

**DECLARATION OF COVENANTS, CONDITIONS,
RIGHTS, AND RESTRICTIONS
FOR
PUTNAM FOREST SUBDIVISION
STOWE, VERMONT**

Preliminary Statement

Schindler Development Corporation (the "Declarant"), is the owner of certain lands and premises located in the so-called North Hollow area in the Town of Stowe, County of Lamoille and State of Vermont, described more particularly hereinafter, consisting of all of the lands and appurtenances thereto (the "Property") acquired by the Declarant by two deeds identified as follows:

1. Warranty Deed from Allan T. Cannon to Schindler Development Corporation dated November 1, 1996 and recorded in Book 323 at Pages 35-37 of the Stowe Land Records.
2. Warranty Deed from Roy Marble to Schindler Development Corporation dated November 1, 1996 and recorded in Book 323 at Pages 57-60 of the Stowe Land Records.

The Property owned by the Declarant that is subject to this Declaration is depicted on a survey map entitled "Schindler Development Corporation, Putnam Forest Development 8 Lot Subdivision, Stowe, Vermont" dated November 18, 1997, revised November 19, 1997 and revised January __, 1998 prepared by David J. Peatman, Registered Land Surveyor, and recorded in Map Book __ at Page __ of the Stowe Land Records (the "Putnam Forest Survey Map") and on a site plan entitled "Putnam Forest Site Plan, Stowe, Vermont" dated __ 199__, prepared by North American Consulting Group, Limited and recorded in Map Book __ at Page __ of the Stowe Land Records (the "Putnam Forest Site Plan"). The purpose of this Declaration is to establish a general plan for development, use, improvement, and maintenance of the Property for residential homesites.

As depicted on the Putnam Forest Survey Map, the Property consists of eight (8) homesite lots designated as lots 1-8 (a "Lot" individually and the "Lots," in the aggregate), and certain rights of way, access roadways and utility easements for the benefit of the Lots and sewer and utilities rights of way for the benefit of the Lots.

Declaration

Declarant hereby declares that the Property is subject to and has the benefit of the following covenants, conditions, rights and restrictions, all of which shall run with the land and be binding upon and inure to the benefit of Declarant and the owners of the Lots, and their respective heirs, assigns, and successors in title and interest. All of the Lots comprising the Property shall be improved, held, maintained, used, and conveyed in accordance with this Declaration in a manner to preserve the natural environment

and to preserve and enhance the scenic beauty of the area as appropriate.

1. Subdivision Prohibited. No Lot shall be subdivided so as to create an additional building lot, or for sale, lease, or any other purpose.

2. Residential Use. Each Lot shall be used for residential purposes only and not for any mercantile, commercial, or industrial purposes. This restriction does not exclude the establishment of an office or studio in the residence of an accountant, architect, artist, attorney, engineer, doctor, writer, or other such occupation, provided, however that use of a portion of the residence for an office or studio shall be secondary to the use of the residence as a home, as required under the Town of Stowe Zoning Regulations governing home occupations. This restriction shall not be construed as preventing rental by an owner of his/her residence for vacation, seasonal, or residential use.

3. Structures Permitted. The only buildings permitted upon each Lot shall be: one single-family residential dwelling; one garage-workshop, art studio and/or barn of appropriate size and design relative to the dwelling; one small storage shed or other compatible outbuilding for gardening equipment and the like; and such other buildings or structures as the Declarant may approve in writing as being consistent with the general plan of residential homesites in the area. The garage, which may be attached to the residential dwelling or detached therefrom, shall have no more than a three-vehicle capacity. A separate apartment within a dwelling or garage attached to the dwelling is allowed, in conformance with all applicable provisions of the Town of Stowe Zoning Regulations and State of Vermont requirements.

4. Prohibited Structures. No mobile homes, house trailers, or mobile residential units shall be placed, erected, or kept on any Lot. No uninhabited house trailer, motor home, or camper shall be allowed on any Lot unless stored in a garage or barn. No temporary structures shall be constructed or permitted upon any Lot, except for structures utilized during construction of permitted structures on any Lot as allowed under Section 6 of this Declaration, and except for tents or other shelters erected temporarily for special occasions such as weddings or structures utilized for occasional and strictly temporary use. Satellite dishes in excess of eighteen inches in diameter shall not be allowed unless the placement of the dish can be accomplished so that it is unobtrusive and out of sight or otherwise adequately screened from view of the access roadway and other Lots, as determined in the sole discretion of Declarant.

5. Approval of Architectural, Construction, and Site Plans. All plans for the construction, alteration, or exterior

remodeling of or addition to any building, structure, or other assemblage to be erected or placed upon any Lot, including all architectural, site, exterior lighting and landscaping plans, must be submitted to and approved in writing by Declarant prior to the commencement of any construction, erection, or site work. The review and prior approval rights of Declarant shall encompass all components of construction and site work including but not limited to location, exterior form, materials, colors, architectural style, exterior lighting, siding, roofing, fencing, finish, grade elevation and landscaping. Site plans, landscaping, building design, and parking and access arrangements will be considered as a part of the aesthetics of the project. Preference will be given to designs which integrate the existing landscaping and mature trees into the design. If approval of such plans is granted, such approval shall be evidenced by separate written certification, with such conditions and additional provisions as Declarant shall deem necessary or advisable for preservation of the scenic beauty and residential character of the area. No changes or deviations in such plans as approved shall be allowed without the prior written consent of Declarant. The Declarant shall complete and act upon the review process within 30 days from its date of receipt of all plans submitted for approval.

