

SECOND AMENDED AND RESTATED

DECLARATION OF COVENANTS, EASEMENTS, CONDITIONS

AND RESTRICTIONS

FOR

THE STOWE CLUB PROPERTY

BY

ROBINSON SPRINGS PARTNERSHIP, DECLARANT

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AND RESTRICTIONS  
FOR  
THE STOWE CLUB PROPERTY  
BY  
ROBINSON SPRINGS PARTNERSHIP, DECLARANT

THIS SECOND AMENDED AND RESTATED DECLARATION, made this  
2nd day of September, 1993, by Robinson Springs Partnership, a  
Vermont partnership (the "Declarant").

WITNESSETH:

WHEREAS, the Declarant is the owner of certain property rights and interests in real estate in the Town of Stowe conveyed to it pursuant to a Warranty Deed, dated March 31, 1992 of Chittenden Trust Company, recorded in Volume 237, Page 335 of the Land Records of the Town of Stowe, the boundaries of which are depicted on four site plans and/or subdivision plats (the "Plan") entitled:

Robinson Springs Partnership  
at Stowe Club, Stowe, Vermont

prepared by Trudell Consulting Engineers, Inc., recorded in Map Book 9, Pages 101-104 of the Land Records of the Town of Stowe (the "Land") commonly known as the Stowe Club Property; and

WHEREAS, the Declarant's predecessor caused to be recorded in Volume 130, Page 323 of the Land Records of the Town of Stowe, a Declaration of Covenants, Conditions and Restrictions, applicable to the Land, and also recorded an Amended and Restated Declaration of Covenants, Easements and Restrictions recorded at Volume 143, Page 18 of the Stowe Land Records; and

WHEREAS, the Declarant intends that residential dwellings be constructed on portions of the Land, some of which consist of traditional subdivision lots except for the Meadow Lot and some consisting of Village House Lots, referred to collectively as "Lots", and some of which will consist of duplex condominium Town Houses, so-called, and which may share walls and other common elements, referred to as "Units" (each as hereinafter defined), and Declarant intends to construct a hotel and conference facility on Parcel I referred to as "Hotel Parcel", subject to and with the benefit of the covenants, easements, restrictions, charges and liens hereinafter set forth, each and all of which is and are for the benefit of each owner of a residential dwelling thereon and any other Lot owner; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of values and amenities, to create an entity to which will be delegated and assigned the powers of maintaining and administering the Common Elements and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the entire Stowe Club Property depicted in the Plan is a Resort Planned Unit Development and must be controlled and managed by a single entity; and

WHEREAS, the Land is subject to and benefited by certain other easements, restrictions, covenants, permits and conditions as set forth in the Warranty Deed to Declarant by Chittenden Trust Company and certain other permits which of record appear and zoning bylaws; and

WHEREAS, the Stowe Club Owners Association, Inc. (the "Owners Association") has been established to maintain and

administer the Common Elements and covenants and restrictions;  
and

WHEREAS, the Owners Association has joined in this Second Amended and Restated Declaration and hereby assumes and shall perform the obligations described herein; and

WHEREAS, Declarant plans to complete the development in substantial conformance of the Land pursuant to certain plans of Trudell Consulting Engineers, Inc. which may be amended from time to time;

NOW THEREFORE, the Declarant hereby declares that the Land shall continue to be held, transferred, sold, conveyed and occupied subject to and with the benefit of the following covenants, restrictions, easements, charges and liens, in full substitution and amendment of the first and second Declarations.

## ARTICLE I

### DEFINITIONS

Section 1.01. Definitions. The following words, as used in this Amended and Restated Declaration, shall have the following meanings:

(a) "Agricultural Easement Area" shall mean that area as depicted on a plan which is reserved for agricultural use pursuant to Section 3.01(c)(f).

(b) "Architecture Committee" shall mean the architectural control committee more particularly described in Article VII.

(c) "Annual Assessment" shall mean a share of the funds required for the payment of Owners Association Expenses, which is assessed by the Owners Association annually against each Member.

(d) "Assessments" shall mean Annual Assessments, Special Assessments and Individual Expenses which are assessed by the Owners Association.

(e) "Builder" shall mean the owner of a Lot so identified by the Declarant and to whom the Declarant may specifically assign a portion of its rights reserved herein, all as shall be set forth in an instrument executed by Declarant and recorded in the Land Records of the Town of Stowe.

(f) "Building Envelope" shall mean the only allowable area in which buildings may be placed.

(g) "Board of Directors" shall mean the Board of Directors of the Owners Association.

(h) "Bylaws" shall mean the Bylaws of the Owners Association, as they may be amended from time to time.

(i) "Common Elements" shall mean all real and personal property owned by the Owners Association or for which it is responsible to supervise, maintain, repair or replace, as they shall exist from time to time.

(j) "Declarant" shall mean Robinson Springs Partnership, a Vermont partnership, and its successors and assigns. An Owner shall not, solely by a purchase of a Lot, be a successor or assignee of the Declarant's rights or obligations under the Documents unless the Owner is specifically designated as a successor or assignee of the rights or obligations of the Declarant by an instrument executed by the Declarant.

(k) "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions for the Stowe Club, dated December



19, 1986, the Amended and Restated Declaration of Covenants, Easements and Conditions both of which are amended by this instrument, and this instrument as it may be further amended.

(l) "Documents" shall mean, in the aggregate, the Declarations, the Owners Association Articles, the Owners Association Bylaws and the Rules and Regulations of the Owners Association and all amendments and supplements thereto and all instruments and documents referred to therein or referred to herein as amended from time to time.

(m) "Final Plans" shall have the meaning set forth in Section 7.03, subject to the approval described in Section 7.04.

(n) "Green Area Module" shall mean the portions of the Land more particularly described in Section 3.01(c) restricted by this instrument as non-buildable.

(o) "House" shall mean a detached dwelling house, designed as a residence for one family, situated on a Lot.

(p) "Improvement" shall mean any structure or improvement of any kind including, without limitation, any building, wall, fence, swimming pool, patio, tennis court, screen enclosure or screening of any type, tower, sewer, drain, disposal system, driveway, sidewalk, decorative structure, planting, landscaping device or object and any and all other types of physical change to a Lot, whether the purpose is temporary or permanent, functional or decorative or otherwise.

(q) "Individual Expenses" shall mean the various fees and costs chargeable to a Member in connection with the provision of services by the Owners Association or use of the Common Elements as determined from time to time by the Board of Directors.

(r) "Institutional Mortgagee" shall mean any lending institution owning a first mortgage or deed of trust describing a Unit or a Lot.

(s) "Land" shall mean the lands and premises depicted on the Plan, and any additional real estate annexed thereto.

(t) "Lot" shall mean any one of the lots or parcels identified on the Plan and any other building lots or parcels shown on a new or amended Plan and made subject to the Declaration by amendment thereto, the development of which is restricted by the Declaration, whether on the Land or on lands annexed thereto.

(u) "Member" shall mean an Owner.

(v) "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to a Unit or Lot or Hotel Parcel, including contract sellers, but shall not mean the mortgagee thereof unless and until the mortgagee has acquired title pursuant to foreclosure or any conveyance or possession in lieu of foreclosure.

(w) "Owners Association" shall mean The Stowe Club Owners Association, Inc., or its successor.

(x) "Owners Association Articles" shall mean the Articles of Incorporation of the Owners Association, as amended from time to time.

(y) "Owners Association Expenses" shall mean the expenses for which Members are liable to the Owners Association and include, but are not limited to, the costs and expenses incurred by the Owners Association in administering, operating, reconstructing, maintaining, repairing, restoring, replacing or improving the Common Elements or portions thereof and improvements thereon and the costs of carrying out the powers and

duties of the Owners Association and expenses specifically referred to as "Owners Association Expenses" in the Declaration or designated as "Owners Association Expenses" by the Board of Directors.

(z) "Owners Association Property" shall mean the portions of the Land consisting of the Common Elements which the Declarant has conveyed or has agreed herein to convey to the Owners Association and such other property which the Declarant or others may in the future convey to the Owners Association, all as is, when and if so conveyed.

(aa) "Residential Property" shall mean any or all of the Lots and Units except for the Hotel Parcel and Meadow Lot.

(bb) "Service Easements" shall mean easements to provide for installation, service, repair and maintenance of the equipment required to provide both public and private utility services, including (but not limited to) power, electric transmission, television cable, light, telephone, gas, water, sewer, drainage, water retention and governmental services including police and fire protection, including reasonable rights to access for persons and equipment necessary for such purposes for the benefit of the Declarant and the Owners Association and appropriate utility companies, agencies, franchises or governmental agencies and for trails through portions of the Green Area Modules upon or through the Land or adjoining lands of neighboring properties.

(cc) "Special Assessment" shall mean a share of the funds required for the payment of Owners Association Expenses which from time to time is assessed against a Member by the Board of Directors in accordance with the requirements of Section 6.07, in addition to the Annual Assessment, for the purpose of making up budget deficits occurring after the Turnover Date and defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of any improvement upon the Common Elements, including necessary fixtures and personal property related thereto.

(dd) "Turnover Date" shall mean the earlier of (x) the date on which the Declarant shall have conveyed a total of 40 Lots or Units over and above the 19 lots which have already been conveyed or (y) June 30, 2010.

(ee) "Town House" means a duplex condominium town house on the Land located on either Parcel 2 or Lot 27.

(ff) "Unit" shall mean any condominium apartment or town house on the Land.

(gg) "Village Houses" shall mean the 17 individual village house lots located within Parcel IV.

## ARTICLE II

### INTRODUCTION

Section 2.01. Subdivision Plan. The Declarant is the owner of the remainder of the Land and the Declarant intends to complete development the Land, parts of which will be residential and Units and part of which will be dedicated to other purposes and uses including Green Area Modules, a Hotel and Conference Center and a House and barn on the Meadow Lot.

Section 2.02. Uses of the Land. All portions of the Land shall be subject to the use limitations, restrictions and other provisions, if any, imposed thereon as may be set forth in the Declaration, as amended, and the Documents. In addition to any other provisions, the Documents may restrict specified portions of the Land to specified uses including, but not limited, to use



as residential property, commercial uses, agricultural uses or as Common Elements and Green Area Module.

### ARTICLE III

#### TITLE ISSUES

Section 3.01. Use Classifications. (a) Lots. The development and use of all Lots and Units except for the Hotel Parcel and Meadow Lot shall be restricted and limited to relating "Residential Use" only, except for facilities relating to construction, development, sales and rental activities permitted by Article VIII and the Agricultural Easement Area described below which shall remain available for agricultural uses.

(i) "Residential Use" means the construction and occupancy only of Houses or Town Houses and improvements associated with residential purposes such as (but not limited to) drives, driveways, parking spaces, lawn areas, patios, swimming pools, tennis courts, Service Easements, the easements described in this Article, and other amenities commonly associated with Houses which receive the approval of the Owners Association. No structure or moveable trailer or shelter other than a completed or substantially completed House or Town House conforming in all respects with the requirements of the Declaration shall be used even temporarily as a place of habitation on any Lot.

(ii) In order to protect the property rights and interests of each Owner and the Declarant, the right of any Owner to construct on, develop and use any Lot or House or Town House, even for a permitted Residential Use, shall at all times be subject to the terms, restrictions, covenants, provisions and requirements to obtain prior approvals set forth in the Declaration and the Documents.

(b) Hotel Parcel. The development and use of the Hotel Parcel shall be for up to 30 hotel rooms, a restaurant, conference center and professional offices, and such other amenities which would be normally associated with a hotel and conference center.

