

**MORTGAGE DEED**  
**(Vermont Community Development Program)**

This Mortgage Deed (this “Mortgage”) dated effective as of \_\_\_\_\_, 2023, is entered into by Firehouse Apartments Limited Partnership, a Vermont limited partnership (“Mortgagor”) and the Town of Bristol, a Vermont municipal corporation (“Grantee” or “Mortgagee”).

DEFINITIONS

As used in this Mortgage, the words and phrases set forth below shall have the following meanings:

“Agency” means the Vermont Agency of Commerce and Community Development.

“National Objective” means the construction of twenty (20) new units of mixed-income housing of which sixteen (16) or 80% of units will be made available to and directly benefit low- and moderate-income households at or below 80% AMI.

“Project” means Mortgagor’s mixed-income housing development consisting of the Real Property together with one building containing 16 dwelling units and two duplex buildings consisting of 2 units each, and the appurtenances to, all constructed or to be constructed at 45, 47 and 75 Firehouse Drive in Bristol, Vermont.

“Real Property” means all of Mortgagor’s right, title and interest in and to the real property conveyed to Mortgagor by warranty deed from Subgrantee dated July 5, 2022 and recorded in Book 174 at Page 450 of the Bristol land records.

“Subgrant” means the subgrant of \$585,000 of VCDP funds from Grantee to Subgrantee pursuant to the VCDP Grant Agreement and the VCDP Subgrant Agreement.

“Subgrantee” means Addison County Community Trust, a Vermont nonprofit corporation of Vergennes, Vermont.

“VCDP” means the Vermont Community Development Program.

“VCDP Grant Agreement” means grant agreement # 07110-IG-2021-Bristol-16 between the Agency and Grantee dated as of November 19, 2021, as the same may be amended from time to time.

“VCDP Subgrant Agreement” means a certain VCDP Subgrant Agreement by and between Grantee and Subgrantee date on or about the date hereof.

GRANT OF MORTGAGE

1. Mortgage of Real Property. Mortgagor, in consideration of the Subgrant which has been contributed by Subgrantee to Mortgagor in accordance with and as contemplated by the VCDP Grant Agreement and the VCDP Subgrant Agreement, does freely give, grant, sell, convey and confirm to Mortgagee and its successors and assigns forever the Real Property TO HAVE AND TO HOLD such property unto Mortgagee, its successors and assigns forever, to secure to Mortgagee and its successors and assigns, performance of the obligations of Subgrantee under the VCDP Subgrant Agreement, subject, however, to the condition of this Mortgage described in Section 2 below.

2. Condition. The condition of this deed is that if Subgrantee and/or Mortgagor, or their successors or assigns, shall achieve the National Objective and shall have fully performed the obligations

of Mortgagee under the VCDP Subgrant Agreement through December 31, 2028, then the mortgage and security interest granted hereby shall be null and void, otherwise to remain in full force and virtue by law.

## COVENANTS OF TITLE

Mortgagor hereby covenants for itself and its successors and assigns, that Mortgagor is the lawful owner of the Real Property and has the right to grant a mortgage of the Real Property, that the Real Property is free from all monetary encumbrances except encumbrances identified in the Closing, Assumption and Priority Agreement dated July 5, 2022 and recorded in Book 174 at Page 496 of the Bristol land records, as amended by a First Amendment to Closing, Assumption and Priority Agreement dated as of August 11, 2022 and recorded in Book 176, Page 342 of the Bristol land records, and a Second Amendment to Closing, Assumption and Priority Agreement dated June \_\_\_\_, 2023 and recorded in Book \_\_\_\_, Pages \_\_\_ - \_\_\_ as the same may be amended from time to time, and that Mortgagor will warrant and defend the title to the Real Property against any and all lawful claims and demands whatsoever, except as aforesaid.

## GENERAL COVENANTS

Mortgagor, for itself and its successors and assigns, covenants as follows:

1. Payment of Governmental Charges. Mortgagor will pay all local, municipal, county, state and federal taxes and assessments, water rates, and other governmental or municipal charges, fines or impositions levied upon or against the Real Property, provided that in the event Mortgagor in good faith and with due diligence contests any such charge, fine or imposition in an appropriate proceeding, Mortgagor shall not be required to pay such charge, fine or imposition until a final determination is made in such proceeding.
2. Insurance. Mortgagor will maintain a policy or policies of insurance insuring the improvements now existing or hereinafter erected on the Real Property, against loss by fire or other hazards, casualties and contingencies as reasonably required by Mortgagee. In no event will the amount of such insurance be less than the replacement cost of the buildings constructed on the Real Property as part of the Project.
3. Protection of the Real Property. Mortgagor will keep the Real Property in as good or better repair, order and condition as it now is or hereafter may be put and will not commit nor permit any waste of the Real Property or any part thereof, except for reasonable wear and tear.
4. Condemnation. Any award of damages on account of any condemnation for public use or injury by public action to the Real Property shall be paid as required by the holders of debt secured by such property.
5. Mortgagee's Right of Inspection. Mortgagee and those claiming by, through or under Mortgagee pursuant to the VCDP Subgrant Agreement shall have the right to inspect the Real Property at reasonable times upon the giving of reasonable notice to determine whether Mortgagor is in compliance with the terms of this Mortgage. Mortgagee acknowledges that the Real Property will be used as the residences and no party will exercise its rights under this Section in a manner that will diminish those privacy of the residents or the quiet enjoyment of their dwelling units.