With the exception of required access driveways, utilities, septic fields, and the like, all construction shall be within the designated building zone shown on the Putnam Forest Survey Map and in all cases shall comply with the minimum setbacks established in the Stowe Zoning Ordinance. All buildings shall be in compliance with the relevant Stowe Zoning Ordinance.

By way of general guidance with respect to design elements and construction components emphasized by Declarant, but without any prior commitment or obligation with respect to approval thereof, the following guidelines and suggestions shall apply:

(a) The use of traditional New England design elements and appearance is encouraged. Roofs with ten/twelve or twelve/twelve pitch are preferred. Roofs with a pitch of less than eight/twelve will generally not be approved (although certain roof areas secondary to the main design motifs may have lesser pitch if appropriate to the overall design concept).

(b) Second floor individual gable dormers are usually more aesthetically pleasing than a shed dormer.

(c) Exterior siding shall be traditional in nature, with preference given to wood clapboards. Chimneys shall have unpainted brick or stone sheathing. Use of aluminum or vinyl exterior siding is discouraged and will generally not be approved. Installation of solar panels on the roof must be placed to be as unob-

trusive as possible. Television antennas must be installed inside the attic space and not on the roof or other outside location.

(d) Roofing materials shall be limited to natural cedar shingles or shakes and architectural, asphalt style shingles.

(e) Choice of colors for all exterior siding and roof is critical to ensure compatibility with the natural setting and scenic nature of the area. Bright or garish colors will generally not be approved. Natural tones preserved and enhanced by exterior all-weather stain, and soft color schemes for exterior siding are encouraged.

(f) In addition to the building, and tree cutting restrictions noted in Section 15 hereinafter, site layout, landscaping, building densities, and parking or access arrangements (the "Lot Site Plans") are to be considered as a part of the aesthetics of the Property. Preference will be given to Lot Site Plans that integrate the existing landscapes and mature trees into the design. In addition, the building site shall be carefully chosen to minimize the required excavation work (cuts and fills) to develop an acceptable site where feasible.

6. Completion of Construction. The construction of the foundation and all exterior surfaces, including roof, siding, windows, doors, and all other exterior finish details of any building or structure erected on a lot shall be completed in accordance with the approved plans within twelve months from the date of commencement of construction. Commencement of construction shall mean any site work. General landscaping and final site refinement of the Lot, including establishment of a lawn, shall be substantially completed within eighteen months from the date of commencement of construction. Temporary structures for storage of building materials and tools may be erected or placed upon the Lot during the construction period, but any such temporary structures shall be removed upon completion of construction.

7. Erosion Control. All reasonable precautions, including seeding and mulching of house sites and driveway banks and shoulders, must be taken to prevent soil erosion during any construction activity causing earth disturbance. When permanent erosion control measures cannot be initiated within a 72-hour period, exposed surfaces shall be protected with a temporary mulch of hay, and water shall be directed away from the disturbed area.

The Property is subject to State of Vermont Agency of Natural Resources Discharge Permit No. 1-1251 (the "Discharge Permit"). The Association (as hereinafter defined) shall be responsible for the annual inspection and reporting requirements of the Discharge Permit.

8. Fencing. Fencing on the perimeter of or within any lot shall not exceed four feet in height and shall be post and rail fencing, provided, however, that Declarant may approve other types of fencing on an individual basis in keeping with the character of the area.

9. Energy Conservation. All construction shall meet the minimum standards established for new residential construction by the Vermont Department of Public Service, or shall be a design which achieves a four star energy rating, or an equal standard established by other energy rating agencies and all state and local permits.

10. Water Conservation. All residential dwellings shall be equipped with water-conserving plumbing fixtures, including but not limited to low-flush toilets, low-flow showerheads, and aerator-type or flow-restricted faucets.

11. Outdoor Lighting. All outdoor lighting shall be installed or shielded in such a manner as to cast light downward and to conceal light sources and reflector surfaces from view substantially beyond the perimeter of the area to be illuminated.

12. Signs. One sign to identify each Lot by name or owner shall be permitted, provided that the sign is not lighted and does not exceed two square feet in size. Any sign must be in conformance with the sign requirements contained in the Stowe Zoning Regulations and shall require the written approval of Declarant.

13. Brooks, Streams, and Ponds. No owner of any Lot shall interfere in any way with water rights relative to the brooks, streams, and ponds flowing through or located upon Property, and no owner shall cause or allow any pollution or degradation of the quality of water in said brooks, streams, and ponds by effluent discharge or otherwise. Construction of any pond and the use of brooks or streams flowing through the Property to provide water for any such pond, shall not be commenced or allowed without first obtaining the written approval of the Declarant and the appropriate agency of the State of Vermont and, in the case of the State designated wetlands, the Army Corps of Engineers. There shall be a twenty-five foot wide buffer zone on each side of any brook, stream, water course, or wetland. The twenty-five foot buffer zone shall be measured from the top of the bank or other edge of the brook, stream, water course, or wetland. No cutting, thinning, digging, construction, or disturbance of any kind shall be allowed within the buffer zone, except as necessary to remove dead or dying trees provided that the stumps thereof shall not be removed.

