

COVENANT
ESTABLISHING
LANG FARM ROAD OWNERS ASSOCIATION

NOW COME the hereinafter identified lot owners (hereinafter referred to collectively as owners and individually as owner) and hereby covenant, declare and agree that each owner and their successors in title to their respective lots shall become subject to and bound by the provisions contained herein. This instrument shall be a covenant real, which shall, upon recordation in the Stowe Land Records, run with the land and be binding upon and inure to the benefit of each owner and their successors in title to those properties hereinafter identified:

R E C I T A L S :

A. An "Owner" (also herein referred to collectively as "Owners") is defined as a person, persons, trust, or corporation, or other entity which is the beneficial owner of a lot ("Lot") located within a residential subdivision located in the area known as Stowe Hollow, Vermont, being as outlined in sketch map (Appendix A) attached. Exhibit B is a list of the owners eligible to be members of the Lang Farm Road Owners Association as of the date of the execution of this agreement.

B. Access to each lot is provided by a private road now known as Lang Farm Road (hereinafter referred to as the Road);

C. Although each owner has a right-of-way in common over and upon the Road and the owners have cooperatively maintained and repaired the road in the past, no formal mechanism currently exists for the maintenance and repair of said Road and for the sharing of expenses of such maintenance and repair among those who have the beneficial use of and deeded rights of way over and upon the Road.

D. The owners now desire to establish an association of owners to provide for continued maintenance and repair of the Road including snowplowing, placing of sand in icy conditions, the filling of potholes and grading of road profile, the placing of gravel, the keeping of side ditches and culverts, the preservation of driveway access, and the brushing out of sidebanks of the ditches, all to the commonly prevailing standards of a privately owned gravel country road in Vermont, passable by two cars proceeding slowly and carefully in opposite directions, and consistent with daily access in all seasons of the year by the Owners, visitors, tenants, clients and others serving them, and further to establish a mechanism to ensure that each owner who benefits from the common right-of-way pays for his/her proportionate share of the costs of maintaining And repairing the Road.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the owners covenant and agree as follows:

1. Association of Owners. There is hereby organized and established an unincorporated association of owners to be known as the Lang Farm Road Homeowners Association (hereinafter sometimes referred to as the Association). The purpose of the Association shall be to inspect, maintain, repair and replace the Road, including side slopes, culverts under the road and under lot driveways (as hereinafter specified). Maintenance and repair shall include snowplowing, sanding, grading, graveling, and the application of dust reduction materials where appropriate as approved at the owners meeting.

All owners shall be members of the Association. There shall, however, be only one vote for each lot. Where a lot is owned by more than one person, the owners of the lot shall designate one person to represent the lot and to cast the lot's one vote. Where more than one lot is owned by a person or persons, there shall be one vote for each lot owned.

Any lot for which there are outstanding delinquent assessments shall not be eligible to vote on any matter brought before the Association.

The fiscal year of the Association shall be September 1 - August 31.

2. Road Use. It is hereby confirmed that each owner shall have a perpetual non-exclusive right of way, in common with the other owners, over, upon and across the Road for purposes of vehicular, pedestrian, or other access to his/her lot, but until otherwise agreed by at least seventy percent (70%) of the eligible voting owners, this shall remain a private road.

3. Road Maintenance. Each lot upon which construction of a structure has commenced shall be subject to assessment for a full per capita share of all costs of the following work (hereinafter referred to as Road Maintenance): inspections, maintenance, repair and replacement of the Road, including its side slopes, culverts under the road and culverts under lot entrances but within 25 feet of the centerline of the road, Road sanding, grading, graveling and the application of dust reduction materials as approved.

Each lot upon which construction of a structure has not commenced shall be subject to assessment for a 50% per capita share of all of said costs.

There are seven (7) lots with structures thereon and four (4) lots without structures thereon accessed by the Road, the formula for establishing each lot's per capita share would, therefore, be $7x + 2$ (i.e., 4 times $.5 = 2$) $x =$ total costs. If the annual Road Maintenance costs of the Association were \$4,250, the formula is $9x = \$4,250$; the full per capita share would be \$473 (\$472.22 rounded to the next highest dollar. Each of the seven (7) lots with structures thereon would pay \$473 each (\$3,311) and each of the four (4) lots without structures thereon would pay \$236.50 each (\$946). $\$3,311 + \$946 = \$4,257$.