## DEFAULT AND REMEDIES

1. Default. If any of the following events of default shall occur without being cured within thirty (30) days from the date that written notice of such default is received by Mortgagor from Mortgagee, the Subgrant secured by this Mortgage shall be immediately due and payable.

Any one of the following events shall constitute an event of default:

(a) default by Mortgagor in the due observance or performance of any covenant, condition or agreement contained in this Mortgage;

(b) default by Subgrantee in the due observance or performance of any covenant, condition or agreement contained in the VCDP Grant Agreement or in the VCDP Subgrant Agreement; or

(c) default in the due observance or performance of any covenant, condition or agreement contained in any other mortgage and/or security agreement that encumbers the Real Property.

2. Remedies. If there shall be a default pursuant to ¶1 (a), (b), and/or (c) above, and such default is not cured within thirty (30) days after the provision written notice by Mortgagee to Mortgagor and Subgrantee, then Mortgagee, or its successors or assigns, may foreclose this Mortgage. In the event of the foreclosure hereof, either Mortgagor or Mortgagee may exercise its right to a power of sale pursuant to 12 V.S.A., Chapter 172, Subchapter 4.

3. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage, or otherwise at law or in equity, and may be exercised concurrently, independently or successively.

4. Forbearance not a Waiver. Any forbearance by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

#### GENERAL PROVISIONS

1. Notices. Notice, demand or request to Mortgagor under this Mortgage shall be given when delivered in hand to Mortgagor or five days after being mailed, by certified mail, postage prepaid, return receipt requested, to the following addresses:

Mortgagee: Town of Bristol  
Town Administrator  
PO Box 249, 1 South Street  
Bristol, Vermont 05443-0249

Mortgagor: Firehouse Apartments Limited Partnership  
100 Bank Street, Suite 400  
Burlington, Vermont 05401

With a copy to: Addison County Community Trust  
272 Main Street  
Vergennes, Vermont 05491

2. Future Advances. This Mortgage is not intended to and shall not secure the repayment of any and all future advances by Mortgagee to Mortgagor.

3. Successors and Assigns Bound. All covenants and agreements contained in this Mortgage shall be binding on and inure to the benefit of and be enforceable by the respective successors and assigns of Mortgagor and Mortgagee.

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

5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Vermont.

*[Remainder of Page Intentionally Left Blank; Signature Page Follows]*

IN WITNESS WHEREOF, the undersigned has executed this Mortgage Deed effective as of the date first set forth above.

FIREHOUSE APARTMENTS LIMITED PARTNERSHIP

By: Addison County Housing Group, LLC, its co-General Partner

By: \_\_\_\_\_  
Name: Elise Shanbacker  
Title: Duly Authorized Agent

FIREHOUSE APARTMENTS LIMITED PARTNERSHIP

By: EN 2021, Inc., its co-General Partner

By: \_\_\_\_\_  
Name: Kathy Beyer  
Title: Duly Authorized Agent

STATE OF VERMONT  
ADDISON COUNTY, ss:

At \_\_\_\_\_, Elise Shanbacker, the duly authorized agent of Addison County Housing Group, LLC, the co-General Partner of Firehouse Apartments Limited Partnership, personally appeared this \_\_\_\_\_, 2023, and she acknowledged her execution of the foregoing instrument to be her free act and deed, and the free act and deed of Addison County Housing Group, LLC and Firehouse Apartments Limited Partnership.

Before me,

\_\_\_\_\_  
Notary Public  
Print Name:  
My commission expires:  
Commission number:

STATE OF VERMONT  
CHITTENDEN COUNTY, ss:

At Burlington, Kathy Beyer, the duly authorized agent of EN 2021, Inc., the co-General Partner of Firehouse Apartments Limited Partnership, personally appeared this \_\_\_\_\_, 2023, and she acknowledged her execution of the foregoing instrument to be her free act and deed, and the free act and deed of EN 2021, Inc. and Firehouse Apartments Limited Partnership.

Before me,

\_\_\_\_\_  
Notary Public  
Print Name:  
My commission expires:  
Commission number: