use until after Introductory Period</td>
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<td>Personal Days</td>
<td>2 days after 2 yrs of employment</td>
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<td>Family Leave</td>
<td>Includes domestic partner</td>
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<td>Jury Duty</td>
<td>Pays 5 days</td>
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<tr>
<td>Bereavement Leave</td>
<td>Death &amp; serious illness - pays 3 days</td>
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<tr>
<td>Health Insurance</td>
<td>MVP High Deductible Plan $(1500/$3000)</td>
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<td>80%/90% under $35,000 employer paid</td>
<td>premium contribution for 2010-2011 Plan Year</td>
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<tr>
<td>Health Savings Account</td>
<td>2010-2011 Plan Year - Employer Contribution ($750/$1500 based on coverage level)</td>
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<td>Dental</td>
<td>Voluntary</td>
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<td>Pension</td>
<td>403(b) Employer Contribution after 1 yr of service; Employees may contribute up to the Federal Annual Limit.</td>
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<td>Life Insurance/Accidental Death &amp; Dismemberment Insurance</td>
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<td>Short/Long-term Disability Insurance</td>
<td>Employer Paid - 31 day elimination period; replaces up to 60% of salary.</td>
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<td>Flexible Spending Plan</td>
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<tr>
<td>COBRA</td>
<td>Yes, if participating in health &amp; voluntary dental plans</td>
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INTRODUCTION

This handbook documents the Champlain Housing Trust (CHT) Total Compensation Program. “Total Compensation” is a combination of salary, bonuses, benefits and work environment. This handbook contains information pertaining to the development, administration and maintenance of the program. It is a living document and it will be reviewed periodically to ensure that it accurately describes CHT’s compensation program.

COMPENSATION PROGRAM MAINTENANCE

CHT’s compensation program is maintained and administered by the Chief Administrative Officer/HR Director. The Chief Administrative Officer/HR Director, Chief Financial and Operating Officer, and the Chief Executive Officer review CHT’s compensation philosophy, strategy and administration periodically to ensure that the needs of the organization and its employees are being met. CHT reserves the right to change any of the policies, programs or terms and conditions associated with employee compensation, in its sole discretion, with notice to employees. Nothing in this handbook alters the employment at will nature of each employee’s employment with CHT, nor does it convey any contractual rights or enforceable promises in regards to continuing employment.

CHT COMPENSATION PHILOSOPHY

At CHT, we value our mission, members and community. We take pride in our employees and their contributions to the mission. In order to attract and retain the most skilled employees, we will to adhere to the following principles:

- We believe in providing opportunities to foster and develop skills.
- We value and recognize skills, knowledge, experience, and performance.
- We offer a working environment that fosters open communication, individuality, creativity and a balance in work/life.
- We commit to provide market competitive and internally equitable salaries.
- We commit to provide a livable wage as indexed to the Burlington City Livable Wage Ordinance for a single person.
- We commit to providing core benefits which are market competitive, and focus on cost containment for all. We commit to achieve balance by providing an enhanced variety of benefits.
- We value short and long term continuity in the implementation of this philosophy.
DETERMINATION OF BASE PAY

Base pay is defined as the hourly rate or annual salary that an employee receives for his/her work performed. CHT uses the following two components to determine base pay for each position:

- external market rates; and
- internal equity.

These components are described below.

The Chief Administrative Officer/HR Director, Chief Financial and Operating Officer, and the Chief Executive Officer approve base pay for all new and existing positions. The Board of Directors approve base pay for the Chief Executive Officer.

EXTERNAL MARKET RATES

External market analysis is a key component of the salary range development process. On a periodic basis, CHT surveys positions in the market to compare their salaries to CHT salaries. Due to the diversity of positions at CHT, the external market includes local and national nonprofit and for-profit organizations in and outside of the affordable housing related industry.

In order to compare CHT positions to the external market, it is important to have accurate job descriptions that detail the responsibilities and requirements of the positions. CHT uses market data for jobs that most accurately match CHT job descriptions, as determined by the Chief Administrative Officer/HR Director. Considerations include source of information, size and location of organization, and comparable job responsibilities and qualifications. The current CHT positions for which we have accurate market data matches, called "Benchmark Positions", are listed on page 10.

There are some unique positions within CHT that may not be comparable to the external market. Base salaries for these positions are determined by comparing their internal equity to other CHT positions.

INTERNAL EQUITY

Internal equity is defined as comparable pay for comparable positions. In addition, to the external market analysis, CHT compares positions internally by evaluating each position against the following eight factors:

- education required;
- experience required;
- financial impact on the organization;
- internal and/or external customer contact;
- physical demands;
- supervisory responsibility;
- level of autonomy and independent accountability;
- level of judgment and decision making required.
PAY CLUSTER METHODOLOGY

After determining base pay for each position, CHT assigns each position to a pay cluster based on market rates and internal equity. CHT has five pay clusters. See Appendix I for a list of CHT’s pay clusters.

Pay clusters are based on market value and have a range that allows for learning and growing in the job. An individual employee’s base pay and relative placement in a pay cluster are based on the relevant knowledge and experience s/he brings to the position, actual performance, internal equity analysis, external market surveys and the CHT budget.

The pay clusters will be reviewed and adjusted periodically to reflect changes in the external market.

RECLASSIFICATION OF A POSITION TO A NEW CLUSTER

A reclassification may occur when a position has had substantial changes in duties and/or responsibilities, which warrant moving the position to a higher or lower pay cluster. Reclassification requests must be submitted by the supervisor to the Chief Administrative Officer/HR Director. Reclassification requests should include a recommended title, updated job description and justification for the reclassification. Determinations regarding reclassification shall be made within the sole discretion of CHT.

ASSIGNMENT OF A NEW POSITION TO A PAY CLUSTER

In order to create a new position at CHT, the Manager meets with the Chief Administrative Officer/HR Director to recommend and get approval for the new position. The recommendation should include a suggested title, draft job description and justification for the position. The Chief Administrative Officer/HR Director assigns new positions to pay clusters based on internal equity and the external market. The Chief Administrative Officer/HR Director, Chief Financial and Operating Officer, and the Chief Executive Officer approve assignment of a new position to a pay cluster and base pay for all new positions.

HIRING GUIDELINES

New employees will be hired within the range for the pay cluster. Base pay for new employees will be determined by the hiring Manager, and be approved by the Chief Administrative Officer/HR Director, Chief Financial and Operating Officer, and the Chief Executive Officer. Base pay will be determined by evaluating a job candidate’s knowledge and experience compared to others internally in similar positions, and relevant knowledge and experience will be considered as well external market conditions/surveys.
ADJUSTMENTS TO BASE PAY

If an employee’s pay is adjusted, it may occur in any of the following ways:

- annual adjustment;
- market adjustment;
- exceptional growth adjustment; and/or
- pay cluster change adjustment.

Each of these adjustments is described below.

The Chief Administrative Officer/HR Director, Chief Financial and Operating Officer, and the Chief Executive Officer are responsible for approving all adjustments to base pay.

**ANNUAL ADJUSTMENT**

Because we recognize that every CHT employee contributes to CHT’s success, eligible CHT employees may receive an annual adjustment usually on October 1st as long as it is determined affordable to CHT. The Chief Administrative Officer/HR Director, Chief Financial and Operating Officer, and the Chief Executive Officer will determine and approve the amount on an annual basis.

Annual adjustments for new employees hired between July and September are at the discretion of the Manager, Chief Administrative Officer/HR Director, Chief Financial and Operating Officer, and the Chief Executive Officer.

If an employee’s base pay is at or above the maximum for the pay cluster to which his or her position is assigned, s/he may receive annual increases based on performance in the form of a lump sum bonus (if applicable), rather than in an increase to base pay.

**MARKET ADJUSTMENT**

Salary adjustments may be given periodically, in the sole discretion of CHT, to keep pace with fluctuations in the market. The Chief Administrative Officer/HR Director will review this periodically as needed and make recommendations to the Chief Financial and Operating Officer, and the Chief Executive Officer.

**GROWTH ADJUSTMENT**

We expect that employees will continue to grow through experience and educational development. An additional salary adjustment may be given which will consider internal equity, performance, development and experience. When appropriate, the adjustment will be an increase to base pay.

These additional salary adjustment increases will be determined by the employee’s Manager, Chief Administrative Officer, Chief Financial and Operating Officer and the Chief Executive Officer.
EXCEPTIONAL GROWTH ADJUSTMENT

CHT’s compensation philosophy values skills, knowledge, experience and performance. CHT expects employees to appropriately utilize and demonstrate these qualities as part of meeting the expectations of their jobs. However, an employee may be eligible for an adjustment to base pay for demonstrating extraordinary growth in one or more of these areas. This extraordinary growth adjustment is rare, but a truly exceptional employee who demonstrates such growth may be eligible for a base pay increase.

In order to be considered for an exceptional growth adjustment, an employee or her/his Manager must write a proposal to the Chief Administrative Officer/HR Director. The proposal needs to describe the extraordinary growth and give examples of how this growth goes above and beyond the expectations of her/his current job description. The Chief Administrative Officer/HR Director, Chief Financial and Operating Officer, and the Chief Executive Officer will meet to discuss the proposal. Approval will be granted if there is agreement on the nature of the recommendation.

PAY CLUSTER CHANGE ADJUSTMENT

When an employee moves to a new position in a higher pay cluster, s/he may receive an increase to her/his base pay, or be brought at least to the minimum of the new pay cluster. In order to determine the increase amount, the Manager and Chief Administrative Officer/HR Director will review the employee’s relevant knowledge and experience and make an internal equity comparison to other employees in the new pay cluster and then make a recommendation to the Chief Financial and Operating Officer and the Chief Executive Officer.

When an employee moves to a new position in the same pay cluster, it is not expected that her/his base pay will change. Internal equity and external market rates will be taken into consideration when making these decisions.

When an employee moves to a new position in a lower pay cluster, the employee’s salary may be decreased or be brought into the range of the newer lower pay cluster. In order to determine the decrease amount the Manager and Chief Administrative Officer/HR Director will make an internal equity comparison to other employees in the new pay cluster and then make a recommendation to the Chief Financial and Operating Officer, and the Chief Executive Officer.

RECOGNITION AWARDS

EXCEPTIONAL INDIVIDUAL ACHIEVEMENT AWARD (BONUS)

In the unusual circumstance that an employee completes a specific project or assignment that is significantly above and beyond the expectations of her/his job, and is unusually demanding in scope and takes place over a significant amount of time, s/he may be eligible for a lump sum bonus. This bonus is considered extraordinary and is within the sole direction of CHT.
In order to be considered for an exceptional individual achievement award, an employee or Manager must write a proposal to the Chief Administrative Officer/HR Director describing the extraordinary achievement and giving examples of how it goes above and beyond the expectations of her/his job description. The Chief Administrative Officer/HR Director, Chief Financial and Operating Officer, and the Chief Executive Officer will discuss the proposal. Approval will be granted if there is agreement on the nature of the recommendation.

EMPLOYMENT CLASSIFICATIONS

The assignment of a Fair Labor Standards Act (FLSA) classification to a position shall be determined by the duties and levels of responsibility of the position, as well as the basis of pay. The classification of a position shall not be set to fit an employee (or group of employees) but rather to describe the actual duties being performed. The terms "non-exempt" and "exempt" are used in relation to the FLSA. Non-exempt employees are covered by the Act. Exempt employees are not. The primary impact from a CHT operational perspective is that non-exempt employees are eligible for overtime compensation for hours worked in excess of 40 hours per week.

The Chief Administrative Officer/HR Director is responsible for determining the FLSA classification as "exempt" or "non-exempt" for each employee of CHT. These classifications will follow the Department of Labor FLSA guidelines.

OVERTIME FOR NON-EXEMPT EMPLOYEES

The term "overtime" refers to time earned at the rate of one-and-one-half (1 1/2) hours for one (1) hour under the provisions of the Fair Labor Standards Act. Only employees classified as "non-exempt" are eligible for overtime.

It is CHT’s intent to keep non-exempt employee work hours in excess of 40 hours to a minimum. Managers should monitor and manage work schedules to avoid authorizing non-exempt employees to work in excess of 40 hours per week. However, non-exempt employees may be required to work schedules that will result in paid "time worked" in excess of 40 hours per week. When this occurs, as required by law, "time worked" in excess of 40 hours will be paid as overtime at a rate of 1½ times their normal hourly rate of pay. The Finance Department oversees payment of overtime to employees. Overtime work must be authorized by the supervisor in advance.

COMPENSATORY TIME OFF FOR EXEMPT EMPLOYEES

Exempt employees are expected to work the hours necessary to fulfill their weekly job responsibilities. This may require working more than forty (40) hours in a workweek. Exempt employees are not entitled to overtime pay however exempt employees, including Directors, may accrue up to a maximum of 40 hours of compensatory time off during a six (6) month calendar period. This compensatory time off must be used before additional compensatory time off will accrue. The compensatory time off will be lost if the exempt
employee does not use the accrued compensatory time off within the calendar year (January 1st - December 31st). Compensatory time off must be used before all other accrued time off benefits.

Exempt employees receive their weekly salary for any week in which they perform work, except the first and last week of work which may be pro-rated based on days worked.

### BENCHMARK POSITIONS

The following positions have been utilized as “benchmark positions” in the external market. These positions have been identified as being common to the external market, and have been surveyed to collect market data.

- Custodians
- Administrative Assistant
- Executive Assistant
- Buildings and Grounds Technicians
- Maintenance Technicians
- Homeownership Counselor
- Property Managers
- IT Administrator
- Project Manager

The content of this manual is for informational purposes and does not constitute an employment contract or guarantee. All policies, programs and practices outlined in this document are subject to change at any time with or without notice.
Champlain Housing Trust, Inc.
Pay Clusters (2009 - 2010)

Appendix I

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Welcome to Champlain Housing Trust

Welcome to Champlain Housing Trust, Inc. (CHT). We are pleased that you have joined our team. We strive to provide a work environment that will fully utilize your skills and productivity, allowing you to excel in your position. Your skills and efforts are important to our mutual success.

We have written these policies to answer some of the questions you may have concerning CHT and its operations. These policies are intended only as guidelines and do not constitute an employment contract or binding promises. They are not intended to make any commitment to any employee about how an individual employment action can or will be handled or to create any contractual rights or obligations of any kind. Please read them thoroughly and retain this manual for future reference.

CHT reserves the right to change or cancel these policies, any terms and conditions of employment, or any employee benefit programs described in this manual at any time at the sole discretion of the Board of Directors of CHT and to implement changes prior to their publication. CHT also retains the right to interpret and modify these policies as it deems necessary based on business conditions or to deal effectively with individual employment issues.

These policies do not constitute a contract, expressed or implied. They do not guarantee employment for any specific duration. Although we hope that your employment relationship with us will be long-term, each employee is an employee-at-will. This means that either you or CHT may terminate this relationship at any time, for any reason, with or without cause or notice.

This policy manual supersedes and replaces all previous manuals, policies, procedures, letters, memoranda, or other understandings employees may have had. Should you have any questions regarding these policies, please contact the Human Resources Department for assistance.

We wish you success in your position and hope that your employment with Champlain Housing Trust, Inc. will be a mutually rewarding experience.
**Equal Employment Opportunity**

CHT provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, place of birth, gender, need for health insurance, genetic information, veteran or military status and any other characteristic protected by law, as well as to qualified individuals with disabilities.

CHT complies with the requirements of applicable Federal and State laws in providing equal employment opportunity including, but not limited to, recruitment, selection, training, promotion, compensation, benefits, termination, and other terms and conditions of employment.

As required by State and Federal laws, CHT will provide a reasonable accommodation for a qualified individual with a disability unless such accommodation creates an undue hardship for CHT.

Employees’ questions or concerns should be referred to the Chief Administrative Officer/Human Resources Director.

**Work Standards**

All employees are expected to be honest, accurate, courteous, professional, and sensitive to the needs of leaseholders, tenants, co-workers, supervisors, and others with whom they interact in the course of their job. Bullying, harassing, use of inappropriate language or other inappropriate behavior that negatively affects an employee’s ability to perform his/her work will not be tolerated and may subject an employee to discipline, up to and including termination.

Employees are expected to respect other individuals and their property and to maintain high standards of productivity, integrity, sound judgment, cooperation, efficiency, and economy in their work.

**Hiring**

CHT usually posts all job openings internally prior to placing external employment ads. When filling a new or vacant position, CHT usually gives preference to internal candidates who are qualified for a position and have received a recommendation from his/her supervisor.

CHT may choose not to post positions where job expansion has occurred (i.e. a part-time position that has increased responsibilities and/or hours).
External employment ads for job openings include a brief description, required qualifications for the position and an Equal Employment Opportunity statement.

All applicants must provide a resume, participate in interviews and provide appropriate employment references upon request. Resumes will be retained for one year after the position is filled.

CHT does not usually retain unsolicited resumes or applications in the absence of a job opening and does not hire family members or relatives of the Chief Executive Officer, the Chief Financial and Operating Officer, and the Chief Administrative Officer/HR Director.

Reference & Background Checks

At CHT, reference checks will be conducted on all job applications who receive an offer for a position.

Background checks will also be conducted on job applicants applying for sensitive positions involving security, maintenance, and financial responsibilities. Background checks will be completed in accordance with state and federal law standards and employees or applicants may be required to sign a release to allow such checks.

Introductory Period

The first three (3) months of an employee’s employment shall be his or her introductory period.

At the end of the three (3) month introductory period, the employee and his/her supervisor will meet for a formal written evaluation. This performance evaluation will be discussed with the employee and placed in his/her employment file.

As all employees are at-will, an employee may resign or be terminated during or after the introductory period with or without cause or reason. Introductory periods may be extended, at the sole discretion of CHT Management and the Chief Administrative Officer/Human Resources Director.

Note: During the first three (3) months of employment, employees accrue, but are not eligible to take vacation, personal time off or unpaid leave under these policies except in the case of an emergency and in the sole discretion of management. Employees currently in their introductory period are not eligible to participate in the Grievance Process.
Employment Standards

To be employed at CHT an individual must be at least fourteen (14) years old.