(c) Common Elements. The Common Elements shall include the Green Area Module and Service Easements described below. The use of Common Elements shall be restricted as set forth below. The administration, management, operation and maintenance of the Common Elements and of any Boundary Fence shall be the responsibility of the Owners Association as provided in the Documents.

(i) The following are Common Elements:

(A) Roadways. The Roadways mean the roadways and rights of way subject to this Declaration and the Documents shown on the Plan, as amended from time to time and specifically are Sinclair Road, Country Club Loop, Summit Run, Perkins Lane, Labelle Lane and Stowe Club Lane. The Declarant shall convey the Roadways to the Owners Association on or before the Turnover Date subject to all utility line and pipeline easements. The Owners Association shall keep and maintain the Roadways and all improvements thereon (including without limitation any guardhouse or other structures thereon) as private roadways to provide a means of ingress and egress to and from Sinclair Road located outside of The Stowe Club Property and between and among all portions of the Land for all governmental purposes and for the use and enjoyment of Owners and others permitted to use the Roadways. The Roadways shall be subject to the easements more particularly set forth in Section 3.02. Street lights and utility lines and improvements in connection with other Service Easements in the Roadways shall be installed from time to time as the Declarant or the Owners Association shall determine and in



accordance with the requirements of the applicable governmental agencies.

(B) Green Area Module. Portions of Lots 12, 13, 14, 15, 24, 26, 34, 38 and Parcels 2 and 4 as depicted on the Plan are hereby designated as a non-buildable Green Area Module and shall be preserved as open space. Said Green Area Module is more particularly depicted on the Plan and is generally described as a 200 foot wide corridor, the center line of which is a small brook which runs through or along the common boundary lines of the above parcels or Lots. The Green Area Module shall be preserved in its natural state or landscaped and cultivated as the Declarant or after the Turnover Date as the Owners Association shall in its discretion deem consistent with the Declarant's development plan for the Land. The Green Area Module is expressly reserved the non-exclusive use and enjoyment of the Owners and Declarant as part of the Trail System.

(C) Green Belt Area. The Greenbelt Area is a 200 foot wide strip of land which parallels the outside perimeter boundary of the Land as depicted on the Plan. The Green Belt Area is a no build zone except for roads, driveways and a house and/or barn in the Meadow Lot. Unless otherwise stated herein or in the deeds to the particular Lots or Parcels, the Green Belt Areas are for the exclusive use of the Lot or Parcel Owner where the Green Belt Area is located. The Green Belt Area shall not be conveyed to the Owners Association.

(D) Trail System. Declarant reserves for itself and the Owners a Trail System easement 9 feet in width, as more particularly depicted on the Plan, which runs along and through the Green Area Module to a 50 foot strip of land parallel and northerly to the southerly most boundary of the Meadow Lot, and then along the Green Belt Area which parallels the westerly and southerly boundary lines to the southerly most point of the Green Area Module. The Owners Association shall be responsible for constructing, repairing, replacing and maintaining the Trail System. The Trail System may be expanded to other Lots or Parcels if mutually agreed upon by the owners of the particular Lot and Owners Association. The Trail System shall only be used for walking, jogging, mountain biking, cross country skiing and other non-motorized type activities as approved from time to time by the Owners Association. The Owners Association may from time to time make rules concerning the use, care, and maintenance of the Trail System.

(E) Sewer System. All of the Lots shall be serviced by a private community sewer system which is part of the Common Elements, the components of which are reserved by the Declarant and shall be conveyed to the Owners Association on or before the Turnover Date. The sewer system consists of individual septic tanks, and sewer lines as well as community sewer lines leading to holding tanks and pump stations, and then to force mains and then distribution boxes which distribute the effluent from the Sewer System to leachfields located or to be located on the Meadow Lot and on portions of Lots 16 and 17.

Declarant reserves for itself and the Owners Association the right to place at its cost a private septic tank to service any of the Lots as part of the Sewer System. The details of the components and plan for the Sewer System are contained in certain plans of Trudell Consulting Engineers, Inc. Sheet number SP1 was last revised on July 29, 1993 and Sheet Numbers SD 1-13 were last revised on July 6, 1993. All other said plans were dated December 11, 1992. Declarant generally reserves for itself an easement and right of way to construct, repair and replace all of the components of said system.

(ii) Private Use. Except as otherwise set forth in the Documents, the Common Elements are expressly reserved for the sole and exclusive use and enjoyment of the Declarant, the Owners Association, and the agents, the Owners, employees, guests and



invitees of the Declarant and the Owners Association, the Owners and their family members, guests, invitees and lessees, and for the governmental purposes set forth in Section 3.01(c). The Declarant's right to use, and to delegate use of, the Common Elements shall not terminate except by the Declarant's express release of those rights.

(iii) Conveyance of Common Elements to Owners Association. The Declarant shall construct the Roadways, within the areas depicted on the Plan and the said plans of Trudell Consulting Engineers, Inc., Sheet Numbers P 1-6 and D6, so as to provide ingress and egress to the Land from the Roadways which shall be subject to perpetual non-exclusive easements for ingress and egress, as provided in Section 3.02.

The Declarant shall also construct the Sewer System within the areas depicted on the Master Utility Plan dated December 11, 1992 and prepared by Trudell Consulting Engineers, Inc., Sheet SP1 so as to provide for a community sewer system for all of the Lots.

The Declarant shall convey to the Owners Association, by quitclaim deed, those portions of the Owners Association Property which were supposed to be conveyed but which have not previously been conveyed to the Owners Association, on or before 180 days after the earlier to occur of the Turnover Date. The Declarant may convey all or portions of the Owners Association Property to the Owners Association at any earlier time or times as is determined by the Declarant in its sole discretion.

At the time of conveyance of the Owners Association Property or any portion thereof, the Owners Association agrees to

(x) accept "AS IS" the Owners Association Property or the Common Elements any portion thereof and the personal property and Improvements located thereon, without any representation or warranty, expressed or implied, in fact or by law, as to the condition or fitness of the Owners Association Property or portion thereof and the personal property and Improvements located thereon, and

(y) assume responsibility for the administration, management, operation and maintenance thereof as provided herein. The Declarant shall convey each portion of the Owners Association Property to the Owners Association free and clear of all financial encumbrances (unless the holder of the encumbrance consents to the Documents and subordinates its encumbrance to, or agrees to recognize the rights of Members pursuant to, the provisions of the Documents, including possessory and use rights) except real estate taxes which are the obligation of the Owners Association to pay pursuant to Section 6.03(a).

(iv) Miscellaneous. Except as hereinafter provided, once Common Elements are conveyed to the Owners Association, the Owners Association shall not mortgage or otherwise encumber the Common Elements without first obtaining the written approval of Institutional Mortgagees holding mortgages encumbering not less than two-thirds of the Lots and Units encumbered by mortgages held by Institutional Mortgagees as shown by the records of the Land Records of the Town of Stowe.

(d) Drainage and Water Easements. The Declarant hereby reserves an easement and right of way in the Common Elements for use, construction and maintenance of drainage facilities and areas including, but not limited to, swales, other water retention areas, pumps, pipes, inlets and outfall structures and all necessary appurtenances thereto. Declarant specifically reserves a pipeline and drainage easement and right of way on or over Parcels 1 and 2 and Lots 1, 2 and 26 for storm water discharge as depicted on the plans of Trudell Consulting Engineers, Inc.



Section 3.02. Reservation and Grant of Easements. The Declarant hereby reserves to itself, and further reserves the right on behalf of itself and the Owners Association to grant or revise the following easements on, upon, over, across, through and under the Land for the duration of the term of this Declaration (except as hereafter provided) and for the benefit of the parties or properties as hereinafter specified for the following purposes. These easements shall be created either (x) upon the recording of this instrument with respect to the persons specifically described above, or (y) with respect to any Lot or Unit, upon the recording of the Declarant's deed to the first Owner of the Lot or Unit, or (z) with respect to any other such easement, upon recording of an instrument of grant thereof by the Declarant, in all cases without requiring the consent of any Owner or any Owner's mortgagee. Service Easements shall be created upon recording of an instrument expressly granting or reserving a Service Easement. A copy of said instrument creating the Service Easement shall be sent to the Owner's last known address.

(a) Service Easements. Service Easements for electric, water, sewer and other utilities and for governmental purposes, together with the right to enforce the same; provided, however, that no Service Easements will be granted with respect to any part of a Lot lying beneath a House, (provided that the foregoing shall not preclude the grantee of a Service Easement from making minor alterations to then existing Improvements other than buildings such as, but not limited to, alteration or temporary removal of a fence, driveway or landscaping or a portion thereof provided that same is repaired and/or restored as the case may be by such grantee at his expenses within a reasonable time thereafter).

(b) Roadway Easements - Declarant. A non-exclusive perpetual easement or perpetual easements over and upon the Roadways, as a right appurtenant to all of the Lands of the Declarant in The Stowe Club, in common with others from time to time entitled to use the same, for all purposes for which streets may now or hereafter customarily be used in the Town of Stowe. The Declarant further reserves for itself and its successors and assigns:

(i) The right from time to time to grant any other person or persons the right to use the Roadways, in common with others from time to time entitled to use the same, for all purposes for which streets in the Town of Stowe may now or hereafter customarily be used; and

(ii) Without limiting such other rights as the Declarant and its successors and assigns may have with respect to said Roadways, (x) the right from time to time to grade, change the grade of, surface, landscape and otherwise improve the Roadways and remove and dispose of soil therefrom and cut trees and brush thereon in connection therewith, and (y) the right to use the Roadways, and from time to time to grant to others the right to use the Roadways, for the purpose of installing, maintaining, replacing, removing and using sewers, drains, water mains and related equipment, gas pipes, electric lights, power, cable television and security communication and telephone wires and other public services, with the necessary conduits (all of which sewers, drains, water mains and related equipment, gas pipes, electric light, power and telephone wires and other public services and conduits shall remain the property of the entity installing the same), provided, however, that the rights reserved under this Section shall be exercisable only by the Declarant and its successors and others to whom these rights may be specifically assigned.

(c) Roadway Easements - Owners. The conveyance of a Lot or Unit shall include the appurtenant non-exclusive right to use, in common with the Declarant and other Owners and others from time to time entitled to use the same, for all purposes for which streets may now or hereafter customarily be used in the Town of



Stowe, the Roadways and also the section of Sinclair Road, as each crosses or may cross Parcel 1 as shown on the Plan to the extent it provides and affords access from a Residential Property to and from Sinclair Road. The Declarant shall have the right to relocate sections of Sinclair Road as it crosses or may cross Parcel 1 and the Roadways, provided, however, that with respect to any portions of the Roadways in which fee interests have been previously conveyed to an Owner, the Declarant shall obtain the prior written consent of the Owner prior to any such relocation. Further, each Owner, by the acceptance and recording of a deed to a Lot or Unit, agrees for himself and his successors as follows:

(i) if, in connection with the installation of utilities to the Residential Property or otherwise, the Owner shall make any excavations in any Roadway, the Owner will forthwith restore said Roadway and the surface thereof to its prior condition;

(ii) the Owner will not cut any trees or remove any soil from any Roadway without the prior written consent of the Architecture Committee; and

(d) Trails and Trail Easements - Declarant. The right to construct and maintain in the Green Area Module and the Common Elements a system of trails (a "Trail" or the "Trails") for passage by foot, bicycle, horses and other non-vehicular modes of conveyance.

(e) Trails and Trail Easements - Owners. The conveyance of a Lot shall include the appurtenant non-exclusive right to use, in common with Declarant and other Owners and others from time to time entitled to use the same, the Trails, including Trail Easements, for passage by foot, horse or bicycle, provided, however, that the right and easement of Owners and others to use Trails shall at all times be subject to such rules and regulations as the Owners Association may promulgate from time to time.