Where a lot is owned by more than one owner, each co-owner shall be jointly and severally liable for the full amount of the per capita share assessed to the lot.

4. Administration. On or about the commencement of the Association's fiscal year, the Association, at a meeting of its members, shall approve a budget for the following fiscal year and shall elect a Road Commissioner, a Treasurer and an Administrator to serve for the following fiscal year. The budget shall be approved and each officer shall be elected by a majority of the votes eligible to be cast at the meeting. Unless otherwise agreed upon by a majority vote, the annual meeting of the Association shall be held in Stowe, Vermont on the weekend immediately before or after the 4th of July. Notice of the annual meeting and a copy of the proposed budget shall be mailed out to all owners at least two weeks prior to the annual meeting by the Administrator.

a. Annual Budget. The annual budget shall be sufficient to cover the anticipated costs of the Association for the following fiscal year, which shall include all estimated Road Maintenance costs and such additional costs and/or reserves as may be approved by the membership.

b. Annual and Special Assessments. The approved budget shall be the basis for annual assessments of each lot's per capita share of Association costs for the following fiscal year. Invoices for each lot's annual assessment shall be mailed to each owner prior to August 1 of each year and shall be due and payable not later than September 1. In the event it is determined by the Road Commissioner that the approved budget will be insufficient to cover actual Road Maintenance costs during any fiscal year, the Treasurer, with the agreement of the Administrator, shall be authorized to collect one or more special assessments during that fiscal year to cover the amount of any such costs in excess of the approved budget. However, if the costs will exceed 15% over the approved budget, the approval of one additional owner for such expenditures shall be required. Invoices for any

special assessments shall be prepared and mailed out by the Treasurer and shall be due and payable within fourteen (14) days of the invoice date. Any assessment not paid when due shall be delinquent. Interest shall accrue on each delinquent assessment at such rate of interest as shall, from time to time, be established by the Association. Each owner shall also be liable for all costs, including reasonable attorneys fees, as may be incurred by the Association in collecting delinquent assessments and interest, and all costs in enforcing the lien hereinafter provided for. Unpaid assessments, together with interest thereon and collection costs, shall constitute a lien against the lot without the necessity of recording a notice thereof in the Stowe Land Records. Said lien shall be a first lien against the lot for all purposes and may be foreclosed by the Association in the same manner as the foreclosure of mortgages and judgement liens. The Association shall be entitled to recover all costs, including reasonable attorney's fees, as may be incurred in foreclosing its lien. The Association shall also be entitled to recover delinquent assessments, interest and costs directly from the owner(s) without the necessity of foreclosing its lien against the lot and without waiving its lien against the lot. Where a lot is owned by more than one person, each co-owner shall be jointly and severally liable for the full amount of the delinquent assessments, interest and collection costs.

c. Road Commissioner. The Road Commissioner, in consultation with the Administrator, shall arrange for all Road Maintenance services reasonably required in order to keep and maintain the road in good order and repair and passable by ordinary automobiles at all times during the year. Subject to Paragraph 4(b) above, the Road Commissioner is authorized to arrange for Road Maintenance services not specified in the approved budget and to expend monies in excess of the approved budget when, in the opinion of the Road Commissioner, after consultation with the Administrator, such additional services, and/or such additional expenditures are reasonably required in order to keep and maintain the Road in good order and repair. The Road Commissioner is authorized to exercise his/her best judgement in determining when Road Maintenance services may be necessary or appropriate given those weather and Road conditions which may exist from time to time, in order to keep and maintain the Road in good repair and driveable condition.

d. Treasurer. The Treasurer shall prepare, mail out and collect payment of assessments from all owners. The Treasurer shall pay all expenses of the Association and keep and maintain a separate banking account in the name of the Association. The

Treasurer shall keep the financial records of the Association, provide an annual financial statement for the Association members and, in consultation with the Road Commissioner and Administrator, prepare the proposed annual budget for the Association.

e. Administrator. The Administrator shall consult with the Road Commissioner with respect to the contracting for all Road Maintenance and with respect to the need for one or more special assessments and shall call and preside at all meetings of the Association. The Administrator shall, in general, perform all administrative duties on behalf of the Association not performed by the Road Commissioner and the Treasurer. The Administrator shall be authorized to represent the Association in all collection and/or lien foreclosure proceedings and to execute necessary documents on its behalf.