All new employees must provide verification of their ability to legally work, as required by law, and must complete all requested documentation at hiring.

No employee may work in a position in which s/he would be directly or indirectly supervised by a close relative or person with whom the employee has an intimate relationship. CHT will determine, in its discretion, whether a particular relationship would violate this policy.

Employment Classifications

Each job position is classified as exempt or non-exempt under the Fair Labor Standards Act (FLSA) based on the job description.

A full-time employee is any employee who is regularly scheduled to work at least forty (40) hours each week.

A part-time employee is any employee who is regularly scheduled for any amount of time less than forty (40) hours each week.

Any part-time employee who works less than twenty (20) hours a week is not eligible for employment benefits, including vacation, sick time, personal time off, or any insurance benefits.

A temporary employee may be employed on an irregular basis or for a specified project or time and is not eligible for employment benefits, including vacation, sick time, personal time off, or any insurance benefits.

Overtime

Non-exempt employees will be paid one and one-half times their regular rate of pay for any hours worked in excess of forty (40) hours in a workweek as required by law. Only hours actually worked will be used to calculate overtime; paid time off for holidays, sick leave, vacation, or any other leave time are not considered "hours worked." If non-exempt employees are scheduled to take a half hour meal or rest break during each work shift, no work is to be performed during that unpaid break.

Non-exempt employees must receive prior permission from their supervisor before working overtime. If an employee anticipates overtime, s/he must notify their supervisor
in advance so that their supervisor may approve the overtime or make other adjustments to schedules.

Exempt employees are expected to work the hours necessary to fulfill their weekly job responsibilities. This may require working more than forty (40) hours in a workweek. Exempt employees are not entitled to overtime pay. They receive their weekly salary for any week in which they perform work, except the first and last week of work which may be pro-rated based on days worked.

CHT complies with the salary basis requirements of the Fair Labor Standards Act and will not make improper deductions from salaries.

If any employee has a question about his/her paycheck, the employee should report the concern to the payroll staff immediately so that compliance with the law can be assured. CHT will investigate the problem within two (2) weeks and will promptly make any appropriate corrections.

Time Sheets

All employees are required to submit accurate time sheets for all hours worked including overtime (if applicable) at the end of each pay period. Hourly employees will be paid according to the time sheets submitted.

Employees cannot change another employee’s time sheet. If corrections need to be made, the corrections must be brought to the attention of his/her supervisor or the Chief Administrative Officer/Human Resources Director who determines and makes any changes. Employees will be notified of any corrections to time sheets that are made.

On-Call

Each week, one or more maintenance staff members are assigned on a rotating basis to carry a pager for that week. The employee on-call must stay within the calling range of the pager and should expect to be called if a maintenance emergency arises for that week. The on-call staff person receives a flat rate pager fee for the week.

In addition, the on-call staff person is compensated for the time actually spent working that is, in dealing with the issue. Any time worked by on-call staff before or after office hours on weekdays, on holidays when CHT is closed or on weekends shall be compensated at the employee’s regular rate, plus a shift differential.

On-call staff will receive reimbursement for any phone charges required to perform their duties, however, they must submit a copy of their phone bill with an explanation of why the charges were required. If travel to the site or otherwise is required to address the
issue, staff must also submit a request for mileage reimbursement from their home address to the location and back again.

**Travel Time**

An employee required to travel for work-related reasons will be paid at their regular rate (*non-exempt employees will be entitled to overtime pay for any overtime incurred*) for any time spent in the following activities:

- traveling between your home or CHT’s office (which ever is closer) and the activity location;
- working or participating in the activity;
- training or preparing for the activity.

Time spent in other ways away from home, such as eating, sleeping, socializing, etc. will not be paid.

**Use of Motor Vehicles and Mileage Reimbursement**

This policy covers any employee who operates a motor vehicle in the service of CHT or within the course of his/her employment or job duties with CHT.

CHT may periodically review the motor vehicle record of each employee who operates a vehicle for business purposes whether the employee is operating his/her own motor vehicle or one owned by CHT. Each employee who operates a motor vehicle for work will be required to sign a consent form to this effect. Each employee who operates a vehicle for business purposes must maintain and provide proof of a valid driver’s license and a valid certificate of automotive liability insurance with the required legal limits. Employees assume liability for their personal vehicles in work-related travel.

*Each employee who operates a vehicle for business purposes must agree to obey all motor vehicle laws and to report to his/her supervisor or the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer any moving violations of any motor vehicle law or the loss or limitation of his/her license.*

Each employee who operates a vehicle for business purposes must use a seat belt and ensure that all passengers wear seat belts while on CHT business.

Each employee who operates a vehicle for business purposes must agree to maintain that personal vehicle in proper and safe working condition.
No employee who is engaged in CHT business or operating a motor vehicle owned or provided by CHT may use a cell phone or other hand-held electronic or communication device while driving. This includes the use of hands-free cell phone adaptors. Employees must pull over and bring the vehicle to a safe stop before using their cell phone.

Any employee who is operating a motor vehicle owned or provided by CHT must report any damage to or problem with the motor vehicle to his/her supervisor.

CHT reserves the right to terminate the right of any employee to drive in the service of or within the course of his/her employment with CHT if s/he fails to abide by any of the terms of this policy or if CHT determines, in its sole discretion, that allowing the employee to continue driving in the service of CHT would be detrimental to the best interests of CHT.

Employees of CHT who use their personal vehicle for business purposes will be reimbursed at the current IRS approved amount per mile for work-related travel.

Most reimbursed travel will originate from the primary work location, but in cases where time and distance make it advantageous to leave directly from home, the employee’s reimbursement will be based on the total work-related miles from office or home which ever is closer to and from his/her primary work location. Reimbursement requests must be reviewed with the employee’s supervisor and submitted at least monthly with his/her time sheet.

**Other Travel Reimbursement**

Employees who are required to travel for business purposes will be reimbursed for the expenses shown below. Employees must have business expenses authorized in advance by the appropriate supervisor and provide receipts to substantiate those business expenses.

Reimbursable expenses are:

- mileage (see *Travel Procedures*)
- tolls
- parking fees (*this does not include parking tickets*)
- overnight accommodations
- public transportation (air fare, cab fare and gratuity, airport shuttle, etc.)
- postage
- long distance business-related calls
• reasonable cost of meals, including gratuities, but not including alcoholic beverages - $60.00 per day limit (CHT may increase this limit based on geographical and economic differences)

Employees are expected to use the most economical arrangements that allow the employee to appropriately conduct business. All expenses must be business-related. If an employee fails to obtain authorization in advance for expenses or fails to provide receipts, CHT reserves the right to deny reimbursement or reimburse the employee a lesser amount.

Pay and Workweek

Employees are paid biweekly. The workweek runs from Saturday 12:01 am to Friday 12:00 midnight. Pay days are on Fridays and payment for a given pay period shall be made one week after the pay period ends.

An employee’s pay is determined by a variety of factors, including, but not limited to, the overall budget, the job responsibilities, the skills and training required, the employee’s actual performance, an internal equity analysis and external market survey analysis. CHT is committed to paying a livable wage as indexed to the Burlington City Livable Wage Ordinance for a single person for its positions.

Deductions are made from all employees’ paychecks as required by law, including, but not limited to, Social Security and Medicare, Federal and State Income Tax and any other court-ordered withholding. In addition, voluntary deductions will be made if requested and documented by the employee in writing.

Hours of Work

CHT’s offices are open from 8:30am to 5:00pm and employees are expected to be in the office during these core business hours unless the employee’s supervisor has approved a schedule change.

If an employee who is classified as non-exempt is scheduled for those hours s/he must take a thirty (30) minute unpaid break.

Each employee’s supervisor determines the schedule for their employees based on the needs of organization. While some employees may have a fairly fixed schedule, CHT may require employees to be flexible and work varied hours.
**Employment Files**

The Chief Administrative Officer/Human Resources Director maintains confidential employment files for all employees. Employees may review their own employment files by contacting the Chief Administrative Officer/Human Resources Director. A reasonable charge may be assessed for copies.

In addition to payroll, benefits, resume, contact information, the employee’s performance evaluations and any other information relevant to the employee’s job performance are kept in his/her file. Any employee medical information is kept in a separate, locked file cabinet.

All information in any employment or medical file is considered confidential and should not be accessed by or shared with anyone who does not have a need to know the information for business purposes. Supervisors may access the employment file of an employee they supervise with the permission of the Chief Administrative Officer/Human Resources Director. No information from an employee’s employment file shall be given to anyone outside the organization without the consent of the employee, except as required by law.

Employees must promptly report any changes in their contact or benefits information to the Chief Administrative Officer/Human Resources Director.

**Attendance**

To keep CHT running smoothly and efficiently, employees are expected to be on time for all scheduled shifts. Dependability, attendance, punctuality, and a commitment to do the job right are essential at all times.

If an employee is ill or an emergency arises, s/he must leave a message at the front desk and/or notify his/her supervisor as soon as possible and no later than one (1) hour after the start of his/her shift.

If an employee will be late, needs to leave early, or expects to be absent from any scheduled shift, s/he must notify her/his supervisor as far in advance as is possible.

**Note:** An employee should personally speak with his/her supervisor unless an emergency situation prevents the employee from contacting her/his supervisor personally.

**Note:** Any employee who fails to notify his/her supervisor or the Chief Administrative Officer/Human Resources Director and has been absent three (3) days may be considered to have voluntarily resigned his/her job. Any employee who fails to provide notification
and is absent without available leave time for any scheduled shift may be considered to have voluntarily resigned his/her job, at CHT’s discretion.

Corrective Action

Employees of CHT are required to maintain high standards of conduct, productivity, integrity, cooperation, attendance, efficiency and economy in their work, whether dealing with one another or with members of the public. Occasions may arise when employees fail to meet the work standards of CHT, fail to exhibit the proper conduct or professional attitude, or fail to successfully adhere to its policies or procedures. Any such failures may necessitate corrective action. There are many situations which may be cause for corrective action, including but not limited to poor performance, poor attendance or unacceptable conduct or attitude, but whether or not to take corrective action, and what action to take, is solely within CHT’s discretion.

Corrective actions may take a variety of forms, including without limitation, warnings, suspension or termination. CHT will often follow progressive discipline steps outlined below; however, CHT also reserves the right to impose other work requirements, skip steps, or take other action outside of this policy, if the employee’s conduct is egregious or if that action would better meet the business needs of CHT.

If CHT determines that corrective action is appropriate, CHT may employ any of the following methods (without regard to any particular order):

- A verbal \( (\text{an oral}) \) warning
- A written warning or performance plan
- Suspension (paid or unpaid, at CHT’s discretion)
- Termination of employment

CHT reserves the right to terminate any employee’s employment immediately and without cause.

It is not possible to identify all instances in which immediate termination may be appropriate, but the following are some examples of behavior that are likely to be addressed by immediate termination:

- Fraud
- Falsification of records
- Insubordination
- Harassment towards an employee or customer
- Violent behavior including threatening language
- Selling illegal drugs or alcohol on CHT property
- Theft or misappropriation of customer, employee or CHT property
• Unauthorized possession of firearms, explosives, or any other dangerous weapons on CHT property or while performing job duties for CHT
• Destruction, damage, defacing, misuse, willful abuse, or unauthorized use of the property of CHT, an employee, or a customer
• Unauthorized publication or use of confidential information
• Viewing, downloading, or exchange of pornography
• Hacking or accessing sites an employee is not authorized to access
• Using equipment to engage in any conduct that would violate the Non-Harassment or other personnel policies
• Knowingly transmitting or accessing sites containing harassing, indecent, profane, pornographic, or obscene materials
• Knowingly sending or introducing a virus to CHT’s or another party’s computer system
• Participating in email or Internet communications of a nature or in ways that would be detrimental to CHT’s business or reputation
• Installing, copying, or using any copyrighted, trademarked, or patented information in violation of law
• Engaging in any illegal activity over the Internet

This is not an exhaustive list. As set forth in the Introduction to this Manual, employment at CHT is “at-will” meaning that CHT may bypass this Corrective Action Policy and terminate an employee at any time for any reason.

Job Descriptions

The core responsibilities of each position are outlined in a job description. Regardless of the contents of any job descriptions, employees may be asked by their supervisor or other managers to complete other duties from time to time based on business needs. Job descriptions will also be reviewed and revised if the job responsibilities change.

Evaluations

A written evaluation of each employee’s job performance is completed annually by his/her supervisor. A supervisor may decide to conduct a formal or informal evaluation at any time. The annual evaluation is prepared using forms and procedures developed by Human Resources, management and team members.

Raises and Promotions

Any raises or promotions are determined at the recommendation of the employee’s supervisor and the discretion of CHT management based on a variety of factors,
including, but not limited to, the overall budget, the job responsibilities, the skills and training required, the employee’s actual performance, an internal equity analysis and external market survey analysis. CHT is committed to paying a livable wage as indexed to the Burlington City Livable Wage Ordinance for a single person for its positions.

**Outside Employment/Volunteer Activities**

CHT employees may engage in other paid employment or volunteer activities if the activity:

1) does not interfere with the efficient performance of the employee's duties and responsibilities for CHT;
2) does not create a conflict of interest for the employee or CHT;
3) does not occur during the employee’s regular or assigned working hours unless the employee is on approved paid or unpaid leave for the time in which the activity occurs;
4) does not use CHT resources (i.e. computers, copiers, phones, etc.).

**Appearance/Dress**

All employees are expected to dress in professional clothing suitable to the work being performed and/or the work situation (for example: shorts are appropriate for a summer All Staff Meeting). However, shorts and flip-flops are not appropriate for a visit to the State House or a CHT Board Meeting.

Supervisors may send an employee home without pay to change any inappropriate clothing.

**Drug & Alcohol Use and Abuse**

CHT intends to provide its employees and customers with a drug-free workplace. The use of alcohol or illegal drugs and the abuse of prescription drugs are not tolerated in the workplace or at work-related events.

Prohibited behavior includes manufacturing, distributing, selling, dispensing, possessing, using, or being under the influence of alcohol or illegal drugs during work hours, on work premises, while engaged in work activities away from work premises, or during work-related events. In certain situations, at the discretion of the Chief Administrative Officer/Human Resources Director or the Chief Executive Officer, CHT may allow the use of alcohol in moderation at work-related social events outside of work hours by those legally entitled to do so. Employees who abuse this privilege at work-related social events may be disciplined, up to and including termination.
The illegal use of prescription drugs is also prohibited. If an employee is legally taking prescription drugs that affect the employee’s ability to safely perform any of the essential functions of his/her job, the Chief Administrative Officer/Human Resources Director and/or the Chief Financial and Operating Officer will determine whether or not the employee should continue to perform his or her functions until concerns regarding safety can be addressed. Medical certification may be required.

An employee who appears, in the reasonable judgment of CHT, to be under the influence of any controlled substance, in the discretion of his/her supervisor, the Chief Administrative Officer/Human Resources Director, the Chief Financial and Operating Officer or the Chief Executive Officer, during work hours will be asked to leave the premises immediately and will be paid only for the time actually worked. If an employee is sent home, s/he will not be permitted to operate a motor vehicle, and other arrangements will be made.

Employees may be disciplined, up to and including termination, for violations of this policy. Employees are not entitled to a drug or alcohol test to prove or disprove a violation. Discipline may result if CHT has a reasonable basis to believe a violation has occurred.

**Smoking**

Smoking is not permitted within any enclosed structure on CHT’s premises or within any CHT structure where an employee performs any job duties. Employees may smoke in their own vehicle or outside the building, provided they follow the established guidelines set for their specific site (*including green standards where applicable*), and always do so in such a way that his/her smoking does not have an impact on others.

**Solicitations**

Employees may conduct limited solicitations of other employees on CHT premises. Any solicitations should take place during breaks and in non-work areas. Any such solicitations must be conducted so as not to disturb the employee’s or other employees’ work environment or ability to work. CHT does not allow solicitation of its employees by third parties on CHT premises.

**Media**

All employees must get prior authorization from the Director of Community Relations, the Chief Executive Officer or the Chief Financial and Operating Officer before issuing statements to the news media concerning any program or project of CHT or representing
CHT in the community. All media inquiries should be promptly referred to the Chief Financial and Operating Officer.

**Conflict of Interest**

All employees must avoid engaging in any activity that could create a conflict of interest or the appearance of a conflict of interest. A potential or actual conflict of interest occurs whenever an employee is in a position to influence a decision that may result in personal gain for the employee or an immediate family member as a result of CHT’s business dealings. A conflict may also arise if an employee engages in activity that has an adverse impact on the ability of CHT to carry out its mission in an efficient, effective manner. It is impossible to relate all of the situations that may cause or give the appearance of a conflict for CHT, but the following are examples of types of prohibited conduct that may create an actual or potential conflict:

- any business dealing of CHT that results in personal gain to an employee or his/her relative;
- interfering with any business opportunity of CHT for personal gain to the employee or his/her relative;
- acceptance of gifts, money, discounts, or gratuities of a value greater than $25 from any person or entity doing business or seeking to do business with CHT, particularly if the item is not offered to the general public;
- an offer by an employee to provide anything of value to a person or organization to induce them to do business with CHT, except as reasonable compensation for agreed-upon services;
- an employee or employee’s close relative serving or attempting to serve on the Board of Directors of CHT;
- an employee engaging in outside employment that could interfere with the employee’s efficient performance of his/her job or compete with CHT;
- an employee engaging in outside employment/volunteer positions that could interfere with the employee’s efficient performance of his/her job (i.e. own business, city council, etc.);
- preferential treatment of a vendor that is not based on business needs;
- any conduct that disrupts or damages the business activities or mission of CHT;
- public opposition of any CHT mission-related activity or project.