(f) Sewage and Water System Easements. The right to construct additions to the sewage system and the Village of Stowe water system and their components to service the Lots including the right to enter any and all Lots to construct, improve, repair, replace or maintain the sewer systems including the right to construct septic tanks on the lots.

(g) Agricultural Easement Area. Declarant hereby covenants for itself and the Owners Association that the 40 acre<sup>±</sup> Agricultural Easement Area which is located in the northwestern corner of the property which is comprised of portions of the Meadow Lot and Lots 15, 16, 17, 34, 36 and 37 shall remain available for agricultural uses. The Agricultural Easement Area is more particularly shown in a plan entitled "Agricultural Easement Area" prepared by Trudell Consulting Engineers, Inc. and entitled "SP9 Site Plan for Lots 34, 36 and 37" dated July 28, 1993 and may be amended. The Agricultural Easement Area is a no build zone except for roads, leachfields and other Service Easements and is for the purpose of preserving agricultural land.

It is the intent of this covenant of easement that the owners of the Lots located in the Agricultural Easement Area shall have the burden of maintaining the same as open, uncluttered and unencumbered land except for any existing roads and buildings in the area. With regard to the Meadow Lot, the Land shall also remain cleared except for a new house and barn at or near the existing barn footprint as depicted on Plan. This covenant shall not prevent the use of the agricultural area for purposes such as the planting of fruit trees, planting of gardens, maintenance of lawns, and related activities. It shall prevent the use of this land for activities which will reduce the soils' potential for agricultural use such as the construction of buildings and swimming pools or topsoil removal excepting roads, leachfields and other Service Easements.



Owners of the Lots within the Agricultural Easement Area shall have the individual right to continue to use, mow and cultivate said agricultural lands on their respective lots as long as the minimum standards established in these covenants is achieved.

Should the Owner of the Meadow Lot and/or the Owners of the other Lots subject to the Agricultural Easement unanimously deem it advisable, a multiple year lease arrangement may be made available to a farmer for a commercial agricultural operation on the respective properties which shall in no way inhibit the responsible use of fertilizer, reseeding or other appropriate improvements for the enhancement of the agricultural potential of the soils on the site, including drainage and any other customary improvements so long as each does no damage or impair the leachfields, roadways, and other Service Easements. This lease shall be for a minimum term of five years, renewable for five-year periods at the end of each term.

(h) Easement for Encroachments. For encroachment in favor of the Declarant, the Owners Association and persons entitled to use the Common Elements in the event any portion of any Improvement located on the Common Elements now or hereafter encroaches upon any Lot, Unit or Green Area Module as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. This easement for encroachment shall include an easement for the maintenance of the encroaching Improvement in favor of the parties who have the obligation or right to maintain such encroaching Improvement and their designees and an easement to use the encroaching Improvement in favor of the persons entitled to use such Improvement. The encroaching Improvement shall remain undisturbed for so long as the encroachment exists.

(i) Enforcement Easement of the Owners Association and Declarant. For ingress and egress in favor of the Owners Association or the Declarant to enter upon any Lot or Unit for the purpose of the fulfilling by the Board of Directors its duties and responsibilities of ownership, administration, maintenance and repair or the Declarant exercising its rights, all in accordance with the Documents. Such easement shall include an easement in favor of the Owners Association for the duration of the Declaration in the Common Elements now or hereafter created to use, repair, maintain and replace the same for the purposes to which the Owners Association hereafter determines them to be reasonably suited.

Section 3.03. Assignments. The rights and easements reserved to the Declarant may be assigned in whole or in part by the Declarant to the Owners Association, or by either of them to any town, county or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of the Declarant including but not limited to the electric and water systems being assigned to the Village of Stowe which shall have a right along with Declarant to continue said services to adjoining properties so long as there is no cost to the Owners Association.

Section 3.04. Other Easements, Permits and Licenses. The Declarant further reserves the right, on behalf of itself, its nominees and the Owners Association, to grant easements (subject to the provisions contained in Section 3.02), permits and licenses in, on or over the Land for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of The Stowe Club Property or which the Declarant deems in the best interest of The Stowe Club Property, provided that no exercise of this reservation shall unreasonably interfere with the use and enjoyment of a Residential Property.



ARTICLE IV  
USE

Section 4.01. Lot Construction Requirements. (a) Lot Plan and Site Plan; Restrictions. The Declarant shall provide an initial plan of a Lot (the "Lot Plan") to the first Owner of each Lot. The Lot Plan shall depict the location of easements and restrictions encumbering the Lot and may also depict the location of the Building Envelope or areas in which Improvements (except driveways and utility lines) may be placed ("Designated Building Area"), the access for the driveway and the location of utility connections. The first Owner shall record the Lot Plan with the Declarant's deed to the Lot, if not already recorded by Declarant.

An Owner seeking to construct Improvements shall first submit to the Architecture Committee a plan which shall be based on the Lot Plan for the Lot, revised to show all existing improvements and changes as of the time of submission and to clearly show the location and dimensions of the proposed Improvements, and any other information affecting development of the Lot which the Architecture Committee may require (a "Site Plan").

No Improvement shall be constructed on a Lot except as shown on a Site Plan which has been approved and endorsed by the Architecture Committee.

(b) Commencement of Construction. Construction of any Improvement on a Lot shall commence no later than five months (unless the Architecture Committee approves, in writing, a period longer than five months) following the written approval by the Architecture Committee of the "Final Plans" and, upon commencement, construction shall be prosecuted diligently until completion without stopping, completion to occur within a reasonable length of time not to exceed 18 months; provided, however, the Architecture Committee shall have the power to extend the period permitted for construction, provided further that the Owner makes written application therefor and the Architecture Committee determines the request to be reasonable.

(c) Architecture Committee Approval. Except as provided in Section 7.09, no Improvement shall be erected, placed or maintained on any Lot, and no addition, alteration, modification to or change in any Improvement, shall be made, without the prior written approval of the Architecture Committee, except as set forth in Article VIII, in accordance with the procedures set forth in Article VII, subject to the rights reserved to the Declarant under Article VIII.

Anything to the contrary contained herein notwithstanding, an Owner or the Owners Association shall not be denied approval by the Architecture Committee to repair, rebuild or reconstruct Improvements after casualty or other damage (a "Reconstruction"), if (x) Reconstruction is in accordance with the Final Plans of the damaged Improvements previously approved by the Architecture Committee in writing and (y) the Final Plans conform to then applicable building codes and regulations of state and local government authorities. Any Final Plans for a Reconstruction that vary from the previously approved Final Plans must be re-approved in writing by the Architecture Committee and any Final Plans for a Reconstruction that vary materially or contain substantive changes from the previously approved Final Plans must also be approved in writing by any Institutional Mortgagee holding a mortgage encumbering a damaged House which is to be reconstructed pursuant to such Final Plans. The Architecture Committee shall not deny approval to an Owner or the Owners Association for a Reconstruction of an Improvement if approval of the Architecture Committee for the original construction of such Improvement was not required under the Documents, provided the Reconstruction restores the Improvement to its original condition.



(d) Landscape - Plan. A landscaping plan (the "Landscape Plan") for each Lot must be submitted to the Architecture Committee at the time of submission of the Final Plans and approved by it. The Landscape Plan shall show the type, size and variety of all proposed landscaping, including trees, shrubbery and grass, and driveway and walkway materials. Each Landscape Plan shall include a tree survey which shows all trees of more than 12 inch diameter to be removed or cut by construction of the proposed Improvements. Each Landscape Plan shall depict the area within the Roadways, between the traveled portion of the Roadway and the Single Family Lot. Landscaping must be completed in accordance with the approved Landscape Plan within six months of any occupancy for the House unless another schedule for phasing the landscaping is approved. No significant alteration to completed landscaping may be made without the prior written approval of the Architecture Committee.

Except for the Declarant, no Owner shall cut or remove any trees of more than 12 inches diameter at two feet above the natural grade without the prior written approval of the Architecture Committee, which approval shall be given if necessary for the construction of a House or other Improvement pursuant to approved Final Plan.

No artificial grass, plant or other artificial vegetation shall be placed or maintained upon the exterior portion of any Lot unless approved in writing by the Architecture Committee.

Section 4.02. Lot Construction Standards. (a) Improvements on Any Lot. All construction and landscaping shall be performed in accordance with the Final Plans approved by the Architecture Committee unless the Architecture Committee approves in writing a deviation from the approved Final Plans. In the event an Owner constructs any Improvement or performs landscaping without the required approval of the Architecture Committee and if, by the 60th day after the Architecture Committee receives written notice that such construction or landscaping has been commenced or performed without the approvals required hereunder, the Architecture Committee has not given written notice to the delinquent Owner demanding compliance with the approval procedures of the Documents, then such construction or landscaping shall be deemed to have been approved by the Architecture Committee.

(b) Utilities and Tanks. All utilities of any description serving any Improvement on a Lot shall be underground. Any repairs shall be made as expeditiously as possible and the ground restored as soon as possible to its natural state. Any tanks for the storage of fuel or inflammable materials, whether for cooking or heating, shall either be underground, within a separate enclosure, or within the structure it is designed to serve, so that none shall be visible from the street or from the House on any other Lot.

(c) Special Site Engineering. The Architecture Committee may establish additional engineering requirements, including without limitation, requirements with respect to drainage to take into account known problems or other problems relating to a Lot.

(d) Indemnification of Declarant and Architecture Committee. The Owner of any Lot whose Plans are approved shall hold the Architecture Committee, Declarant, and the Owners Association harmless from any loss, cost, or damage suffered by Owners as a result of said Plans including but not limited to any encroachments or permits violations which may result from said Plans.

Section 4.03. Soil Removal; Erosion Measures as to Lots. No loam, sand, or gravel, except that resulting from landscaping or from permitted construction, shall be removed from a Lot. During the construction period, an Owner and his contractors shall take all reasonable precautions to ensure that erosion does not take



place and shall correct any erosion or siltation problems which take place within three working days after the event causing the erosion or siltation and as shown on Plan D-3 of Trudell Consulting Engineers, Inc. dated December 11, 1992. The Declarant may enter upon a Lot to correct any such erosion or siltation problem not corrected by the Owner, as aforesaid, and to charge the Owner for such work and clearing any clogged drains.

Section 4.04. Common Driveways for Lots. In addition to the Roadways, the Declarant may construct or authorize construction of common driveways to serve more than one Lot if the Declarant determines that topographic or other conditions affecting such Lots make a common driveway appropriate or desirable. Repairs to any common driveway shall be borne equally by all Owners served by such common driveway, in accordance with the deed to such Owners or agreement between or among such Owners. Said Owners shall be responsible for maintaining, repairing, and reconstructing said common driveways and paying the costs thereof.

Section 4.05. Lot Planning Restrictions. (a) Subdivision and Partition. Subject to Section 2.02, no Lot shall be resubdivided or partitioned and the development of each Lot shall be in conformance with all Local and State Permits.

(b) Prohibited Structures. Subject to Article VII, no structure of a temporary character, and no trailer, tent, shack, shed, barn or outbuilding shall be parked or erected on a Lot or the Roadways at any time except for a barn on the Meadow Lot. Notwithstanding the foregoing, (i) during the active construction of authorized improvements on a Lot, construction sheds and trailers used to facilitate the construction of a House or other structural improvements may be located upon the Land with the prior written permission of the Architecture Committee and (ii) a locations designated by the Architecture Committee at temporary children's tent or temporary tents for ceremonial functions or social functions, each of which shall be permitted only after a House has been constructed.

(c) Apartment. The House may include an ancillary apartment, for use by a housekeeper, caretaker or other like users, provided the apartment is used only for single family occupancy and is not divided into separate apartments for multiple family occupancy.