14. Grounds Maintenance. The owner of each Lot shall at all times maintain or cause to be maintained his/her land and

premises in a clean, neat and presentable fashion consistent with the plan to establish and preserve a well kept area of residential homesites and related woodland, meadows, and other natural features. No refuse or debris shall be stored or allowed to accumulate on the premises outside of any building. All trash awaiting removal shall be stored out of sight from the roadways and adjoining Lots and be removed promptly so as to prevent any unsightly appearance or noxious odors. All homesite areas and open areas on Lots shall be kept mowed and groomed by mowing, brushhogging, or other cutting operations to prevent growth of underbrush, tree saplings, or other vegetation that would otherwise cause a scruffy or unkempt appearance of the land. In the event an owner fails to perform this mowing and grounds maintenance duty on a regular periodic basis, no less frequently than annually, then the Declarant or its agents upon reasonable notice may enter upon the Lot and perform the ground maintenance, and the owner shall be responsible for payment of all costs incurred thereby. Planting of trees, bushes, flowers, and other plantings for landscaping, screening, or ornamental purposes is encouraged.

15. Building Zones, Zoning, Cutting, Clearing and Removal of Trees.

(a) Portions of the Property have been determined to have the potential for adverse aesthetic impact upon the community and therefore have more closely defined building zones and clearing limits. The intent of this covenant is to allow a Lot owner a reasonable view from his/her property, without making the new home, improvements or landscaping unduly visible to the general public as seen from off-site. To accomplish this objective, the conditions and restrictions outlined in paragraphs (b) and (c) of this Section 15 apply.

(b) Each Lot shall be granted a house site in a building zone (the "Building Zone") as shown on the Putnam Forest Survey Map. All construction and clearing (as discussed in subparagraph (c) of this Section 15), including new construction of out buildings such as a garage or a barn or any other permitted structures as noted in Section 3 herein shall be within the Building Zone (except that the Declarant shall have the right to approve a house site outside of the Building Zone subject to the last sentence of this paragraph 15(b)) with the sole exception of a driveway, underground utilities and leachfields, which may or may not be constructed within the Building Zone. House construction on each Lot shall be centered on the designated "House Site in Building Zone" location as shown on the Putnam Forest Survey Map. All construction shall be in compliance with the Stowe Zoning Ordinance and any applicable state or local statutes, rules, or regulations.

(c) Clearing of trees and existing vegetative growth shall be limited to that which is permissible by the controlling State and local permits, and that which is permissible by the Declarant.

16. Animals. No animals may be kept upon any Lot, except domestic pets (such as dogs, cats, and the like), saddle horses, and a limited number of farm animals. Any and all such animals shall be for personal use and enjoyment of the owner and his/her family members and guests only, and not for breeding, public use, or other commercial purposes. All dogs and other pets shall be kept under control so as not to damage or destroy deer and other wildlife habitat existing within the Property or as to disturb neighboring Lot owners.

17. Nuisances Prohibited. No owner shall cause or allow any activity, condition, or other thing to occur or exist on his/her lot that generates loud noises, disturbs the peace, quiet, and serenity of occupants of neighboring Lots, or otherwise creates a condition constituting a nuisance and that is not in keeping with the residential character of the neighborhood. With specific regard to noise pollution, the operation of motorized vehicles such as trail motor cycles, all-terrain vehicles, snowmobiles, go-carts, and the like are prohibited within the Property. The use of garden tractors, power lawnmowers, snow removal equipment, light chainsaws, and other devices commonly utilized in the maintenance of residential Property shall be permitted during daylight hours only; provided, however, snow removal equipment may be used at other times as conditions require.

18. Prohibition Against Granting Rights-of-Way. No right-of-way or easement may be allowed, permitted, or granted by any owner over or across any Lot for providing access to adjoining or nearby lands or for any other purpose unless approved in writing by Declarant.

19. Utility Lines and Related Services and Fire Pond.

(a) Utilities and Related Services. The Declarant for itself and its assigns (including the Village of Stowe Electric Department, the local telephone company, the local cable company, and other utility service providers) reserves an easement and right-of-way across, under, and upon those portions of Lots and lands within the Property that are necessary or advisable (including, without limitation, the right to enter a Lot) for purposes of performing or causing to be performed proper installation, repair, maintenance, and replacement of all utility service lines (including electrical, telephone, cable television, and the like), pipes, conduits, trans closures, and other related equipment and paraphernalia for the Lots. All such utility systems installation, maintenance, repair, and replacement work shall be performed in a good and careful manner, causing the least disruption possible, fol-

lowed by all necessary actions to restore any disturbed earth surface to its natural and undisturbed condition, including filling, grading, seeding, and mulching. In particular, and without limiting the generality of the foregoing, Declarant reserves such utility lines and service easements across, under and upon Lots 1, 2 and 5. Such easement begins at the lands located on Lot 5's northwesterly boundary, known as the "Pinnacle Heights" property shown on the Putnam Forest Survey Map and continues through Lots 1, 2 and 5 in a northeasterly direction to the roadway right-of-way of this Property.