5. Improvements. No improvements to the road shall be made unless approved by at least seventy percent (70%) of the votes eligible to be cast at the time of the vote. If an improvement is approved the cost shall be the subject of a separate special assessment charged and invoiced to the owners in the same manner as is the annual assessment; provided, however, if an improvement is approved at an annual meeting of the Association, it shall be included in the annual budget for the following fiscal year.

6. Driveways. The Association shall be responsible for maintaining one (1) driveway entrance, including necessary culverts within 25 feet of the centerline of the road, for each lot. An owner shall be entitled to construct one additional entrance for his/her lot, but the owner shall be solely responsible for all costs of maintaining, repairing and replacing the additional driveway entrance and any culvert thereunder. Each owner shall be responsible for maintaining his/her driveway(s), including side slopes and ditches, in such a manner so as to not cause erosion of the Roadway.

7. Release from Liability. Each owner hereby releases the Association, Road Commissioner, Treasurer, Administrator and each other from any and all liability with respect to Road Maintenance. Each owner recognizes that Vermont weather (from winter ice through spring mud to summer pot holes) can result in unsafe driving conditions and that no amount of Road Maintenance can guarantee safe road conditions at all times. It is the intent of this provision to release the Association and its officers and owners from any liability for personal injury, including death, and property damage which may result from any

accident or incident involving any person or vehicle upon or in close proximity to the Road. This provision shall not, however, release any officer from liability for misappropriation of funds or any act of fraud or any such similar act, nor shall this provision in any way prevent any owner from enforcing the terms of this Covenant against the Association or any other owner.

8. Lot Owners. The lot owners who are joining in the execution of this Covenant and their lots are identified as follows:

A. Michael B. Hubler. Being all and the same lands and premises conveyed to Michael B. Hubler by Warranty Deed of Karen L. Dwight, dated July 1, 1994 and recorded at Book 283, Pages 249-251 of the Stowe Land Records.

B. Eric Cohen. Being all and the same lands and premises conveyed to Eric Cohen by Warranty Deed of Lawrence S. Damom, dated October 28, 1974 and recorded at Book 77, Page 110 of the Stowe Land Records.

C. Susan Feig Cohen. Being all and the same lands and premises conveyed to Susan Feig Cohen by Warranty Deed of Lee P. Butterworth, dated May 12, 1989 and recorded at Book 187, Page 142 of the Stowe Land Records.

D. Lamoille County Income Property Exchange. Being all and the same lands and premises conveyed to Lamoille County Income Property Exchange by Warranty Deed of Jonathan C. Wettstein, Philip G. Gillingham and David Chubb, dated April 15, 1993 and recorded at Book 257, Pages 102-103 of the Stowe Land Records.

E. Stephen F. Lichtenstein and Carol D. Lichtenstein. Being all and the same lands and premises conveyed to Stephen F. Lichtenstein and Carol D. Lichtenstein by Warranty Deed of Frederick Benn and Renee Benn, dated October 28, 1986 and recorded at Book 128, Pages 60-62 of the Stowe Land Records.

F. John L. Campbell and June M. Campbell. Being all and the same lands and premises conveyed to John L. Campbell and June M. Campbell by Warranty Deed of Stowe Trading Corporation, dated September 18, 1969 and recorded at Book 60, Pages 535-536 of the Stowe Land Records.

