

Governor's Island Club, Inc.
Guidelines on "Additional Living Unit" Approvals and
Conditional Approval Notice

The Board of Directors (the "Board") of Governor's Island Club, Inc. ("GIC" or the "Corporation") is responsible for approving all building construction on a homesite (a "Homesite" or a "Lot"), as well as all lot line adjustment, easements, rights of way and roads. The Corporation's Declaration of Covenants and Restrictions (the "Covenants") sets forth the general process by which owners may submit a plan for building construction, renovation, or remodeling.

Reviewing and approving construction plans is a critical Board responsibility. To discharge this responsibility efficiently and consistently, the Board formed the Land Use and Construction Committee (the "Committee"). Additionally, the Board developed and published on the GIC website a Project Approval Form to help guide residents who wish to apply for construction on Governor's Island (the "Island").

Today the Board is publishing a new document, the Conditional Approval Notice, which has already been used with several recent projects where residents have submitted plans to build or improve an additional structure on an Island lot.

The Conditional Approval Notice, a copy of which is set forth as Attachment A below, will be added to the GIC website and used on applicable projects going forward. The Board may modify the Conditional Approval Notice in the future as we gain experience with this process.

To further improve the efficiency and transparency of GIC's building approvals, the Board is today publishing the following Q and A to explain the Committee's approach to reviewing applications for additional living units as well as the use of the Conditional Approval Notice.

Why is the Board putting out this Q&A?

- The Board is concerned that the number of Additional Living Units on the Island will proliferate. While certain structures plainly comply with the Covenants, there is necessarily a level of interpretation needed when applying the Covenants to projects that may not neatly fall under a clear "approval" or "disapproval" when reviewing specifics of a projects against the terms of the Covenants. The Board strives for consistency, as the future of the Island depends on today's decisions, and it is our hope that this Q and A provides additional transparency so all interested residents can better understand how the Board approaches this important issue.

Is the board trying to change the meaning of the Covenants with this Q&A?

- No. Over time, the Committee (on behalf of the Board) has developed informal, internal guidelines to ensure that construction approvals are fair and in keeping with both the requirements and the spirit of the Covenants. To the latter point, the Committee looks to the language of the Covenants, which provides that proposed construction should be "in harmony with the design of surrounding structures and with the environment and topography of the surrounding land." The goal of this document is to share the Board's working definitions and

interpretations of the Covenants, particularly around the meaning of “attached”, “Living Unit” and “Outbuilding”.

Where can I find the operative language in the Covenants that covers Additional Living Units?

- Covenant III.B. explains what an Additional Living Unit is and sets out the restrictions on use. Other provisions include relevant definitions. Here is the full provision of Section III.B:

“Additional Living Unit. An apartment may be added as an adjunct to a Living Unit for relatives of the family or for live-in help if such use is permitted by zoning ordinances. Such apartment shall not be converted to rental use. No such Additional Living Unit shall be permitted in an Outbuilding or other structure which is not attached to the main Living Unit.”

So an Additional Living Unit must be attached to the main Living Unit--but what does “attached” mean?

- Historically, the Board has evaluated plan applications on a case-by-case basis—and admittedly, the definition of attached has evolved over time. However, for several years the Board has believed that in order for an Additional Living Unit to be considered attached, it must have a full interior wall in common with the main dwelling and may not be simply connected by a breezeway, pergola, underground foundation, or the like.

What type of additional structure can I build on my property, assuming it’s not attached to the main Living Unit?

- In general, the Board is concerned that a proliferation of additional structures/buildings is not in harmony with the environment and topography of the Island and presents density issues that affect the aesthetics and enjoyment of the Island. However, the Covenants provide that “[o]utbuildings, not designed as Living Units, such as a garage or tool shed, may be constructed on a Homesite with the Board of Directors’ authorization.”

The Board believes that new, additional buildings should generally be discouraged, though a small shed, garage or other single-story structure may be approved in some circumstances.

On a lot that already has an outbuilding, the Board will consider proposals from an owner seeking to improve or renovate his or her outbuilding and/or main structure, provided the proposed improved or renovated structures are in keeping with Section III.B of the Covenants (as outlined in this Q&A).

So how can I tell if an outbuilding is “designed as” a Living Unit? What’s the line between a permitted outbuilding and an impermissible Additional Living Unit?

- As with the definition of “attached”, the Board’s interpretation of Living Unit has developed over time as the Board reviewed submitted plans on a case-by-case basis. The Board believes

that, to fall outside of the definition of Living Unit, a building can have at most one bedroom and one bathroom, and no kitchen. In addition, the one bathroom is limited to appropriate plumbing and fixtures, which means one hand sink, one toilet and one tub/shower. Finally, stoves and are not permitted in outbuildings. In other words, if a detached outbuilding has more than one bedroom and one bathroom, a stove, laundry facilities or plumbing/fixtures (other than standard bathroom plumbing in the one bathroom), the Board believes that this outbuilding meets the definition of Living Unit. Consequently, the plans would not be approved unless the structure is attached by a common interior wall and is the only Additional Living Unit on the property.