If an employee becomes aware of any conduct that may create an actual or potential conflict of interest or questions whether any conduct may violate this policy, the employee must bring the conduct to the immediate attention of his/her supervisor, the Chief Administrative Officer/Human Resources Director, the Chief Financial and Operating Officer, or the Chief Executive Officer. The Chief Executive Officer will have the final discretion in determining whether or not conduct is prohibited under this policy.
The purpose of this policy is to protect employees and CHT from any conflict of interest that might arise.

Confidentiality

All information, particularly information obtained through credit or other reports, concerning applicants, customers, tenants, or leaseholders of CHT is considered confidential and may not be shared with any third party without the permission of the employee’s supervisor. Generally, CHT will not disclose any information without the permission of the individual involved, except as required by law or by the terms of a funding grant. In addition, employees in the course of their employment may acquire other confidential or proprietary information about CHT, its clients, or affiliates, and all such information must be kept confidential and not discussed with third parties. In particular, employees who have access to tenants’ or leaseholders’ residential premises shall not discuss or divulge any information learned or observed at those premises with anyone without prior approval from their supervisor.

If an employee has any question about whether information can or may be shared with anyone outside the organization, s/he should consult with his/her supervisor, the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer.

Employees using company computers must take appropriate security measures to protect confidential information and system integrity and should never destroy confidential information.

Health Insurance Portability Accountability Act (HIPAA) Compliance

Any employee who has access to any other person’s protected health information must comply with all of CHT’s obligations under HIPAA. In particular, employees may not discuss that protected health information with anyone other than the person him/herself or the HIPAA Compliance Officer (Chief Administrative Officer/Human Resources Director). Any employee with questions about their own or another person’s protected health information should contact the HIPAA Compliance Officer (Chief Administrative Officer/Human Resources Director).

Document Retention

All records produced or created by any employee of CHT during his/her work hours/shift, or in the course of his/her work as an employee, belong to CHT and are covered by this policy. This policy includes emails, computerized documents, films, contracts, insurance...
records, appointment books, voice mail messages, and any other official or unofficial records an employee keeps or maintains.

CHT is required by law to retain certain types of records (many of them for a specified period of time). If records are not retained as required by law, CHT and/or an employee could be subject to fines or other penalties. For example, it is illegal to cover up, falsify, or destroy any documents to prevent its use in any official proceeding. CHT must also discard or destroy certain records that are no longer needed.

CHT expects all employees to fully comply with any records retention or destruction policies and schedules unless an employee believes, or CHT informs an employee, that CHT records are relevant to litigation or potential litigation, in which case an employee must contact the Chief Financial and Operating Officer or the Chief Executive Officer to determine how the document must be preserved.

CHT establishes retention or destruction policies or schedules for certain records to ensure legal compliance with HIPAA as well as other legal requirements. In general, documents should be retained and/or destroyed on the following schedules:

**Tax, Accounting, and Audit Records** should generally be retained for at least seven (7) years after the return for that year was filed or the last action was taken on the record and may be retained permanently. This policy includes not only the actual returns, but all records of payroll, expense reimbursements, FSA submissions, proof of deductions, business costs, accounting procedures, and other documents related to revenue or expenses.

**Employment or Personnel Records** that are included in an employee’s personnel file should be retained as long as an employee is employed at CHT and for at least six (6) years after an employee terminates employment. Any records (hard copy or data) concerning an employee, even personal notes of a supervisor, must be turned over to the Human Resources Department if a complaint of harassment or discrimination, or other legal concern is raised. When an employee’s employment terminates, all records concerning that employee (hard copy or data) must be transmitted to Human Resources as soon as possible for appropriate storage or destruction. No supervisor should maintain personal copies of records relating to employee discipline and health. All such records should be sent to the Chief Administrative Officer/Human Resources Director.

**Board and Board Committee** meeting minutes, including records of resolutions or other formal actions taken, should be retained for the life of the organization. A copy of all materials provided to Board or Board Committee members at any meeting should be retained for at least three (3) years after that meeting.

**Press Releases** or other publicly filed or posted records (one copy of them) should be retained for at least five (5) years and perhaps for the life of the organization.
Legal Files should generally be maintained for at least seven (7) years after the conclusion of the legal matter except corporate legal files that may need to be retained for the life of the corporation. Any destruction of legal files should first be cleared with legal counsel.

Property Files should be retained for the life of the property (i.e. owned/tax credit partnerships/ general managers).

General Business Files that are not specifically tax-related should be retained for at least three (3) years after they are last used.

Email that constitute the only record of any of the above documents or that pertain to any pending or suspected legal matter must be retained and downloaded onto a disk or preferably printed in hard copy and filed with the other relevant records.

Electronic Communications

CHT expects employees to use CHT’s computers, internet access, email, facsimile machines, telephones, and other equipment primarily for business purposes. The equipment, including hardware, software, services, or other technology provided to employees remains the property of CHT. Occasional, brief personal use that does not interfere with CHT’s business or any employee’s duties is permitted at CHT’s discretion.

The use of CHT’s equipment to engage in local, state or federal elections in support or opposed to a candidate or ballot measure threatens CHT’s tax exempt status and is prohibited.

All data composed, transmitted, or received via CHT’s computer or telecommunications systems belongs to and is considered part of the official records of CHT. Employees should ensure that all information contained in email or other electronic communications is accurate, appropriate, and lawful.

Please be aware that employees have no right of personal privacy in any matter stored in, created, received, or sent over the CHT computer or telecommunications system. Even though employees use a password to access the CHT computer or telecommunications systems, the confidentiality of any message stored in, created, received, or sent from these systems still can not be assured.

Even though CHT has the right to retrieve and read any email/voicemail messages, CHT expects those messages should still be treated as confidential by other employees who have not been previously authorized by a supervisor to access them. If an employee will be out of the office and would like someone to check his/her messages, the employee should authorize an individual and notify his/her supervisor as to who has been authorized access. Any exception to this policy must receive the prior approval of the
Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer.

Examples of uses that are never permitted on CHT's equipment or while an employee is performing job duties are:

- promoting, advertising, soliciting, or operating any commercial business activity other than CHT,
- hacking or accessing sites an employee is not authorized to access,
- sending chain letters or similar communications,
- using the equipment to engage in any conduct that would violate the Non-Harassment or other policies,
- using CHT's electronic communications for partisan or religious advocacy,
- knowingly or recklessly transmitting or accessing sites containing harassing, indecent, profane, pornographic, or obscene materials,
- knowingly sending or introducing a virus to CHT's or another party's computer system,
- participating in email or Internet communications of a nature or in ways that would be detrimental to CHT's business or reputation,
- installing, copying, or using any copyrighted, trademarked, or patented information in violation of law,
- engaging in any illegal activity over the Internet.

CHT, in its discretion as owner of the computer and communications systems, reserves and may exercise the right to monitor, access, retrieve, and delete any matter stored in, created, received, or sent over the CHT computer and communications systems, for any reason and without the permission of any employee.

Employees must take the necessary anti-virus precautions before downloading or copying any files from the Internet and may not load any software from any external source on their computers without prior approval from the IT Administrator.

Employees using company computers must take appropriate security measures to protect confidential information and ensure the integrity of his/her system.

Social Networking

CHT wants to provide employees with guidance regarding social media and social networking.

While CHT uses a variety of outlets to advance its mission, the following provides guidance specifically to employees in using social media and social networks.
Employees using social networking tools as a function of their job must have prior approval from the Director of Community Relations or the Chief Executive Officer.

- Personal blogs should have clear disclaimers that the views expressed by the author in the blog is the author’s alone and does not represent the views of CHT. An employee should be clear and write in the first person. An employee should make his/her writing clear that s/he is speaking for themselves and not on behalf of CHT.
- Information published on his/her blog(s) should comply with CHT’s confidentiality and disclosure of proprietary data policies. This also applies to comments posted on other blogs, forums, and social networking sites.
- Be respectful to CHT, other employees, customers, partners, and competitors.
- Social media activities should not interfere with work commitments. Refer to "Electronic Communications", "Electronic Monitoring", "Work Standards", and "Confidentiality" policies.
- An employee’s online presence reflects on CHT, and the employee should be aware that his/her actions captured via images, posts, or comments can be perceived as reflecting that of CHT. Employees must avoid online posts, images or comments that cast CHT in a negative light or that have the purpose or effect of damaging CHT’s reputation.
- An employee should not reference or cite CHT clients, partners, or customers without their express consent. In all cases, an employee should not publish any information regarding a client.
- An employee must respect copyright laws and reference or cite sources appropriately. Plagiarism applies online as well.
- CHT logos and trademarks may not be used without written consent.

Electronic Monitoring

All electronic equipment and the content of any business-related communication made via that equipment, including but not limited to telephones, computers, and email accounts, provided by CHT to employees, remains the property of CHT.

Although CHT does not generally monitor employees’ usage, there may be times when supervisors need to check an employee’s voicemail, email, Internet, computer logs, or other electronic files for business purposes. CHT may conduct reviews of an employee’s computer or phone usage, in its sole discretion. Employees who wish to have private communications should do so off work premises and outside of work time. Employees have no right or expectation of privacy in any material created, sent, or received on CHT’s computers or other electronic devices.

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CHT Employment Policies ï Effective June 2010
Criminal Conviction

Any employee whose job requires or permits him/her to enter a resident’s home or handle CHT finances must immediately notify the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer if s/he is convicted of any crime, whether a misdemeanor or a felony, except that such an employee need not report a minor traffic ticket that results only in the payment of a fine.

Any employee who operates a motor vehicle as a function of his/her employment with CHT, whether his/her own vehicle or one provided by CHT, must immediately notify the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer if s/he is convicted of any crime, whether a misdemeanor or a felony, that involves drugs, alcohol, or a motor vehicle, including traffic tickets or loss of their driver’s license. Employees must also report any loss or limitation of his or her driver’s license, even in the absence of a conviction, if the operation of a motor vehicle is a function of the employee’s work.

Any employee who operates power equipment as a function of his/her employment with CHT must immediately notify the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer if s/he is convicted of any crime involving drugs or alcohol.

If an employee is convicted of a crime, the impact of that conviction on his/her employment with CHT will be determined on a case-by-case basis and may result in a range of responses, from documentation placed in the employee’s file, up to and including termination.

If CHT learns that an employee has been arrested for or charged with a criminal violation that casts doubt upon the employee’s ability to safely and appropriately perform his/her job duties, CHT may reassign the employee to other duties or take other appropriate actions.

Safety

CHT strives to provide its employees with a safe and healthy workplace environment. To accomplish this goal, all employees are expected to adhere to all safety standards associated with their job.

If an employee experiences a work-related accident or injury, s/he must report it to his/her supervisor, the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer as soon as possible but no later than twenty-four (24) hours after the accident or injury.
Employees who observe an unsafe working condition should report such condition immediately to his/her supervisor, the Chief Administrative Officer/Human Resources Director, or the Chief Financial and Operating Officer.

**Workplace Threats and Violence**

Any type of workplace threats or violence -- including but not limited to threatening behavior or language, physical contact, acts of intimidation, possession of firearms, explosives, or any other dangerous weapons -- on CHT’s property, by or against employees is strictly prohibited.

As a CHT employee, you are responsible for doing the following:

- Notifying your supervisor, the Chief Administrative Officer/Human Resources Director or Chief Financial and Operating Officer immediately if you witness or learn about any such threatening behavior or violent acts on CHT property. You must report such behavior regardless of the identity of the person engaging in the behavior and regardless of the identity of the person who is the victim of the behavior.

- Notifying your supervisor, the Chief Administrative Officer/Human Resources Director or Chief Financial and Operating Officer if you have applied for or obtain a protective or restraining order against a CHT employee or resident or an order which lists CHT property as a protected area. A copy of the application and/or order should also be supplied.

All complaints of workplace threats or violence will be promptly investigated. During the investigation, CHT will take appropriate action, as may be necessary under the circumstances, to ensure the safety of employees and residents. What action is appropriate will depend on the circumstances and may include but is not limited to removing the accused individual from the premises as quickly as safety permits, having the individual remain off CHT property until the investigation is completed, or having the individual reassigned until the investigation is completed. The investigation will include interviews with all individuals involved in the incident. Should the investigation substantiate that violations of this policy have occurred, CHT will take appropriate action, including but not limited to, reassignment of duties, suspension or termination of employment, termination of any business relationship, and/or referral to law enforcement.

During any investigation, or if no violation of CHT policy is found, CHT will keep the matter as confidential as practicable under the circumstances.

Remember, CHT has "zero tolerance" for workplace violence. Your cooperation in reporting threats and violence is essential to the success of this policy.
Non-Harassment Policy

CHT believes that its employees have the right to work in an environment free of all forms of illegal discrimination, inappropriate illegal conduct and illegal harassment. CHT does not tolerate harassment of or by any employee because of sex, gender, race, religion, sexual orientation, gender identity or expression, need for health insurance, genetic information, national origin, or age, or against a qualified individual with a disability because of that disability. CHT is committed to providing a workplace free from this type of unlawful conduct. It is also illegal, and violates CHT’s policies, to retaliate against any employee for filing or cooperating in the investigation of a complaint of illegal harassment.

Harassment because of a person’s sex, gender, race, sexual orientation, or the other categories described above, is a form of discrimination and can include name-calling, unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual or discriminatory nature when:

(1) submission to that conduct is made either explicitly or implicitly a term or condition of employment; or

(2) submission to or rejection of such conduct by an individual is used as a component of the basis for employment decisions affecting that individual; or

(3) the conduct has the purpose or effect of substantially interfering with an individual’s work performance or creating an intimidating, hostile, or offensive work environment.

Examples of illegal harassment include, but are not limited to the following, when such acts or behavior come within one of the above definitions:

* either explicitly or implicitly conditioning any term of employment (e.g., continued employment, wages, evaluation, advancement, assigned duties or shifts) on sexual favors;
* touching or grabbing a part of an employee's body after it is known or should be known that such physical conduct was unwelcome;
* displaying or transmitting sexually suggestive, racially offensive, or otherwise discriminatory pictures, objects, cartoons, or posters if it is known or should be known that the behavior is unwelcome;
* regularly telling sexual jokes or using sexually vulgar language or language that is derogatory to a protected class, particularly if it is known or should be known that the person does not welcome such behavior;
* retaliating against any person for having filed or supported a complaint of illegal harassment (e.g., ostracizing the person, pressuring the person to drop or not support the complaint, adversely altering that person's duties or work environment, etc.).
Any employee who believes that s/he has been the target of illegal harassment, or who believes s/he has been subjected to retaliation for having brought or supported a complaint of harassment, is encouraged to directly inform the offending person or persons that the conduct is offensive and must stop. If the employee does not wish to communicate directly with the alleged harasser or harassers, or if direct communication has been ineffective, then the person with the complaint is encouraged to report the situation as soon as possible to his/her supervisor, the Chief Administrative Officer/Human Resources Director, the Chief Financial and Operating Officer or the Chief Executive Officer.

If CHT receives a complaint of illegal harassment, or otherwise has reason to believe that illegal harassment is occurring, it will promptly investigate and address the matter. CHT may be required by law to take action if it learns of potential harassment, even if the aggrieved employee does not wish to formally file a complaint. Every supervisor is required to promptly respond to any complaint or suspected acts of illegal harassment and promptly report them to the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer or the Chief Executive Officer.

CHT will try to keep any investigation of a complaint as confidential as possible, except as may be reasonably necessary to successfully complete the investigation. It shall be a violation of this policy for any employee who learns of the investigation or complaint to take any retaliatory action which affects the working environment of any person involved in this investigation.

If the allegation of illegal harassment is supported by the investigation, the organization will take appropriate corrective action. Both the complaining person and the accused will be informed of the results of the investigation, and the organization will take steps to make the offending behavior stop and to prevent retaliation. Any employee, supervisor, or agent who the organization determines has illegally harassed another employee will be subject to sanctions appropriate to the circumstances, ranging from a verbal warning, up to and including dismissal. If the allegation is not supported by the investigation, both parties will be informed of that fact.

If the complainant is dissatisfied with CHT’s action, or is otherwise interested in doing so, she or he may file a complaint by writing or calling the following state or federal agencies:


Each of these agencies can conduct impartial investigations, facilitate conciliation, and if it finds that there is probable cause or reasonable grounds to believe harassment has occurred, it may take the case to court. Although employees are encouraged to file their complaint of
harassment through the employer’s complaint procedure, an employee is not required to do so before filing a charge with these agencies.

**Whistleblower Policy**

It is CHT’s intent to create a work environment where employees are encouraged and enabled to raise serious concerns of waste, fraud, abuse of authority, violations of law, or a threat to the health of employees or the public within CHT with no fear of retaliation or retribution.

Maintaining high standards of conduct and ethics is important to CHT, and this Whistleblower Policy is intended to provide protection for all employees who report, in good faith, suspicions of illegal, unethical or other inappropriate activity by other staff members.

**Employee Protection**

CHT will use its best efforts to protect employees who report their concerns under this policy from retaliation (including, but not limited to, abuse, harassment, discrimination, threats of physical harm, loss of job, punitive work assignments, or reduced salary or wages). Employee complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and law. This protection from retaliation is not intended to prohibit managers or supervisors from taking action, including disciplinary action, in the usual scope of their duties based on valid business-related factors, nor is it intended to preclude disciplinary action against individuals who report baseless allegations.

**Reporting Complaints**

CHT employees are encouraged to share their questions, concerns, suggestions or complaints with any member of the management of CHT. In most cases, an employee’s supervisor is in the best position to address an area of concern. However, if an employee is not comfortable speaking with their supervisor or an employee is not satisfied with their supervisor’s response, an employee is encouraged to speak with the Chief Administrative Officer/Human Resources Director, Chief Financial and Operating Officer or anyone in management with whom they feel comfortable discussing the relevant issue.

Any employee reporting suspicions of waste, fraud, abuse of authority, violations of law, or a threat to the health of employees or the public who fears reprisal should contact the Chief Administrative Officer/Human Resources Director the Chief Financial and Operating Officer directly.
Reports should contain enough information to substantiate the concern and allow an appropriate investigation to begin. A report may be submitted anonymously. Appropriate action will be taken in response to reports. All reports received will be acted upon promptly and in confidence, when possible, given legal requirements and the need to gather facts, conduct an effective investigation, and take necessary corrective actions.

Reasonable care will be taken in dealing with suspected misconduct to avoid baseless allegations, premature notice to individuals suspected of misconduct, disclosure of suspected misconduct to individuals not involved with the investigation and violations of an individual’s rights under law.

Investigating and Resolving Complaints

If CHT receives a complaint or allegation concerning any suspicions of waste, fraud, abuse of authority, violations of law, or a threat to the health of employees or the public covered by the Whistleblower Policy, or if CHT receives a complaint of retaliation under this policy, it will promptly investigate and address the matter. The Chief Administrative Officer/Human Resources Director will notify the sender and acknowledge receipt of the reported suspicions of illegal, unethical or other inappropriate activity within five (5) business days.

Suspicious of waste, fraud, abuse of authority, violations of law, or a threat to the health of employees or the public may be submitted on a confidential basis by the complainant or may be submitted anonymously.

If the complaint or allegation is supported by the investigation, the Chief Administrative Officer/Human Resources Director, the Chief Financial and Operating Officer, and the Chief Executive Officer will review the findings and determine the appropriate corrective action to be taken. Such action may include immediate termination.

The Chief Administrative Officer/Human Resources Director shall provide a summary of such complaints not less than quarterly to the Chief Executive Officer and the Board President.

Acting in Good Faith

Anyone filing a complaint concerning a suspicion of waste, fraud, abuse of authority, violations of law, or a threat to the health of employees or the public must be acting in good faith and have reasonable grounds for believing the information disclosed is true and correct. Any employee who knowingly makes a complaint under the Whistleblower Policy based on false information or who makes such complaint maliciously or otherwise does not make such complaint in good faith shall be subject to discipline, up to and including termination.

Note Related Policies: Non-Harassment; Conflict of Interest; Confidentiality
Benefits

Holidays

CHT will be closed on the following holidays:

- New Year’s Day
- Day preceding or following New Year’s Day*
- Martin Luther King Jr. Day
- President’s Day
- Town Meeting Day
- Memorial Day
- Christmas Day
- Independence Day
- Labor Day
- Veterans’ Day
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Day
- Day preceding or following Floating Holiday **

* Management will determine which day CHT will be closed based on business needs.

** An employee may use his/her Floating Holiday any time during the year. Employees must request to use their Floating Holiday in advance from their supervisor. Supervisors may deny or delay use of their Floating Holiday based on the business needs of the organization. If an employee does not use his/her Floating Holiday by December 31st, it will be lost. Floating Holidays cannot be carried over to the next calendar year. Employees who are hired after July 1st do not receive a Floating Holiday until January 1st of the next calendar year. Floating Holidays are not paid out upon separation from CHT.

Holidays that fall on Saturday will be recognized on the previous Friday and Holidays that fall on Sunday will be recognized on the following Monday. If an employee has any questions regarding when a holiday will be recognized, please ask his/her supervisor or the Chief Administrative Officer/Human Resources Director.

All full-time and part-time employees scheduled to work on a holiday will be paid his/her regular rate of pay for that holiday. If an exempt employee works on a holiday with the approval of his/her supervisor, s/he may take time off at a later time equivalent to the time worked. If a non-exempt employee works on a holiday with prior approval from his/her supervisor, s/he will be paid for the time worked, including any on-call shift differential, in addition to holiday pay.

Part-time employees who work twenty (20) hours or more per week are eligible for paid holidays however his/her paid holiday time is pro-rated based on the average number of hours worked. For example, an employee who works twenty (20) hours per week earns four (4) hours of paid holiday time.
Vacation

Full-time employees accrue vacation time on the first day of each month as follows:

- 1 ÷ 4 years of employment: 1.25 days (10 hours)/month
- 5 ÷ 9 years of employment: 1.67 days (13.33 hours)/month
- 10 or more years of employment: 2 days (16 hours)/month

Note: An employee’s accrual rate will change on the first day of the full month after the employee has completed the appropriate year of service (i.e. after four (4) years of completed service, the accrual rate will change on first day of the full month after the employee begins his/her fifth year of employment. Vacation accruals are based on “anniversary” hire date not “calendar” year date.)

Part-time employees who work twenty (20) hours or more per week accrue vacation time based on the above schedule. However their vacation time is pro-rated based on the average number of hours worked. For example, a part-time employee who has worked for CHT for two (2) years and works thirty-two (32) hours per week would accrue eight (8) hours per month of accrued vacation time.

New CHT employees begin to accrue vacation on the first day of the month following their hire date. However a new employee may not take his/her vacation time until s/he has completed his/her Introductory Period of employment (first three (3) months of employment).

Vacation time accrues during Family and Medical Leave but does not accrue during any other unpaid leave of absence.

Once an employee accrues twenty-four (24) days of paid vacation time, vacation time accrual stops until the employee uses some of his/her accrued vacation. An employee is not allowed to accrue more than twenty-four (24) days of vacation time off at any point in the year.

A maximum of twenty-four (24) days of unused, but accrued vacation time may be carried over to the next calendar year.

Employees must request vacation in advance from their supervisor. Supervisors may deny or delay vacation time based on the business needs of the organization.

If a holiday falls during an employee’s paid vacation, the employee will be paid for the holiday and will not be charged a vacation day.

If an employee leaves or is separated from CHT, s/he will be paid for accrued, unused vacation time up to a maximum of twenty-four (24) days.
Sick Time

All full-time employees earn one (1) day or eight (8) hours of paid sick time per month.

Part-time employees who work twenty (20) hours or more per week earn sick time on a pro-rated basis according to the average hours worked. For example, an employee who works thirty-two (32) hours per week earns 6.4 hours of paid sick time each month.

Once an employee accrues twenty-four (24) days of paid sick time, sick time accrual stops until the employee uses some of his/her accrued sick time. An employee is not allowed to accrue more than twenty-four (24) days of sick time at any point in the year.

A maximum of twenty-four (24) days of unused but accrued sick time may be carried over to the next calendar year.

Sick time may be used for any of the following purposes:

- disability, illness or injury of the employee,
- illness or injury of the employee’s immediate family member (see definition of immediate family member under Family and Medical Leave)
- health care appointments of the employee or his/her immediate family member that cannot reasonably be scheduled outside the work day,
- any condition that qualifies as Family and Medical Leave,
- to supplement worker’s compensation or disability pay.

Employees may be asked for medical certification for any sick leave longer than three (3) days.

Sick time accrues during Family and Medical Leave but does not accrue during any other unpaid leave of absence.

Accrued but unused sick leave will not be paid out upon separation of employment from CHT.

Personal Time

After an employee has worked for CHT for two (2) years -

- full-time employees are eligible for two (2) days or sixteen (16) hours of paid personal time each calendar year;
part-time employees who work more than twenty (20) hours per week are eligible for paid personal time each year pro-rated to reflect their average hours worked. For example, if an employee works twenty (20) hours a week, s/he would be eligible for one (1) personal day or eight (8) hours each calendar year.

Note: Eligibility for Personal Time is based on the employee’s anniversary date and will be available for use as of the first day of the full month following eligibility.

However Personal Time may be pro-rated in the first year of eligibility based on the employee’s hire date as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Personal Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>January, February &amp; March</td>
<td>16 hours</td>
</tr>
<tr>
<td>April, May, &amp; June</td>
<td>12 hours</td>
</tr>
<tr>
<td>July, August, &amp; September</td>
<td>8 hours</td>
</tr>
<tr>
<td>October, November, &amp; December</td>
<td>4 hours</td>
</tr>
</tbody>
</table>

Personal time may be taken for any reason, although employees must request and receive approval by their supervisor as far in advance as possible, but in no case less than two (2) hours ahead of time.

Personal time may not be carried over from year-to-year. Any personal time not used within the calendar year is lost.

Personal time will not be paid upon separation of employment from CHT.

Personal time will accrue during Family and Medical Leave but does not accrue during any other unpaid leave of absence.

**Jury or Witness Duty**

Any employee who is called for jury duty or who is subpoenaed to appear as a witness in court shall be provided time off upon proof of required attendance.

Employees will receive their regular pay for jury or witness duty up to a maximum of five (5) days per year.

Employees may elect to use vacation time or may take unpaid time off to cover unpaid jury dates, to appear as a witness, or if the employee is a party to the case.
Military Leave

Employees will be granted leave without pay to fulfill military or National Guard obligations. Employees are requested to provide a copy of their orders to their supervisor and the Chief Administrative Officer/Human Resources Director. Employee benefits and reinstatement rights are provided as required by Federal and State laws.

Emergency and Bereavement Leave

Any employee may be granted up to three (3) days paid leave for the death or serious illness of an immediate family member as defined in the Family and Medical Leave policy plus siblings, step-parents, or grandparents of the employee or the employee’s spouse, civil union, or domestic partner at the discretion of the Chief Administrative Officer/Human Resources Director and/or Chief Financial and Operating Officer and/or Chief Executive Officer.

An employee should make their supervisor aware of their situation. In turn, the supervisors should notify the Chief Administrative Officer/Human Resources Director of the reason and length of the employee’s absence.

Up to one (1) day may be allowed for the death of other family members at the discretion of management.

If approved, this leave will be in addition to any sick, vacation or personal leave the employee may have accrued.

Requests for additional leave, whether paid or unpaid, will be determined on an individual basis and should be directed to his/her supervisor and the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer for approval.

Family and Medical Leave (including Short-Term Parental and Family Leave)

Introduction

CHT provides family and medical leave for eligible employees as required under the Federal Family and Medical Leave Act and the Vermont Parental and Family Leave Act (collectively referred to as FMLA below).

Eligibility

An employee may be eligible for family and medical leave if:
- the employee has been employed with CHT for at least twelve (12) months (these do not have to be consecutive months); and

- the employee has worked at least 1250 hours for CHT (not including any unpaid leave or other unpaid time off) during the 12-months immediately preceding the leave.

Employees who do not meet these two criteria are not entitled to family and medical leave.

Family and medical leave may be taken for any of the following purposes:

- for the birth of a child (including prenatal care for the mother) and to care for the newborn child;
- for the placement of a child with the employee for adoption or foster care (including court or counseling proceedings necessary for the adoption);
- to care for an immediate family member with a serious health condition; because of a serious health condition that makes the employee unable to perform the functions of the employee’s job;
- because an eligible employee has a spouse, son, daughter or next-of-kin who is injured or recovering from an injury while on active duty, or
- to allow an eligible employee who has a spouse, son, daughter or parent in the National Guard or Reserves to take FMLA leave due to a qualifying exigency resulting from the covered family member’s active military duty (or call to active duty status) in support of a contingency operation.

An “immediate family member” means a child, foster child, stepchild or ward, which lives with the employee, parent, spouse or civil union partner, domestic partner, or parent of the employee’s spouse, civil union, or domestic partner. “Next-of-kin” is defined as the closest blood relative of the injured or recovering servicemember.

A “serious health condition” means an illness, injury, impairment, accident, disease, or physical or mental condition that:

- poses imminent danger of death;
- requires inpatient care in a hospital, hospice, or residential medical care facility;
- requires continuing in-home care under the direction of a physician; or requires continuing treatment by a health care provider involving a required absence of more than three (3) consecutive calendar days (including any subsequent treatment or period of incapacity relating to the same condition, that also involves:
  - Treatment two (2) or more times by a health care provider (including Physician’s Assistant), by a nurse, or by a
provider of health care services (e.g., physical therapist) under the order of, or on referral by, a health care provider. Those two (2) visits must be within 30 days of each other. The 30-day rule begins with the first day of incapacity, not the first office visit; or

- Treatment by a health care provider on at least one (1) occasion which results in a regimen of continuing treatment under the supervision of the health care provider. That visit must occur within seven (7) days of the first day of incapacity. For chronic conditions, the individual must receive medical treatment on at least two (2) visits to the health care provider every year.

Note: Treatment requiring an in-person visit with the health care provider for examination, evaluation or specific treatment; a phone call, letter, fax, email or text message is not sufficient.

- a chronic or long-term condition for which treatment may be ineffective;
- absences for multiple treatments and recovery if the untreated condition likely would result in incapacity for more than three (3) days; or
- incapacity related to pregnancy or prenatal care.

Amount of Leave

An eligible employee is entitled to take:

- Up to twelve (12) weeks of unpaid leave before or following the birth or adoption of a child; or
- Up to twelve (12) weeks of unpaid leave during any twelve (12) month period for the serious health condition of the employee or an immediate family member;

Military Family Leave Entitlements:

Qualifying Exigency Leave - Up to twelve (12) weeks of unpaid leave for certain qualifying exigencies arising out of a covered military member’s active duty status, or notification of an impending call or order to active duty status, in support of a contingency operation. Employees requesting this type of leave must provide proof of the qualifying family member’s call-up or active military service before leave is granted. “Qualifying Exigencies” are short-notice deployment, military events and related activities, childcare and school activities, financial and legal arrangements, counseling, rest and
recuperation, post-deployment activities, and additional activities agreed to by the employer and the employee.

Military Caregiver Leave - Up to a combined total of twenty-six (26) weeks of unpaid leave in a single 12-month period to care for a covered servicemember or veteran recovering from a serious illness incurred in the line of duty on active duty. Eligible employees are entitled to a combined total of up to twenty-six (26) weeks of all types of FMLA during the single 12-month period. Employees requesting this type of FMLA leave must provide certification of the family member’s or next-of-kin’s injury, recovery, or need for care.

Note: The twelve (12) month or twenty-six (26) month period begins with the first day of the employee’s first family and medical leave. Leave for the birth or care of a newborn or placement for adoption or foster care of a child must conclude within twelve (12) months of the birth or placement.

Intermittent Leave or a Reduced Work Schedule

An employee may take FMLA leave in consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under certain circumstances, may use the leave to reduce the work week or work day, resulting in a reduced work schedule. In all cases, the leave may not exceed a total of 12 work weeks (or 26 work weeks to care for an injured or ill servicemember over a 12-month period).

If medically necessary, CHT may provide employees with a reduced schedule or intermittent leave. In the case of a reduced schedule, CHT and the employee should discuss the type of schedule that would meet both the employee’s and the business’s needs. CHT will make the final determination regarding any reduced schedule.

If an employee requests an intermittent leave, the employee may be required to transfer to an alternative position (with equivalent pay and benefits) in order to better accommodate repeated periods of absence.

Notice

An employee who requests to use family and medical leave must apply in writing to his/her supervisor for approval by the Chief Administrative Officer/Human Resources Director with at least thirty (30) days advance notice of the need to take leave, if the need for leave is foreseeable. If an employee fails to give appropriate notice of a foreseeable leave, the leave may be delayed until the appropriate notice time is met. Note: Supervisors must bring all requests for leave to the Chief Administrative Officer/Human Resources Director.
If the need for leave is not foreseeable that far in advance the employee must give reasonable written notice as soon as possible - *usually within one (1) or two (2) days of learning of the need for leave.*

If the leave is for a planned medical treatment or for intermittent leave, the employee must make a reasonable effort to schedule the leave so that it does not unduly disrupt the operations of the employee's department.

Notice must be in writing and should include the reason for the leave, the date it is expected to begin, and its estimated duration. Once the Chief Administrative Officer/Human Resources Director receives and reviews the request, the employee will be given a written response within five (5) business days outlining the details of the leave, when/how to return to work, and notification of specific expectations and obligations related to use of FMLA, such as whether medical certification is required and the arrangements for employee payments of healthcare premiums during the leave.

** Note: If an unforeseeable illness arises, an employee must leave a message at the front desk and notify his/her supervisor as soon as possible, hopefully no later than one (1) hour after the start of his/her shift. An employee should personally speak with his/her supervisor unless the emergency situation prevents the employee from contacting her/his supervisor personally. If the employee is unable to contact his/her supervisor personally, the employee should designate another individual to contact his/her supervisor.

** Required Documentation of the Covered Family Member’s Active Duty or Call to Active Duty in the Armed Forces –** An employee requesting this type of servicemember FMLA leave must provide proof of the qualifying family member’s call-up or active military service. This documentation may be a copy of the military orders or other official Armed Forces communication from the U.S. Department of Defense.

** Required Documentation of the Need for Servicemember FMLA Leave to Care for an Injured or Ill Servicemember or Veteran –** An employee requesting this type of Servicemember FMLA leave must provide documentation of the family member’s or next-of-kin’s injury, recovery, or need for care. This documentation may be a copy of the medical information, medical certification regarding treatment, or other official Armed Forces communications pertaining to the servicemember’s or veteran’s injury or illness.

**Use of Paid and Unpaid Leave**

An employee may apply any accrued vacation, sick, or other paid time during this leave; accrued paid time off may not be used to extend the leave beyond twelve (12) weeks in any 12-month period. If an employee is eligible for short-term disability, s/he may not use short-term disability pay, long-term disability insurance, or worker’s compensation pay to extend the leave beyond twelve (12) weeks in any 12-month period, except to the extent required by law. Vermont PFLA and federal FMLA leave may be run concurrently.
While the employee is out on leave, all employee benefits shall continue under the same condition as when the employee was working, up until the end of the twelve (12) week leave period or up to the end of the twenty-six (26) weeks of Military Caregiver Leave, unless the employee would have been laid off or terminated had s/he continued to work or unless other conditions allowed by law apply. Coverage may cease if an employee fails to pay his/her portion of the cost of any of those benefits.

If an employee does not return to work at CHT at the end of their leave, except because of an employee’s own serious illness, s/he may be required to repay the value of any compensation or benefits paid during the leave except for the period when an employee has used accrued paid time off.

Certification

For any leave for a serious health condition that is expected to last three (3) days or more, CHT may require an employee to provide medical certification issued by a health care provider. Once CHT requests medical certification, it must be provided no more than fifteen (15) calendar days after the request or the beginning of the leave, whichever is later. The medical certification should include the date the condition began, its probable duration, an explanation of the condition, and documentation of the need for leave from work.

