

**MORTGAGE DEED  
(VHCB Grants)**

THIS MORTGAGE is given on this 1<sup>st</sup> day of December, 2004, by **Richmond Land Trust, Inc.**, a Vermont nonprofit corporation with an address of P.O. Box 605, Richmond, Vermont 05477 (the "Owner"), to the **Vermont Housing and Conservation Board**, a public instrumentality of the State of Vermont existing by virtue of 10 V.S.A. §311, with an address of 149 State Street, Montpelier, Vermont 05602 ("VHCB").

WHEREAS, pursuant to the Grant Agreements #2000-003 and #2002-011 between VHCB and Owner (the "Grant Agreements"), VHCB has provided grants in the amount of One Hundred Sixty-Five Thousand Dollars (\$165,000) (the "Grants") for the historic renovation of the West Monitor Barn and acquisition of the property located at 1949 East Main Street in the Town of Richmond, County of Chittenden, State of Vermont as more particularly described in **Schedule A** attached hereto and incorporated herein by reference (the "Property").

WHEREAS, Owner has agreed to maintain the Property in accordance with the Secretary of the Interior's Standards for Rehabilitation, 36 CFR 67; and Owner has agreed to provide regular public access to the Property for charitable, educational, cultural, recreational, or historic preservation purposes, and, VHCB has demanded that Owner mortgage the Property to VHCB as security for the performance of Owner's obligations under the Grant Agreements.

NOW, THEREFORE, in consideration of the foregoing, Owner does hereby mortgage, grant, and convey to VHCB, and its successors and assigns, with power of sale, the Property, together with all improvements, fixtures, easements and appurtenances now or hereafter located thereon, attached thereto or associated therewith.

TO HAVE AND TO HOLD said Property, with all privileges and appurtenances thereof, to VHCB, its successors and assigns, to its own use and behoove forever. And Owner, for itself and its successors and assigns, does covenant with VHCB and its successors and assigns, that until the ensembling of these presents it is the sole owner of the Property, and has good right and title to convey the same in the manner aforesaid, that the Property is **FREE FROM EVERY ENCUMBRANCE** except for encumbrances of record; and Owner does hereby engage to **WARRANT AND DEFEND** the same against all lawful claims whatever, except as aforesaid.

THE CONDITION OF THIS MORTGAGE is such that if Owner complies with all covenants and agreements contained in this Mortgage, then Owner shall not be liable for repayment of the Grants. If Owner does not comply with all covenants and agreements contained in this Mortgage, or upon foreclosure or transfer in lieu of foreclosure of a mortgage or lien superior to this Mortgage, then Owner shall well and truly pay or cause to be paid to VHCB: (i) the principal amount of the Grants and any other funds provided to Owner under the Grant Agreements or any amendments thereto; plus (ii) interest from the date of such default, foreclosure or transfer, at the highest judgment rate then applied by Vermont courts, until all amounts due hereunder have been paid in full.

RICHMOND, VT TOWN CLERK'S OFFICE  
Received for record  
December 1 A.D. 2004  
At 8 o'clock 50 minutes A.M.  
and recorded in Book 160 Page 340-345  
of Land Records.

Attest:  
*[Signature]*  
H557: Town Clerk

15622

In addition, Owner hereby covenants and agrees as follows:

Owner shall maintain the Property in accordance with the Secretary of the Interior's Standards for Rehabilitation, 36 CFR 67, attached hereto as **Schedule B**.

Owner shall provide VHCB and their successors or assigns with reasonable access to the Property to assure compliance by Owner with all the terms and conditions of this Mortgage.

Title to the Property shall be held by Owner or by an eligible nonprofit organization with tax exempt status under Section 501(c)(3) of the Internal Revenue Code approved by VHCB.

After rehabilitation of the West Monitor Barn, Owner shall ensure that the general public is provided with reasonable and regular access to the Property for charitable, educational, cultural, recreational, or historic preservation purposes.