(d) Minimum Size for Houses. Each House shall contain not less than 2,000 square feet of liveable enclosed floor area ("Enclosed Floor Area"). Open or screened porches and terraces shall not be included for the purposes of determining the number of square feet of Enclosed Floor Area; nor shall basement and garages be included for purposes of determining the number of square feet of Enclosed Floor Area without the express written approval of the Architecture Committee.

(e) Setback Lines. Any Improvement to be constructed on a Lot shall be located within the Designated Building Areas:

(f) Recreational Facilities. The location of all recreational improvements, such as backboards, play structures, in-ground pools, cabanas, bars, tennis and paddle tennis courts and other recreational facilities to be constructed upon a Lot shall be approved in writing by the Architecture Committee prior to construction. No swimming pool which is temporary in nature and no above-ground pool shall be permitted. The Architecture Committee shall pay due regard to the appearance of any such structure from Roadways and any other Residential Property when considering any application under this Section.

(g) Exterior Changes. The architectural integrity of the Improvements, including but not limited to Houses or Town Houses and other permitted structures, shall be preserved without modification, and to that end, without limiting the generality of the foregoing, no exterior change, addition, structure,



projection, decoration, solar collector panels, external air conditioning units, awning, canopy, shutters, or other features shall be erected or placed upon or attached to any Improvements; no addition to or change and replacement of any exterior light shall be made; no painting or attaching of any decorations shall be done on any exterior part or surface of any Improvement nor on the interior surface of any window, and no reflective or tinted glass shall be used for windows or doors of any structure constructed on the Land, without the prior written approval of the Architecture Committee, which approval may be based in the sole discretion of the Architecture Committee upon the aesthetic appearance of the Improvements. Aluminum foil or similar substance shall not be placed on the windows or doors of any structure constructed on a Lot.

(h) Signs. Except for the Hotel Parcel, no signs of any kind shall be displayed to public view on a Lot except one sign, which is approved in writing by the Architecture Committee, indicating the name or address or both of the Owner.

(i) Trash Receptacles. Receptacles for the storage of household rubbish, garbage or refuse shall be enclosed. All rubbish shall be stored in suitable containers with tops which can be securely affixed to prevent opening by animals.

(j) Bordering Roadways. Notwithstanding the provisions of Section 4.10, an Owner of a Lot shall landscape and maintain, to the edge of the Roadway surface, that portion of a Roadway between the traveled portion and the boundaries of the Lot, and shall maintain, repair and replace as necessary the portion of a driveway located within the Roadways.

(k) Mining or Drilling. No owner shall mine, quarry or drill for minerals, oil, gas, water or otherwise ("Mining Activity") in any Lot. Activities of the Declarant or the Owners Association in creating, excavating or maintaining The Stowe Club, including Drainage Facilities, roadways, utilities or other facilities or easements shall not be deemed Mining Activities nor shall the installation of wells or pumps, in compliance with applicable governmental requirements.

(l) Nuisances. No Owner and no other person shall cause or permit any unreasonable or obnoxious noises or odors and no nuisances or illegal activities shall be permitted or maintained on any portion of a Lot. It is intended, however, that noises or odors which are the reasonably expected result of such uses of the Land as are specifically permitted or contemplated by the Documents shall not be deemed unreasonable, obnoxious or a nuisance.

(m) Clothes Drying Areas. No portion of a Lot which is visible from any Roadway, or Trail or other Residential Property shall be used as a drying area for laundry of any kind and any such laundry drying area shall only be used for such purpose by the Owner of the Lot.

(n) Removal of Sod; Alteration of Drainage; Etc. Except for the acts and activities of the Declarant and its nominees in the development of The Stowe Club, no sod, topsoil or fill shall be removed from a Lot and no change in the condition of the soil or the level of any portion of a Lot shall be made which results in any permanent change in the flow or drainage of surface water of or within The Stowe Club without the prior written consent of the Architecture Committee.

(o) Antennas, Aerials; Radio Equipment. Except as may be permitted in writing by the Architecture Committee, no antenna or aerial shall be placed upon any Lot unless completely inside a House. No ham radios, radio transmission equipment (including walkie talkies and CB radios) or microwave transmission equipment shall be operated or permitted to be operated from a Lot without the prior written consent of the Architecture Committee; such



consent may be revoked by the Architecture Committee in the event the operation of such equipment interferes with television reception of others.

(p) Lighting. All exterior lighting shall be non-glaring, subdued and downcast toward the ground.

(q) Sewage Disposal. Each residential Lot and/or Unit is limited to 450 gallons per day of sewage disposal capacity in the Common Sewage System. No private sewage systems are permitted without prior approval of the Owners Association.

Section 4.06. Maintenance of Lots. (a) Owner's Maintenance Obligation. The Owner of a Lot, shall be responsible for the maintenance of the Lot, its Service Easements, and all Improvements. In order to enhance and preserve the appearance of The Stowe Club Property for the mutual benefit of all Owners, each Owner shall maintain, repair and replace the exterior portions of all Improvements at any time located on his Lot including, but not limited to lawns, shrubbery and other landscaping, driveways, parking areas, pools and septic systems on the Lot, in a neat, aesthetically pleasing and proper condition. All exterior portions of such Improvements shall be kept and maintained in a manner substantially similar to the original architectural design thereof as constructed (unless differences are approved by the Architecture Committee in writing), including but not limited to substantially similar color schemes and exterior materials.

(b) Casualty Destruction to Improvements. In the event a House or other Improvement on a Lot is damaged or destroyed by casualty, hazard or other loss, then, within a reasonable period of time after such incident, the Owner shall either commence to rebuild or repair upon compliance with the determinations of the Architecture Committee and diligently continue such rebuilding or repairing activities to completion or (upon a determination by the Owner thereof that the Improvement will not be repaired or replaced) promptly clear damaged Improvements and grass over and landscape the affected portion of the Lot in a sightly manner. Any repair, restoration, rebuilding, or reconstruction of damaged Improvements shall be in accordance with the provisions of Article IV.

(c) Right of Declarant or Owners Association to Perform Needed Maintenance on Single Family Lots. In the event an Owner fails to maintain a Lot properly in accordance with the requirements of Section 4.06 (the "Defaulting Owner"), as shall be determined (x) by the Declarant or the Owners Association, at the discretion of either or both, during the period ending when the Declarant no longer owns any portion of the Land, or (y) by the Owners Association in its sole discretion after the Declarant no longer owns any portion of the Land; then, after such determination, the Declarant or the Owners Association, as the case may be, shall have the right, but not the obligation, upon ten days' written notice, to enter the Lot for the purpose of performing the maintenance referred to and described in the notice, including but not limited to: mowing, removing, clearing, cutting or pruning grass, underbrush, weeds or other growth on the Lot; staining or painting or other maintenance, repairs or replacement of the exterior surfaces of the Improvements, including the roofs, downspouts and gutters; and repairing, maintaining, cleaning or replacing any septic system or driveways or other service easements servicing the premises. Entrance for such purposes by the agents or employees of the Declarant or the Owners Association shall not be a trespass.

Section 4.07. Occupancy Restrictions on Lots. (a) Use of Living Units. A House or Town House may be used only as a residence for a single family except as otherwise permitted by Section 4.05(c).



(b) Animals. With the exception of the Meadow Lot and Agricultural Easement Area no animals of any kind shall be raised, bred or kept on any Lot, except dogs, cats and other household pets which reside in the House therein, provided no household pet shall be kept, bred or maintained for any commercial purposes. The owner of a Lot shall be responsible for the proper behavior of the pets (in particular barking shall be kept to a minimum) and shall be liable for any damage caused by same.

(c) No Time Sharing. No "Time Sharing Plan" (as hereinafter defined) shall be permitted for any House. A "Time Sharing Plan" means any arrangement, plan, scheme, or similar device, whether by membership, agreement, tenancy in common, sale, lease, deed, rental agreement, license, right-to-use agreement or by any other means, pursuant to which a purchaser, in exchange for consideration, receives a right to use the House for a specific period of time less than a full year during any given year, but not necessarily for consecutive years, and which extends for a period of more than three years.

Section 4.08. Units. Units shall also only be used for residential use.

Section 4.09. No Motorized Vehicles. (a) No motorized vehicles of any kind, whether two, three or four wheel, partly wheeled and partly tracked, or all tracked shall be used at any time in any of the Green Area Module or Trail System. The foregoing shall not prevent the use of mechanical equipment by the Declarant, or the Owners Association, for use in preparation and maintenance of the Common Elements.

(b) Parking and Storage Limitations. There shall be no golf carts, snowmobiles, trailers, boats, boat trailers, campers, motor homes or commercial vehicles parked or stored within the Land except if wholly contained in an enclosed garage or in areas designated for such vehicles from time to time by the Board of Directors. However, neither the Owners Association nor the Declarant shall be responsible for any damage or theft of such vehicles while parked in such designated areas. None of the foregoing shall be used in any way for overnight accommodations.

Furthermore, no yard or open area on a Lot shall be used for the storage of machinery, supplies, materials or equipment relating to any business conducted by a Owner except for agricultural machinery and equipment on the Meadow Lot. The foregoing prohibition, however, shall not apply to portions of the Land on which bona fide construction activities are taking place nor shall it prohibit routine deliveries by tradesmen or shall it apply to a situation where a truck becomes disabled and, as a result of emergency, for a reasonable period of time, nor shall it prohibit the storage by the Owners Association of its maintenance vehicles on the Common Elements. No Owner shall, nor shall any Owner permit any guests to park on the Roadways, except during social gatherings or other similar circumstances. No parking shall be allowed in any Green Area Modules.

(c) Repairs. No maintenance or repairs shall be performed on any boat or motor vehicle (including golf carts) upon any portion of the Land except within a garage or other area totally concealed to view from the Roadways and other Residential Property. However, the foregoing prohibitions shall not apply to portions of the Land on which bona fide construction activities are taking place.

Section 4.10. Maintenance of Common Elements. The Owners Association shall maintain, repair, replace and improve the Common Elements as necessary, including but not limited to the Roadways, Green Area Modules, Trails, sewer system, street lights, signs, entranceway and other Improvements located within the Roadways. Such maintenance shall include but not be limited to Roadway maintenance, snow removal and sanding; grass and



landscape maintenance; drainage and utility maintenance; and maintenance of all improvements situated on the Common Elements except as provided in Section 4.05(j). The Owners Association shall not waive or abandon the foregoing maintenance obligations without the prior written consent of all Institutional Mortgagees.

Notwithstanding the provisions of Section 4.06, the Owners Association shall maintain all pipes, catch basins and other facilities located in Drainage Easements notwithstanding that certain of such facilities may not be located on Owners Association Property.

Section 4.11. Rules and Regulations. In order to provide for congenial occupancy of The Stowe Club Property and for the reasonable protection of the values of the Owner's Property, the Board of Directors may from time to time adopt and promulgate rules and regulations with regard to the Common Elements.

Section 4.12. Disputes as to Use. In the event there is any dispute as to whether the use of the Land or any portion thereof complies with the covenants and restrictions contained in the Documents, such disputes shall be referred to the Board of Directors, and a determination rendered by the Board of Directors with respect to such dispute shall be final and binding on all parties concerned therewith; provided, however, that any use by the Declarant of the Land or any parts thereof in accordance with Article VIII shall be deemed a use which complies with the Documents and shall not be subject to any contrary determination by the Board of Directors.

Section 4.13. No Implied Waiver. The failure of the Owners Association to object to a failure by an Owner or other person to comply with the covenants or restrictions contained in the Documents (including rules and regulations now or hereafter promulgated) shall in no event be deemed a waiver by the Board of Directors of its right to object to same and to seek compliance therewith in accordance with the provisions of the Documents.