CHT may require an employee to provide an updated medical certification, particularly if a question arises about the need for continued leave. CHT may also require a “fitness for duty” certification from any employee, which certification must be provided prior to that employee’s return to work.

CHT reserves the right, at its expense, to obtain a second opinion by a health care provider of CHT’s choice. If that provider disagrees with an employee’s provider, a third opinion (by a provider jointly chosen by the employee and CHT) shall be final and binding.

Return to Work

Except in certain limited circumstances, employees returning from family and medical leave will return to the same job or one that is equivalent in pay, benefits, and other terms and conditions. If an employee is not eligible for reinstatement, notice will be provided upon request of the leave.

If an employee had already received or given notice that his/her employment would end or if during the leave the employee would have been laid off or terminated had s/he continued to work, s/he will not be reinstated.
CHT will reasonably accommodate any employee with a disability, released to return to work, in accordance with applicable laws.

If an employee fails to provide appropriate notice or medical certification as required above or does not return to work at the end of family/medical leave, the leave may be denied or employment terminated.

If the employee is not able to return to work at the end of the twelve (12) week family/medical leave or the twenty-six (26) weeks of Military Caregiver Leave, employment will terminate. However, if an employee is able to return to work in the future, s/he may apply for any suitable position for which he/she is qualified.

No Retaliation

CHT will not interfere with, restrain, or deny the exercise of any rights under FMLA. Employees who request family/medical leave or complain about FMLA or VPFLA violations may not be discharged or be subjected to retaliation or discrimination because of that action.

Short-Term Family Leave

In addition to the above leave, an eligible employee is entitled to the following short-term family leave:

- up to twenty-four (24) hours unpaid leave in any 12-month period, but not more than four (4) hours in any thirty (30) day period

for any of the following purposes:

- to participate in school activities related to the academic educational advancement of the employee’s child;
- to attend routine professional appointments or accompany the employee’s immediate family member to them;
- to accompany the employee’s parent, spouse or civil union partner, or parent-in-law to other professional appointments related to their care or well-being; or
- to respond to medical emergencies involving the employee’s immediate family member.

This leave will be unpaid and must be taken in minimum two (2) hour segments.

Employees must make a reasonable attempt to schedule appointments outside of regular work hours and must give at least seven (7) days prior notice of the need to take leave, except in an emergency. Employees may use any accrued paid time off during this short-term family leave.
Questions

While this policy attempts to address many of the issues that commonly arise, it cannot address every possible situation. To the extent permitted by law, CHT reserves the right to resolve issues not specifically addressed by this policy at its discretion. Therefore, if an employee has any questions about his/her rights, the process to follow, or any other matter about this policy, please contact the Chief Administrative Officer/Human Resources Director.

Unpaid Leaves of Absence

At the discretion of the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer or the Chief Executive Officer, an unpaid leave of absence may be granted to any employee for any purpose. All requests for an unpaid leave of absence must be in writing and submitted as far in advance of the requested leave date as possible.

No benefits will accrue, nor will insurances or other benefits be paid during the leave of absence. Employees may be entitled to continuation of health care as provided under COBRA.

If an unpaid leave of absence is granted, CHT will not hold an employee’s job position open or guarantee him/her a job on return. However, if a job position is available when an employee returns, s/he will resume all rights of seniority, benefit accrual, etc. as s/he had upon leaving.

Worker’s Compensation

CHT is covered under statutory state Workers’ Compensation Law. Should an employee sustain a work-related injury, he/she must immediately notify his/her supervisor and the Chief Administrative Officer/Human Resources Director.

In case of an emergency, the employee should go to the nearest hospital emergency room for treatment and then notify his/her supervisor and the Chief Administrative Officer/Human Resources Director.

Training and Education

Employees are expected to stay current on housing and community land trust issues, and this may require attending seminars relating to these issues. The opportunity for an employee to participate in training or educational programs related to the job will be made available at CHT’s discretion and will be based on business needs and financial
circumstances. Any employee who wishes to attend a training or educational program should request permission from his/her supervisor as far in advance as possible. S/he should be prepared to describe the content, location, and costs of the training as well as the benefit s/he feels it will have to his/her job performance. CHT may require requests to be made in writing.

Insurance

CHT has established a variety of employee benefit programs designed to assist employees and their eligible dependents in meeting the financial burdens that can result from illness and disability and to help employees plan for retirement.

CHT provides medical insurance benefits to its eligible employees. Full-time and part-time employees who work twenty (20) hours or more per week are eligible for insurance benefits. Employees' co-payment for insurance premiums is pro-rated based on salary and hours worked.

Employees may also elect to participate in CHT's Section 125 Plan - Flex Spending Plan for health care and dependent care reimbursements.

At its discretion, CHT also provides life insurance, voluntary dental insurance, and short-term/long-term disability insurance.

CHT reviews its benefits annually when coverage renewal occurs and will announce any changes to premiums, CHT's contribution percentage to premiums, employees' percentage contribution to premiums and coverage at that time.

Employees should refer to Summary Plan Descriptions and Plan Documents for detailed benefit descriptions and information. The Summary Plan Descriptions are available on the shared drive in the folder or from the Chief Administrative Officer/Human Resources Director.

An employee’s ability to participate in any of the benefits identified in this section will depend upon that employee’s individual eligibility, as set forth in the Summary Plan Descriptions and/or Plan Documents of each benefit.

Retirement

CHT offers a retirement plan to all eligible employees. Eligible employees themselves may contribute a fixed dollar amount or a percentage of earnings to the plan and may make changes to the contribution amount on the first day of the month as permitted by the plan document and governing regulations. Employer contributions are determined annually by the Board of Directors.
Employees should refer to Summary Plan Description and Plan Document for detailed benefit descriptions and information. These documents are available from the Chief Administrative Officer/Human Resources Director.

An employee’s ability to participate in CHT’s retirement program will depend upon that employee’s individual eligibility, as set forth in the Summary Plan Description and/or Plan Document associated with the current retirement program.

Grievances/Grievance Process

Any employee with a grievance arising from a violation of these policies should report the grievance in writing first to his/her supervisor within five (5) days of the action that gave rise to the grievance. The supervisor and the employee will meet and attempt to resolve the issue. The supervisor will then try to respond with his/her findings and resolution in writing within five (5) working days from the date of this meeting.

If the employee is not satisfied with the supervisor’s findings and resolution, s/he may appeal to the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer in writing within five (5) working days of receiving the supervisor’s findings and resolution. The Chief Administrative Officer/Human Resources Director or Chief Financial and Operating Officer will try to respond within five (5) working days to the employee’s concern, and the decision will be final.

Separation

Although CHT hopes that an employee’s employment relationship with CHT will be long-term, each employee is an employee-at-will. This means that either an employee or CHT may terminate this relationship at any time, for any reason, with or without cause or notice.

If an employee decides to resign, CHT requests that s/he provide at least two (2) weeks notice to help with a smooth transition of job responsibilities.

Upon separation, employees must return all keys and other property belonging to CHT including equipment, documents, and any other items they received during employment.

Employees may be entitled to continuation of health insurance benefits as provided by state or federal law (collectively referred to as COBRA).
Exit Interview

All employees will be asked to participate in an exit interview with the Chief Administrative Officer/Human Resources Director upon leaving CHT.

References

All inquiries regarding a current or former CHT employee must be referred to the Chief Administrative Officer/Human Resources Director.

Employees who would like to have CHT provide a business reference may be asked to complete a Reference Authorization Form.
Employee Acknowledgement

I acknowledge that I have received, read and understand Champlain Housing Trust, Inc.’s Employment Policies.

If I have any questions regarding these policies, I will direct those questions to the Chief Administrative Officer/Human Resources Director or the Chief Financial and Operating Officer.

I recognize that management may change any of the policies at its discretion, without prior notice to me.

I also understand that the policies do not create a contract between CHT and me and that I am and shall remain at all times an employee-at-will.

__________________________  ______________________________________

Date    Signature

________________________________________

Name (Please print name)
Reference Authorization

I authorize Champlain Housing Trust, Inc. (CHT) to convey any and all information, whether positive or negative, about my employment with CHT to any prospective employer who may contact CHT seeking a reference about me. I agree to hold CHT and its employees harmless for any information that is provided pursuant to this authorization. I understand that CHT will attempt to provide information it believes to be truthful and that this information may or may not be favorable to me.

I understand that CHT may decline to provide any or all information, at its discretion, and this authorization does not require CHT to respond to any inquiry.

I understand that I can only revoke this authorization by signing a written revocation and delivering it to the Human Resources Director of CHT. If I do revoke this authorization, I understand that CHT will only verify my dates of employment and job title, unless it is required by law to provide other information.

I agree that I understand this authorization and that I am signing it freely and voluntarily.

___________________   ______________________________________
Date     Signature

________________________________________
Name (Please print name)
Marketing Protocol for Champlain Housing Trust

The Champlain Housing Trust’s (CHT) Shared Equity Program posts information on their website (www.getahome.org) immediately after a home becomes available for marketing and sends out email notifications prior to any open houses (customers may subscribe on our website). All CHT customers considering purchasing a CHT resale home should visit this website to learn more about available properties. For each home, there will be an initial 7-day showing period beginning with the open house. During this period, showings will be conducted with any interested homebuyers and CHT staff will keep a list of all customers expressing serious interest. By the end of the initial 7-day showing period, each interested homebuyer must provide CHT staff with a pre-approval letter from a lender. If at this point there is only one eligible customer interested in the property, that customer will automatically have the option to purchase the home. If more than one eligible customer is interested in the property, the attached selection criteria will be applied to determine the order in which customers will be given the option to purchase the property. CHT staff will contact all interested homebuyers within one week to let them know the results. If there are no interested homebuyers at the end of the initial showing period, the property will become available on a first-come, first-serve basis.

Selection Criteria

1. Lowest percent of median income -1 point
   • The household that has the lowest percent of median income based on household size will receive one point. The household’s ratio of housing costs to gross income has to be 35% or lower to qualify for this point.

2. Credit score above 720 -1 point
   • All households with credit scores above 720 will receive one point.

3. Number of bedrooms matches household size -½ or 1 point
   • If the number of bedrooms matches the size of the household, the applicants will receive one point and if home size is only one bedroom over the needed number-the household will receive ½ point. This assumes 1.5 people per bedroom.

4. The applicant has a disability that requires the features of the property -1 point
   • If at least one member of the household has a disability and needs the features of the property (for example, 1st floor flat for a person with a mobility impairment), the household will receive one point.

5. Current Champlain Housing Trust tenant or homeowner -1 point
   • All current CHT renters or homeowners in good standing will receive one point.

6. Risk of displacement -½ point
   • Applicants will receive ½ point if they are at risk of displacement through no fault of their own, through condemnation or sale of property.

7. Actively seeking CHT properties for at least six months -½, 1 or 1½ points
   • Any household that has been actively seeking to purchase a CHT property will receive: ½ point for every six months (cap of 1½ points) from the time the Shared Equity Program application was submitted.

The household with the highest points will be selected as the buyer. In the event of a tie, the property will be offered to the household with the lowest median income based on household size.

Champlain Housing Trust applies Fair Housing standards to all of our programs and services, and is committed to providing equal access to our housing. For more information about Fair Housing please ask us for the CVOEO Fair Housing Project Booklet.
Eligibility Criteria for the Shared Equity Program

1. Attend the one-hour Shared Equity Program Information Meeting
2. Complete the Shared Equity Program Application (valid for six months)
3. Meet income and asset eligibility requirements
4. Attend the Homebuyer Education Workshop
5. Have a current pre-approval letter from a lender
6. Attend one-on-one counseling with a CHT counselor
7. Become a member of CHT (minimum $1 membership fee)
8. Not have ownership in another primary residence
9. Be able to contribute at least $1,500 of your own funds towards closing costs (typically up to $5,000)

Shared Equity Homeownership through Champlain Housing Trust

These eligibility criteria do not need to be met in any order; however, all must be met before a prospective buyer can close on a CHT home.

For more information, please contact the Homeownership Center at 802.862.6244, or visit us online at http://www.getahome.org
Champlain Housing Trust strongly supports the goals of equal access to housing and will comply with Title VI of the Civil rights Act of 1964; Title VIII of the Civil Rights Act of 1968; Executive Order 11063; and the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; Executive Order 11246 and with any State or Local law prohibiting discrimination in housing.

Champlain Housing Trust will not discriminate, deny any household the opportunity to apply for admission, or deny any applicant the opportunity to lease or rent a dwelling unit suitable to its needs if such is available; on account of age, race, color, disability, familial status, national origin, sex, sexual orientation, gender identity or gender-related characteristics or because the applicant intends to occupy the unit with minor children or because the applicant is a recipient of public assistance.

**TENANT SELECTION PROCESS**

**APPLICATIONS**

In order to be considered for a Champlain Housing Trust rental, a household must complete and submit a Champlain Housing Trust Rental Application to 88 King Street, Burlington, VT 05401. The application must be filled out completely and signed before it will be processed. If a section of the application does not apply, write “N/A” in the appropriate spot. Incomplete applications will be returned.

Applications may be picked up from all site offices and at the main office located at 88 King Street, Burlington, VT. Applications can also be accessed from the Champlain Housing Trust web site, www.getahome.org. Additionally, applications can be mailed to you by calling the Champlain Housing Trust main number at 863-5248 and requesting an application.

**ELIGIBILITY** APPLICANTS WILL BE DETERMINED ELIGIBLE IF THEY SUBMIT A COMPLETED APPLICATION AND MEET THE FOLLOWING REQUIREMENTS:

Applicants for LIHTC, HOME, PRAC, USDA RD, Section 8 New Construction/Substantial Rehabilitation, HoDag units, HOPWA, Shelter Plus Care, must satisfy the applicable income standards, program restrictions and household size restrictions relative to the size of the apartment.

Applicants for Market units, must satisfy applicable income standards and program restrictions (if any).

Only U.S. citizens or eligible noncitizens may receive assistance under Section 8, Section 236, Rent Supplement, RAP, and Section 202/8 programs.

Applicants must disclose social security numbers for all family members and provide proof of the numbers reported.
WAITLISTS

Champlain Housing Trust does not maintain waitlists for all rental properties, but for the ones with a waitlist, applicants are put on the waitlist for the unit size they are interested in in the date order the application is received. Once there is an available unit applicants will be called in the order they are listed on the waitlist. Applicants must meet all eligibility requirements at that time for the property and unit as described above in the Eligibility section.

Champlain Housing Trust may close current waitlist(s) for one or more unit size when the average wait is one year or more. In the event a waitlist is closed it will be published on the Champlain Housing Trust website.

In the event a previously closed waitlist will be re-opened Champlain Housing Trust will publish that on the Champlain Housing Trust website and at their offices.

INCOME LIMITS

All of these income limits are based on the median income for a metropolitan statistical area (MSA). This table shows the four income limits as a percentage of median income in an MSA.

<table>
<thead>
<tr>
<th>INCOME LIMIT</th>
<th>MEDIAN INCOME FOR THE AREA</th>
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<tbody>
<tr>
<td>Low-income limit</td>
<td>80% of median income</td>
</tr>
<tr>
<td>60% Limit</td>
<td>60% of median income</td>
</tr>
<tr>
<td>Very low-income limit</td>
<td>50% of median income</td>
</tr>
<tr>
<td>Extremely low-income limit</td>
<td>30% of median income</td>
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INCOME LIMITS BY PROGRAM

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<th>TYPE OF INCOME LIMIT</th>
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<tr>
<td>Section 8 (pre-1981)</td>
<td>Low, very low, and extremely low-income limit</td>
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<td>Section 8 (post-1981)</td>
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<tr>
<td>Section 202/811 PRACs, except those funded in FY 1995</td>
<td>Very low-income limit</td>
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<tr>
<td>Section 202/811 PRACs funded in FY 1995</td>
<td>Low-income limit</td>
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FULL TIME STUDENTS AND SECTION 8
A student enrolled in an Institute of Higher Education must meet at least one of the following requirements in order to be eligible for Section 8 assistance:

1) living with parents/guardian or
2) 24 or older or
3) a veteran of the United States armed services or
4) married or
5) has a dependent child or
6) can prove independence of parents including
   i) The parents did not claim the student on the most recent tax return and
   ii) The student has lived independent of the parents for at least one year or meets the Department of Education’s definition of an independent student and
   iii) Can legally sign a lease
7) is disabled and was receiving assistance as of November 30, 2005 or
8) has parents who are income eligible for the Section 8 program or
9) were ever a foster child

TEENANT SCREENING STANDARDS TENANTS WILL BE SELECTED FROM AMONG A POOL OF ELIGIBLE APPLICANTS WHO MEET ALL OF THE FOLLOWING SCREENING CRITERIA:

APPLICANTS MUST:

1) have a satisfactory credit report (We exclude medical bills and deferred student loans).

2) demonstrate satisfactory past performance in meeting financial obligations including but not limited to rent payment and payment of utility bills.

3) demonstrate ability to meet current and projected financial obligations. The applicant’s projected rent and utility payments must be under 50% of their gross annual income to be considered affordable.

4) provide verifiable Landlord References (other than relatives) are required. The applicant may not have a record of lease violations, disturbance of neighbors, destruction of property or housekeeping habits that may adversely affect the safety, health or welfare of other tenants.

5) have no criminal history of violent crimes, crimes against children or crimes that inhibit an applicant’s ability to live in multi-family housing.

In addition, any other criteria may be grounds for an application denial if Champlain Housing Trust determines it might be reasonably expected to affect the applicant’s ability to successfully fulfill the responsibilities of the lease.

Any applicant determined to have willfully made false statements on their application will be denied.

UNIT TRANSFERS A TENANT UNIT TRANSFER WILL BE DEEMED APPROPRIATE FOR ONE OR MORE OF THE FOLLOWING REASONS:

1) The household is under-housed
2) The household is over-housed
3) The household requires a first floor apartment in a building that doesn’t have an elevator
4) The household requires a flat apartment with no stairs

5) The household lives in a designated project based unit and is no longer eligible for the program

6) The household becomes eligible for a project based voucher and must move to a designated project based unit

7) The household is in a designated handicapped accessible unit and doesn’t need the features and there is a family in need of the accessibility features of the unit.

REQUIREMENTS:

All transfer requests must be made in writing and must be approved in advance by the Director of Property Management.

All transfer requests for medical and service animal reasons will need to include a “Reasonable Accommodation” form completed by their physician. This form can be obtained by your Property Manager.

Current tenants will be given priority over people on the wait list for that property if applicable.

Tenant must currently be a tenant in good standing and current on their rent.

VIOLENCE AGAINST WOMEN AND JUSTICE DEPARTMENT REAUTHORIZATION ACT OF 2005

Champlain Housing Trust will not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or other “good cause” for termination of assistance, tenancy or occupancy rights of the victim of abuse.

Champlain Housing Trust will not consider criminal activity directly relating to abuse, engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant’s family is the victim or threatened victim of that abuse.

Champlain Housing Trust may request in writing that the victim, or a family member on the victim’s behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified time frame may result in eviction.

APPEAL PROCESS

Champlain Housing Trust will mail written notice to any denied applicant specifying the reason for denial. A denied applicant has 14 days from the date the denial letter is sent to appeal the denial by sending a letter requesting an appeal to Champlain Housing Trust, 88 King Street, Burlington, VT 05401, attention the Appeal’s Officer. In the appeal letter the applicant must state the reasons why the applicant contends the denial was incorrect and should have been approved. No apartment will be held during this period, but if the denial is overturned, the applicant will retain his/her place on the waiting list.

FOR HUD SUBSIDIZED PROPERTIES

ENTERPRISE INCOME VERIFICATION SYSTEM (EIV)

HUD provides the Champlain Housing Trust with information about an applicant’s current status as a HUD housing assistance recipient. The Champlain Housing Trust will use the Enterprise Income Verification System to determine if the applicant or any member of the applicant household is currently receiving HUD assistance. Nothing prohibits a HUD housing assistance recipient from applying to this property. However, the applicant must move out of the current property and/or forfeit any voucher before HUD assistance on this property will begin. Special consideration applies to some dependents where members of two households share 50% custody.

If the applicant or any member of the applicant household fails to fully and accurately disclose rental history, the application may be denied based on the applicant’s “misrepresentation” of information.
BOARD OF DIRECTORS CONFLICT OF INTEREST STATEMENT

I, __________________________, certify that:

(Please Print)

(a) I have received a copy of the conflicts of interest policy and;
(b) That I have read and understand the policy and;
(c) I have agreed to comply with the policy and understand that the Champlain Housing Trust is a charitable organization and that in order to maintain its federal tax-exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

To be acknowledged annually.

Date________________________
Signed_______________________

Date________________________
Signed_______________________

Date________________________
Signed_______________________

**Please list any potential conflicts of interest you might have:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
CHAMPLAIN HOUSING TRUST
BOARD OF DIRECTORS
CONFLICT OF INTEREST POLICY

The purpose of this policy is to assure that all Champlain Housing Trust (CHT) Board members and committee members take no actions that create a conflict of interest or the appearance of such a conflict. In furtherance of this purpose:

1. A member of CHT’s Board of Directors or a member of a committee established by CHT’s Board shall disclose to the Board or the relevant committee any personal or professional interest, direct or indirect, in any matter or transaction being considered by the Board or relevant committee which the member has reason to believe might be in conflict with the interests of Champlain Housing Trust.

2. The member shall describe the nature of the conflict, shall refrain from voting on the matter or transaction, and shall recuse herself or himself from any discussion related to this matter or transaction.

3. If the member does not voluntarily recuse herself or himself, any Board member or committee member may request that the Board or committee determine whether the member with the potential conflict should be recused. Such determination shall be made by majority vote of the Board or committee without the member with the potential conflict present during the discussion and vote on the recusal. This vote shall be binding and shall result in the member’s immediate recusal.

4. The disclosure and the decision regarding the member’s voting shall be made a part of the record of the Board meeting or committee meeting.

5. A recused Board member or committee member shall not participate in, be present during the discussion of, nor vote on the matter or transaction in question, but shall be counted in determining the presence of a quorum at a meeting of the Board or committee.

6. Each Board member and committee member annually shall sign a statement which affirms that the person:
   a. Has received a copy of CHT’s conflict of interest policy,
   b. Has read and understood the policy, and
   c. Agrees to comply with the policy.

7. Each new Board member or committee member shall be given a copy of the conflict of interest policy and shall sign the statement referred to in the preceding paragraph.

The above Policy was approved by the Board of Directors on November 7, 2007.

[Signature]
Secretary
Champlain Housing Trust
Champlain Housing Loan Fund
Policies and Procedures Manual
April 2009
# Champlain Housing Trust
## Champlain Housing Loan Fund
### Policies and Procedures Manual

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MISSION
It is the Champlain Housing Loan Fund's mission to help homebuyers and homeowners with low and moderate incomes meet their credit needs to build and preserve equity through homeownership. This is accomplished through flexible lending, financial counseling, and referrals to partners with a shared mission.

The Loan Fund will provide loans and technical assistance to households that meet the eligibility and underwriting criteria described in this document, including the Product Addenda.

If applicants can qualify for financing from other lenders, staff may provide technical assistance to help homeowners secure financial assistance from those lenders instead of, and/or in addition to, financing from the Housing Loan Fund.

Purpose of Loan Fund Policies and Procedures Manual
The purpose of this *Champlain Housing Loan Fund Policies and Procedures Manual* (the "Policy Manual") is to provide information, guidelines, and rules for the internal governance of the Housing Loan Fund. It is intended for the sole use of Champlain Housing Trust. It is not intended to form part of, or to be read into, any contract, loan agreement, promissory note, mortgage, or other program document of the Housing Loan Fund and Champlain Housing Trust.

No persons except board members of Champlain Housing Trust, members of the HomeOwnership Committee described below, and staff of Champlain Housing Trust are entitled to rely on the provisions of this Policy Manual for any purpose whatsoever. This policy serves as guidance for the CHT HomeOwnership Committee and the Board of Directors.

It is Champlain Housing Trust's intention to balance financial sustainability of the Housing Loan Fund with meeting the needs of homebuyers and homeowners who do not qualify for conventional financing.

When feasible, operating revenue will be derived from interest from loan repayments, fee income, and grant funds. It is the loan fund's goal to diversify loan capital sources in order to reach the broadest market of nontraditional borrowers possible.

Part 1. Loan Policies

A. **Fair Lending Compliance**
Champlain Housing Trust shall comply with all federal and state laws and regulations pertaining to access to credit; lending; marketing; handling inquiries or interviewing applicants; taking applications for loan eligibility or a loan; evaluating and processing an application; reporting credit; approving or denying a loan; closing a loan; and collecting delinquent loan payments. These laws include at a minimum but are not limited to: the Equal Credit Opportunity Act, the Fair Housing Act, the Fair Debt Collections Practices Act, and the Right to Financial Privacy Act.

B. **Confidentiality**
All matters related to Housing Loan Fund applicants and borrowers shall be kept strictly confidential by CHT staff, except as permitted by lending laws.

C. Conflict of Interest
No member of the HomeOwnership Committee or a Committee member’s family or business partner may benefit directly from the Loan Fund while serving on the Committee, except as noted herein. Where potential conflicts of interest occur, Committee members shall refrain from relevant discussion and abstain from any voting that may occur. In the case of a Resident Member of the Committee who is requesting a loan that is recommended by staff to the Committee as a non-conforming loan, s/he shall not be present when his/her application is being considered by the Committee, and the decision of the Committee shall be subject to review and approval by the Board of Directors.

D. Loan Decisions
To conduct loan fund business, the HomeOwnership Committee shall convene as the loan committee during its regularly scheduled meetings. The Committee shall also have the authority to act on loan fund decisions through electronic methods of communication between regularly scheduled meetings.

Loans shall be categorized as conforming and non-conforming loans. Unless otherwise regulated by a loan capital source, conforming loans may be approved by staff when the application meets the underwriting criteria delineated in the staff underwriting manual, as approved on March 19, 2009.

Non-conforming loans deviate slightly from the underwriting criteria in the staff underwriting manual and must be approved by the HomeOwnership Committee. Deviations from underwriting criteria must be documented by staff in the loan analysis. The Loan Fund shall treat all applicants with deviations from underwriting criteria equally, in accordance with fair lending laws.

In the case of emergency loans, the Committee Chair shall have the authority to decide on a loan request in consultation with the loan fund manager or HOC director, with ratification by the whole Committee either electronically within 7 business days of the Chair’s decision, or at the next regularly scheduled meeting, whichever the Chair decides.

E. Loan Products and Permissible Uses of Fund
In general, the Loan Fund will strive to help homebuyers and homeowners achieve and sustain homeownership, as loan capital sources and operating revenues allow. Permissible uses of loan capital will vary and are product specific, as further defined in the Product Addenda to this Policy.

Loan products and pricing shall be a staff responsibility, with review and approval by the HOC committee. Borrowers may be charged fees, as further described in the Procedures section of this document and as established by the staff with review and approval by the HOC Committee in compliance with state and federal funding regulations and lending laws. The HOC Committee
shall make sure that loan product pricing and structure reinforces the loan fund's goal to balance fund sustainability with the need to deploy loan capital to a non-traditional customer base that needs for affordability and flexibility.

To achieve certain goals from time to time and in cases where public funds are provided for special purposes for a limited time, a portion of funds coming in to the loan fund may be structured as grants.

F. Delinquency and Collections
It is the Champlain Housing Trust HomeOwnership Center's policy to help homeowners sustain their homeownership status, build and preserve asset wealth through homeownership, and maintain financial success. Towards this goal, the loan fund staff shall pursue delinquent loan payments diligently, in compliance with fair debt collections practices. All loans shall be made with a promissory note and secured with a mortgage to the greatest extent that is financially feasible. Minimum amounts to be secured shall be established by staff, with Committee review and approval. The loan fund intends that all bad debt shall be recovered upon transfer of the property or death of the mortgagor, whichever transpires first, to the greatest extent possible.

Part 2. Procedures

A. Fund Priorities
The Loan Fund's products have specific purposes which are defined in the Product Addenda to, Investments/loans in neighborhoods or regions that complement a local or regional plan will be given priority when they have been approved and referred by the Champlain Housing Trust Board. When limited funds are available for housing rehab lending, priority will be given to essential health and safety items, weatherization, and core building systems.

B. Borrower Eligibility
Borrower eligibility criteria shall be determined by source of loan capital, or in cases where loan capital sources are silent on borrower eligibility, then criteria shall be established by staff with HOC review and approval. Specific product eligibility is defined in the Product Addenda to this Policy.

Staff may determine an applicant ineligible to apply for a loan if the applicant's financial circumstances deviate substantially from one or more underwriting criteria in the underwriting manual, or if the applicant requires a loan amount that exceeds loan limits. Applicants shall be determined ineligible without prejudice and may reapply for program eligibility at any time.

Eligibility for credit shall be limited to applicants that meet the following threshold criteria:
1. Applicant owns, or will own the property as the primary residence for which the loan is sought prior to or at simultaneous loan closings.
2. Applicant's household income shall not exceed specific loan product limits and in no case exceed 115% of the current HUD area median income adjusted for household size.

6/9/2009
Staff shall use the criteria in this Section, and the underwriting criteria described in Section C (as refined from time to time by other policies of the Board or the HOC Committee) to determine applicant eligibility.

If an applicant appears ineligible, staff shall make every reasonable effort to identify and document the actions the applicant needs to take to become eligible for a loan. When appropriate, staff shall offer the referrals to other funding sources and in-house financial counseling services, if the CHT HomeOwnership Center’s counseling capacity is adequate at the time.

All applicants who are denied eligibility shall be denied without prejudice and may resubmit an application at any time. Applicants who are denied may appeal the decision through the appeals process described in Section O.

C. Underwriting Standards
Staff shall base loan decisions upon a combination of need, ability to repay, and the following underwriting criteria, as further delineated in the loan underwriting procedures manual:

1. Credit: each applicant’s credit history will be thoroughly reviewed to demonstrate ability and willingness to repay debt and manage their financial affairs. At the discretion of staff, applicant may submit letters of explanation for areas of concern and alternative sources of credit, such as utility payments, to establish credit-worthiness.

2. Debt to Income Ratio: It is the Loan Fund’s goal to limit total debt ratio (housing costs plus consumer/student debt) to 45% of gross income, with housing costs (principal, interest, property taxes, and property insurance) consuming no more than 33% of gross income. In cases of hardship, as determined by the Committee, or in cases when the funded activities will result in energy savings, the ratios may be exceeded.

Student loans will be included in the debt ratio analysis, unless deferred for at least a year.

On a case-by-case basis, the Committee may exceed the debt ratio if an applicant is a co-signer on a loan for a family member. The debt ratio may be exceeded if the applicant can demonstrate that the main borrower can produce proof of loan payments being current and that no payments have been late in the most recent 12 months.

3. Loan-to-Value Ratio: in general, the Loan Fund will not lend on real estate where the total debt secured by the property exceeds 100% of the value of the property, or as specified in the Product Addendum. The Committee may exceed a loan-to-value ratio of 100% if an appraisal or acceptable form of documentation demonstrates that the scope of work will increase the property value in the first 12 months following rehab work, but in no cases shall the loan-to-value ratio exceed 105%. The Loan Fund reserves the right to have an appraisal conducted of the property, at the owner’s expense. Applicant files will contain the most recent local tax assessment figures, as documented by the loan officer.

4. Insurance: evidence of homeowner's insurance in an amount sufficient to cover the
amount of the replacement costs or all mortgages on the property whichever is highest, including the amount of debt secured by Champlain Housing Trust, will be required prior to closing. The insurance policy provider will be notified of the loan and the borrower will be required to add Champlain Housing Trust to the policy as a mortgagee.

5. At the borrower’s expense, it is likely that the Loan Fund will require evidence of marketable title (subject only to encumbrances deemed acceptable by the Committee consistent with this Policy Manual) in the form of an attorney’s title opinion. This requirement may be waived by staff for unsecured loans, or on a case-by-case basis in consultation with the Committee Chair.

D. Loan Amounts, Rates and Terms
From time to time, staff shall develop loan products to accomplish different goals and respond to changes in the economic climate. It is understood that loan products may have different pricing, loan limits, security requirements, and target markets. Staff shall maintain and keep current a description of loan products in the Product Addenda attached to this document.

In general, loans should be structured with a term not greater than 20 years. In cases where the applicant’s residual income demonstrates that they are not capable of making monthly payments, or on a case-by-case basis to accommodate other lending sources, the loan may be structured to delay the payments for a specific period of time or to make a deferred loan with simple interest.

E. Loan Security and Collateral Evaluation
All loans exceeding $3,500 shall be secured by a mortgage or a Uniform Commercial Code (UCC), unless otherwise dictated by the source of loan capital. The Committees may, at their discretion, secure loans under $3,500 with a mortgage or some other form of security. All security documents will be legally perfected.

If a loan is made in conjunction with other lenders, Champlain Housing Trust shall negotiate with the other lender(s) a satisfactory lien position.

F. Fees
For loans secured with a mortgage, borrower may include third party costs associated with the loan in the loan amount.

All loan products may charge third party fees or pass the costs of making the loan on to the borrower as allowed by state and federal laws and regulations. Such fees include but are not limited to: appraisal fees, recording costs, credit report fees, flood certification fees, points and/or standard origination/underwriting fees, mortgage broker fee, attorneys fees, flood certification fee, and historic preservation consulting fees as required by federal funding regulations.

G. Emergency loans
Emergency loans of up to $5,000 that constitute non-conforming loans may be made if there is an imminent threat to life or substantial property damage or when a situation makes the property uninhabitable (such as failure of a heating, plumbing, water source, and/or electrical system)

6/9/2009
If staff determine that the borrower has no viable alternative and the emergency repair need would cause the homeowner extreme hardship and/or jeopardize their safety, then staff will request oral approval from the Committee Chair, who shall have authority to approve such non-conforming loans, subject to ratification by the Committee at its next regularly scheduled meeting, or within 30 days. Emergency loans will be secured with a promissory note and/or mortgage deed, but will not require a title search.

H. Rehab Standards
The Loan Fund shall comply with all rehabilitation standards as required by funding regulations. At a minimum, HUD Section 8 Housing Quality Standards shall apply to all loans to the greatest extent feasible, without causing undue financial hardship to borrowers who are not using funds regulated by a state or federal agency.

I. Loan Processing Procedures and Document Requirements
Loan Fund staff and the Committee shall create and update, on a regular basis, procedures and forms to facilitate loan processing and fund management. Procedures shall be updated, reviewed and approved by the Committee, as needed. All procedures and forms must comply with requirements of all funding sources as well as any federal or state regulations.

J. Appeals
For matters relating to staff decisions made on loan applications or existing loans, applicant and borrower appeals shall be brought to the Loan Fund Manager and HomeOwnership Center’s attention for consideration at the next regularly scheduled Committee meeting. The Committee will review and decide upon the appeal and provide a final decision within 30 calendar days from the date when the borrower or applicant brings the appeal in writing to the Loan Fund Manager’s attention.
Appendix A
Product Addendum
Product Addendum
Product and Program Requirements

CHT Home Improvement Loans

Loan Amounts: Up to $20,000

Term: Up to 20 years, but not greater than term of priority loans, or deferred until transfer, sale, or refinance of the property

Target Population: CHT homeowners in F/GI/C counties

Income Limits: Up to 115% of area median income with priority given to households < 80% of median income

Requirements:
- funds must be used to address health and safety issues first
- priority given to Champlain Housing Trust homeowners

Permissible Uses:
- for home improvement loans in conjunction with purchase or at any time after purchase
- fees charged or costs passed on to borrower associated with Champlain Housing Trust loan closings, as permitted by state law

Loan Capital Source:
Vermont Housing and Conservation Board; Loan repayments (non-VCDP loan repayments only); NeighborWorks® America (or Neighborhood Reinvestment Corp) capital
Product Addendum
Product and Program Requirements

Community Development (CD) Housing Rehab Loan

Loan Amounts: Up to $25,000 for single-family residents; up to $10,000 for mobile homes

Term: Up to 20 years, or deferred until transfer, sale, or refinance of the property

Target Population: Homeowners in F/GI/C counties; City of Burlington residents excluded

Income Limits: up to 80% of area median income

Requirements (note: delete if these are in VCDP grant agreement):
- If the property is sold within 12 months from the date of the loan closing with Champlain Housing Trust, Inc., staff shall have the authority to adjust the rate on the note payable up to a rate of 8%, calculated in simple terms.
- CHT staff must coordinate with any municipality in northwest region that has repayments from VCDP grants, to utilize their funds along with Loan Fund capital on properties in their municipality.

Permissible Uses: Refer to current VCDP Grant Agreement for a complete description of allowed uses of program funds.

1. Used only for rehabilitation of the homeowner's primary residence and all systems that contribute to the health and safety of the home. At a minimum, the HUD Housing Quality Standards must be met in all homes receiving VCDP-funded loans.

2. Funds may not be used for outbuildings or attached structures except those necessary in a substantial way for the safety or health of the main residence.

3. Accessibility modifications for persons with physical disabilities;

4. Energy conservation improvements, weatherization, and alternative energy technologies, as determined by an audit conducted by a building performance professional certified by an acceptable industry institution;

5. Refinance of high cost mortgages up to 20% of loan-to-value ratio, in conjunction with energy conservation or weatherization. Only VCDP repayments will be used for the refinanced portion of the mortgage. New VCDP grant funds may be used for the weatherization/rehab work.

6. Abatement of lead-based paint, asbestos, or other environmental hazards permitted by HUD program regulations, and any costs associated with testing, inspection, work specifications, relocation and technical assistance provided by qualified personnel as
determined by Champlain Housing Trust;

7. Limited landscaping improvements as necessary in association with the above, to restore any disturbed grounds to their pre-construction condition, but not as a separate project or for cosmetic purposes;

8. Rehab work up to $10,000 for mobile homes located on land owned by the same person who owns the mobile home, or if home is located in non-profit owned mobile home park, and if the work is done for energy conservation purposes;

9. Costs of temporary relocation when determined necessary by Champlain Housing Trust staff and in compliance with federal Uniform Relocation Act regulations; and

10. Owner-occupied residential structures of one to four units are eligible for loans under the program’s regulatory framework and including but not limited to:

- All units will be inspected. If the rented unit(s) require(s) repairs, as determined by Champlain Housing Trust staff, those repairs will be included in the scope of work.

- Tenants will be required to meet below 80% of area median income eligibility standard.

- If the homeowner receives a deferred payment loan, the rent for the rented unit shall not be increased for 2 years. Champlain Housing Trust staff shall notify the tenant of this requirement and request that the tenant household notify the Champlain Housing Trust if it vacates the unit.

- If the homeowner receives an amortizing loan, the loan fund shall review the rent for the rented unit. The loan fund shall make a determination as to whether or not the homeowner will be required to cap the rent for any period of time upon commencement of loan repayments.

- When underwriting the property owner during the application process, staff will use 75% of the rental income towards total household income.

Loan Capital Source(s):
VT Community Development Program; VCDP loan repayments
Product Addendum
Product and Program Requirements

Physical Accessibility Modifications Loans

Maximum Amount: Depends on source of funds used for loan.

Term: 0% deferred loans until transfer or sale of the property

Target Population: Homeowners in F/GI/C counties; City of Burlington residents excluded

Income Limits: up to 80% of area median income

Requirements:
If loan is funded with proceeds from the VT Community Development Program specifically designated for home access in partnership with the VT Center for Independent Living, then the loan amount shall not exceed 50% of the total cost of modifications. VCDP funds will be matched 1:1 by VCIL with either funding or in-kind resources in the form of accessibility assessments or technical assistance.

If the loan is funded with Champlain Housing Loan Fund Program Income or proceeds from the City of St. Albans’ CD loan repayments, then the loan amount may cover the total cost of modifications.

Permissible Uses:
Physical accessibility modifications to any qualifying home in compliance with Section 8 Housing Quality Standards and all applicable building codes.

Loan Capital Source(s):
Vermont Community Development Program; City of St. Albans CD repayments for St. Albans residents only.
CHT BOARD Reimbursement Policy

Board members will be eligible for out-of-pocket expenses incurred in the course of their CHT duties as follows:

1. Mileage Reimbursement

2. Dependant care during meetings or other Champlain Housing Trust activities and events

3. Travel and meals for conferences

4. Parking reimbursement

Miscellaneous:
- Champlain Housing Trust will provide all materials for Board communications, such as fundraising (stamps, cards, notepaper, etc.)

- Champlain Housing Trust will provide food at Board meetings and Board committee meetings when requested

- Or any other comparable and reasonable accommodation that a Board member might need

Staff will provide Board members with standard reimbursement request forms.
Champlain Housing Trust
Organizational Policy
Regarding: Selection of Commercial Development Projects

Date of Adoption:

The Champlain Housing Trust will undertake the development of commercial properties under two circumstances:

1. When a redevelopment effort requires some portion of commercial space because of a downtown location or that the shape and/or size of a building to be redeveloped is inappropriate for housing.

2. As staff capacity allows, when approached by a non-profit agency that meets the following criteria:
   a. serves low and moderate income people especially homeless people.
   b. provides direct community service.
   c. has proven ability to successfully cover the operating costs or raise enough capital to reduce operating costs to a level that can be supported.
Champlain Housing Trust  
Organizational Policy  
Regarding: Selection of Development Projects

Date of Adoption: Feb. 9, 2011

The Champlain Housing Trust will meet its mission of providing affordable homeownership and rental housing opportunities and community development throughout Chittenden, Franklin and Grand Isle Counties through a process of selecting development projects following the criteria set-out below:

**Threshold Criteria:**
Projects must meet the following threshold criteria.

1. Proposed projects must be designed to fit-in to the existing neighborhood.

2. Utilities and infrastructure must be available. On-site septic and wells will be acceptable.

3. For “turn-key” projects where the project consists of purchasing completed homes from a private developer the following additional threshold criteria must be met before entering into a contract:
   a. All permits must be in hand.
   b. The seller/builder/developer must have a proven track record of capacity and experience to provide a quality product that meets all permit requirements, that is delivered on time, and that they fulfill all warranty obligations in a timely, professional fashion.

**Selection Criteria:**
Projects will be evaluated using a point system related to the following criteria:

1. Village Zone or Growth Center – A project will receive 10 points if it is located in a Village Zone or Growth Center and 5 points if it is walkable to such a center.

2. Infill site or redevelopment – A project will receive 15 points if it is infill development or the redevelopment of an existing building.

3. Density compared to neighborhood – A project will receive 10 points if it is more dense than the surrounding neighborhood; 5 points if it is as dense as the surrounding neighborhood; and no points if it is less dense than the surrounding neighborhood.

4. Proximity to amenities – A project that is less than 2 miles from amenities such as schools, public transportation, groceries, banks, and churches and other places of worship, will receive 10 points; within 2-10 miles from amenities will receive 5 points and over 10 miles will receive 0 points.
5. Geographic distribution – Because we want to provide affordable housing in all communities, a project in a town that has no subsidized affordable housing will receive 10 points; in a town with no subsidized project within 24 months will receive 5 points and in a town with a subsidized project within 12 months - no points.

6. Public Transportation – A project will receive 10 points if it is accessible to public transportation.

7. Market Demand – A project with an expected absorption rate of less than 6 months will receive 10 points. Over 6 months will receive 0 points.

8. Proximity to CHT managed properties – A project that is within 5 miles of other CHT managed properties will receive 5 points.

9. Community Development Goals – A project that meets other redevelopment goals for the community such as redeveloping an existing building or cleaning up a brownfields site will receive 5 points.

10. Dual Goal – A project that meets the dual goal of providing affordable housing and conserving open space will receive 5 points.

11. Community Support – A project that has community support in the form of the municipality applying for a VCDP grant or donating land will receive 10 points; a project in a community that has ordinances that encourage the development of affordable housing will receive 5 points.

Projects that receive scores of 75-100 will be automatically approved. Projects that score between 50-75 points will be reviewed by the Project Development Review Committee of the Board. Projects that receive less than 50 points will not be considered.
Champlain Housing Trust
Organizational Policy
Regarding: Site Specific Turn-key Homeownership Projects

Date of Adoption: June 6, 2007

The Champlain Housing Trust shall not enter into any contract to purchase existing or to-be-constructed single family or condominium homes from a builder/developer with the intention of selling those homes to homebuyers.

The Board of Directors may grant waivers of this policy on a case-by-case basis on the recommendation of the Project Development Review Committee of the Board.

The following conditions shall be reviewed at least annually on or about February 1st by the Project Development Review Committee of the Board of Directors in order for them to recommend withdrawing, amending or continuing to enforce this policy:

1. - The general strength of the CHT service area real estate market as evidenced by absorption rates;

2. - The amount, condition and prices of homes for sale in the CHT service area;

3. - The availability of subsidy resources for homes-for-sale.

4. - The balance of homes in the CHT portfolio with respect to age, condition and type.
Champlain Housing Trust  
Policy DRAFT 6-13-08

Policy Name: PROCUREMENT STANDARDS  
Policy #: 02-08  
Effective Date: July 15, 2008 Target date  
Department: All  
Commented: Department Heads, Managers  
Approved By: CEO ☒ COO ☒ CFO ☒ CAO ☒ Dept. Head ☐ NA  
Board Approval: Yes ☐ No ☐ n/a ☐ Date: Resolution #:  

This policy sets forth procurement standards for the purchases of goods, services and construction activities. The standards govern all purchases made by CHT acting as its sole agent or in partnership with others with one exception: this policy does not affect construction contracts undertaken in partnership with Housing Vermont. In addition, CHT policies will be consistent with the standards and conditions contained in contractual and grant agreement. All procurements will be made within the approved budgets for each Department.

Small Purchases
Small purchases are defined as any amount under $25,000.

Small purchases of under $1,000 can be made by authorized personnel from the various Departments. Small purchases of over $1,000 and up to $10,000 can be made under the authority of the Department Head. Small purchases for goods and services in excess of $1,000.00 and Construction in excess of $5,000.00 require multiple quotations. Purchases between $10,000 and $25,000 require the approval of the COO. Extraordinary small purchases of any amount not anticipated in the Department's budget must be approved by the COO.

Replacement Reserves Use
For properties when Housing Vermont is a co-General Partner, purchases of over $2,500 require the pre-approval from HVT. In emergency situations where health and safety is a factor, CHT will immediately address the issue and send HVT an approval form the next business day. CHT may proceed with a project if no decision is made by HVT within 4 business days.

For properties when CHT is the Owner, purchases of over $2,500 require the pre-approval from the COO.

For properties when VHFA is the lender, VHFA must approve all purchases. Construction in excess of $7,500 require multiple quotations and at least 3 estimates.

Competitive Bidding
Purchase awards for goods and services and construction of twenty-five thousand dollars ($25,000) or more should be made through competitive bidding through advertising or through solicitation of requests for proposals. Awards will be made to the lowest responsible and responsive bidder whose bid meets or exceeds the requirements set forth in the bid document.
Bid documents must be approved by the Department Head and the COO. The COO will approve all contracts for amounts over $25,000 upon the recommendation of the Department Head.

With the exception of procurement made in an emergency situation, purchase awards for goods and services and construction of over fifty thousand dollars ($50,000) or more must be approved by the Department Head and the COO in consultation with the CFO and must be approved by the Board of Directors.

Any exceptions to the policies as described above must be approved by the COO, and must be requested in writing. Exceptions may include:

**Emergency Procurement**
Emergency purchases of goods, services, or construction are made whenever situations or conditions arise which create a threat to health, welfare or safety. Emergency procurement is made with such competition as is practicable under the circumstances. Emergency procurements must be approved by the Department Head and the COO and will be reported to the Board at their next meeting.

**Sole Source Procurement**
Sole source purchases are made if the goods, services, or construction needed has a unique feature, characteristic, or capability essential for CHT to accomplish its work and when there is only one source available from which a particular good, service, or construction may be obtained. Sole source purchases are exempt from the normal competitive bid or proposal procedure of acquiring goods, services, or construction. Sole source awards must be approved by the Department Head and the COO in consultation with the CFO and must be approved by the Board of Directors if over $50,000.

**Procurement Exempt From Competition**
There are situations where procurement of goods and services by competitive means is neither practicable nor advantageous. Procurement exempt from competition must be approved by the COO in consultation with the CFO and must be approved by the Board of Directors if over $50,000.
KEY ORGANIZATIONAL VALUES

In carrying out our mission, the following key values guide our work:

- **Permanent Affordability.** CHT is committed to being the steward of a variety of permanently affordable housing options for low and moderate income persons, with a priority for our most underserved populations.

- **Community Control.** CHT believes in the democratic stewardship of assets through the community control of land.

- **Balanced growth.** CHT will grow to meet the needs of our service area with continued attention to our mission and values.

- **Accountability.** CHT is accountable to the communities we serve and our members through our Board of Directors.

- **Transparency.** CHT conducts our business, programs and activities with honesty, integrity and transparency.

- **Excellence.** CHT is committed to excellence and quality in all of our programs and services.

- **Diversity and Inclusiveness.** CHT highly values the involvement of members and constituents in our programs and activities, and will work towards diversity in our workforce, governance, and the people we serve. In keeping with this value, CHT seeks to exceed the legal requirements of Fair Housing Law in all relevant activities and programs to ensure the highest possible level of inclusion and cultural sensitivity.

- **Flexibility.** CHT will remain flexible so that we can meet our commitments in a changing world.
Fiscal, Environmental and Social Responsibility. CHT is fiscally and environmentally responsible so that it can sustain its assets and services while balancing social responsibility and reasonable risk-taking.

Employer of Choice. CHT is committed to employing the best workforce possible by providing competitive compensation and benefits, including a livable wage and a safe workplace for all employees.

COMPOSITION OF THE BOARD

The Board of CHT is elected by its membership. The Board represents three broad categories – 1) resident members from CHT rental, co-op and owner-occupied housing; 2) public members from the private, non-profit and governmental sectors; and 3) general members drawn from CHT’s service area. Board members have a duty to balance their advocacy for the group they represent with loyalty to the mission of CHT as a whole, and to bring forth the concerns and needs of their constituencies in order to inform and improve the board’s decisions with regard to programs, policies, development opportunities and strategic priorities.

GENERAL EXPECTATIONS OF CHAMPLAIN HOUSING TRUST DIRECTORS

Develop and implement organizational policies that implement the mission of the organization.
Participate in meetings of the full Board and two committees. Specifically, this includes:
- Making every effort to attend all Board and relevant committee meetings. If unable to attend, a Director should advise the meeting Chair or appropriate staff member.
- Preparing for meetings and staying abreast of Board and committee activities and decisions by reading minutes, staff reports and other meeting materials.
- Providing advice and comments whenever requested or otherwise appropriate.
- Volunteering for and willingly accepting assignments and completing them thoroughly and on time.
Understand CHT’s mission, strategic plan, values, programs and services by:
- Reading the material provided (staff reports, minutes, etc).
- Attending and/or participating in CHT’s program and activities.
- Attending Board orientations.
Contribute financially to CHT according to one’s ability.
Be alert to community concerns that can be addressed by CHT’s mission, objectives, and programs.
Help communicate and promote CHT’s mission and programs to the community.
Participate in fundraising activities (for example):
- Asking potential donors for funds in a manner that is comfortable for the Director. Not every solicitation must be face-to-face. In many cases, a simple written note will do.
▪ Participating in at least one evening of the Annual Community Campaign and Phonathon.
▪ Recruit participants for the monthly *HopeBuilders* Breakfasts, and attend one or more per year.
▪ Host an event or volunteer to help at one.

Suggest possible nominees to the Board who can contribute significantly to the work of the Board and CHT.
Attend annual meeting and resident picnic and make every effort to meet members and invite their input at these events
When necessary, participate in the selection of the CEO.
Oversee, counsel, support and evaluate the CEO as appropriate.

LEGAL RESPONSIBILITIES OF DIRECTORS

Nonprofit corporation law outlines standards of conduct and attention that a Director must meet in carrying out his/her responsibilities to CHT. These standards fall under the following categories:

*Duty of Care*: a Director must exercise reasonable care when he/she makes a decision as a steward of the organization. This includes:

- Maintaining independence and objectivity.
- Never accepting (or offering) favors or gifts from (or to) anyone who does business with CHT.
- Safeguard the financial security of CHT by understanding and participating in the control and transfer of funds including, but not limited to, developing the annual budget and ensuring that proper financial controls are in place.
- Reading and understanding CHT’s financial statements.
- Understanding CHT’s corporate organizational chart: subsidiaries, partnerships etc

*Duty of Loyalty*: a Director must give undivided allegiance and act in CHT’s best interest when making decisions.