Owner shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority lien over this Mortgage; provided that Owner shall not be required to discharge any such lien so long as Owner shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to VHCB, or Owner shall in good faith and with due diligence contest such lien in legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

Owner shall keep the Property in good repair, shall maintain the safety and structural soundness of buildings on the Property and shall not commit or permit waste, impairment, or deterioration of the Property.

Owner shall maintain extended coverage insurance on all improvements located on the Property at the then-current replacement value, and VHCB shall be a loss payee on said policies. Following a complete or substantial destruction as a result of casualty, and if rebuilding or reconstruction shall not be reasonably feasible within eighteen (18) months from the date of such casualty, then the insurance proceeds shall be payable to Owner and VHCB to the extent of their respective interests.

If Owner fails to perform any of the covenants or agreements contained in this Mortgage or defaults under any mortgage or other instrument to which this Mortgage is subordinated, or any action or proceeding is commenced which materially affects VHCB's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then VHCB, at its option and with notice to Owner, may make such appearances, disburse such sums and take such actions as VHCB shall deem appropriate to protect its interest, including, but not limited to, payment of delinquent taxes or insurance premiums, disbursement of reasonable attorney fees and entry upon the property to make repairs or to secure the same against unauthorized entry and/or the elements. Any amounts disbursed by VHCB pursuant to this paragraph shall become additional indebtedness of Owner secured by this Mortgage. Unless Owner and VHCB agree to other terms of payment, such amounts shall be payable upon demand, and shall bear interest from the date of disbursement at the highest judgment rate then applied by Vermont courts.

Any forbearance by VHCB in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the subsequent exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by VHCB shall not be a waiver of VHCB's right to accelerate the maturity of the indebtedness secured by this Mortgage.

Owner, however, shall not sell, convey, transfer, dispose of or further encumber the Property, any part thereof, or any interest therein, or agree to do so, except in accordance with the provisions hereof, without first obtaining the written consent of VHCB. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions. VHCB shall have the right to transfer or assign freely all or any part of its rights under this Mortgage.

If Owner shall default or fail, by action or inaction, to perform any of the covenants or agreements of this Mortgage, or if Owner shall default under any mortgage or other instrument to which this Mortgage is subordinated, then VHCB shall have the right, at its option, to declare all sums secured hereby immediately due and payable, initiate foreclosure, and pursue any other action or remedy provided for herein or otherwise, at law or in equity. In the event that VHCB shall initiate foreclosure or any other remedies permitted by applicable law, or if the holder of any mortgage or other instrument to which this Mortgage is subordinated shall initiate foreclosure, VHCB shall be entitled to collect all reasonable expenses and costs incurred in pursuing such remedies or protecting its interest in the Property, including, but not limited to, reasonable attorney fees, including fees in excess of two percent (2%) of the total amount found by the court to be due if the court finds such excess amount to be reasonable.

This Mortgage includes a power of sale pursuant to the provisions of 12 V.S.A. §§4531a et. seq. Where either party invokes the power of sale, the rights and duties of the parties shall be determined in accordance with said statutory provisions. If it shall be necessary to initiate any legal action to determine the person or persons legally entitled to any excess proceeds of the sale, then VHCB's cost of said action shall be deducted from the said excess and reimbursed to VHCB before its ultimate dispersal.

VHCB, by its acceptance of this Mortgage, covenants and agrees that it shall look solely to the Property for the satisfaction of any and all claims which it has against Owner hereunder, and VHCB shall not seek any deficiency or other judgment against Owner in the event that the Property shall be insufficient to remedy such default.

The covenants and agreements contained herein shall bind, and the rights hereunder shall inure to, the respective successors and assigns of VHCB and Owner.

IN WITNESS WHEREOF, Owner has caused this Mortgage to be executed by its duly authorized agent.

IN THE PRESENCE OF

Elizabeth M. Gam  
Witness

**Richmond Land Trust, Inc.**

By: Wright C. Preston, Chair  
Its Duly Authorized Agent

STATE OF VERMONT  
CHITTENDEN COUNTY, Ss.