All utility service lines, both primary and secondary, shall be installed underground. The Declarant will be responsible for laying, installing, and energizing, at its sole cost, primary electrical power and telephone service lines and related trans closures, to which secondary electrical power and telephone service lines serving each Lot shall be connected. Following installation and energizing of the primary electrical power and telephone service lines and related trans closures, Declarant shall have no further responsibility or liability for operation, maintenance, repair, or replacement thereof, the costs of which shall be shared proportionately by the owner of Lots served thereby. Secondary electric power, telephone service, and other utility lines and equipment shall be installed by each Lot owner from the nearest trans closure underground to the building(s) on the Lot to be served thereby at such owner's sole cost and in a good and careful manner to prevent damage or other deterioration of the primary utility systems within the Property.

The easement and right-of-way reserved hereinbefore by Declarant shall apply to future installation of any additional utility service lines, but Declarant shall not bear any liability, responsibility, or cost for installation of any future utility service lines. The Declarant hereby grants to each owner of a Lot as an *incident of ownership the perpetual non-exclusive right and authority*, in common with others, to connect to and utilize said primary electric power and telephone service lines and related trans closures and equipment.

(b) Fire Pond. An easement and right-of-way, in common, is located upon and beneath an area of Lot 1 and Lot 2 as shown on the Putnam Forest Survey Map. Said right-of-way shall be for purposes of construction, maintenance (including required testing, snow removal, and the like), repairs and/or replacement of a pond for the provision of fire protection and stormwater retention, related components including a dry hydrant, stand pipe, and other such infrastructure as may be required. Said fire pond shall be constructed as depicted on the approved engineering plans for the Property. Each Lot owner shall be obligated to pay an equal share (i.e., 1/8th) of all costs for maintaining, repairing, replacing, and improving the fire pond and its components.

20. Access Roadway and Driveways.

(a) **Putnam Forest Roadway.** Vehicular access to the Property is by means of a 50 foot right-of-way from Stowe Town Highway #39 across the lands now or previously owned by the Zubers to the Property. As depicted on the Putnam Forest Survey Map, the Lots located within the 50-foot wide right-of-way are subject to perpetual easements and rights-of-way for use thereof in common by the Lots within the Property. The access roadway, a 50-foot wide right-of-way across Lots 1, 2, 7 and 8 (the "Putnam Forest Roadway") provides vehicular ingress and egress for the Lots, and Declarant hereby grants to each owner of a Lot, and the Declarant, as an incident of ownership, the perpetual non-exclusive easement and right of use over and upon the Putnam Forest Roadway for providing vehicular access to the Lots. Declarant will install and construct the Putnam Forest Roadway and all related site improvements associated therewith, including culverts, headwalls, shoulders, swales, banks, and slopes. Each Lot owner shall be obligated to pay an equal share (i.e., 1/8th) of all costs for maintaining, repairing, replacing, and improving the entire 50-foot wide portion of the Putnam Forest Roadway that ends at the border of Lot 3 near the lands of James A. McLeod, as shown on the Putnam Forest Survey Map, said costs to include, but not be limited to, drainage infrastructure, grading, graveling, mowing, landscaping, snow removal, sanding and other maintenance, repair, replacement, or improvement work as may be necessary or advisable from time to time.

(b) **Sign Easement on Lot 1.** Declarant may place a project sign named "Putnam Forest" on a portion of Lot 1. Such placement shall be within thirty (30) feet of the centerline of the Putnam Forest Roadway. Declarant reserves an easement and right of access on this portion of Lot 1 for the installation of the sign and ongoing maintenance, repair, and replacement thereof and landscaping and upkeep of the area in the vicinity of the sign.

(c) **Driveway/Utility Easements.**

Lot 1. A 30-foot wide driveway and utility easement right-of-way leading from the Putnam Forest Roadway to Lot 1 is located on and across Lot 2 as shown on the Putnam Forest Survey Plan and the Putnam Forest Site Plan. Said right-of-way and easement shall be for the purpose of driveway construction, maintenance, repairs, and access, and for the installation, maintenance, repair and replacement of underground utilities, together with necessary above-ground pads and enclosures and meters.

Lot 5. A 30-foot wide driveway and utility easement right-of-way leading from the Putnam Forest Roadway to Lot 5 is located on and across Lot 2 as shown on the Putnam Forest Survey Plan and

the Putnam Forest Site Plan. Said right-of-way and easement shall be for the purposes of driveway construction, maintenance and repairs, access and for the installation, maintenance, repair and replacement of underground utilities, together with necessary above ground pads and transclosures and meters.

21. Wastewater Disposal System. Disposal of effluent and wastewater from residential dwellings on the Lots shall be accomplished by means of a community subsurface wastewater disposal system located upon Lot 2 (the "Community System"). This eight (8) Lot subdivision has been approved by the following permits:

Vermont Land Use Permit No. 5L0692 dated September 14, 1982 and recorded in Book 106 at Pages 134-135 of the Stowe Land Records;

Vermont Land Use Permit No. 5L0692-1 dated March 22, 1984 and recorded in Book ____ at Pages ____ of the Stowe Land Records;

Vermont Land Use Permit No. 5L0692-2 dated April 11, 1984 and recorded in Book 114 at Pages 126-127 of the Stowe Land Records;

Vermont Land Use Permit No. 5L0692-3 dated July 1, 1986 and recorded in Book 120 at Pages 350-351 of the Stowe Land Records;

