

**SECOND AMENDMENT
TO THE
DECLARATION OF CONDOMINIUM FOR COLONIAL ESTATES DEVELOPMENT**

Pursuant to Article 15.1 of the Declaration, by affirmative vote of the requisite majority of the members of the Association, said members approved the following resolutions amending the Declaration and Exhibits establishing the Colonial Estates Condominium which were dated January 12, 2001 and recorded in the Town of Fairfax Land Records in Book 123, Page 63; as amended by amendment dated May 26, 2004 of record at Book 161, Page 108 of said Land Records (together, the "Declaration"), as follows:

1. Article 16 of the Declaration is deleted in its entirety and the following inserted in lieu thereof:

**ARTICLE 16
Rights Related to Mortgagees**

Section 16.1: **Limitations on Ability to Sell/Right of First Refusal.** Any right of first refusal in the Declaration shall not adversely impact the rights of a mortgagee or its assignee to:

- (a) Foreclose or take title to a Unit pursuant to the remedies in the mortgage;
- (b) Accept a deed or assignment in lieu of foreclosure in the event of default by a mortgagor; or
- (c) Sell or lease a Unit acquired by the mortgagee or its assignee.

Section 16.2: **Rights of Mortgagees and Guarantors.** The mortgagee and guarantor of the mortgage on any Unit in the Development shall have the right to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage or any property loss, condemnation or eminent domain proceeding affecting the common areas resulting in losses greater than ten (10) percent of the annual budget;
- (b) Any sixty (60) day delinquency in the payment of Assessments or charges owed by the owner of any Unit on which it holds the mortgage;
- (c) A lapse, cancellation, or material modification of any insurance policy maintained by the Association; and
- (d) Any proposed action that requires the consent of a specified percentage of mortgagees.

Section 16.3: **First Mortgagee's Rights Confirmed.** No provision of the Declaration or Bylaws shall give a Unit Owner or any other party priority over any rights of the First Mortgagee of the Unit pursuant to its mortgage in the case of payment to the Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements, or both. Furthermore, a majority of First Mortgagees shall have the following rights:

- (a) The right of a majority of the First Mortgagees to demand professional management; and
- (b) The right of a majority of the First Mortgagees to demand an audit of the Association's financial records.

Section 16.4: **Amendments to Documents.**

- (a) Any amendments of a material adverse nature to mortgages shall be agreed to by mortgagees that represent at least fifty-one percent (51%) of the votes of Unit estates that are subject to mortgages.
- (b) Any action to terminate the legal status of the project after substantial destruction or condemnation occurs or for other reasons shall be agreed to by mortgagees that represent at least fifty-one percent (51%) of the votes of the Unit estates that are subject to mortgages.

- (c) Implied approval shall be assumed when a mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

Section 16.5: **Unpaid Dues and Liens.** Any First Mortgagee who obtains title to a Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Unit's unpaid regularly budgeted dues or charges accrued before acquisition of the title to the Unit by the Mortgagee. If the Association's lien priority includes costs of collecting unpaid dues, the First Mortgagee will be liable for any fees or costs related to the collection of the unpaid dues, and shall be liable for all unpaid assessments which continue to accrue after the First Mortgagee obtains title. All taxes, assessments and charges which may become liens prior the first mortgage under local law shall relate only to the individual Unit and not to the Project as a whole.


Section 16.6: **Priority.** In the event of a conflict between this Article of the Declaration and the provisions in any other section of this Declaration, this Article shall control.

Section 16.7: **Approval of Amendments Required by FNMA, FHLMC & VA.** The Declaration and Bylaws may be amended by affirmative vote of a majority of the Board of Directors of the Association at any regular or special meeting without further action of the Unit Owners or mortgagees where such amendment is solely necessary in order to comply with the requirements of the Federal National Mortgage Association (hereinafter "Fannie Mae" or "FNMA"), the Federal Home Loan Mortgage Corporation (hereinafter "Freddie Mac" or "FHLMC"), and/or the Veterans Administration (hereinafter "VA"). The Board of Directors is hereby designated as proxy for all of the Unit Owners and mortgagees to adopt such amendments and to authorize one or more of the officers of the Association to execute any and all documents necessary and proper to accomplish such amendment.

2. Except as specifically amended and/or restated hereinabove or as required by the Act, the Declaration shall remain in full force and effect.

The undersigned hereby certifies that as of the 26th day of July, 2013, the foregoing is a true and accurate copy of the Second Amendment to the Declaration of Condominium for Colonial Estates Development as adopted by resolution at a duly called and noticed meeting of the Association held on the 26th day of July, 2013 at which a quorum was achieved and the foregoing passed by at least sixty-seven (67) percent of the votes cast and that as of the date hereof, these resolutions have not been modified or rescinded and remain in full force and effect.


Colonial Estates Condominium Association, Inc.

By: 

President and Duly Authorized Agent

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

At Williston, in said County and State, this 26th day of July, 2013, personally appeared Jennifer Michelle, President and Duly Authorized Agent of the Colonial Estates Condominium Association, Inc., and they acknowledged the within instrument, by them subscribed, to be their free act and deed and the free act and deed of the Colonial Estates Condominium Association, Inc.

Before me,  Julie Ruby
Notary Public
Commission Expires: February 10, 2015