The Owners Association shall not by act or omission waive or abandon the scheme of architectural regulations set forth in this Declaration without the prior written consent of the Institutional Mortgagees holding mortgages encumbering at least two-thirds of the Residential Properties encumbered by mortgages held by Institutional Mortgagees.

Section 4.14. Resales and Right of First Refusal. So long as the Declarant or its successors or assigns maintains a Sales Office for the Declarant's unsold Lots:

(a) no Owner shall erect or permit to be erected on his Lot any sign advertising any Lot or Unit for sale; and

(b) except for a Lot on which a House has been constructed, no Lot may be conveyed or sold to any person on any terms (except to a family member without consideration or in connection with estate planning) unless at least 30 days prior to such conveyance the Lot shall have been offered to the Declarant, its successors or assigns on the same terms and conditions and the Declarant or its successors or assignee shall not have accepted such offer within 10 days after its receipt Notice shall be in writing, addressed to the Declarant and shall include the name and address of the offeror, the date of the offer and the amount and terms thereof.

The provisions of subsection (b) shall not apply to an Institutional Mortgagee or to a purchaser at a foreclosure sale resulting therefrom, but shall apply after said foreclosure sale to any sale by the purchaser thereat other than the Institutional Mortgagee which may hold free and clear of said restriction.



## ARTICLE V

### THE OWNERS ASSOCIATION

Section 5.01. Authority. The business affairs of the regime shall be managed by the Owners Association. The Owners Association shall be governed by its Bylaws, as it may be amended from time to time.

Section 5.02. Membership. Every Owner of a Lot or Unit which is subject to assessment shall be a member of the Owners Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Unit which is subject to assessment.

Section 5.03. Voting Rights. The Owners Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot or Unit owned except for the owner of the Hotel Parcel who shall be entitled to 10 votes. When more than one person holds an interest in any Lot or Unit, all such persons shall be members. The vote for such Lot or Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot or Unit. At such time as the Class B membership terminates, the Declarant shall be a Class A member, entitled to one vote for each Lot and Unit owned by it.

Class B. The Class B member shall be the Declarant and shall be entitled to 54 votes; this number shall decrease by one vote for each new Class A member. The Class B membership, and its voting rights, shall terminate upon the happening of either of the following events, whichever occurs earlier:

(a) receipt by the Owners Association of a notice of release from the Declarant; or

(b) on June 30, 2033; or

(c) the sale of 40 of the Lots or Units owned by Declarant.

Section 5.04. Compliance with Documents. (a) Persons Bound. Each Member and the family members and guests of a Member, and each lessee or sublessee and other persons residing in any House or Unit and their family members and their guests, shall be bound by and abide by the Documents. The conduct of the foregoing parties shall be and will be considered to be the conduct of the Member for the purpose of determining whether to suspend a Member's right to use the Common Elements as hereinafter set forth. A Member shall be liable to the Owners Association for the expense of any maintenance, repair or replacement of any real or personal property for which the Owners Association is responsible rendered necessary by his act, neglect or carelessness, or by that of any other of the foregoing parties (but only to the extent that such expense is not met by the proceeds of insurance carried by the Owners Association).

(b) Indemnification. Each Member, upon purchase of a Lot or Unit, agrees to indemnify the Owners Association and Declarant against all expenses and liabilities, including attorney fees reasonably incurred by or imposed upon the Owners Association or Declarant in connection with any proceeding or settlement thereof to which the Owners Association or Declarant may be a party, or in which the Owners Association or Declarant may become involved, by reason of personal injuries or property damage caused by the negligent or intentional act or omission of such Member or his family members and their guests and any lessees or sublessees residing in his House or Unit, if any, and their family members and guests (but only to the extent that such expense is not met by the proceeds of insurance carried by the Owners Association).



Nothing herein contained, however, shall be construed so as to modify any waiver of rights of subrogation by insurance companies covering such risks.

(c) Suspension. A Member whose conduct or failure to comply with the provisions of the Documents (including but not limited to the failure to pay Assessments or Individual Expenses or any other amounts due to the Owners Association), shall in the opinion of the Board of Directors be considered detrimental to the welfare of the Owners Association, may be suspended by the Board of Directors after 10 days written notice including a statement of the reasons for consideration of such suspension and after the Member has had an opportunity to be heard. In the event of a suspension, the Board of Directors shall provide a written statement to the Member advising the Member of the suspension and the conditions, if any, to be satisfied prior to reinstatement. During a suspension, a suspended Member shall be obligated to pay all applicable Assessments and Individual Expenses notwithstanding that the suspended Member and his family members and their guests and invitees and any lessees or sublessees residing in his House or Unit, if any, and their family members and their guests shall not be entitled to use any of the Common Elements except the Roadways and Sewage System servicing the House or Unit, if any. In the event a Member is suspended for failure to pay amounts due to the Owners Association, his rights and privileges shall automatically be restored upon payment of all amounts due to the Owners Association.

A lessee is also subject to suspension to the same extent as a Member.

If a House or Unit is sold while the Owner is suspended pursuant to the provisions of this Section 5.04, the new Owner, after obtaining a certificate from the Owners Association that all amounts due to the Owners Association from the prior Owner have been paid, and having complied with all other requirements of the Documents, shall be entitled to exercise all the rights and privileges of a Member. Furthermore, in the event of a foreclosure of a mortgage on Lot or Unit held by an Institutional Mortgagee or any other proceeding or transfer in lieu of foreclosure involving such Institutional Mortgagee, the new Owner shall be entitled to all the rights and privileges of a Member notwithstanding that the prior Owner had been suspended and notwithstanding that assessments which are subordinated to such mortgage as provided in Section 6.08 have not been paid to the Owners Association.

## ARTICLE VI

### ASSESSMENT; LIENS

Section 6.01. Assessment for Common Expenses. The Owners Association shall annually assess each Lot and Unit equally for its share of the Owners Association Expenses and Assessments.

Section 6.02. Lien and Personal Obligation. The Declarant covenants, for each Lot and each Unit, and each Owner of any Lot or Unit, by acceptance of a deed therefor (whether or not so expressed in such deed), is deemed to covenant and agree, to pay the Owners Association (x) Annual Assessments, (y) Special Assessments (such Annual Assessments and Special Assessments to be fixed, established and collected from time to time as hereinafter provided) and (z) Individual Expenses. The Assessments, together with interest, costs of collection and reasonable attorneys' fees, shall be a charge against the Lot or Unit, as appropriate, and a continuing lien upon the Lot or Unit, as appropriate, that the same is assessed, subordinate only, as to a Lot, the lien of a first mortgage thereon, and as to a Unit, the lien of a first mortgage thereon and the lien of any condominium or town house association. Each such assessment,



together with interest, costs of collection and reasonable attorneys' fees, shall also be the personal obligation of the Owner at the time of the assessment. A Member who does not use the Common Elements shall still be obligated to pay all Assessments notwithstanding that he does not use the Common Elements.

6.03. Purpose of Assessments. The Assessments of the Owners Association shall be used exclusively for the purpose of promoting the recreation, health, safety, property interests and welfare of the residents in The Stowe Club and in particular for the ownership, operation and maintenance of the Common Elements, including the following:

(a) Taxes. Any and all taxes levied or assessed at any and all times upon the Common Elements, or any improvements thereto or thereon, or any income of the Owners Association, by any and all taxing authorities and districts including, without limitation, all taxes, charges, assessments and impositions and liens for public improvements, special charges and assessments and in general all taxes and tax liens which may be assessed against the Common Elements and against any and all personal property and Improvements, which are now or which hereafter may be placed thereon, including any interest, penalties and other charges which may accrue thereon.

(b) Utility Charges. All charges levied by utilities providing services for the Common Elements, whether supplied by a private or public firm, including but not limited to all charges for water, gas, electricity (including electricity supplied to street lights located within the Roadways), telephone, trash removal, septic system service and maintenance, snow removal and sanding, and any other type of utility or any other type of service charge.

(c) Insurance. The premiums on the policy or policies of insurance which the Owners Association in its sole discretion determines to obtain.

(d) Reconstruction of Common Elements. Any and all sums necessary to repair, improve, replace, construct or reconstruct any improvements upon the Common Elements damaged by any casualty not covered in whole or in part by insurance and any deficiency between the amount of insurance proceeds received with respect to such damage and the amount of funds necessary to repair, replace, construct or reconstruct the improvement so damaged shall be a Owners Association Expense and the Owners Association shall levy a Special Assessment for the funds necessary to pay such Owners Association Expense within 90 days from the date such damage was incurred. The Owners Association shall pay into an account with a federal or state commercial or savings bank or savings and loan association located in the State of Vermont any such funds collected by Special Assessment and all insurance proceeds collected by the Owners Association so that the funds on deposit will equal the cost of repair, replacement, construction or reconstruction of the damaged improvements, and the Owners Association shall go forward with all deliberate speed so that such repair, replacement, construction or reconstruction shall be completed as soon as is reasonably possible after the date of the damage.

All repair, replacement, construction and reconstruction of improvements upon the Common Elements necessitated by damage due to an insurable hazard shall be performed substantially in accordance with the original plans and specifications for such improvement, unless other action is approved by a majority of each class of members and Institutional Mortgagees holding at least 51 percent (by number and not by unpaid amounts thereof) of the first mortgages of record held by Institutional Mortgagees encumbering Lots and Units.



If the insurance proceeds are sufficient to repair, replace or reconstruct the building or improvement so damaged and there remains an excess after payment for repair, replacement and reconstruction, then any excess shall be held by the Owners Association.

In the event that repairs and replacements were paid for by any Special Assessment in addition to insurance proceeds, then, if after the completion of and payment for the repair, replacement or reconstruction there shall remain any excess in the hands of the Owners Association, it shall be presumed that the monies disbursed in payment of any repair, replacement and reconstruction were first disbursed from insurance proceeds and any remaining funds (but not more than the amount collected by such Special Assessment) shall be deemed to be remaining Special Assessment which shall be returned to the Owners by means of a distribution pro rata to the collection of that Special Assessment.

(e) Maintenance, Repair and Replacement. Any and all expenses necessary to

(i) maintain and preserve the landscaped, grassed, open or natural portions of the Common Elements, including such expenses as grass cutting, tree trimming, sprinkling, fertilizing, spraying and the like, erosion prevention planting and maintenance programs and other measures to control and offset erosion;

(ii) keep, maintain, operate, repair and replace any and all buildings, improvements, personal property and furniture, fixtures and equipment upon the Common Elements and the drainage facilities within any Service Easements in a manner consistent with the development of The Stowe Club and in accordance with the covenants and restrictions contained herein, and in conformity with all applicable federal, state, county or municipal laws, statutes, ordinances, orders, rulings and regulations;

(iii) maintain, repair, improve and replace all signs installed or placed on any part of the Land by the Declarant or the Owners Association which are not maintained, repaired and replaced at the expense of any governmental body or agency;

(iv) maintain, repair and replace all other signs, decorative walls, fences and other structures installed, placed or erected by the Declarant or the Owners Association within the Common Elements constituting signs and entry features for The Stowe Club or any part thereof;

(v) construct, improve, maintain and operate any street lights within or adjacent to the streets and roads within The Stowe Club including but not limited to, payment of all charges of any utility company providing electric service for such street lights and costs for repair or replacement of damages street lights to the extent any of such costs and charges are not paid for by governmental agencies or the utility company providing service with respect thereto;

(vi) provide snow removal and related services for the Common Elements, including the Roadways; and

(vii) comply with agreements, easements, restrictions and other requirements affecting title to the Common Elements.