Vermont Land Use Permit No. 5L0692-5 dated September 18, 1996 and recorded in Book 320 at Pages 216 of the Stowe Land Records (5L-0692-4 were changes to lot lines and was withdraw);

Vermont Land Use Permit No. 5L0692-6 dated September 18, 1996 and recorded in Book 320 at Pages 220 of the Stowe Land Records;

Vermont Land Use Permit No. 5L0692-7 dated November 7, 1997 and recorded in Book 341 at Pages 102-104 of the Stowe Land Records;

Vermont Agency of Natural Resources Subdivision Permit No. EC-5-1726-1 dated May 14, 1996 and recorded in Book 325 at Pages 330-332 of the Stowe Land Records;

Vermont Agency of Natural Resources Subdivision Permit No. EC-5-1726-2 dated March 27, 1997 and recorded in Book 330 at Pages 001-002 of the Stowe Land Records;

Vermont Agency of Natural Resources Subdivision Permit No. EC-5-1726-3 dated July 11, 1997 and recorded in Book 335 at Pages 150-152 of the Stowe Land Records;

Vermont Agency of Natural Resources Subdivision Permit No. EC-5-2896 dated March 27, 1997 and recorded in Book 329 at Pages 348-350 of the Stowe Land Records;

Vermont Agency of Natural Resources Subdivision Permit No. EC-5-2896-1 dated July 11, 1997 and recorded in Book 335 at Pages 146-149 of the Stowe Land Records; and

Vermont Agency of Natural Resources Storm Water Discharge Permit No. 1-1251, dated September 20, 1996 to be recorded simultaneously with the recording of this Declaration (the "Permits").

All terms and conditions of the Permits, together with and including all documents and plans referred to therein, shall govern installation, testing, use, operation, maintenance, and replacement as necessary of the wastewater disposal system. Particular reference is made to the Putnam Forest Survey Map and the Putnam Forest Site Plan for details and depictions concerning

the locations of the wastewater disposal system and the various components thereof, including primary and replacement disposal field areas, septic tanks, sewer lines, distribution boxes, lift stations and other equipment and components, together with related easement areas, maintenance, and replacement of the systems.

(a) By way of general description, the wastewater disposal system for the Lots within the Property is identified and described as follows:

As depicted on the Putnam Forest Survey Map and the Putnam Forest Site Plan, the Lots are each served by community leachfields consisting of a shared distribution box, two shared leachfield beds, related components and parts. System A serves lots 1, 2, 5, & 6, and System B serves lots 3, 4, 7, & 8. Each home will transmit wastewater into an individual septic tank on its own site, and then to an individual dosing tank, or an individual lift station, on its own site, and then into an individual septic force main. The wastewater will then travel via the individual force main from the Lot to a common distribution box on Lot 2 (either system A or B), and then into the common leachfield.

(b) As shown on the Putnam Forest Site Plan, and by way of general description, septic force main perpetual easements are hereby established across, under and upon the Lots, as follows:

- Lot 1 - Through Lot 2 to the Common Leachfield A.
- Lot 2 - None.
- Lot 3 - Through Lot 4, then across and along the common roadway to Lot 2 to Common Leachfield B.
- Lot 4 - Across the common roadway, then via Lot 2 to Common Leachfield B.
- Lot 5 - Through Lot 2 to Common Leachfield A.
- Lot 6 - Through Lot 5, then to Lot 2 to Common Leachfield A.
- Lot 7 - Across and along the common roadway to Lot 2 to Common Leachfield B.
- Lot 8 - Through Lot 4, then across and along the common roadway to Lot 2 to Common Leachfield B.

Said rights-of-way and easements are comprised of 20 foot wide corridors and shall be for the purpose of installation and construction of sewer lines, distribution boxes, lift stations and other equipment and components, maintenance and repairs, and access for the maintenance, repair and replacement of same if necessary.

The Declarant shall be responsible for installation of the Community System. The owners who acquire Lots from Declarant shall be solely responsible for testing, operation, maintenance, repair, and replacement as necessary of the Community System, in accordance with the approved plans and specifications in the Permits. Each Lot owner shall be obligated to pay an equal share

(i.e., 1/8th) of all costs necessary for, or related to, the testing, operation, maintenance, repair and replacement as necessary of the Community System. The owner of each Lot served by the Community System shall, at said owner's sole cost without any obligation or responsibility upon the other owners or Declarant, install for his/her home the individual septic tank, lift station, and secondary sewer line and any other necessary equipment for connection to the main sewer line leading to the disposal fields.

(c) Rights and Responsibilities Concerning the Community System. The Declarant hereby grants to the owners who acquire Lots 1-8 and their successors in title, the perpetual right, authority, and easement to utilize the Community System and pursuant to this right, authority and easement appurtenant to said Lots, the owners of said Lots shall have the ongoing right of access to and upon the sewer line easement corridors and the leachfield easement areas, as described hereinbefore as depicted on the Putnam Forest Survey Map and Putnam Forest Site Plan, to ensure proper installation, operation, maintenance, repair and replacement as necessary of each system. All work performed on each of the systems shall be carried out in a good and careful manner, causing the least disruption possible, followed by all necessary actions to restore any disturbed earth surface to its natural and undisturbed condition, including filling, grading, seeding, and mulching. The owners served by each system shall be responsible for and have all obligations and liabilities (including inspection and reporting obligations) incident to the proper, safe, and sanitary operation of the systems in conformance with the Permits in a manner that will not permit the discharge or injection of sewage effluent, waste materials, or any harmful or toxic substances into wells, springs, streams, ponds, ground water, or other waters of the State of Vermont.