At Richmond, Vermont, on this 1<sup>st</sup> day of December, 2004, personally appeared Wright C. Preston, duly authorized agent of the **Richmond Land Trust, Inc.**, and he/~~she~~ acknowledged this instrument, by him/~~her~~ sealed and subscribed, to be his/~~her~~ free act and deed and the free act and deed of the Richmond Land Trust, Inc.

Before me, Elizabeth M. Gam  
Notary Public  
My commission expires 2-10-2007

**SCHEDULE A**  
**PROTECTED PROPERTY**

Being two (2) lots of land and all improvements thereon, all as more particularly described as follows:

Being all of the land premises conveyed to the Richmond Land Trust, Inc., by Warranty Deed of Vermont Farm Bureau Service Company, Inc., dated May 11, 2000 and recorded on May 12, 2000 in Volume 115, at Page 159 of the Town of Richmond Land Records. The parcel may be more particularly described as follows:

A parcel of land containing 3.6 acres, more or less, situate on the northerly side of U.S. Route 2, and being more particularly described as follows:

Commencing at an iron rod set in the northerly sideline of the U.S. Route 2 right of way, which rod marks the southwesterly corner of the Grantor's land; thence proceeding in and along the westerly boundary of the Grantor's land N29° 55'00"E 292.47 feet to an iron rod set in the ground; thence deflecting to the right and proceeding S55° 14'00"E 177.60 feet to an iron pipe set in the ground; thence deflecting to the left and proceeding in and along the westerly boundary of the Grantor's land N31° 41'50"E 383.05 feet to an iron rod set in the ground; thence deflecting to the right and proceeding S03° 58'40"W 464.64 feet to an iron rod set in the ground; thence deflecting to the right and proceeding S27° 47'20"W 274.28 feet to an iron rod set in the northerly sideline of the U.S. Route 2 right of way; thence deflecting to the right and proceeding in and along the northerly sideline of U.S. Route 2 right of way N55° 41'40"W 402.56 feet to the point or place of beginning.

Said land and premises is depicted on a plan entitled: "Land to be Conveyed from Vermont Farm Bureau Service Company, Inc. to Richmond Land Trust, Inc., Route 2, Richmond, Vermont, December 1991" by T. Bass Land Surveys recorded in Map Hanger 8 at Page 58 of the Town of Richmond Land Records.

Also being all of the land premises conveyed to the Richmond Land Trust, Inc., by Warranty Deed of the Xenophon C. Wheeler Trust, July 26, 2002 and recorded on July 29, 2002 in Volume 131, at Page 589 of the Town of Richmond Land Records. The parcel may be more particularly described as follows:

Being a parcel of land containing 229.5 acres more or less, situated on the northerly side of U.S. Route 2 in the Town of Richmond, Vermont, said parcel depicted as Lot 3 on a Plan entitled "Plat of Survey for Xenophon C. Wheeler in the Town of Richmond, Vermont," drawn by John A. Marsh, dated July 31, 1987, as revised March 25, 1988, and recorded in Map 5, Page 50 of the Richmond Land Records. EXCEPT for a parcel of land, together with improvements thereon, containing 4.45 acres, as said parcel is depicted as Parcel One on a plat entitled "Plat Showing Survey of a Portion of David M. Sunshine and Diana Erickson, Richmond, Vermont" prepared by Button Associates, dated April 1, 1991 and recorded in Map Volume 6, Page 50 of the Town of Richmond Land Records.

Reference may be made to all of the above described deeds and records, and to the deed and records referred to therein, for a more complete and particular description.

**SCHEDULE B**  
**SECRETARY OF INTERIOR STANDARDS FOR REHABILITATION**

The Secretary of the Interior's Standards for Rehabilitation are ten basic principles created to help preserve the distinctive character of a historic building and its site, while allowing for reasonable change to meet new needs.

The Standards (36 CFR Part 67) apply to historic buildings of all periods, styles, types, materials, and sizes. They apply to both the exterior and the interior of historic buildings. The Standards also encompass related landscape features and the building's site and environment, as well as, attached, adjacent, or related new construction. The Standards are applied to projects in a reasonable manner, taking into consideration economic and technical feasibility.

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.