The Owners Association may enter into an agreement with the owner or owners of properties contiguous to the boundaries of The Stowe Club to landscape and maintain such properties, in which event such properties shall be maintained by the Owners Association in accordance with any such agreement, and the expense thereof shall be a Owners Association Expense.



(f) Administrative and Operational Expenses. The costs of administration of the Owners Association in the performance of its functions and duties under the Documents including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses. In addition, the Owners Association may retain a management company or companies or contractors (any of which may be, but are not required to be, the Declarant or an affiliate of the Declarant) to assist in the operation of the Common Elements, or portions thereof, and to perform or assist in the performance of obligations of the Owners Association under the Documents, and the fees or costs of any management company or contractor so retained shall be deemed to be part of the Owners Association Expenses.

(g) Compliance with Laws. All costs to the Owners Association associated with or resulting from such action as it determines necessary or appropriate or required to take in order for the Common Elements and the improvements thereon to be in compliance with all laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions, fire hazards and monitoring of the sewage system.

(h) Indemnification. The costs and expense of fulfilling the following covenants of indemnification:

(i) Indemnification of the Declarant. The Owners Association covenants and agrees that it will indemnify and hold harmless the Declarant against and from any and all claims, suits, actions, causes of action and/or damage to property sustained on or about the Common Elements and improvements thereof and thereon; and from and against all costs, expenses, attorney fees, expenses and liabilities incurred by the Declarant arising from any such claim or the settlement thereof, the investigation thereof, or the defense of any action or proceedings brought thereon; and from and against any orders, judgments and/or decrees which may be entered thereon. The foregoing provision for indemnification shall be inapplicable only if the claim arises solely out of the Declarant's own gross negligence or willful misconduct. The Owners Association shall also indemnify the Declarant for any expense the Declarant may incur in bringing any suit or action for the purpose of enforcing the rights of the Declarant under any of the Documents or of compelling the specific enforcement of the terms, conditions and covenants contained in any of the Documents to be kept or performed by the Owners Association or the Members.

(ii) Indemnification of Architecture Committee. Every member of the Architecture Committee shall be indemnified by the Owners Association as set forth in Section 7.06 and shall have the maximum right of indemnification to which a member of the Architecture Committee may be entitled under statute or under common law.

(iii) Indemnification of Directors and Officers. Directors and officers of the Owners Association shall be indemnified as set forth in the Owners Association Bylaws and shall have the maximum right of indemnification to which a director or officer may be entitled under statute or under common law.

(i) Failure or Refusal of Members to Pay Assessments. Funds needed for Owners Association Expenses due to the failure or refusal of Members to pay Assessments levied may, themselves, be deemed by the Board of Directors to be Owners Association Expenses and properly the subject of an Assessment; provided, however, that any Special Assessment for any such sums so needed to make up a deficiency due to the failure of Members to pay an Assessment shall, itself, be deemed to be a Special Assessment



subject to the limitations thereon with respect to Residential Properties owned by Declarant.

(j) Extraordinary Items. Extraordinary items of expense under the Documents such as expenses due to casualty losses and other extraordinary circumstances, shall be the subject of Special Assessments.

(k) Costs of Reserves. The funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation and deferred maintenance of the Common Elements, in amounts determined sufficient, appropriate and adequate by the Board of Directors from time to time, shall be a Owners Association Expense. The Reserves shall be deposited in a separate interest bearing account, certificate of deposit, or money market fund investing only in U.S. Treasury Bills, notes and other obligations issued or guaranteed by the United States Government, its agencies or instrumentalities, or repurchase agreements pertaining to such securities. The monies collected by the Owners Association on account of Reserves shall be and shall remain the exclusive property of the Owners Association and no Member shall have any interest, claim or right to such Reserves or any fund composed on same. The Reserves shall be used at the discretion of the Board of Directors to defray the costs of reconstructing, repairing, or replacing any of the Common Elements as is required from time to time by the Owners Association.

(l) Entertainment Expenses. The net cost of social activities for Members such as dances, parties, concerts, athletic competitions, etc. sponsored by the Owners Association may be deemed a Owners Association Expense by the Owners Association Board.

(m) Miscellaneous Expenses. All items of cost or expense pertaining to or for the benefit of the Owners Association or Common Elements, or any part thereof, not herein specifically enumerated and which are determined to be appropriate items of Owners Association Expense by the Owners Association Board in its sole discretion shall be a Owners Association Expense.

Section 6.04. Basis and Allocation of Annual Assessments. On or before the first day of November of each year, the Board of Directors shall adopt a budget for the Owners Association (the "Owners Association Budget") containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the properties as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Common Elements and the rendering to the members of all related services. The Owners Association Budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements.

Section 6.05. Annual Assessments. (a) Turnover Date. After the Turnover Date, the Owners Association Expenses (net of Owners Association Income) shall be borne equally by each Lot and Unit in accordance with the number of votes for each Lot or Unit as specified in Section 5.03 and the Annual Assessment for each Lot and Unit shall be computed accordingly.

(b) Prior to Turnover Date. Prior to the Turnover Date, the Annual Assessment for a calendar year for each Unit and Lot not owned by Declarant shall be computed by dividing the excess of the total estimated Owners Association Expenses over anticipated Owners Association Income for such year as determined by the Board of Directors. For purposes of the foregoing, total estimated Owners Association Expenses and Owners Association



Income shall include only that portion of such Expenses and Income which, based on a reasonable estimate by the Owners Association, are attributable to the actual usage of the Common Elements by the Owners.

The Declarant covenants and agrees with the Owners Association that it will pay the excess, if any, of the Owners Association Expenses (other than Owners Association Expenses which are properly the subject of a Special Assessment) incurred by the Owners Association prior to the Turnover Date over the sum computed by adding Owners Association Income, amounts assessed as Annual Assessments against Owners other than the Declarant and amounts expended by the Owners Association from any Capital Contributions or reserves attributable to the Owners. In consideration of the aforesaid covenants of the Declarant, prior to the Turnover Date, such payments by the Declarant shall be in lieu of payments of Annual Assessments for any vacant Lots owned by the Declarant, and no such Lots owned by the Declarant shall be subject to any Annual Assessments.

Section 6.06. Notice; Payment. (a) The Board of Directors shall provide a copy of the Owners Association Budget to each Member (and, if requested, the Owner's mortgagees), including a statement of the Annual Assessment.

(b) All Annual Assessments shall be due and payable in equal quarterly installments on January 1, April 1, July 1 and October 1, or at such other time or times as the Board of Directors shall determine.

Section 6.07. Special Assessments for Capital Improvements. In addition to the Annual Assessment, the Owners Association may levy, in any year, a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement constituting a Common Element, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of the majority of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

All Special Assessments shall be allocated in the same manner as Annual Assessments after the Turnover Date, provided that no Unit or Lot owned by the Declarant shall be subject to any Special Assessment without the prior written consent of the Declarant. Any Unit or Lot owned by the Declarant which is not subject to a Special Assessment shall not be included in determining the respective amounts of Special Assessments.

Section 6.08. Payment of Assessments. No Owner may exempt himself from liability for his Assessments by waiver of the use of enjoyment of any of the Common Elements or by abandonment of his interest in the Land. Prior to or at the time of any conveyance of a Lot or Unit by an Owner, all liens, unpaid charges and Assessments shall be paid in full and discharged. The purchaser of a Lot or Unit shall be jointly and severally liable with the selling Owner for all unpaid Assessments against the latter for Assessments up to the time of recording of the conveyance, without prejudice to the purchaser's right to recover from the selling Owner amounts paid by the purchaser therefor; provided, however, that any purchaser of a Lot or a Unit shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Owner within ten days following a written request therefor to the Owners Association and such purchaser shall not be liable for, nor shall the Lot or Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and provided, further, that each Institutional Mortgagee who comes into possession of a Lot or Unit by virtue of foreclosure (or by deed or assignment in lieu of foreclosure) or any purchaser at a foreclosure sale, shall take the Lot or Unit free from any claims for unpaid Owners Association assessments or charges against such Lot or Unit which



become due or accrue prior to acquisition of title to such Lot or Unit by the mortgagee or purchaser.

Section 6.09. Collection of Assessments. The Owners Association shall take prompt action to collect Assessments due from any Owner which remain unpaid for more than 30 days from the due date for payment thereof. Any Assessment, or installment thereof, not paid within five days after due shall accrue a late charge in such amount as a percentage of the overdue Assessment or installment as the Board of Directors shall generally establish from time to time not to exceed the legal rate of interest.

If an Assessment is not paid within 30 days after the due date, the Board of Directors may, ten days after giving written notice to an Institutional Mortgagee, if any, holding a mortgage encumbering the Unit or Lot, bring an action at law against the Owner to collect amounts due and/or bring an action to foreclose the lien against such Unit or Lot, and there shall be added to the amount of the Assessment the costs of preparing and filing the complaint in such action; and, in the event a judgment is obtained, such judgment shall include interest on the Assessment as above provided and reasonable attorneys' fees together with the costs of the action and any other collection costs.

Section 6.10. (a) Statement of Assessments. The Board of Directors shall promptly provide any Owner, contract purchaser or Institutional Mortgagee so requesting the same in writing with a written statement of all unpaid Assessments due from the Owner. The Board of Directors shall not impose a charge for the preparation of such statement.

(b) Statement of Default. The Board of Directors shall promptly notify any Institutional Mortgagee of any Lot or Unit, upon request, of any default in the performance of the Owner of any obligation pursuant to the Documents which is not cured within 60 days.

(c) Lien for the Cost of Maintenance Performed Pursuant to Section 4.06(c). The cost of performing maintenance pursuant to Section 4.06(c) and the expenses of collection, if any, including court costs and reasonable attorneys' fees, shall be assessed against the Defaulting Owner and, together with interest thereon as hereinafter set forth, shall become a lien upon the property of the Defaulting Owner. The Defaulting Owner shall be liable to the Declarant or the Owners Association, as the case may be, for payment of amounts assessed against said Defaulting Owner and for all costs of collecting the same plus interest and attorneys' fees as hereinafter provided. In the event the amounts assessed against the Defaulting Owner are not paid within 20 days of the date of the assessment, the Declarant or the Owners Association may proceed to enforce and collect said assessments against the Defaulting Owner in any manner provided for by the laws of the State of Vermont, including foreclosure and sale of the property subject to the lien. The lien shall be effective from and after the time of filing in the Land Records of the Town of Stowe of a written, properly acknowledged and witnessed statement signed by an authorized agent of the Declarant or the Owners Association setting forth the amount due. All sums assessed shall earn interest at the highest rate permitted under law. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable satisfaction of lien. The provisions of Sections 4.06 may also be enforced in accordance with the provisions of Section 6.09.

## ARTICLE VII

### ARCHITECTURE COMMITTEE

Section 7.01. Establishment. In order to preserve the values and appearance of The Stowe Club, an Architecture Committee shall



be established. The Architecture Committee shall administer and perform the architectural review and control functions of the Declarant and the Owners Association

Section 7.02. Organization. The Architecture Committee shall consist of no fewer than three nor more than five members any of whom may be Owners or members of the Board of Directors. The members of the Architecture Committee shall be appointed by the Declarant and the Declarant shall have the right to remove any member of the Architecture Committee and to fill any vacancy occurring on the Architecture Committee for any reason whatsoever until the "Architecture Committee Turnover Date" (as hereinafter defined). The "Architecture Committee Turnover Date" shall be the earlier to occur of the following:

- (i) 90 days after the Declarant no longer owns any Lot or Unit; or
- (ii) the date on which the Declarant, by written notice thereof to the Board of Directors, relinquishes its right to appoint members of the Architecture Committee.