(d) Inspection and Maintenance Procedures for the Community System. The following inspection and maintenance procedures shall apply to the Community System:

(i) The community sewer lines shall be inspected at least every year to ensure that there is no damage, clogging, or excessive infiltration, with cleaning out of sewer lines as may be necessary.

(ii) The community septic tanks shall be pumped out at least every three years.

(iii) The community distribution boxes for all leachfields shall be inspected every three years to ensure that they are level and free of solids, soil, or other materials impeding even distribution and flow of effluent to the leachfields.

(iv) The community pumps and valve boxes shall be inspected annually to ensure that they are maintained in accordance with manufacturer's specifications and that they are in proper operating condition.

All records and reports required for these inspections and maintenance procedures shall be kept on file with the Association of Owners and submitted as necessary to governmental authorities having jurisdiction over the wastewater disposal systems.

(e) All individual Lot owner's pump stations shall be connected to such Lot owner's individual electric meter. In addition, all individual Lot owners shall pump out their individual septic tanks at least every three to five years, and ensure that all individual sewer line, and any individual pumps, distribution or valve boxes are inspected annually.

22. Association of Owners. There is hereby formed and established a non-profit unincorporated association, which consists of the owners of the Lots within the Property. The name of the Association is Putnam Forest Homeowners Association (referred to herein as the "Association"). The Association at the election of Declarant, or a majority of the owners of the Lots comprising the Property, shall be incorporated under the laws of the State of Vermont. Upon any such incorporation, the owners of all the Lots within the Property shall automatically become members of such incorporated Association, with all rights, entitlements, responsibilities, and obligations provided herein continuing in full force and effect.

The Association shall fulfill and carry out its duties, functions, and authorities in the following manner:

(a) The Association is formed for the general purposes of preserving and promoting the residential character and living conditions for the common betterment of all owners, operating, maintaining, repairing and replacing as necessary the common access roadways, utility lines and other common betterments and improvements promoting the health, safety, and welfare of its members, and establishing and collecting such regular and special assessments from time to time as are necessary or advisable for carrying out the duties, functions, and authorities of the Association. Reference is made to the provisions set forth hereinbefore in this Declaration for a particular description of the powers, purposes, and obligations of the Association.

(b) Each owner of a Lot covenants and agrees by virtue of acceptance of a deed of conveyance for such Lot as an essential incidence of ownership of a Lot that such owner shall be a member of the Association and shall be entitled to the benefits of, and

shall be subject to, the bylaws, rules, regulations, rights, and obligations of the Association. Membership in the Association shall be automatic upon acquisition of a Lot, and likewise conveyance or other cessation of ownership of a Lot shall automatically terminate membership in the Association.

(c) The term "owner" as used herein refers to the individual or individuals (where one, two, or more persons), corporation, partnership, or other such entity owning the fee title to any Lot.

(d) The owner of each Lot (whether or not sold or constructed upon) shall be entitled to one vote in the Association. In the event two or more persons or entities own a Lot as co-owners, all such co-owners shall collectively be entitled to exercise the one vote appurtenant to the Lot. In the event a person owns more than one Lot, she shall have the number of votes equal to the number of Lots. A corporation, partnership, or other such entity owning a Lot shall appoint, in writing, a duly authorized agent to cast the vote appurtenant to the Lot.

(e) Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot. The share of a Lot owner in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an incidence of ownership of the Lot.

(f) The affairs of the Association shall be conducted by its officers, who shall be designated and elected in the manner provided in the Bylaws of the Association, and who shall have for such purpose all authority of the Association as is permitted by law, including the authority to delegate all or a portion of such authority to a duly appointed manager or agent. The Bylaws of the Association shall be in the form annexed hereto as Exhibit A, the provisions of which are incorporated herein by reference and made an integral part of this Declaration.

23. Purposes and Powers of the Association. The Association shall, in addition to all general purposes, duties, and, powers allowed by law, have the following purposes and powers:

(a) To ensure proper maintenance, repair and replacement as necessary of the access roadways serving the Lots within the Property, including, but not limited to, snowplowing, sanding, graveling, grading, culvert replacement, drainage slope maintenance, roadway shoulder mowing and clearing, and other such upkeep operations.

(b) To hire and employ persons and firms, including engineers, attorneys, accountants, and other employees, agents and contractors, as are necessary or advisable to carry out the duties

of the Association, and to determine their respective salaries or compensation.

(c) To make and enter into contracts and agreements of all sorts in any way pertaining to proper operation and management of the Association.

(d) To deposit, safekeep, expend, and otherwise deal with funds of the Association with banks and other financial service institutions of all types, including opening and maintaining savings, checking, and other accounts; borrowing money and incurring obligations and mortgaging, hypothecating, or otherwise providing security therefore; and investing and reinvesting funds of the Association as appropriate. All checks, notes, or other obligations for payment of money or other evidences of indebtedness issued in the name of the Association shall be signed by the President and Treasurer, except for obligations not exceeding \$500.00, which may be signed by the President or Treasurer alone with due authorization of the Association.