Why does the Conditional Approval Notice include a prohibition on rentals? Isn't that already covered in the Covenants?

- Under the Covenants, a Living Unit may be rented or leased for a minimum of thirty days and an Additional Living Unit (that is, an attached apartment approved for relatives or live-in help) cannot be rented at all. The language regarding rentals in the Conditional Approval Notice simply reinforces the importance of these protections and reminds the applicant of the limitations.

Why does the Conditional Approval Notice include a potential fine of up to \$500 per day for violations of the notice?

- The Board approves outbuildings through the Conditional Approval Notice in reliance on statements from residents. Over time, as ownership passes to new residents and memories fade regarding commitments and responsibilities, an enforcement mechanism will aid the Board in protecting the Island on behalf of all residents. Of course, the Board is hopeful that it will never be necessary to impose fines under this provision.

CONDITIONAL APPROVAL NOTICE

[date]

[resident address]

RE: [Address, Deed Reference]

Dear []:

Please allow this letter to serve as formal notice to [resident] of conditional approval of the plans dated [] to construct a residential home and plans dated [] to construct a [description of outbuilding] at the above-referenced property on Governor’s Island in Gilford, New Hampshire, pursuant to Article III of the Declaration of Covenants and Restrictions for Governor’s Island Club, Inc. (rev. 6/27/1992).

The above-referenced plans were formally approved by a majority vote of the Land Use Committee of Governor’s Island Club, Inc. subject to acceptance of the other conditions set forth in this letter. This does not alleviate the Owner from obtaining any other Town, State, or Federal permits that may be legally required to complete this project. _____initials

I, [resident], understand that the Declaration permits apartments only for relatives or live-in help, restricts any rentals of same, and further provides that “[n]o such Additional Living Unit shall be permitted in an Outbuilding or other structure which is not attached to the main Living Unit.” Declaration III, B. _____initials

In acceptance of the conditional approval for construction on my Homesite in accordance with plans submitted to the Board of Directors, and in addition to any other requirements set forth in such approval, I, [resident], hereby warrant and attest as follows:

1. A structure/outbuilding on the Homesite in addition to the main Living Unit, if any, will meet all of the following conditions:
 - A. No more than one bedroom;
 - B. No more than one bathroom;
 - C. No plumbing or fixtures other than standard bathroom plumbing in the bathroom (if any), which means one hand sink, one toilet and one tub/shower (if desired); and
 - D. No stove.

2. If a structure/outbuilding on the Homesite in addition to the main Living Unit does not meet all conditions specified in paragraph 1, the additional structure must be attached by a full interior wall in common with the main Living Unit and may not be simply connected by a breezeway, pergola or the like.
3. No additional structure or living units, regardless of the contents within same shall be rented out in exchange for monetary or nonmonetary compensation.
4. The Board of Directors may impose a fine of \$500 per day per violation in the event of a violation of the provisions of this Notice. Said fine may be applied retroactively to the date of violation with evidence of same. _____initials

I, [resident], acknowledge and agree that if the Declaration of Covenants and Restrictions is amended, that the more restrictive provisions as between this Notice and the Declaration shall apply, unless this Notice is modified by mutual consent. _____initials

I, [resident], acknowledge that this notice of decision and the restrictions and conditions contained herein shall be binding on my heirs and assigns, and **shall run with the land**, thereby binding all future owners of the above-referenced property. _____initials

If this approval and its conditions are acceptable, **please initial** in the spaces provided throughout this document and sign on the signature page below, returning the original signed and notarized document to the Board at the below address, retaining a copy for your records:

Governor's Island Club, Inc.
 c/o Wescott Law
 28 Bowman Street
 Laconia, NH 03246

This Notice is subject to recording fees, which shall be the responsibility of the applicant.

THIS APPROVAL IS CONDITIONED ON GOVERNOR'S ISLAND CLUB, INC. RECEIVING THE FULLY EXECUTED AND INITIALED ORIGINAL NOTICE OF DECISION, WHICH SHALL BE RECORDED AT THE BELKNAP COUNTY REGISTRY OF DEEDS.

 [], President

 Date

Governor's Island Club, Inc.

I understand and accept this approval and the conditions, waivers and other considerations noted above.

[RESIDENT]

[resident]

Date

STATE OF _____

County of _____

On this the ___ day of _____ 2021, before me, the undersigned officer, personally appeared [resident] known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that s/he has executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Before me,

Justice of the Peace/Notary Public