*Duty of Obedience*: a Director is not permitted to act in a way that is inconsistent with the central goals of CHT. Thus, a Director should:

- Maintain confidentiality in keeping with the By-law provisions of Executive Session and the confidentiality policy.
- Be sensitive to even the appearance of a conflict of interest. Disclose any possible conflicts to the Board Chair in a timely fashion and abstain from voting on any related matters.
- If a Director wishes to publicly express a view differing from and/or in opposition to a CHT position, ensure that any comments are clearly identified as personal and not reflective of the organization’s views.
Summary of Corporate Requirements for
CHT, Inc. and Affiliated Corporations
Revised July, 2009

1. CHT, Inc.: (Vermont Non-Profit Corporation; 501(c) (3))

Fiscal Year: October 1 – September 30;
Annual Meeting of the Members: Required within four (4) months after the close of
the fiscal year (by February 1);
Notice of Annual Meeting of the Members: Written notice of meeting shall be given
to Members at least one month but not more than sixty (60) days before the date of
the meeting. Notice should include the date, time and place of the meeting and a
description of any matters which must be approved by the Members;
Purpose of Annual Meeting of the Members: Reporting to the Membership by the
Officers and the Board of Directors, election of Directors (not fewer than 12 nor more
than 15), and the transaction of other business;
Quorum of the Members: A quorum shall be established when 30 voting Members,
excluding proxies, are physically present at the meeting;
Annual Report: The Directors shall prepare a written Annual Report for the
Corporation outlining the nature and results of the Corporation's activities during the
preceding year, showing the financial condition of the Corporation, listing all land
and/or interests in land acquired by the Corporation during the preceding year and
the nature and purposes of all leases granted by the Corporation for use of the land,
and proposing a plan for Corporation activities during the coming year. Copies of the
Annual Report shall be made available to any Member of the Corporation upon
request;
Annual Meeting of the Directors: The Annual Meeting of the Board of Directors shall
be held no later than one day following the Annual Meeting of the Membership, in the
same location. Notice of this meeting shall be included in the notice of the Annual
Meeting of the Membership and sent to all Members of the Corporation;
Purpose of Annual Meeting of Directors: To elect Officers from among themselves;
Quorum of Directors: A quorum shall consist of a majority of the number of seats on
the Board, provided that at least one member from each of the Board’s three
categories of representatives is physically present. A quorum may be a majority of
the existing Board members for the sole purpose of filling vacancies;
Regular Meetings of the Directors: The Board of Directors shall hold regular
meetings at such times and places as the Board may establish. Notice must be
given to each Director at least one week prior to each regular meeting. Notification
may be by mail, telephone or in person;
Officers: The Officers of the Corporation shall include a President, Vice-President, a
Treasurer and a Secretary;
Minutes: Minutes of all meetings must be kept;
Reporting with the Secretary of State: A Biennial Report must be filed between
January 1 and April 1of every other year. Last Biennial Report filed 4/30/08.
2. Lake Champlain Housing Ventures, Inc. (Vermont Close Corporation)

Fiscal Year: October 1-September 30;
Annual Meeting of the Shareholders: To be held at the same time and place as the annual meeting for CHT, Inc.
Purpose of Annual Meeting of the Shareholders: To elect officers and conduct such other business as may then come before the Corporation;
Board of Directors: The Corporation is a close corporation and operates without a Board of Directors;
Officers: The officers of the Corporation shall consist of a President, a Secretary, a Treasurer, and such other officers as the Shareholders may deem advisable;
Reporting with the Secretary of State: An Annual Report must be filed within 21/2 months of the close of the Corporation’s fiscal year. Last Annual Report filed 9/30/08.

3. BCLT Depot, Inc. (Vermont Close Corporation)

Fiscal Year: Calendar Year;
Annual Meeting of the Shareholders: Not required unless one or more shareholders delivers written notice to the Secretary by April 15th following the close of the fiscal year;
Board of Directors: The Corporation is a close corporation and operates without a Board of Directors;
Officers: The officers of the Corporation consist of a President, Secretary, Treasurer and Assistant Secretary. The officers are elected by the shareholders. Each officer holds office until a new election, death, resignation or removal;
Reporting with the Secretary of State: An Annual Report must be filed within 21/2 months of the close of the Corporation’s fiscal year. Last Annual Report filed 12/31/08.

4. LC Marketplace Corporation (Vermont Close Corporation)

Fiscal Year: Calendar Year;
Annual Meeting of the Shareholders: Not required unless one or more shareholders delivers written notice to the Secretary by March 1st following the close of the fiscal year;
Board of Directors: The Corporation is a close corporation and operates without a Board of Directors;
Officers: The officers of the Corporation consist of a President, Secretary, Treasurer and Assistant Secretary. The officers are elected by the shareholders. Each officer holds office until a new election, death, resignation or removal;
Reporting with the Secretary of State: An Annual Report must be filed within 21/2 months of the close of the Corporation’s fiscal year. Last Annual Report filed 12/31/08.
5. BCLT Rental Development (Vermont Close Corporation)

Fiscal Year: July 1-June 30;
Annual Meeting of the Shareholders: Not required unless one or more shareholders delivers written notice to the Secretary by February 2nd following the close of the fiscal year;
Board of Directors: The Corporation is a close corporation and operates without a Board of Directors;
Officers: The officers of the Corporation consist of a President, Secretary, Treasurer and Assistant Secretary. The officers are elected by the shareholders. Each officer holds office until a new election, death, resignation or removal;
Reporting with the Secretary of State: An Annual Report must be filed within 21/2 months of the close of the Corporation’s fiscal year. Last Annual Report filed 6/30/08.

6. Lake Street Housing Corporation (Vermont non profit corporation; 501(c) (3))

Fiscal Year: October 1-September 30;
Members: The Corporation does not have any members;
Directors: The Corporation shall have 10 directors who must be made up of members of LCHDC’s (now CHT; see above note) Board of Directors or non-directors who have the approval of the CHT Board;
Annual Meeting of the Directors: Required to be held on the first Thursday in September of each calendar year at 9:00 a.m. at the offices of the Corporation, or such other date as the Board of Directors may from time to time determine;
Notice of Annual Meeting of the Directors: The President or his/her designee shall give notice to the Directors of the Annual Meeting. The notice shall state the time and place of the meeting. Notice can be delivered personally, left at the Directors home or business, or given by telephone at least 24 hours before the meeting. Notice can also be sent by mail to the Director’s address as it appears on the Corporation’s records at least 72 hours before the meeting;
Election of Directors: Directors are elected by a majority of the existing Board of Directors;
Purpose of Annual Meeting of Directors: to transact any business within the Board’s powers and to elect officers;
Quorum: Majority of the entire Board of Directors;
Officers: The Corporation shall have a President, a Clerk and a Treasurer all who are member of the Board. The Board elects officers. Officers serve for one year;
Minutes: Minutes of all meetings must be kept;
Amendment of Articles of Incorporation: As long as HUD holds a mortgage on the Corporation’s property, the Articles may not be amended without prior written approval from the Secretary of HUD;
7. South End Community Housing Corporation (Vermont Non profit Corporation; 501(c)(3))

Fiscal Year: Calendar Year;  
Members: The Corporation does not have any members;  
Directors: The Corporation shall have seven (7) directors four of which are appointed by the Board of Directors of Champlain Housing Trust, Inc. and three (3) of which are appointed by the Board of Directors of the King Street Neighborhood Revitalization Corporation;  
Annual Meeting of the Directors: The Articles of Association state that the Annual meeting is to be held on the third Sunday in September of each year. The Bylaws state that the Annual meeting shall be held on the first Monday in November. Typically, Articles trump Bylaws so you may want to amend one or the other.  
Notice of Annual Meeting of the Directors: The President or his/her designee shall give notice to the Directors of the Annual Meeting. The notice shall state the time and place of the meeting. Notice can be delivered personally, left at the Directors home or business, or given by telephone at least 24 hours before the meeting. Notice can also be sent by mail to the Director’s address as it appears on the Corporation’s records at least 72 hours before the meeting;  
Purpose of Annual Meeting of Directors: to transact any business within the Board’s powers and to elect officers;  
Quorum: Majority of the entire Board of Directors;  
Officers: The Corporation shall have a President, a Clerk and a Treasurer all who are member of the Board. The Board elects officers. Officers serve for one year;  
Minutes: Minutes of all meetings must be kept;  
Amendment of Articles of Incorporation: As long as HUD holds a mortgage on the Corporation’s property, the Articles may not be amended without prior written approval from the Secretary of HUD;  
Reporting with the Secretary of State: A Biennial Report must be filed between January 1 and April 1 of every other year. Last Biennial Report filed 3/31/2009.

8. Round Barn Housing Corporation (A Vermont Non profit Corporation)  
501(c)(3)

Fiscal Year: Calendar Year.  
Members: The Corporation does not have any members;  
Directors: The Corporation shall have six (6) directors two of which are voted for by the tenants of the Round Barn Housing Development in Grand Isle; three of which are appointed by the Board of Directors of Champlain Housing Trust, Inc. and the five (5) directors so elected/appointed shall appoint the last director from the Grand Isle community;  
Annual Meeting of the Directors: The Annual Meeting of the Directors shall be held at 10:00 a.m. on the first Saturday in February. The directors shall be elected/appointed at this meeting.  
Regular Meetings of the Directors: The Directors shall also attend regular meetings at 10:00 a.m. on the first Saturday of May, August and November.  
Notice of Annual Meeting of the Directors: The Bylaws do not contain a notice provision for the annual meeting. As a result, the Vermont non-profit act applies which states: No notice of regular meetings is required, unless the business to be
transacted is removal of a Board Member or approval of a matter which would require approval of the members if the corporation had members.

**Notice of Special Meetings:** Must be given five (5) days prior to date of meeting. Must be in writing and delivered in person, or by telegram or mail to the address specified for each Director in the corporation’s records.

**Purpose of Annual Meeting of Directors:** Elect directors and officers;

**Quorum:** Majority of the entire Board of Directors;

**Officers:** The Corporation shall have a President, one or more Vice Presidents, a Secretary, a Treasurer and any other officers as may be elected by the Board.

**Minutes:** Minutes of all meetings must be kept;

**Amendment of Articles of Incorporation:** Majority of Directors present at a regular or special meeting if at least two days written notice is given which includes intention to alter or amend the Articles or Bylaws;

**Reporting with the Secretary of State:** A Biennial Report must be filed between January 1 and April 1 of every other year. Last Biennial Report filed 5/31/2009.

9. Parkplace Housing Co-op (A Vermont Limited Equity Housing Cooperative)
   Terminated by Secretary of State as of June 6, 2008.

10. Queensbury Co-op (A Vermont Limited Equity Housing Cooperative)

    **Fiscal Year:** Calendar Year;
    **Annual Meeting of Members:** Required to be held in the City of South Burlington before the first day of June of each year at such time and meeting place as may be designated by the Board of Directors;
    **Notice of Annual Meeting of the Members:** The notice must be in writing and signed by the Chair or Recorder. It shall state the time and date and place where the meeting is to be held, and the purpose of the meeting. Notice may be delivered personally or mailed to each Member of the Corporation entitled to vote at such meeting not less than thirty (30) days before the meeting. If mailed, the notice shall be directed to each Member at her or his address as it appears on the share certificate book, unless she or he has filed with the Recorder of the Corporation a written request that notices be mailed to some other address, in which case it shall be mailed to the address designated in such request;
    **Purpose of Annual Meeting of the Members:** The election of Directors and such other business as may properly come before the meeting;
    **Quorum of the Members:** Members representing, in person or by proxy, a majority of the Members shall constitute a quorum;
    **Directors:** There shall be 7 Directors. Directors are elected by the Members at the Annual Meeting of the Members or at a special meeting called for that purpose by a majority of votes cast at such a meeting. Only Members of the Corporation are eligible to be elected as Directors. Their term of office shall be until the second Annual Meeting following their election and thereafter until their respective successors are elected;
    **Annual Meeting of the Directors** The Board of Directors shall meet at least once a year, immediately after the Annual Meeting of Members without notice. All meetings of the Board shall be open to the Members of the Corporation who shall be given an opportunity to be heard during Board discussion. However, upon a vote of a majority of the Board, the Board may enter into executive session;
Quorum: A majority of the Directors shall constitute a quorum; Officers: The Officers of the Corporation shall be a Chair (or President), Vice Chair (or Vice President), a Recorder (or Secretary), and a Treasurer. Officers shall be elected at annual meeting of the Board of Directors and shall serve until removed or until their successors shall have been elected;
Budget: The Board of Directors shall at least annually prior to the 1st day of November, prepare a budget of the common expenses for the Corporation's Property and determine the amount of common expenses payable by the Members. The Board of Directors shall submit each such budget, once approved, for review or approval as applicable by lending institutions or other agencies before a budget is considered duly adopted by the Board.
The Board of Directors shall promptly advise all Members in writing of the amount of common charges, or carrying charges, payable by each of them, as determined by the Board of Directors. The Board of Directors shall furnish copies of each budget on which such common charges are based to all Members;
Minutes: Minutes of all meetings must be kept;
Reporting with the Secretary of State: A Biennial Report must be filed between January 1 and April 1 of every other year. Last Biennial Report filed 12/31/07.

11. Thelma Maple Housing Co-op (A Vermont Limited Equity Housing Cooperative)

Fiscal Year: Calendar Year;
Annual Meeting of Members: Required to be held in the City of Burlington before the first day of April of each year at such time and meeting place as may be designated by the Board of Directors;
Notice of Annual Meeting of the Members: The notice must be in writing and signed by the Chair or Recorder. It shall state the time and date and place where the meeting is to be held, and the purpose of the meeting. Notice may be delivered personally or mailed to each Member of the Corporation entitled to vote at such meeting not less than thirty 30 days before the meeting. If mailed, the notice shall be directed to each Member at her or his address as it appears on the share certificate book, unless she or he has filed with the Recorder of the Corporation a written request that notices be mailed to some other address, in which case it shall be mailed to the address designated in such request;
Purpose of Annual Meeting of the Members: The election of Directors and such other business as may properly come before the meeting;
Quorum of the Members: Members representing, in person or by proxy, a majority of the Members shall constitute a quorum;
Directors: There shall be 7 Directors. Directors are elected by the Members at the Annual Meeting of the Members or at a special meeting called for that purpose by a majority of votes cast at such a meeting. Five (5) of the seven (7) Directors must be Members of the Corporation. No more than two (2) Directors may be non-Members who have specific skills or experience which the Members deem is of value to the Corporation. A Director’s term of office shall be until the second Annual Meeting following his/her election and thereafter until their respective successors are elected;
Annual Meeting of the Directors The Board of Directors shall meet at least once a year, immediately after the Annual Meeting of Members without notice. All meetings of the Board shall be open to the Members of the Corporation who shall be given an
opportunity to be heard during Board discussion. However, upon a vote of a majority
of the Board, the Board may enter into executive session;
Quorum: A majority of the Directors shall constitute a quorum;
Officers: The Officers of the Corporation shall be a Chair (or President), Vice Chair (or
Vice President), a Recorder (or Secretary), and a Treasurer. Officers shall be elected
at the annual meeting of the Board of Directors and shall serve until removed or until
their successors shall have been elected;
Budget: The Board of Directors shall at least annually prior to the 1st day of
November, prepare a budget of the common expenses for the Corporation's Property
and determine the amount of common expenses payable by the Members. The
Board of Directors shall submit each such budget, once approved, for review or
approval as applicable by lending institutions or other agencies before a budget is
considered duly adopted by the Board.
The Board of Directors shall promptly advise all Members in writing of the amount of
common charges, or carrying charges, payable by each of them, as determined by
the Board of Directors. The Board of Directors shall furnish copies of each budget on
which such common charges are based to all Members;
Minutes: Minutes of all meetings must be kept;
Reporting with the Secretary of State: A Biennial Report must be filed between
January 1 and April 1 of every other year. Last Biennial Report filed 12/31/07.

1.2. Rose Street Artists Co-op, Inc. (A Vermont Limited Equity Housing Cooperative)

Fiscal Year: Calendar Year;
Annual Meeting of Members: Required to be held in the City of Burlington before the
first day of July of each year at such time and meeting place as may be designated by
the Board of Directors;
Notice of Annual Meeting of the Members: The notice of the meeting shall be in
writing and signed by the Chair or Recorder. Such notice shall state the time and date
when and the place within the state where it is to be held, and the purpose of the
meeting. The Recorder, or the Directors in the case of the initial meeting, shall cause
a copy thereof to be delivered personally or mailed to each Member of the
Corporation entitled to vote at such meeting not less than thirty (30) days before the
meeting. If mailed, the notice shall be directed to each Member at her or his address
as it appears on the share certificate book, unless she or he has filed with the
Recorder of the Corporation a written request that notices be mailed to some other
address, in which case it shall be mailed to the address designated in such request.
Purpose of Annual Meeting of the Members: The election of Directors and such other
business as may properly come before the meeting;
Quorum of the Members: Members representing, in person or by proxy, a majority of
the Members shall constitute a quorum;
Directors: The number of the Directors of the Corporation shall be five (5)
individuals, elected at the Annual Meeting of the Corporation or at a special meeting
called for that purpose by a majority of votes cast at such a meeting. Only Members
of the Corporation are eligible to be elected as Directors. Their term of office shall be
until the second Annual Meeting following their election and thereafter until their
respective successors are elected; provided, however, that at the first Annual
Meeting only the three Directors receiving the highest number of votes shall be
elected to two year terms and the remaining three Directors to one year terms.
Annual Meeting of the Directors: The Board of Directors shall meet at least once a year, immediately after the Annual Meeting of Members without notice. All meetings of the Board shall be open to the Members of the Corporation who shall be given an opportunity to be heard during Board discussion. However, upon a vote of a majority of the Board, the Board may enter into executive session; The Board of Directors shall meet at least once a year, immediately after the Annual Meeting of Members without notice.

Quorum: A majority of the Directors shall constitute a quorum;

Officers: The Officers of the Corporation shall be a Chair (or President), Vice Chair (or Vice President), a Recorder (or Secretary), and a Treasurer. Officers shall be elected at the annual meeting of the Board of Directors and shall serve until removed or until their successors shall have been elected;

Budget: The Board of Directors shall at least annually prior to the 1st day of November, prepare a budget of the common expenses for the Corporation's Property and determine the amount of common expenses payable by the Members. The Board of Directors shall submit each such budget, once approved, for review or approval as applicable by lending institutions or other agencies before a budget is considered duly adopted by the Board.

The Board of Directors shall promptly advise all Members in writing of the amount of common charges, or carrying charges, payable by each of them, as determined by the Board of Directors. The Board of Directors shall furnish copies of each budget on which such common charges are based to all Members;

Minutes: Minutes of all meetings must be kept;

Reporting with the Secretary of State: A Biennial Report must be filed between January 1 and April 1 of every other year. Last Biennial Report filed 12/31/07.
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