Employees and agents of the Declarant may serve on the Architecture Committee. After the Architecture Committee Turnover Date, the members of the Architecture Committee shall be appointed by the Board of Directors which shall have the right to remove any member of the Architecture Committee and to fill any vacancy occurring on the Architecture Committee for any reason whatsoever. After the Architecture Committee Turnover Date, at least three members of the Architecture Committee shall be Owners. Three members of the Architecture Committee shall constitute a quorum to transact any business of the Architecture Committee and the action of the majority present at a meeting in which a quorum is present shall determine the action taken by the Architecture Committee. The Architecture Committee may designate a representative to act on behalf of the Architecture Committee, subject to the approval of the Declarant until the Architecture Committee Turnover Date and thereafter subject to the approval of the Board of Directors. No member of the Architecture Committee or any representative of the Architecture Committee shall be entitled to any compensation for services performed hereunder.

Section 7.03. Method of Obtaining Architecture Committee Approval. (a) Procedure. In order to obtain the approval of the Architecture Committee as required in Section 4.01 or elsewhere in the Documents, an applicant may either:

- (i) apply first for "preliminary approval", as hereinafter set forth, and after obtaining preliminary approval apply for "final approval" as hereinafter set forth; or

- (ii) apply for "final approval" at the outset.

(b) Preliminary Approval. In order to obtain the preliminary approval the Architecture Committee, an Owner shall submit to the Architecture Committee two sets of preliminary plans which show all proposed location, preliminary elevations, shape and dimensions of the proposed Improvements. The Architecture Committee may request additional information as may be reasonably necessary for it to evaluate on a preliminary basis the proposed construction, landscaping or alteration.

The Architecture Committee shall review and discuss preliminary plans with the Owner with a view to advising the Owner about changes, modifications and additional requirements which should be considered before submitting Final Plans. In no event shall preliminary approval be deemed a commitment on the part of the Architecture Committee to approve the Final Plans.

(c) Final Approval. In order to obtain the final approval of the Architecture Committee, an Owner shall submit to the Architecture Committee two complete sets of plans and



specifications (the "Final Plans"), which shall include a site plan described in Section 4.01, a foundation plan, working drawings for the proposed Improvements, front, side and rear elevations, and the Landscape Plan required under Section 4.01(d). The Final Plans shall include, as appropriate, the proposed location, grade, elevations, shape, dimensions, exterior color plans; and nature, size, type and color of building materials. The Architecture Committee may also require the submission of samples of building materials proposed for use and the submission of additional information and materials as may be reasonably necessary for the Architecture Committee to evaluate the proposed construction, landscaping or alteration. The Architecture Committee may waive portions of the above requirements but shall not approve any Final Plans which in its judgment would impair the general scheme or plan of development of The Stowe Club.

Section 7.04. Approval or Disapproval by the Architecture Committee. Except as provided in Section 4.01(c), the Architecture Committee may decline to approve any preliminary plans or Final Plans which, in its sole judgment, it deems not suitable or desirable. Any and all approvals or disapprovals of the Architecture Committee shall be in writing and shall be sent to the Board of Directors and the Owner. If requested, evidence of such approval or disapproval shall be made by a certificate, in recordable form, executed under seal by the President or Secretary of the Owners Association. An approval by the Architecture Committee may not be revoked; provided, however, that the approval for Improvements on a Lot shall expire in the event construction does not commence within the time period set forth in Section 4.01(b). After the Architecture Committee Turnover Date, any Owner aggrieved by a decision of the Architecture Committee shall have the right to request a review thereof by the Board of Directors by written request within 30 days after such decision. The determination of the Board of Directors upon reviewing any such decision of the Architecture Committee shall be final.

In the event the Architecture Committee fails to approve or to disapprove, in writing, any preliminary plans or Final Plans (x) within 30 days after the date of submission to the Architecture Committee (as evidenced by a dated receipt therefor by the Architecture Committee) or (y) in the event of a written notice of a deficiency to the Owner, within 30 days after submission of any reasonably requested information and materials related thereto required to correct the deficiency; then the preliminary plans or Final Plans shall be deemed to have been approved by the Architecture Committee and the appropriate written approval shall be delivered forthwith.

Section 7.05. Rules and Regulations. The Architecture Committee may promulgate and impose rules and regulations for the processing of applications submitted to it as it deems necessary in order to preserve the values and appearance of The Stowe Club, and thereafter to modify, alter, amend, rescind and augment any rules and regulations (collectively, the "Architecture Committee Rules"), provided that the Architecture Committee Rules shall not be in conflict with the provisions of the Documents and further provided that the Architecture Committee Rules shall be approved by the Declarant in writing, so long as the Declarant owns any portion of the Land, and thereafter shall be approved in writing by the Board of Directors.

Section 7.06. Indemnification. Every member of the Architecture Committee shall be indemnified by the Owners Association against all expenses and liabilities, including attorneys' fees reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been a member of the Architecture Committee, or any settlement thereof, whether or not he is a member of the Architecture Committee at the time such expenses are incurred, except in cases



wherein the member of the Architecture Committee is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. The foregoing rights to indemnification shall be in addition to and not exclusive of any right of indemnification to which a member of the Architecture Committee may be entitled, whether by statute or by common law.

Section 7.07. Standard of Review. (a) The Architecture Committee shall review and approve or disapprove all preliminary plans and Final Plans submitted to it for proposed Improvements on the basis of aesthetic consideration and the overall benefit or detriment which would result to the immediate vicinity and to The Stowe Club as a whole. The Architecture Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of dwellings or buildings, landscaping, color schemes, exterior finishes and materials, known soil conditions, restrictions, easements, the topography of the site and other Improvements in the immediate vicinity.

(b) The Architecture Committee shall give consideration to the following design standards prior to approval or disapproval:

(i) All improvements shall be located only within the building areas depicted on the Lot Plan for each Lot ("Designated Building Areas") as shown on Trudell Consulting Engineers, Inc. plans SP2 dated July 24, 1993, SP4 dated July 27, 1993 and SP8 dated July 29, 1993, except driveways and underground utility lines, be subject to the provisions of Section 4.01.

(ii) The use of traditional forms and design elements (e.g. pitched roofs, arches, dormers, etc.) is encouraged, although the Architecture Committee shall have the right to approve innovative or unique design.

(iii) Exterior walls of all structures shall be sheathed with either brick, stone, clapboard, shingle, or stucco, although the Architecture Committee shall have the right to approve other materials and the propriety of the material choice for each particular situation.

(iv) All roofs of all structures shall be pitched at an angle not less than 8 in 12 (although certain areas of a dwelling may also have lower pitched roofs if appropriate to a particular design concept), and shall be clad in slate, a slate-composite material, wood shingle or architectural grade shingle (340 pound), provided that another roof employing other materials will be permitted if architecturally harmonious with a design meeting the intent of Section 7.7. Chimneys shall be clad in brick, stone, wood or stucco. Visible solar panels, either roof-mounted or otherwise, are prohibited.

(v) The exterior color palette of all structures should be traditional in attitude. Bright colors will be discouraged as primary building colors and, in most cases, trim colors.

(vi) The design of all residential structures should emphasize the main pedestrian entry, and de-emphasize the garage access.

(vii) All non-wood Lot fencing must consist of, or be totally concealed by, non-deciduous planting material, (i.e. there is no prohibition against fencing designed to secure children or pets, but such fencing must be totally enveloped by hedges, trees, etc.). Fencing within a Lot may, in certain circumstances, be more architectural in nature.

(c) The Architecture Committee shall not be responsible for the quality of construction, and shall be under no obligation or liability relating to construction of any Improvements as a result of its review or approval of any preliminary plans or any Final Plans. Review and approval of preliminary plans or Final Plans shall not be deemed an evaluation for the purpose of



determining whether the Final Plans comply with any applicable governmental requirements or any determination that Improvements constructed pursuant to Final Plans will be structurally sound. No member of the Architecture Committee nor its duly authorized representative shall have any obligation or liability to the Owners Association or to any Owner or any other person or entity with respect to any loss, damage, injury or expense arising out of or in any way connected with the performance of his duties hereunder as a member of the Architecture Committee except for willful misconduct or malfeasance.

Section 7.08. Reliance and Enforcement. Notwithstanding the foregoing, unless notice of action to enforce these restrictions is recorded in the Land Records of the Town of Stowe in properly recordable form (indexed in the grantor index under the name of the Owner) within three months after completion of construction, alteration or addition of or to any building or other Improvements, on a Lot, the same shall be conclusively deemed to have complied with these restrictions.

Any member or properly designated agent of the Architecture Committee may, at any time after reasonable notice, enter, inspect and report upon any Lot or Improvement thereon as to compliance with the restrictions imposed hereunder and said Committee or any properly designated agent or member thereof shall not thereby be guilty of any manner of trespass or other violation for such entry or inspection.

Section 7.09. Right to Make Improvements. Notwithstanding the provisions of the Documents regarding approval by the Architecture Committee and any other provisions of this Declaration to the contrary, the Declarant and its nominees shall have the right to construct, develop, install, alter, maintain and repair Improvements on the Land, including but not limited to, recreational facilities and other improvements on the Owners Association Property, a satellite receiving dish, a master antenna system, cable television equipment and appurtenant distribution facilities and other such equipment, security communication antenna, communications antenna, and landscaping, including the carrying on of all activities appurtenant thereto or associated therewith, as Declarant in its sole judgment deems necessary or advantageous for the development of The Stowe Club.

## ARTICLE VIII

### RIGHTS RESERVED BY DECLARANT

Section 8.01. Development and Marketing Activities. The Declarant and its nominees reserve the right to enter into and transact on the Land any business necessary to consummate the sale, lease, improvement, construction, repair, maintenance or encumbrance of Lot or Unit, or other real property in The Stowe Club Land including, but not limited to, the right to maintain models and a sales offices, place signs, employ sales personnel, show Units and Lots and other portions of the Land, and use the portions of the Land and other improvements owned by the Declarant or the Owners Association or which the Declarant or its nominees have the right to use, pursuant to a lease, for purposes set forth above and for storage of construction materials and equipment and for assembling construction components on site.

Section 8.02. Sales and Construction Offices. The Declarant shall have the right to use as a construction office one or more Lots and Units, and may place trailers, heavy equipment and construction materials and supplies on Lots. Any models, sales area, sales office, construction office, signs and any other items pertaining to such sales, construction, maintenance and repair efforts shall not be considered a part of the Common Elements and shall remain the property of the Declarant or its nominees. The Declarant, for itself and its nominees, hereby reserves unto itself and its nominees an easement for an office



to carry on sales and resales business ("Sales Office") and easements for access to the Sales Office and for furnishing all required services and utilities to the Sales Office and easements for such other purposes as may be required in connection with the operation of the Sales Office. At such time as the Declarant no longer owns any Unit or Lot, or such earlier time as the Declarant may determine in its sole discretion, the Declarant may remove the Sales Office from the Land, in which event the Sales Office shall remain the property of the Declarant, or the Declarant may convey the Sales Office to the Owners Association. This right of use and transaction of business as set forth herein and any other rights reserved by the Declarant in the Documents may be assigned, in writing, by the Declarant in whole or in part.

Section 8.03. Veto Right. Anything in this Declaration to the contrary notwithstanding, until the Turnover Date:

no action authorized by the Owners Association or Board of Directors shall become effective, nor shall any action, policy, or program be implemented, which materially affects the Declarant or impairs any of the rights or privileges granted to the Declarant pursuant to the Documents until and unless:

(x) the Declarant shall have been given seven days' written notice of all related annual, special and class meetings of the Members and all related regular and special meetings of the Board of Directors by certified mail, return receipt requested, or by personal delivery, at the address which the Declarant has registered with the Secretary of the Owners Association, as it may change from time to time, which notice shall set forth in reasonable detail the agenda to be followed at said meeting; provided, however, that the Declarant may waive in writing receipt of such notice during or after such meeting and such waiver shall be deemed equivalent to the receipt of the required notice by the Declarant; and

(y) the Declarant or its designated representatives or agents shall be given the opportunity, at any such related meeting, if the Declarant or its designated representatives or agents so desire, to join in, or to have its representative or agents join in, discussions from the floor of any prospective action, policy, or program to be implemented by the Members of the Owners Association or the Board of Directors.