(e) To purchase, acquire, own, improve, and otherwise deal with real and personal property, or any interest therein, of every nature and description, and to sell convey, mortgage, hypothecate, lease, transfer, and otherwise dispose of any or all of such property.

(f) To determine, levy, and collect regular and special assessments and charges in amounts reasonably necessary to carry out the duties of the Association and to establish the means and methods of collecting such assessments from members, all subject to and in accordance with the provisions contained in this Declaration.

(g) To make, amend, promulgate, and enforce reasonable administrative rules and regulations for the common betterment of the owners.

(h) To enforce by legal means all provisions of this Declaration and the Bylaws annexed hereto, as the same may be amended from time to time and to take all other lawful actions and exercise all powers permitted by law as are necessary or advisable to carry out the duties of the Association.

24. Payment of Common Expenses and Assessments. Each owner shall be obligated to pay his/her proportionate share of all common expenses and assessments incident to his/her Lot as follows:

(a) The common expenses and assessments shall be used exclusively for purposes of operation, maintaining, repairing, and replacing, as necessary, the access roadways, utility systems and

lines, and other common facilities now or hereafter located upon the Property and in general for promoting the recreation, health, safety, and welfare of the residents of the Property. Costs and expenses encompassed by regular assessments shall include, but not be limited to, all necessary or advisable charges for labor, equipment, materials, real and personal property taxes, insurance, management, maintenance, and supervision within the Property. Determination, levying, and collection of the common expenses and assessments shall be carried out in accordance with the provisions contained in the Bylaws of the Association.

(b) The regular assessments shall reflect the particular proportionate cost-sharing obligations of the Lots.

(c) All common expenses and regular assessments, together with any supplemental or special assessments approved by the Association, shall constitute debts enforceable against the owner liable therefore. Any owner who fails or refuses to pay any such assessment when due shall be liable for a late payment penalty charge of ten percent (10%) of the delinquent amount, together with interest on the delinquent amount accruing from the due date at the rate of twelve percent (12%) per annum. Suit to recover a money judgment for unpaid assessments may be brought against the owner. An owner shall be responsible for all costs, including reasonable attorney's fees incurred in making collection efforts, enforcing payment, and initiating and maintaining legal proceedings, including foreclosure of the lien arising against the Lot resulting from default in payment against any such delinquent obligation.

(d) In the event any assessment is not paid when due, there shall arise a lien against the Lot, in favor of the Association, to secure all sums due for payment of the delinquent assessment, including late payment charge, interest, and all costs including reasonable attorney's fees then or thereafter incurred in collecting the delinquent assessment. All persons and entities which shall acquire, by whatever means, ownership of a lot are hereby placed on a notice of lien of right of the Association affecting each Lot which shall continue in effect until all sums have been fully paid. In addition, the Association may record a notice of lien in the Stowe Land Records to provide further notice of its lien rights. Following recordation of said notice of lien, the lien may be foreclosed in the same manner as provided for foreclosure of real estate mortgages under Vermont Law. An action at law to enforce collection from an owner of all amounts due for delinquent assessments shall not be deemed to be an election preventing the Association from thereafter initiating a foreclosure action against the Lot, nor shall any foreclosure action be deemed to be an election precluding the Association from maintaining an action at law for a money judgment against the owner.

(e) In addition to payment of common expenses and regular assessments, each owner shall be liable for and pay his/her proportionate share of, any special and supplemental assessments for capital improvements, unanticipated expenses, and the like, duly authorized by the Association in accordance with procedures contained in the Bylaws.

25. Compliance with Permits; Matters Affecting Certain Lots. The Property and all provisions contained in this Declaration are subject to all applicable laws, ordinances, regulations, permits, approvals, and requirements of the State of Vermont and the Town of Stowe, and any agencies or instrumentalities thereof, including specifically, but not limited to, the Permits.

26. Enforcement. All owners of Lots within the Property are subject to and have the benefit of the burdens and benefits of the provisions set forth and referred to in this Declaration. In the event of a breach or violation by any owner, Declarant, the Association of Owners, and/or the owner or owners of any other Lot(s) affected adversely thereby, may enforce the provisions of this Declaration against the violating owner by appropriate proceedings for monetary damages, injunctive relief, or otherwise. No delay, neglect, or omission to take appropriate enforcement action shall be construed as a waiver of, or acquiescence in, violation or breach of any covenant, condition, or restriction, and enforcement action may be taken at any time so long as this Declaration is in force.

27. Costs of Enforcement. All costs and expenses, including reasonable attorney's fees, incurred in any enforcement actions against a violating owner shall be the obligation of and be paid by the violating owner. In the event any such owner fails or refuses to pay such costs and expenses, a lien shall arise against the owner's Lot and shall continue thereon, together with interest accruing on the amount of said lien at the rate of twelve percent (12%) per annum until all costs and expenses secured by such lien are paid in full. The lien may be foreclosed in accordance with the provisions of Vermont law applicable to foreclosure of mortgages of real property. In the event of foreclosure, the violating owner shall be required to pay all costs and expenses of such proceedings, including reasonable attorney's fees.