G. Robert A. Lepito, Jr. and Phyllis A. Lepito. Being all and the same lands and premises conveyed to Robert A. Lepito, Jr. and Phyllis A. Lepito by Warranty Deed of Anne Marie Godrim Wallace, dated November 3, 1986 and recorded at Book 128, Pages 147-149 of the Stowe Land Records.

H. Shirley Anne Sultan. Being all and the same lands and premises conveyed to Shirley Anne Sultan by Warranty Deed of Ralph M. Sultan, dated March 24, 1990 and recorded at Book 202, Page 279 of the Stowe Land Records; and being more particularly described as that portion thereof which was conveyed to Ralph Sultan by Warranty Deed of Elise Holmes Braun, formerly Elise Holmes LaTaille and Robert Braun, dated April 30, 1976 and recorded at Book 80, Pages 451-453 of the Stowe Land Records.

I. Shirley Anne Sultan. Being all and the same lands conveyed to Shirley Anne Sultan by Warranty Deed of _____, dated _____ and recorded at Book _____, Page _____ of the Stowe Land Records. (Note to George Stearns: This is the unimproved acreage owned behind the Sultan lot and home. Note right of way to same on map attached as Exhibit A.)

J. E. Edward Oram and Warner L. Malson, Jr. Being all and the same lands and premises conveyed to E. Edward Oram and Warner L. Malson, Jr. by Warranty Deed of William A. Hiserodt and Anne N. Hiserodt, dated May 14, 1986 and recorded at Book 122, Pages 319-320 of the Stowe Land Records.

K. Karen Long Dwight. Being all and the same lands conveyed to Karen Long Dwight by Warranty Deed of John L. Lupien and Pierrelte M. Lupien, dated December 30, 1986 and recorded at Book 132, Page 32 of the Stowe Land Records.

9. Lot Owners Not Joining. There may be owners of lots listed on Exhibit B who refuse to join in the execution of this Covenant and to become members of the Association. By virtue of their deeded rights of way and beneficial use of the Road, these lot owners have, nevertheless, a legal obligation to share in the costs of maintaining, repairing and replacing the Road. Each lot owner who joins in the execution of the Covenant herein authorizes and appoints the Association to act on his or her behalf to collect from any such lot owner holding a right of way over and upon the Road who refuses or otherwise fails to contribute to the costs of Road Maintenance all sums for which such lot owner may be liable in law or equity for Road Maintenance costs. The Association is authorized to bill any owner of a lot having a deeded right of way over and upon the

Road who has not joined in the execution of this Covenant for a reasonable contribution to the costs of Road Maintenance, which contribution shall include a reasonable administrative fee payable to the Association for providing the Road Maintenance for the benefit of the lot owner(s). Such lot owner(s) may hereafter become members of the Association, upon such terms as may be established by the Association, which terms may include payment of a fee and/or reimbursement to the Association for a per capita share of all prior Road Maintenance costs not paid for by the lot owner(s), together with interest thereon. The admission of such lot owner(s) to the Association and the commitment by such lot owner(s) to bind him/herself and his/her lot to this Covenant shall be evidenced by an Amendment to this Covenant executed by the lot owner(s) and the Administrator of the Association and recorded in the Stowe Land Records.

The assessment of any administration fees or reimbursement for prior costs shall not apply to any member who is not delinquent in the payment of assessments and who subdivides a lot subject to this agreement.

New owners replacing names of members listed on Exhibit B shall be contacted by the Administrator who shall offer to answer any questions with regard to the Association.

10. Exit from the Association. It is acknowledged that certain owners may provide alternative road access to their Lot or Lots from town roads, thus not requiring use of the Road. Any owner may give 90 days notice of his or her intention to exit from the Association, through providing evidence of giving up his or her right-of-way over the Road, and such owner shall pay his or her pro-rata share of any expense assessments accruing up to the date of such exit, and shall thereafter no longer be a member of the Association or be bound by its Covenants, and shall no longer have the use of the Road. The Road Commissioner shall have the right and obligation to block physical access to any driveway affected by such withdrawal from the Association. The Administrator shall file with the Town Clerk or other appropriate authorities such notice of withdrawal from the Association, and Covenants thereto.