At such meeting the Declarant shall have a veto power over any such action, policy or program which materially affects the Declarant or impairs any of the rights or privileges granted to the Declarant pursuant to the Documents and which is authorized by the Members of the Owners Association or the Board of Directors to be taken by the Board of Directors, the Owners Association or any individual Member of the Owners Association if approved by the Board and which is necessary for said Member's action. Such veto may be exercised by the Declarant, its representatives or agents, at the related meetings held pursuant to the terms and provisions hereof. Any veto powers are not to extend to requiring any action or counteraction on behalf of the Board of Directors or the Owners Association.

Section 8.04. Lender Rights. For purposes of this Article VIII, the term "Declarant" shall include any Lender who acquires title to any portion of the Land as a result of the foreclosure of any mortgage encumbering the Land securing any such loan to the Declarant or acquires title thereto by deed in lieu of foreclosure. The Declarant shall have the rights and privileges set forth in this Article VIII which are in addition to and in no way limit any other rights or privileges of the Declarant under the Documents, unless Declarant shall notify the Owners Association in writing of Declarant's voluntary written election to relinquish the aforesaid rights and privileges of use.



## ARTICLE IX

### AMENDMENTS

Section 9.01. Generally. The covenants and restrictions of this Declaration shall run with and bind the Property, for a term of 40 years from the date this Second Amended Declaration is recorded. During such period of time,

(a) except as otherwise provided in Section 9.01(c), this Declaration may be amended only by vote or agreement of the Owners of at least two-thirds of the Lots and Units; for so long as the Declarant owns any Lot or Unit, no amendment shall be effective unless signed or consented to by the Declarant. Every amendment shall be prepared, executed, recorded and certified by the Owners Association Board and shall be effective only when recorded in the Land Records of the Town of Stowe.

(b) No amendment which alters the dimensions of any Lot or Unit or which increases the method of calculating the Assessments of any Owner shall be valid unless the same has been signed or consented to by the Owner so affected.

(c) The Declarant may reasonably amend the Declaration without the consent of any Owner, (x) prior to the sale by the Declarant of 40 of its Lots or Units notwithstanding the 19 Lots previously sold by Declarant's predecessor in title, or (y) at any time in order to comply with any provision of law; any such amendment, upon execution and certification by the Declarant, and recording by the Town Clerk of the Town of Stowe, shall be effective upon recording.

(d) Amendments for correction of scrivener's error(s) or other non material changes may be made by the Declarant alone until the Turnover Date and amendments for correction of scrivener's error(s) or other non material changes may be made after the Turnover Date by the Board of Directors without the need of consent of the Owners.

Section 9.02. Statutory Compliance. No amendment which alters this Declaration in any manner which would render it contrary to or inconsistent with any requirements or provisions of law or the local and state permits shall be valid unless approved by the appropriate governmental agency.

Section 9.03. Continuation; Termination. Upon expiration of the period of time set forth in Section 9.01, this Declaration shall be automatically extended for successive periods of ten years, unless owners of at least two-thirds of the Lots and Units, by vote or agreement, elect to terminate the Declaration. In the event of an election to terminate this Declaration, termination shall occur only upon recording of an instrument by the Owners Association in the Land Records of the Town of Stowe.

## ARTICLE X

### MISCELLANEOUS

Section 10.01. Interpretation. In the event of a conflict between the provisions of the Declaration, as amended, and the provisions of another Document, Deed or Declaration, the provisions of the Declaration, as amended, shall control unless the other Deed or Document specifically states that its terms shall supersede that of this Declaration.

Section 10.02. Invalidity. If any provision of this Declaration is held invalid, the invalidity thereof shall not affect other provisions of this Declaration which can be given without the invalid provisions, and to this end the provisions of this Declaration are severable.



Section 10.03. Headings. The headings and titles in this Declaration are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 10.04. Termination. This Declaration, as it may be amended from time to time, may be terminated as provided by law.

Section 10.05. Annexation. For so long as there is a Class B member, the Declarant may add real estate, additional Residential Property and Common Elements or add real estate to increase or reconfigure (or both) the Residential Property and the Common Elements. Thereafter, additional residential property may be added only upon the consent of two-thirds, by number, of Class A members

Section 10.06. Condemnation. In the event the Owners Association receives any award or payment arising from any taking of the Common Elements or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall be applied first to the restoration of the remaining Common Elements and improvements thereon to the extent deemed advisable by the Owners Association; and the remaining balance of such net proceeds, if any, shall then be distributed to the Owners based on their proportionate shares for Annual Assessments. Each such distribution shall be paid jointly to each Owner and to the holder of any mortgage encumbering the Unit or Lot, as their respective interests may appear, and the balance of such shares shall be distributed to the Declarant.

10.07. Additional Rights of First Mortgagees. Notwithstanding anything to the contrary in the Documents, the following provisions shall govern and be applicable insofar and for so long as the same are required in order to qualify mortgages of Living Units for sale to the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association under laws and regulations applicable thereto, to wit:

(a) Except as provided by applicable statute, in case of condemnation or substantial loss to the Common Elements, unless at least two-thirds (or such higher percentage as herein provided) of the first mortgagees (based upon one vote for each mortgage for each House or Town House encumbered by a first mortgage owned by such mortgagee); and Owners owning at least two-thirds of the Living Units have given their prior written approval, the Owners Association shall not be entitled to: (i) by act or omission, seek to abandon the Common Elements or terminate this Declaration; (ii) change the pro-rata interest or obligations of any House or Single Family Lot for the purpose of levying assessments or changes or allocating distribution of hazard insurance proceeds or condemnation awards; (iii) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause); (iv) use hazard insurance proceeds for losses to any part of the Common Elements for other than the repair, replacement or reconstruction of such; or (v) restore or repair damaged portions of the Common Elements in a manner other than as set forth in this Declaration.

(b) No provision of the Declaration shall give an Owner, or any other party, priority over any rights of the first mortgagee of the House or Town House pursuant to its mortgage in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Elements.

(c) Any agreement for professional management of the Common Elements or any other contract for providing for services of the Declarant may not exceed three years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety days' written notice or less.



Section 10.08. Environmental Requirements. Without the prior written consent of the District 5 Environmental Commission, or its successors,

(a) no Owner shall remove or replace, and each Owner shall maintain, the water conserving plumbing devices originally installed in any dwelling on a Lot or in any Unit;

(b) each house on a Lot and each Unit shall be constructed with insulation with an R-value of at least R-19 in the exterior walls, at least R-38 in the roof or cap and at least R-10 around the foundation or slab;

(c) there shall not be installed in any House or Unit any uncontrolled electric resistance heating system;

(d) the Owners Association shall maintain, repair and replace all of the Common Elements, including Roadways; and shall replace all landscaping, trees and shrubs as necessary;

(e) no vehicles shall be parked or permitted to remain standing in these areas of the Common Elements identified as fire lanes and restricted vehicular parking area.

No amendment of Section 10.01 shall be effective without the prior written consent of the District 5 Environmental Commission.

Section 10.9. Incorporation of Documents. Each deed conveying a Lot or a Unit or any other portion of the Land shall be conclusively presumed to have incorporated therein all the terms and conditions of the Documents, including, but not limited to, the Declaration, whether or not the incorporation of the terms and conditions of the Documents is specifically set forth by reference in such deeds, and acceptance by the grantee of a deed to any Lot or Unit shall be deemed to be acceptance by the grantee of all terms and conditions of the Documents.

Section 10.10. Notices. Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to:

(i) any Member whose name appears as a Member on the records of the Owners Association at the address shown on such records at the time of such mailing, or, in the absence of any specific address, at the address of any House owned by such Member; and

(ii) the Owners Association, at P.O. Box 215, Stowe, VT 05672, or such other address as the Owners Association shall hereafter notify Declarant and the Members of in writing; and

(iii) the Declarant at P.O. Box 215, Stowe, VT 05672, or such other address or addresses as the Declarant shall hereafter notify the Owners Association of in writing, any such notice to the Owners Association of a change in Declarant's address being deemed notice to the Owners. Upon request of a Member, the Owners Association shall furnish to such Member the then current address for Declarant as reflected by the Owners Association records.

The failure of the Owners Association to send any such notice to any such Institutional Mortgagee, guarantor or insurer shall have no effect on any meeting, act or thing which was to have been the subject of such notice nor any effect on the validity thereof.

Section 10.11. Enforcement. Until the Turnover Date, the covenants and restrictions herein contained or contained in any of the Documents may be enforced only by the Declarant or its designee in the first instance. If the Declarant fails to



properly enforce the covenants and restrictions or after the Turnover Date, the covenants and restrictions may be enforced by the Owners Association. This Declaration and its easements, covenants and restrictions may be enforced by judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction, or any other form of relief against any person, firm or entity violating or attempting to violate any covenant, restriction or provision hereunder if after seven days' written notice of such violation or attempted violation to the offending party, the offending party has not cured such violation or attempted violation. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party thereafter to enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to all costs thereof including, but not limited to, reasonable attorneys' fees.

Section 10.12. Context. Whenever the context so requires or admits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

Section 10.13. Attorney Fees. Any provision in this Declaration for the collection or recovery of attorney fees shall be deemed to include, but not be limited to, fees for attorneys' services and court costs and all trial and appellate levels and post-judgment proceedings and, unless the context clearly indicates a contrary intention, whether or not suit is instituted. Declarant and the Owners Association shall be entitled to their reasonable attorney fees and court costs in any proceeding to enforce the terms of this Declaration.

Section 10.14. Binding Effect. This Declaration shall be binding on all past, present and future owners of any Lots or Units and including but not limited to Stowe Club Village Houses on Parcel 4 and the Stowe Club Town Houses on Lot 27 and Parcel 2.

IN WITNESS WHEREOF, this Second Amended and Restated Declaration has been executed as a sealed instrument by the Declarant and joined in by the Owners Association for the purposes heretofore set forth on the day and year first above written.

ROBINSON SPRINGS PARTNERSHIP, a  
Vermont Partnership  
BY ROBINSON SPRINGS CORPORATION a  
General Partner

Rebecca J. Lee  
Witness as to Both

Mary Green  
Witness as to Both

BY: [Signature]  
Olaf Rasmussen, President

STOWE CLUB OWNERS ASSOCIATION,  
INC.

BY: Charles O. Rasmussen  
Charles Rasmussen, President

STATE OF VERMONT  
LAMOILLE COUNTY, SS.

At Stowe in said County and State on this 2nd day of September, 1993, personally appeared Charles Rasmussen, duly authorized agent of ~~Stowe Club Owners Association, Inc.~~, and he Robinson Springs Partnership (20)



acknowledged this instrument by him signed and sealed to be his free act and deed and the free act and deed of Robinson Springs Partnership.

Before me

Rebecca J. Cee  
Notary Public Exp 2-10-95

STATE OF VERMONT  
LAMOILLE COUNTY, SS.

At Stowe in said County and State on this 2<sup>nd</sup> day of September, 1993, personally appeared Charles Rasmussen, duly authorized agent of Stowe Club Owners Association, Inc., and he acknowledged this instrument by him signed and sealed to be his free act and deed and the free act and deed of Stowe Club Owners Association, Inc.

Before me

Rebecca Cee  
Notary Public Exp 2-10-95