28. Amendments, Modifications, and Waivers. The Declarant reserves the right to amend, modify, or waive any or all of the covenants, conditions, and restrictions set forth in this Declaration which it determines to be appropriate and consistent with the rural residential nature of the Property, provided, however, that no such amendment, modification, or waiver shall affect any Lot conveyed by Declarant prior to such amendment, modification, or waiver unless the owner of such Lot consents in

writing thereto. In addition to this right reserved by Declarant, any or all of said covenants, conditions, and restrictions may be amended or modified by written consent or affirmative vote of the record owners of seventy-five percent (75%) of the number of lots within the Property, provided, however, that Declarant's written consent shall be required for so long as the Declarant owns any Lot within the Property, and provided further that any amendment altering the method of determining the proportionate sharing and payment of common expenses shall require the written consent of affirmative vote of one hundred percent (100%) of the owners. No such amendment, modification, or waiver shall alter, revise, modify, or otherwise affect the rights-of-way, easements, and other rights and uses appurtenant to any Lot unless the owner of such Lot consents in writing to any such amendment, modification, or waiver. Any such amendments, modifications, or waivers may apply to all or any one or more of the Lots unless the owner of such Lot consents in writing to any such amendment, modification, or waiver. Any such amendments, modifications, or waivers may apply to all or any one or more of the Lots and shall be deemed to be part of the general plan for development and protection of the Property and shall be binding upon the owner(s) affected thereby and such owner(s)' heirs, successors, and assigns. Any such amendments, modifications, or waivers shall be in conformance with all environmental and zoning permits and approvals governing the Property, and with respect to any substantial change to the provisions in this Declaration, the review and written approval of the Vermont District V Environmental Commission and the Stowe Planning Commission shall be required, as provided in the aforereferenced Land Use Permits and in this document and the Putnam Forest Survey Map.

29. Validity. Invalidation of any one or more of the covenants, conditions, or restrictions contained herein by a court or other tribunal of appropriate jurisdiction shall not affect in any manner the other provisions herein, which shall remain in full force and effect.

30. Duration. This Declaration, together with any and all amendments and modifications, shall remain in full force and effect for a period of twenty-five (25) years from the date hereof, at which time this Declaration shall terminate, provided, however that this Declaration shall be automatically extended for a period of ten (10) years, and thereafter for a successive ten-year period unless on or before expiration of the initial twenty-five year period or any such ten-year extension, the owners of one hundred percent (100%) of the lots created within the property shall, by written instrument duly recorded in the Stowe Land Records, declare a termination of this Declaration. Any such termination shall require the prior written approval and consent of the environmental and zoning regulatory bodies having jurisdic-

tion over the Property, including specifically the Vermont District V Environmental Commission.

31. Assignability, Exercise and Transfer of Rights, Authorities, Duties and Declarant's Powers.

(a) In the event of a sale of this project to a third party, all rights of Declarant under this Declaration shall be assigned. The Declarant shall exercise and carry out the rights, authorities, and duties held by it pursuant to this Declaration.

(b) No approval or consent rights shall devolve automatically upon persons or entities who are successors in title and assigns of Declarant acquiring title to Lots within the Property. Rather Declarant may only transfer, delegate, or assign such approval and consent rights by written instrument appointing such other person or entity as Declarant may select to exercise the approval and consent rights.

(c) Upon conveyance of all Lots within the Property by Declarant, all residual rights and duties to carry out, administer and enforce the provisions of this Declaration, that have not been theretofore assigned and transferred to the Association of Owners shall thereupon be assigned and transferred to the Association of Owners, whereupon the Association of Owners shall have and shall succeed to all said rights and duties, with the same powers and obligations, as are held by Declarant pursuant to this Declaration.

(d) The Declarant shall have the exclusive right to develop, construct, or create additional Lots on the Property or from additional lands acquired by Declarant, and the right to modify and change the roadways drainage and utility lines within the Property in accordance with State and local planning and zoning approvals.

(e) The Declarant shall have exclusive right to grant and/or reserve easements and rights of way through, under, over, and across the Property to the extent necessary and appropriate for development of the Property consistent with the present State and local permits and approvals, including, but not limited to, the installation, repair, replacement, maintenance and inspection of lines and appurtenances for water, sewer, drainage roads, and all other utilities, which easements and rights-of-way shall include necessary tree cutting rights, drainage rights and slope rights, including the right to construct open drainage swales.

(f) The Declarant shall have the exclusive right to make allocations of sewer capacity to one or more Lots. No one may take any action which would increase the sewer usage or allotment to a Lot

within the Project without the express written consent of the Declarant.

(g) The Declarant hereby reserves the right to store construction material in, and to enter upon the Property for any purpose during the sale of Lots or the construction of houses on Lots.

Dated at Stowe, Vermont the 26th day of June, 1998.

Witnessed

Declarant
Schindler Development Corporation

Dan Spira
Jeff Major

John Schindler
By: John Schindler, Duly Authorized Agent

STATE OF VERMONT
COUNTY OF LAMOILLE, SS.

At Stowe, in said County, on this 26th day of June, 1998, John Schindler, personally appeared and he acknowledged this instrument, by him sealed and subscribed, to be his/her free act and deed and the free act and deed of Schindler Development Corporation.

Before me

Jeff Major
Notary Public
My commission expires:
2/10/99